CITY OF MACON

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2025

CITY OF MACON

AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2025

TABLE OF CONTENTS

TABLE OF CONTENTS (continued)

WILLIAMS KEEPERS LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2005 West Broadway, Suite 100
Columbia, MO 65203 | (573) 442-6171

3220 West Edgewood, Suite E
Jefferson City, MO 65109 | (573) 635-6196

www.williamskeepers.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
of the City of Macon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities (cash basis), the business-type activities (accrual basis), each major fund, and the aggregate remaining fund information of the City of Macon (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities (cash basis), the business-type activities (accrual basis), each major fund, and the aggregate remaining fund information of the City as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 audit opinions.

Emphasis of Matter

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements related to the City's governmental activities and governmental funds are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting for the governmental activities and the governmental funds (as described in Note 1) and with GAAP for the business-type activities and the proprietary funds, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

GAAP requires that the management's discussion and analysis and the pension plan schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison schedules, the non-major governmental funds financial statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Williams Keepers LLC

Columbia, Missouri
June 2, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF MACON

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

This discussion and analysis is prepared by the City of Macon's (the City) management and is meant to provide an objective and easily readable analysis of the City's financial activities based on current facts and conditions. Please read this in conjunction with the accompanying basic financial statements.

Description of City Activities

The City is located in central Missouri and is governed by a city administrator, an elected mayor, and an eight-member council. The City also has a Board of Public Works, which oversees the utilities, and a Library Board of Directors, which oversees the library.

The Governmental Funds provide public safety (police and fire), health (animal control and solid waste), street and infrastructure maintenance, recreation (parks and library), economic development and airport services.

The Enterprise Funds (Macon Municipal Utilities, or MMU) provide electricity, natural gas, water, and wastewater services to the City of Macon and is governed by the four-member Macon Municipal Utilities Board of Public Works. MMU purchases electricity from the Missouri Public Energy Pool (MoPEP) in Columbia, Missouri and receives transmission services from the Northeast Missouri Electric Power Cooperative in Palmyra, Missouri. While sold to MoPEP, most of the electricity generated by MMU's 10 megawatt (MW) natural gas-powered turbine generator located approximately four miles east of the City at the site of the POET Biorefining, Inc. - Macon ethanol plant and the 3.2 MW solar farm owned by MC Power and located in the Heartland Industrial Park is consumed by MMU customers. MMU obtains its water from the U.S. Army Corps of Engineers' Long Branch Lake located approximately one mile west of the City. MMU is paying debt service through 2029 for 4,400 acre-feet of storage in the lake.

Fiscal Year Highlights

The fiscal year of the City of Macon coincides with the calendar year. Below is a brief description of some of the more salient transactions that took place that reflect Macon's growth and development.

- The City's overall net position increased 4.5%, or $2,934,497 in 2025 compared to an increase of 1.3%, or $830,647 in 2024. Governmental activities' net position increased 3.5%, or $474,259 in 2025 and decreased 7.1%, or $1,048,143 in 2024, while business-type activities' net position increased 4.8% or $2,460,238 in 2025 and 3.8% or $1,878,790 in 2024. These changes were due to operating activities.

- In 2017, the City began receiving funds from a ½ cent Transportation Sales Tax. This sales tax was initially approved by voters for a 10-year period (January 1, 2017 – December 31, 2026); however, during the August 2025 election, voters approved a permanent continuation of this sales tax without a sunset. These funds are used for transportation infrastructure projects and associated transportation system equipment needs. In 2025, the City used these funds for a 6.9-miles of street asphalt overlay project ($1,468,848) and purchases of a dump truck ($191,613), street sweeper ($207,628), and tractor blade ($6,218). The remaining funds will be used in 2026 to make various street repairs and replace the second dump truck, three snowplow work trucks, and skid loader buckets.

- The City utilized Capital Improvement Sales Tax funds allocated for park improvement to complete the construction of the new municipal swimming pool ($317,708), which includes a zero-depth entry beach access, family water side, speed slide, flume slide, current channel, volleyball feature, basketball hoop, shade structures, and more. The pool house also includes concessions, ticketing, and restrooms with park access. A splash pad was also constructed with access from the park for use when the pool is closed, weather permitting. Additional funds were used for pool operations ($108,449), replacement of parks department zero-turn mowers ($40,298), and grant matching funds for a TAP grant project for intersection improvements and construction of a pedestrian sidewalk connecting the new municipal swimming pool at 903 W. Bourke Street to the downtown sidewalk network ($339,750). The remaining Capital Improvements Sales Tax funds will be expended in 2026 to complete the disc golf course signage and to support pool operations, additional TAP grant project matching funds, and park improvements. Bourke Street Park improvements include additional parking, construction of a 10-court pickleball court, one doubles-play tennis court, and a soccer field. Blees Park work includes repairs and improvements to Don Schelle Fields baseball diamonds, fencing, and parking.

- The City utilized Capital Improvement Sales Tax funds allocated for stormwater mitigation to complete the replacement of the Gieselman Drive box culvert ($73,440) and the Bowzer Road culvert tube ($30,950) and match funds for a grant project to purchase a sewer-video camera ($8,963). The remaining funds will be utilized in 2026 for various stormwater street culvert replacements in preparation for a street overlay project in 2027.

- The citizens of Macon passed a ¼ cent Fire Protection Sales Tax in August 2017 and funds from this tax were received beginning January 1, 2018. The revenue collected from this tax is, for the most part, committed until 2028 on the 2018 lease-purchase of two new fire engines ($184,320), the purchase of a new 2026 E-One Typhoon pumper truck ($949,973), and the replacement of expired bunker gear (fire suits).

- Economic growth continued in the City during 2025 with a few businesses changing names or ownership (Jepson Lumber Yard became Forge Build, El Anima Mexican Restaurant became Panchito's Mexican Steakhouse) but remaining open for business. Businesses new to the City include Francis Energy EV charging station, Pot of Gold Bar & Games, The Lair game room, and various food trucks that lend a little savory mix to our local options. Additionally, Westwind Poultry Farms converted the vacant Rock Hill Mechanical Company building into a hatchery facility focused on Bovans Brown, Azur, and ISA Brown genetic breeds and capable of hatching and shipping 30,000 chicks daily.

- ConAgra Brands Foods, the largest private employer in Macon County, began work on a $29.1 million expansion project to the Macon legacy plant, which had had more than a 100-year presence in Macon, and which includes the replacement of outdated equipment and the addition of new equipment to increase cooler and preparation space, enhance production capacity, and improve sustainability. This expansion includes the addition of 26 new employment positions and retention of 340 existing positions, which all pay wages well above the county average, representing a meaningful investment strengthening our community and shaping a stronger tomorrow.

- General revenue was used to replace the Fire/Police Station roof structure damaged during hailstorms in 2024. The City funded an upgrade ($8,600) to this project for class-4 impact resistant 40-year shingles. Additionally, the City procured a sewer camera ($16,463) for maintenance of the stormwater collection systems partially funded with MIRMA grant funds ($7,500).

- Following MMU's submission of the Integrated Management Plan and National Pollutant Discharge Elimination System (NPDES) to the Missouri Department of Natural Resources in 2022, as of December 31, 2025, an updated NPDES permit has not been issued for the Wastewater Treatment Plant. MMU is following Missouri Department of Natural Resources advice and operating under the guidelines of the 2016 permit until the renewal is issued.

- Agri-Genesis's expansion has been cancelled. Agri-Genesis previously purchased an unconstructed building but sold it during 2025. In preparation for the expansion, the majority of the materials were already purchased. When MMU was made aware of the building sale, the materials other than the steel frame structure and associated items were expensed to be utilized in other parts of the electric system. The steel structure and related materials will be constructed by a third-party contactor during 2026.

- The Board of Public Works continued to float natural gas rates in 2025 due to the volatility of the commodity price. The billing rate is per 100 cubic feet for residential, commercial, and industrial customers and the base rate is $7.37. The floating rate is analyzed monthly based on the actual natural gas commodity costs and is adjusted as needed. For 2025, the floating rate ranged from $0.44 to $0.86 per 100 cubic feet. In April 2025, with its supplier Kinect Energy, MMU locked in 45% of historical usage for November 2025 through March 2026 at $4.50 per dekatherm (1,000 ccf). Similarly, MMU locked in an additional 45% of historical usage at $3.89 per dekatherm in August 2025, totaling 90% hedging of historical usage.

The Annual Financial Report

This annual financial report consists of four parts:

- Management's discussion and analysis (this part),

- The basic financial statements, which include the government-wide and the fund financial statements, along with the notes to the basic financial statements,

- Required supplementary information, and

- Supplementary information (budgetary statements for major governmental funds, combining statements for non-major governmental funds and non-major enterprise funds, internal service funds, and fiduciary funds, if any, and the schedule of expenditures of federal awards).

The City presents its financial statements in accordance with Governmental Accounting Standards Board Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Under this standard, the accounting model presents two kinds of information. First, the government-wide financial statements provide both long-term and short-term information about the City's overall financial status. These statements are prepared on a full accrual basis for the business-type activities to present information in a more corporate-like presentation. The governmental activities, however, are presented on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Second, fund financial statements are included to provide useful information on individual parts of the government. The enterprise fund financial statements are also prepared on a full accrual basis while the governmental fund statements are prepared on the cash basis. More relevant detail is provided by distinct presentation of major funds in the basic financial statements, rather than summaries by total fund types.

The notes to the financial statements provide additional information essential for a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Statements

The basic financial statements include two government-wide financial statements: the statement of net position and the statement of activities. These can be found on pages 14 and 15. The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by the private sector, except that as previously noted, the governmental activities are on the cash basis of accounting.

The statement of net position and statement of activities divide the City into the following:

- **Governmental activities** – All of the City's basic services are considered to be governmental activities, including public safety, public works, health, parks, planning, cultural and economic development and general administration. These activities are supported primarily with general City revenue such as sales taxes, gross receipts taxes, property taxes, fines and specific program revenue like permit fees and grants.

- **Business-type activities** – All of the City's enterprise activities are included here. These operations derive revenues from charges for services that are intended to recoup the full cost of operations.

Fund Financial Statements

Another major section of the basic financial statements is the fund financial statements. These statements are on pages 16 – 20. The fund financial statements provide detailed information about each of the City's most significant funds, called "major funds." All "non-major" funds are summarized and presented in a single column.

A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related current liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions or limitations.

The City has two kinds of funds:

- **Governmental funds** – Most of the City's basic services are included in governmental funds. These statements are prepared on a cash basis, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the governmental fund statements. Because this information does not encompass the long-term focus of the government-wide financial statements, additional information is normally provided at the bottom of the governmental funds statements that explains the differences between them. However, since the governmental funds in the fund statements and the governmental activities in the entity wide statements are both presented on the cash basis, there is no reconciliation needed.

- **Proprietary funds** – These statements include both enterprise funds and internal service funds, if any. Statements are prepared on the full accrual basis and include all their assets and liabilities, current and long term. This is the same basis used in the government-wide financial statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other information – In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information related to the City's pension plan, which can be found on pages 44 and 45 of this report.

The supplementary information referred to above can be found on pages 46 – 50 of this report.

Statement of Net Position

The following table reflects the condensed statement of net position as of December 31, 2025 and 2024:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 14,141,027	$ 13,663,339	$ 28,906,525	$ 30,082,114	$ 43,047,552	$ 43,745,453
Capital assets	-	-	26,735,446	24,010,720	26,735,446	24,010,720
Total assets	14,141,027	13,663,339	55,641,971	54,092,834	69,782,998	67,756,173
Pension plan contributions	-	-	86,496	102,206	86,496	102,206
Pension plan - other	-	-	1,363,406	738,530	1,363,406	738,530
Total deferred outflows of resources	-	-	1,449,902	840,736	1,449,902	840,736
Long-term obligations	-	-	1,360,387	2,152,062	1,360,387	2,152,062
Other liabilities	8,115	4,686	2,292,497	1,550,864	2,300,612	1,555,550
Total liabilities	8,115	4,686	3,652,884	3,702,926	3,660,999	3,707,612
Pension plan - other	-	-	45,457	74,535	45,457	74,535
Deferred grant revenue	-	-	-	222,815	-	222,815
Total deferred inflows of resources	-	-	45,457	297,350	45,457	297,350
Net position						
Net investment in capital assets	-	-	25,699,590	22,248,408	25,699,590	22,248,408
Restricted	7,308,723	7,555,394	1,950,608	2,495,340	9,259,331	10,050,734
Unrestricted	6,824,189	6,103,259	25,743,334	26,189,546	32,567,523	32,292,805
Total net position	$ 14,132,912	$ 13,658,653	$ 53,393,532	$ 50,933,294	$ 67,526,444	$ 64,591,947

In 2025 and 2024, governmental activities constituted approximately 20% of total assets and 21% of total net position. In 2025 and 2024, business-type activities constituted approximately 80% of total assets, 100% of liabilities, and 79% of total net position. As noted previously, the governmental activities are reported on the cash basis while the business-type activities are reported on the accrual basis. The governmental activities recognize certain liabilities resulting from cash transactions such as payroll tax withholdings.

The following summarizes comments related to the changes in net position for the year ended December 31, 2025:

- Current and other assets for governmental activities increased in 2025 by $477,688 or 3%. This change was mainly attributable to improved interest rates, delay of planned purchases/projects, and use of grants to offset expenditures.

- Business-type activities realized an overall increase in total assets of $1,549,137 or 3%, which was primarily attributable to $4,167,359 system upgrades in the Waste Water Fund to separate our combined sewer system of storm water and waste water.

- Business-type activities recorded entries to comply with GASB 68 requirements related to the LAGERS pension plan. This included a decrease of $544,599 in the net pension plan asset, an increase of $609,166 in deferred outflows of resources (items that will be reported as an expense in a future period) and a decrease of $29,078 in deferred inflows of resources (items that will be used to reduce expense in a future period). Entries are made based on economic and demographic assumptions, as well as to align timing to the accrual method of accounting. Detailed information related to the pension plan is included in Note 11 of the financial statements.

- Total liabilities for business-type activities decreased by $50,042 or 1% in 2025, which was attributable to the bonds payable for Winter Storm Uri in February 2021, Electric Fund bonds payable decreased $195,473 and Gas Fund by $405,183.

Statement of Activities

The following table reflects the revenues and expenses for the City's activities for the years ended December 31, 2025 and 2024:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 495,948	$ 398,977	$ 17,431,617	$ 17,446,224	$ 17,927,565	$ 17,845,201
Grants and contributions	174,034	166,741	2,887,108	481,200	3,061,142	647,941
General revenues:						
Taxes	5,853,670	5,919,783	-	-	5,853,670	5,919,783
Investment revenue	425,218	374,660	671,853	437,391	1,097,071	812,051
Other	619,107	454,792	421,258	655,006	1,040,365	1,109,798
Gain (loss) on sale of capital assets	-	-	-	(32,962)	-	(32,962)
Total revenues	7,567,977	7,314,953	21,411,836	18,986,859	28,979,813	26,301,812
Expenses:						
City administrator	678,841	554,511	-	-	678,841	554,511
Community development	38,475	1,207,737	-	-	38,475	1,207,737
Police department	994,049	1,094,784	-	-	994,049	1,094,784
Fire department	727,721	656,058	-	-	727,721	656,058
Parks, pool, and cemetery	748,653	3,083,962	-	-	748,653	3,083,962
Public safety	351	2,846	-	-	351	2,846
City collector	120,291	106,850	-	-	120,291	106,850
Street projects	1,971,990	434,821	-	-	1,971,990	434,821
Storm water projects	129,192	55,500	-	-	129,192	55,500
Animal control	25,105	22,158	-	-	25,105	22,158
Solid waste	524,649	274,781	-	-	524,649	274,781
Airport	214,935	177,355	-	-	214,935	177,355
Code enforcement	61,538	72,135	-	-	61,538	72,135
Equipment and building	606,450	376,092	-	-	606,450	376,092
Library	251,478	243,506	-	-	251,478	243,506
Electric utility	-	-	11,604,396	10,025,847	11,604,396	10,025,847
Natural gas utility	-	-	2,446,914	2,389,158	2,446,914	2,389,158
Waste water utility	-	-	2,101,298	2,117,201	2,101,298	2,117,201
Water utility	-	-	2,798,990	2,575,863	2,798,990	2,575,863
Total expenses	7,093,718	8,363,096	18,951,598	17,108,069	26,045,316	25,471,165
Change in net position	474,259	(1,048,143)	2,460,238	1,878,790	2,934,497	830,647
Net position, beginning	13,658,653	14,706,796	50,933,294	49,054,504	64,591,947	63,761,300
Net position, ending	$ 14,132,912	$ 13,658,653	$ 53,393,532	$ 50,933,294	$ 67,526,444	$ 64,591,947

The following comments summarize significant events or changes in governmental activities:

- Taxes decreased $66,113 or 1%. The decrease in taxes is largely attributed to a decrease in franchise and utility taxes (Cable $8,048; Telephone ($9,480); utility commodities ($32,591)) as well as sales and use taxes ($56,458), which includes the adult-use marijuana, fire protection, transportation, and capital improvements sales taxes. These reductions were slightly offset by the increase in collected property taxes ($18,827) and gasoline and vehicle tax distributions from the State motor fuel fund ($25,468). Due to State legislative actions, Cable and Telephone revenues will continue to decrease annually.

- Charges for services increased $96,971 or 24% primarily due to an increase in Merchant license fees ($50,908) collected, airport fuel sales ($14,825), and pool gate fees and concessions ($29,701).

- Grants and contributions increased $7,293 or 4% due to the receipt of grant funds related to reimbursements from 2024 expenditures.

- Community development expenses decreased $1,169,262 or 97% as a result of the majority of the pool construction project occurring in 2024 and the completion and final payments for the airport beacon relocation and replacement project in 2024.

- Parks, pool, and cemetery expenses decreased $2,335,309 or 76% as a result of the completion of the design and construction of a new municipal swimming pool funded through the Capital Improvements Sales Tax revenue.

- Street projects expenses in 2025 increased $1,537,169 or 354% as a result of a milling and asphalt overlay project completed in 2025.

The following comments summarize significant events or changes in business-type activities:

- The Electric Fund's net position decreased by $322,878 in 2025. This can be mainly attributed to the increase in Systems and Main Maintenance expense of items purchased for the Substation 3 expansion for Agri-Genesis that was cancelled ($877,664).

- The Gas Fund in 2025 realized an increase in net position of $225,853. This increase is due to a combination of Interest Income ($92,767) and Transfer In ($148,865) due to redistribution of Operating cash funds.

- The Waste Water Fund's net position increased by $2,596,550 in 2025. The Waste Water Fund recognized grant revenue of $2,815,760 during 2025 from the State of Missouri Department of Natural Resources' American Rescue Plan Act for stormwater separation, which was the largest factor to the increase in net position.

- The Water Fund's net position decreased by $39,287 in 2025. The Water Fund experienced a reduction in Charged for Services ($49,454) during 2025, additionally a Transfer Out ($29,172) was realized due to redistribution of Operating cash funds.

Currently Known Facts

As in any year, energy costs are the largest budgeted items by far and their respective costs continually fluctuate and swing simply due to energy market cost drivers, production cost movements under various contracts in projects within Macon's energy portfolio, and general market exposure and trends. Electricity is supplied to Macon Municipal Utilities by the Missouri Public Energy Pool (MoPEP) Group of the Missouri Joint Municipal Electric Utility Commission (MJMEUC), in which MMU is a voting member of both. MoPEP consists of 35 full requirements cities which, under MoPEP/MJMEUC, actively manage the energy portfolio of the 35-city group. The portfolio includes energy, capacity and transmission components for numerous and diverse resources for all cities. This includes contracts, Purchase Power Agreements, and ownership shares of the portfolio's resources the group has put together and manages. The MoPEP group is keenly focused on long-term rate stabilization. Natural gas is supplied contractually by Kinect Energy Group. Kinect Energy and MMU work together to manage MMU's natural gas needs on a daily basis, oversee month to month purchases, and some hedging activities to mitigate risks in a sometimes very volatile market.

Fund Statements

The City of Macon's fund statements can be found on pages 16 – 20 of the basic financial statements.

The General Fund is the chief operating fund of the City. For external financial reporting purposes only, the General Fund includes the City's internal Common Fund as well as the Airport, Asset Replacement, and Park Funds as they do not meet the definition of a special revenue fund under GAAP and are required to be combined with the Common Fund to form the General Fund in the financial statements.

At the end of the current fiscal year, total fund balance in the General Fund was $5,507,740. The fund balance of the General Fund increased by $674,566 in 2025 compared to an increase of $750,320 in 2024. Other than the items previously mentioned in the "Statement of Activities" section, there were no significant changes in the General Fund's revenues or expenditures in 2025 as compared to 2024. The total fund balance in the General Fund has increased from $47,343 as of December 31, 2014, to $5,507,740 as of December 31, 2025.

Net position, including net investment in capital assets and restricted amounts, of the Electric, Gas, Waste Water, and Water Funds at the end of the current fiscal year amounted to $17,081,781; $7,352,214; $19,016,391; and $9,943,146; respectively. The change in net position in the current fiscal year for the Electric, Gas, Waste Water and Water Funds was ($322,878); $225,853; $2,596,550; and ($39,287); respectively. The change in net position of the Electric, Gas, Waste Water, and Water Funds during 2024 was $1,176,922; $197,682; $290,102; and $214,084; respectively. Significant changes were previously discussed.

Budget Variances

Overall, the General Fund ended both fiscal years 2025 and 2024 with favorable budget variances for revenues netting to $456,701 over budget in 2025 offset by favorable budget variances for expenditures netting to $347,096 under budget in 2025. Transfers were $143,367 under budget. Year-end revenues were approximately 10.5% and 21.4% over budget in 2025 and 2024, respectively. Year-end expenditures were approximately 7.6% and 6.7% under budget in 2025 and 2024, respectively. Overall, the General Fund ended with a net increase of $660,430 over budget.

2025 Major Capital Assets

The following summarizes significant changes in capital assets for the Enterprise Funds. Because the Governmental Funds are reported on a cash basis, no capital assets are reported for governmental activities in the entity-wide statements.

- To continue to provide more uninterrupted power to citizens, additional sections of overhead primary lines were converted to underground ($38,959).

- Various water main replacements were made in 2025 following the Owner Supervision Plan on file with the Missouri Department of Natural Resources ($47,134).

- Waste Water collection manhole lining, bid in 2025, was contracted with Smico Contracting Group ($134,164). MMU budgets these types of infrastructure improvements annually to rehabilitate an aged wastewater collection system to better service our customers.

- To allow for future material storage a lot at Main Street and Southeastern Drive, Macon, MO was purchased ($41,795).

- In addition to main replacement, the Water Fund purchased analytical equipment ($47,938) for the treatment plant.

- In addition to manhole lining, the Waste Water Fund purchased a slide gate ($35,631) and alarming software ($18,570) for the grit chamber.

- Equipment purchases were also made in 2025 to replace deteriorated items, to make safety enhancements, or to upgrade equipment for operations. A combination of various funds purchased a Kubota RTV-X1100CWL-H side-by-side ($23,265), a 2024 Ram 5500 ($103,581), a John Deere 444-G wheel loader ($98,284) and a 2024 Ram 5500 bucket truck ($220,625).

Additional information regarding the City's capital assets can be found in Note 5 on pages 30 and 31 of this report.

Long-Term Debt

At the end of the current fiscal year, the City of Macon had bonded debt in the amount of $435,200. The City has outstanding debt received through the Missouri Utility Emergency Loan Program (MUELP) loan in the amount of $600,656.

The City also has a long-term liability to the federal government related to Long Branch Lake. Additional information regarding the City's long-term debt can be found in Note 7.

Economic Outlook

Many projects were completed in 2025 or are underway that provide a favorable economic outlook in 2026.

The Mainstreet Macon Downtown Association actively promotes economic health and development/ improvements to the downtown area. The group continues to meet and plan events that attract people to downtown Macon. Fundraisers such as the Fork & Cork Festival are held to assist with planned improvements to the area. Several property owners of downtown structures have initiated improvements to their property, which include complete renovation of the entire vacant building to create new livable and commercial spaces.

Macon is recognized as being a Smart Rural Community. Residents within a smart rural community are no longer limited by their rural location as fiber allows for economic development, population sustainability and growth, remote work, e-learning, telemedicine, and more.

The Macon area (Labor-shed area: Macon, Adair, Shelby, Randolph, and Linn) provides educational services above the national average. More than 50% of the population has some form of higher education. Our high school campus houses the Macon Area Career and Technical Education Center (MACTEC) offering student programs including agriculture education, Family and Consumer Sciences, culinary arts, health occupations, early childhood careers, graphic design, criminal justice, building trades, industrial welding, and automotive technology.

While Macon continues to experience a housing shortage, construction continues on an 8-plex and a 5-plex residential development and three additional properties have been cleared for construction of luxury duplexes. Macon County Economic Development sponsored an "affordable housing" initiative and provided for the 2026 construction of five new single-family homes. Additionally, demolition of derelict structures continues to increase the inventory of available building sites.

Water's Edge Aquatic Design and Irvinbilt Constructors, LLC were chosen as the design-build team for the new municipal swimming pool construction project, which is located in the 28-acre park at 903 W. Bourke Street. The construction of a new municipal swimming pool began in fall of 2023 and was substantially completed in July 2024, allowing for a grand opening and a short swimming season in 2024. Application of the non-slip coating to the concessions/bath house floors, addition of stamped concrete bicycle parking area at the pool's front entrance, and installation of the final components of the splash pad were completed in early 2025 so that all features were fully operational for the 2025 swimming season. This project was paid for with Federal American Rescue Plan Act (ARPA) funding and City Capital Improvement Sales Tax Funds at a cost in excess of $4.2 million, which the City diligently saved to avoid paying interest on financing and to protect future funds for facility operation and maintenance.

The City's municipal electric utilities division holds a Diamond rating. This is the highest rating given by the American Public Power Association for electric reliability. The reliable power and water source provides our community with opportunity for growth and business retention.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Any questions regarding the report or request for additional information should be directed to the City Administrator, 106 West Bourke Street, Macon, Missouri 63552.

FINANCIAL STATEMENTS

CITY OF MACON

STATEMENT OF NET POSITION
December 31, 2025

	Governmental Activities - Cash Basis	Business-type Activities - Accrual Basis	Total
ASSETS			
Cash and cash equivalents	$ 4,224,167	$ 10,444,819	$ 14,668,986
Accounts receivable, net of allowance of $26,600	-	2,534,677	2,534,677
Investments:			
Restricted	-	65,991	65,991
Unrestricted	9,790,665	12,600,000	22,390,665
Accrued interest receivable	-	132,425	132,425
Note receivable	126,195	-	126,195
Grants receivable	-	71,348	71,348
Prepaid expenses	-	161,408	161,408
Inventories	-	906,869	906,869
Prepaid water storage	-	104,371	104,371
Capital assets:			
Non-depreciable	-	6,844,117	6,844,117
Depreciable, net	-	19,891,329	19,891,329
Net pension plan asset	-	1,884,617	1,884,617
Total assets	14,141,027	55,641,971	69,782,998
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan contributions	-	86,496	86,496
Pension plan - other	-	1,363,406	1,363,406
Total deferred outflows of resources	-	1,449,902	1,449,902
LIABILITIES			
Accounts payable	-	1,876,789	1,876,789
Accrued expenses	8,115	169,949	178,064
Accrued payroll	-	91,138	91,138
Accrued vacation and sick leave	-	77,270	77,270
Cash overdraft	-	77,351	77,351
Long-term liabilities:			
Due to federal government:			
Amounts due within one year	-	39,490	39,490
Amounts due beyond one year	-	133,416	133,416
Bonds and notes payable:			
Amounts due within one year	-	728,856	728,856
Amounts due beyond one year	-	307,000	307,000
Customer security deposits:			
Amounts due beyond one year	-	151,625	151,625
Total liabilities	8,115	3,652,884	3,660,999
DEFERRED INFLOWS OF RESOURCES			
Pension plan - other	-	45,457	45,457
Total deferred inflows of resources	-	45,457	45,457
NET POSITION			
Net investment in capital assets	-	25,699,590	25,699,590
Restricted for:			
Capital improvements	2,436,312	-	2,436,312
Debt service	-	65,991	65,991
Library	1,941,300	-	1,941,300
Net pension plan asset	-	1,884,617	1,884,617
Public safety	751,760	-	751,760
Street projects	2,179,351	-	2,179,351
Unrestricted	6,824,189	25,743,334	32,567,523
Total net position	$ 14,132,912	$ 53,393,532	$ 67,526,444

The notes to the financial statements are an integral part of these statements.

CITY OF MACON

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

		Program revenues			Net (expense) revenue and changes in net position		
	Expenses	Charges for services	Capital grants and contributions	Operating grants and contributions	Governmental activities (cash basis)	Business-type activities (accrual basis)	Total
Program/Function							
Governmental activities (cash basis)							
City administrator	$ 678,841	$ 258,497	$ -	$ -	$ (420,344)	$ -	$ (420,344)
Community development	38,475	-	21,112	85,701	68,338	-	68,338
Police department	994,049	-	-	-	(994,049)	-	(994,049)
Fire department	727,721	-	-	-	(727,721)	-	(727,721)
Parks, pool, and cemetery	748,653	61,028	-	-	(687,625)	-	(687,625)
Public safety	351	-	57,870	-	57,519	-	57,519
City collector	120,291	-	-	-	(120,291)	-	(120,291)
Street projects	1,971,990	-	-	-	(1,971,990)	-	(1,971,990)
Storm water projects	129,192	-	-	-	(129,192)	-	(129,192)
Animal control	25,105	-	-	-	(25,105)	-	(25,105)
Solid waste	524,649	-	-	-	(524,649)	-	(524,649)
Airport	214,935	168,655	-	-	(46,280)	-	(46,280)
Code enforcement	61,538	-	-	-	(61,538)	-	(61,538)
Equipment and building purchases	606,450	-	-	-	(606,450)	-	(606,450)
Library	251,478	7,768	-	9,351	(234,359)	-	(234,359)
Total governmental activities	7,093,718	495,948	78,982	95,052	(6,423,736)	-	(6,423,736)
Business-type activities (accrual basis)							
Electric utility	11,604,396	10,531,699	71,348	-	-	(1,001,349)	(1,001,349)
Natural gas utility	2,446,914	2,426,507	-	-	-	(20,407)	(20,407)
Waste water utility	2,101,298	1,870,507	2,815,760	-	-	2,584,969	2,584,969
Water utility	2,798,990	2,602,904	-	-	-	(196,086)	(196,086)
Total business-type activities	18,951,598	17,431,617	2,887,108	-	-	1,367,127	1,367,127
Total	$ 26,045,316	$ 17,927,565	$ 2,966,090	$ 95,052	(6,423,736)	1,367,127	(5,056,609)
General revenue							
Taxes							
Property taxes					682,771	-	682,771
Fuel and vehicle taxes					318,798	-	318,798
Franchise and utility taxes					1,271,301	-	1,271,301
Sales taxes					2,356,820	-	2,356,820
Other taxes					1,223,980	-	1,223,980
Interest income					425,218	671,853	1,097,071
MJMEUC agreement					-	119,955	119,955
Miscellaneous					619,107	301,303	920,410
Total general revenues					6,897,995	1,093,111	7,991,106
Change in net position					474,259	2,460,238	2,934,497
Net position - beginning					13,658,653	50,933,294	64,591,947
Net position - ending					$ 14,132,912	$ 53,393,532	$ 67,526,444

The notes to the financial statements are an integral part of these statements.

CITY OF MACON

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
ALL GOVERNMENTAL FUND TYPES
December 31, 2025

	Major Funds				
	General Fund	Capital Improvement Sales Tax Fund	Transportation Sales Tax Fund	Non-Major Governmental Funds	Total
ASSETS					
ASSETS					
Cash and cash equivalents	$ 1,411,526	$ 1,106,452	$ 303,770	$ 1,402,419	$ 4,224,167
Due from other funds	1,823	-	-	134,453	136,276
Investments:					
Unrestricted	4,236,959	900,366	-	4,653,340	9,790,665
Note receivable	-	-	-	126,195	126,195
Total assets	$ 5,650,308	$ 2,006,818	$ 303,770	$ 6,316,407	$ 14,277,303
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds	$ 134,453	$ -	$ -	$ 1,823	$ 136,276
Accrued expenses	8,115	-	-	-	8,115
Total liabilities	142,568	-	-	1,823	144,391
FUND BALANCES					
Restricted for:					
Capital improvements	-	2,006,818	-	429,494	2,436,312
Library	-	-	-	1,941,300	1,941,300
Public safety	-	-	-	751,760	751,760
Street projects	-	-	303,770	1,875,581	2,179,351
Committed to:					
Industrial development	-	-	-	1,316,449	1,316,449
Assigned to:					
Airport	23,844	-	-	-	23,844
Parks	33,753	-	-	-	33,753
Unassigned	5,450,143	-	-	-	5,450,143
Total fund balances	5,507,740	2,006,818	303,770	6,314,584	14,132,912
Total liabilities and fund balances	$ 5,650,308	$ 2,006,818	$ 303,770	$ 6,316,407	$ 14,277,303

The notes to the financial statements are an integral part of these statements.

CITY OF MACON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS

ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 2025

	Major Funds				
	General Fund	Capital Improvement Sales Tax Fund	Transportation Sales Tax Fund	Non-Major Governmental Funds	Total
REVENUES					
Taxes	$ 3,426,540	$ 756,964	$ 756,924	$ 913,242	$ 5,853,670
Licenses, permits, and fines	258,497	-	-	7,768	266,265
Federal and state grants	85,701	-	-	88,333	174,034
Charges for services	229,683	-	-	-	229,683
Interest	184,021	47,861	14,210	179,126	425,218
Miscellaneous	617,235	-	-	1,872	619,107
Total revenues	4,801,677	804,825	771,134	1,190,341	7,567,977
EXPENDITURES					
City administrator	678,841	-	-	-	678,841
Community development	-	-	-	38,475	38,475
Police department	994,049	-	-	-	994,049
Fire department	727,721	-	-	-	727,721
Parks, pool, and cemetery	390,647	358,006	-	-	748,653
Public safety	-	-	-	351	351
City collector	120,291	-	-	-	120,291
Street projects	497,784	-	1,473,848	358	1,971,990
Storm water projects	-	129,192	-	-	129,192
Animal control	25,105	-	-	-	25,105
Solid waste	524,649	-	-	-	524,649
Airport	214,935	-	-	-	214,935
Code enforcement	61,538	-	-	-	61,538
Equipment and building purchases	-	-	397,950	208,500	606,450
Library	-	-	-	251,478	251,478
Total expenditures	4,235,560	487,198	1,871,798	499,162	7,093,718
Excess (deficiency) of revenues over (under) expenditures	566,117	317,627	(1,100,664)	691,179	474,259
OTHER FINANCING SOURCES (USES)					
Operating transfers in	138,945	-	-	340,750	479,695
Operating transfers (out)	(30,496)	(448,199)	-	(1,000)	(479,695)
Total other financing sources (uses)	108,449	(448,199)	-	339,750	-
Net change in fund balances	674,566	(130,572)	(1,100,664)	1,030,929	474,259
FUND BALANCES, JANUARY 1, as previously reported	4,833,174	2,137,390	-	6,688,089	13,658,653
Change within the financial reporting entity					
Non-major to major fund	-	-	1,404,434	(1,404,434)	-
FUND BALANCES, JANUARY 1, as adjusted	4,833,174	2,137,390	1,404,434	5,283,655	13,658,653
FUND BALANCES, DECEMBER 31	$ 5,507,740	$ 2,006,818	$ 303,770	$ 6,314,584	$ 14,132,912

The notes to the financial statements are an integral part of these statements.

CITY OF MACON

STATEMENT OF NET POSITION - ACCRUAL BASIS
ALL PROPRIETARY FUNDS
December 31, 2025

	Major Funds				
	Electric Fund	Gas Fund	Waste Water Fund	Water Fund	Total
ASSETS					
Current assets					
Cash and cash equivalents	$ 6,360,497	$ 1,796,776	$ -	$ 2,287,546	$ 10,444,819
Accounts receivable, net of $26,600 allowance	1,131,708	767,929	222,971	412,069	2,534,677
Grants receivable	71,348	-	-	-	71,348
Accrued interest receivable	43,187	21,973	42,508	24,757	132,425
Prepaid expenses	40,352	40,352	40,352	40,352	161,408
Inventories	490,319	76,518	14,000	326,032	906,869
Prepaid water storage, current portion	-	-	-	22,368	22,368
Total current assets	8,137,411	2,703,548	319,831	3,113,124	14,273,914
Non-current assets					
Investments:					
Restricted	-	-	65,991	-	65,991
Unrestricted	4,600,000	2,000,000	3,800,000	2,200,000	12,600,000
Prepaid water storage, net of current portion	-	-	-	82,003	82,003
Property, plant and equipment, net of accumulated depreciation	3,921,871	2,990,436	15,401,463	4,421,676	26,735,446
Net pension plan asset	848,006	220,494	387,880	428,237	1,884,617
Total non-current assets	9,369,877	5,210,930	19,655,334	7,131,916	41,368,057
Total assets	17,507,288	7,914,478	19,975,165	10,245,040	55,641,971
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan contributions	42,336	9,904	17,075	17,181	86,496
Pension plan - other	683,681	164,079	254,313	261,333	1,363,406
Total deferred outflows of resources	726,017	173,983	271,388	278,514	1,449,902
LIABILITIES					
Current liabilities					
Accounts payable	680,987	303,944	676,308	215,550	1,876,789
Accrued expenses	11,492	2,459	3,527	152,471	169,949
Accrued payroll	44,788	10,098	16,347	19,905	91,138
Accrued vacation and sick leave	30,355	14,563	21,429	10,923	77,270
Cash overdraft	-	-	77,351	-	77,351
Due to federal government, current portion	-	-	-	39,490	39,490
Long-term debt, current portion	195,473	405,183	128,200	-	728,856
Total current liabilities	963,095	736,247	923,162	438,339	3,060,843
Non-current liabilities					
Due to federal government, net of current portion	-	-	-	133,416	133,416
Long-term debt, net of current portion	-	-	307,000	-	307,000
Customer security deposits	151,625	-	-	-	151,625
Total non-current liabilities	151,625	-	307,000	133,416	592,041
Total liabilities	1,114,720	736,247	1,230,162	571,755	3,652,884
DEFERRED INFLOWS OF RESOURCES					
Pension plan - other	36,804	-	-	8,653	45,457
Total deferred inflows of resources	36,804	-	-	8,653	45,457
NET POSITION					
Net investment in capital assets	3,726,398	2,585,253	14,966,263	4,421,676	25,699,590
Restricted for debt service	-	-	65,991	-	65,991
Restricted for net pension plan asset	848,006	220,494	387,880	428,237	1,884,617
Unrestricted	12,507,377	4,546,467	3,596,257	5,093,233	25,743,334
Total net position	$ 17,081,781	$ 7,352,214	$ 19,016,391	$ 9,943,146	$ 53,393,532

The notes to the financial statements are an integral part of these statements.

CITY OF MACON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - ACCRUAL BASIS
ALL PROPRIETARY FUND TYPES
Year Ended December 31, 2025

	Major Funds				
	Electric Fund	Gas Fund	Waste Water Fund	Water Fund	Total
OPERATING REVENUES					
Charges for services	$ 10,461,987	$ 2,418,901	$ 1,746,788	$ 2,597,815	$ 17,225,491
MJMEUC agreement	119,955	-	-	-	119,955
Leachate income	-	-	115,781	-	115,781
Penalties	69,712	7,606	7,938	5,089	90,345
Miscellaneous	230,548	4,628	13,292	52,835	301,303
Total operating revenues	10,882,202	2,431,135	1,883,799	2,655,739	17,852,875
OPERATING EXPENSES					
Production	8,728,828	-	603,156	1,506,922	10,838,906
Distribution	2,051,852	1,899,806	407,063	427,060	4,785,781
Administrative and general	260,178	288,576	300,846	393,250	1,242,850
Depreciation	563,538	258,532	784,181	464,728	2,070,979
Total operating expenses	11,604,396	2,446,914	2,095,246	2,791,960	18,938,516
OPERATING INCOME (LOSS)	(722,194)	(15,779)	(211,447)	(136,221)	(1,085,641)
NON-OPERATING REVENUES (EXPENSES)					
Grant revenue	71,348	-	2,815,760	-	2,887,108
Interest income	262,701	92,767	183,249	133,136	671,853
Interest expense	-	-	(6,052)	(7,030)	(13,082)
Total non-operating revenues	334,049	92,767	2,992,957	126,106	3,545,879
INCOME (LOSS) BEFORE INTERFUND TRANSFERS	(388,145)	76,988	2,781,510	(10,115)	2,460,238
INTERFUND TRANSFERS					
Transfers in	65,267	148,865	-	-	214,132
Transfers (out)	-	-	(184,960)	(29,172)	(214,132)
Net transfers	65,267	148,865	(184,960)	(29,172)	-
Change in net position	(322,878)	225,853	2,596,550	(39,287)	2,460,238
NET POSITION, JANUARY 1	17,404,659	7,126,361	16,419,841	9,982,433	50,933,294
NET POSITION, DECEMBER 31	$ 17,081,781	$ 7,352,214	$ 19,016,391	$ 9,943,146	$ 53,393,532

The notes to the financial statements are an integral part of these statements.

CITY OF MACON

STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
Year Ended December 31, 2025

	Major Funds				
	Electric Fund	Gas Fund	Waste Water Fund	Water Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 10,806,036	$ 2,103,787	$ 1,857,987	$ 2,518,230	$ 17,286,040
Cash received from other sources	230,548	4,629	13,293	52,835	301,305
Cash paid to vendors	(8,834,356)	(1,794,862)	(155,429)	(1,678,237)	(12,462,884)
Cash paid to employees	(1,480,568)	(337,065)	(531,103)	(637,324)	(2,986,060)
Net cash provided (used) by operating activities	721,660	(23,511)	1,184,748	255,504	2,138,401
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating transfers in	65,267	148,865	-	-	214,132
Operating transfers out	-	-	(184,960)	(29,172)	(214,132)
Net cash provided (used) by noncapital financing activities	65,267	148,865	(184,960)	(29,172)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Payment for capital acquisitions	(308,359)	(154,320)	(5,079,460)	(131,419)	(5,673,558)
Capital grants	-	-	2,592,945	-	2,592,945
Principal payments on debt	(195,473)	(405,183)	(125,800)	(39,490)	(765,946)
Interest payments on debt	-	-	(6,052)	(7,030)	(13,082)
Net cash used by capital and related financing activities	(503,832)	(559,503)	(2,618,367)	(177,939)	(3,859,641)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	263,933	93,276	184,250	133,635	675,094
Net cash provided by investing activities	263,933	93,276	184,250	133,635	675,094
Net change in cash and cash equivalents	547,028	(340,873)	(1,434,329)	182,028	(1,046,146)
Cash and cash equivalents, beginning of year	5,813,469	2,137,649	1,356,978	2,105,518	11,413,614
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 6,360,497	$ 1,796,776	$ (77,351)	$ 2,287,546	$ 10,367,468
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$ (722,194)	$ (15,779)	$ (211,447)	$ (136,221)	$ (1,085,641)
Adjustments:					
Depreciation and amortization	563,538	258,532	784,181	464,728	2,070,979
(Increase) decrease in assets and deferred outflows:					
Accounts receivable	180,111	(322,718)	(4,209)	(84,674)	(231,490)
Prepaid expenses	5,932	(9,496)	(1,782)	(1,782)	(7,128)
Inventories	888,380	5,858	3,585	(73,414)	824,409
Prepaid water storage	-	-	-	22,365	22,365
Net pension plan asset	275,181	63,504	101,993	103,921	544,599
Pension plan contributions	7,980	1,841	2,958	3,013	15,792
Pension plan - other	(311,470)	(76,264)	(111,289)	(117,625)	(616,648)
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable	(111,859)	66,590	614,948	110,451	680,130
Accrued expenses	(3,989)	2,459	3,527	1,300	3,297
Accrued payroll	5,275	1,648	2,864	754	10,541
Accrued vacation and sick leave	(10,487)	314	2,310	(30,134)	(37,997)
Customer security deposits	(25,729)	-	-	-	(25,729)
Pension plan - other	(19,009)	-	(2,891)	(7,178)	(29,078)
Net cash provided (used) by operating activities	$ 721,660	$ (23,511)	$ 1,184,748	$ 255,504	$ 2,138,401

The notes to the financial statements are an integral part of these statements.

CITY OF MACON

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Macon (the City) is located in central Missouri and is governed by a city administrator, an elected mayor, and an eight-member council. The City also has a Board of Public Works, which oversees the utilities, and a Library Board of Directors, which oversees the library. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City, for financial purposes, includes all the funds relevant to the operations of the City of Macon. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of Macon that have been determined not to be component units as defined by Governmental Accounting Standards Board (GASB) Statement 61, *The Financial Reporting Entity: Omnibus,* (GASB 61). Based on the criteria of GASB 61, there are no other agencies or entities for which the City has been determined to be financially accountable and, therefore, should be included in the combined financial statements of the City.

B. Government-Wide and Fund Financial Accounting

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the non-fiduciary activities of the City. The effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The City currently does not have any fiduciary funds.

The City uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. The City had no fiduciary funds as of December 31, 2025.

The City reports the following major governmental funds:

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

Capital Improvement Sales Tax Fund – The Capital Improvement Sales Tax Fund is the special tax fund that was established to fund capital improvement projects for storm water and park improvements, as well as other related items throughout the community.

Transportation Sales Tax Fund – The Transportation Sales Tax Fund is the special tax fund that was established to the fund ongoing maintenance and construction of streets, as well as other related items throughout the community.

The City reports the following major proprietary funds:

Electric Fund – The Electric Fund accounts for the billing and collection of charges for electric service for most City residents. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services. All activities necessary to provide such services are accounted for in this fund.

Gas Fund – The Gas Fund accounts for the billing and collection of charges for gas service for most City residents. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services. All activities necessary to provide such services are accounted for in this fund.

Waste Water Fund – The Waste Water Fund accounts for the billing and collection of charges for sanitary sewer service for most City residents. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services. All activities necessary to provide such services are accounted for in this fund.

Water Fund – The Water Fund accounts for the billing and collection of charges for water service for most City residents. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services. All activities necessary to provide such services are accounted for in this fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting for the business-type activities and the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), for the governmental activities. For the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. For the cash basis of accounting, revenues are recorded when received, and expenses are recorded when paid. Certain liabilities are reported as a result of cash transactions.

The governmental fund financial statements use the cash basis of accounting, which is a comprehensive basis of accounting other than GAAP. Under the cash basis of accounting, revenues are recognized when received, and expenditures are recognized when paid. Certain liabilities are reported as a result of cash transactions.

The proprietary fund financial statements use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

The City’s general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

Sometimes the City will fund outlays for a particular purpose from both restricted (i.e., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.
It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

D. Budgets

Budgets are also adopted on the cash basis of accounting. Annual appropriated budgets are adopted for the General Fund and other governmental funds. All annual appropriations lapse at year-end. Encumbrance accounting is not used.

E. Pooled Cash

The City maintains a cash money-market pool that is used by all enterprise funds and one that is used for all governmental funds, with the exception of the Project, Library, and Motor Fuel Funds, which each have their own account. Interest income is allocated to each fund in proportion to each fund’s ownership of the pool each month for the proprietary funds.

For purposes of the statement of cash flows, all highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents.

F. Accounts Receivable

Accounts receivable, which include earned but unbilled amounts, result primarily from electric, gas, waste water, and water services accounted for in the proprietary funds.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the statements of financial position.

H. Inventories

Inventories of materials and supplies in the proprietary funds are stated at average cost. Cost is determined primarily by averaging historical cost of all items on hand at year-end.

I. Governmental Activities Capital Assets

General capital assets acquired or constructed for general governmental purposes are reported as expenditures in the governmental fund that finances the asset acquisition. However, the related asset has not been capitalized in the government-wide statements at cost or estimated historical cost as the City’s governmental activities are reported on the cash basis of accounting, which is a comprehensive basis of accounting other than GAAP. The City has not maintained any listing of general governmental capital assets and has excluded these assets from its financial statements.

J. Property, Plant and Equipment

Property, plant and equipment owned by the proprietary funds are stated at cost. Contributions of capital assets received from federal, state or local sources are recorded as assets at fair value at the time received. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

Depreciation has been provided over the estimated useful lives using the straight-line method beginning when the asset is placed in service, with zero expected salvage value. The estimated useful lives are as follows:

Land improvements	10-50 years
Buildings and building improvements	10-75 years
Systems	20-75 years
Vehicles and equipment	3-25 years
Furniture and office equipment	3-25 years

The cost of assets sold or retired, and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale or retirement, and any resulting gain or loss is reflected in the financial statements.

Fully depreciated capital assets are included in the capital assets accounts until their disposal.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The City has two items that qualify for reporting in this category, which are the pension plan contributions and pension plan – other, reported in the government-wide statement of net position and the proprietary funds statement of net position.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, which is the pension plan – other, reported in the government-wide statement of net position and the proprietary funds statement of net position.

L. Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is not paid for sick leave. Employees will be paid for their sick leave when they retire. Employees are allowed to carry over certain amounts to the next year and are paid earned vacation upon termination.

As of and for the year ended December 31, 2025, accumulated vacation and sick leave of the proprietary funds are recorded as an expense and liability of those funds as management estimated that unused vacation and sick leave at year-end is material to the financial statements. These balances are evaluated on a yearly basis.

M. Long-Term Obligations

General long-term obligations consist of the non-current portion of bonds and leases payable, compensable leave, and other long-term liabilities. In the business-type activities in the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Debt issuance costs include all costs incurred to issue debt and are expensed as incurred in all statements.

In the governmental fund financial statements, general long-term obligations are not reported as liabilities because they do not require the use of current resources and because the governmental funds report on the cash basis. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources while discounts on debt issuance and issuance costs are reported as other financing uses. Principal repayments are reported as debt service expenditures. Any governmental activities long-term debt is reported similarly to that of the business-type activities. However, there is no governmental activities long-term debt as of December 31, 2025.

N. Fund Balance and Net Position

In the governmental fund financial statements, fund balance is displayed in five components as follows:

> Nonspendable – This consists of amounts that are not in a spendable form or are legally or contractually required to be maintained intact.
>
> Restricted – This consists of amounts that are constrained to specific purposes by their providers, through constitutional or contractual provisions or by enabling legislation.
>
> Committed - This consists of amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority (the City Council) by the end of the fiscal year. The City Council can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.
>
> Assigned – This consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Council can assign fund balance; however, an additional formal action does not have to be taken for the removal of the assignment.
>
> Unassigned – This consists of amounts that are available for any purpose and can only be reported in the General Fund.

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

> Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
>
> Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.
>
> Unrestricted – This consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. As of December 31, 2025, the following net position amounts were restricted by enabling legislation: $2,436,312 related to the capital improvement sales tax was restricted for capital improvements; $1,941,300 related to the library property tax was restricted for the library; $751,760 related to the fire protection sales tax was restricted for public safety; and $2,179,351 related to the motor fuel tax and transportation tax was restricted for street projects.

O. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Pensions

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

Q. Subsequent Events

Events that have occurred subsequent to December 31, 2025, have been evaluated through June 2, 2026, which represents the date the City's financial statements were approved by management and therefore were available to be issued.

2. LEGAL COMPLIANCE – BUDGET AND PROPERTY TAXES

The City's policy is to prepare the operating budgets on the cash basis of accounting, which is a comprehensive basis of accounting other than GAAP. The City prepared budgets for the General, Project, Capital Improvement Sales Tax, Motor Fuel, Transportation Sales Tax, Airport, Asset Replacement, Park, Fire Protection Sales Tax, and Revolving Loan Funds for the year ended December 31, 2025.

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the December Council meeting, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year. The City Council approves the budget by a majority vote.

2. Formal budgetary integration is employed as a management control device during the year for all funds budgeted.

3. The City Council approves, by ordinance, total budget appropriations only. The City Administrator is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Council. Therefore, for report purposes, this level has been expanded to a functional basis (general government, cemetery, etc.).

4. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

5. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. The budget was not amended during the year.

The Board of Public Works approved operating budgets for the Electric, Gas, Waste Water, and Water Funds for the year ended December 31, 2025. Upon approval from the Board of Public Works, the budgets for these proprietary funds are subsequently approved by the City Council.

Property taxes are recorded as revenue when received, in accordance with the cash basis of accounting. Taxes are levied on October 1 and become delinquent on January 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1 of the current year. For 2025, the levy was $0.5693 for general revenue and $0.2277 for the library per $100 of assessed valuation. The total assessed valuation was $90,351,091.

3. CASH AND INVESTMENTS

The City maintains two cash and investment pools. One is available for use by the following funds: Electric, Gas, Waste Water, and Water. The other is available for use by all of the governmental funds. Each fund type's portion of this pool is displayed on the statements of financial position as either cash or investments. In addition, investments are separately held by several of the City's funds.

Missouri State Statutes authorize the City to deposit funds in obligations of the U.S Treasury, federal agencies and instrumentalities; certificates of deposit; and repurchase agreements. Custodial credit risk for deposits is the risk that, in event of a bank failure, the government's deposits may not be returned to it. The City's deposit policy for custodial credit risk is set by statute. Statutes require that collateral pledged must have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities, which are the same type as authorized for investment by the City, are limited to the following as prescribed by state statutes:

- Bonds of the State of Missouri, of the United States, or of wholly owned corporation of the United States.
- Other short-term obligations of the United States.

Deposits, categorized by level of custodial risk, were as follows as of December 31, 2025:

	Cash and Cash Equivalents	Certificates of Deposit	Petty Cash	Total
Bank balance				
Insured by the FDIC	$ 500,000	$ 359,651	$ -	$ 859,651
Collateralized with securities pledged by the financial institution	14,156,978	22,030,624	-	36,187,602
	$ 14,656,978	$ 22,390,275	$ -	$ 37,047,253
Carrying value	$ 14,589,451	$ 22,390,665	$ 2,184	$ 36,982,300

The City had the following investments as of December 31, 2025:

	Investment Maturities (in years)			Fair Value	Carrying Value
	Less than 1	1-5	Over 5		
Money market mutual funds:					
Restricted	$ 65,991	$ -	$ -	$ 65,991	$ 65,991
Total investments	$ 65,991	$ -	$ -	$ 65,991	$ 65,991

Investments held by governmental funds are recorded at cost, in accordance with the cash basis of accounting. Investments held by proprietary funds are recorded at fair value, in accordance with GAAP.

Interest rate risk – Interest rate risk is the risk that the fair values of investments will be adversely affected by a change in interest rates. The City does not have a formal interest rate risk policy but manages its exposure to declines in fair values by only investing in obligations that return initial purchase prices and the earned interest. This practice eliminates exposure to declines in fair values.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. The City's policy is to only invest in obligations of the United States or its agencies, insured or secured certificates of deposits, certain obligations of the State of Missouri or political subdivisions and municipalities, and certain surety bonds. Policy prohibits the purchase of any investments that do not meet the above-mentioned criteria. The money market mutual funds are held by the bond trustee and their underlying investments are in the type allowed to the City.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The City's investment policy does not address concentration of credit risk.

The City's total deposits and investments are summarized below:

Deposits	$ 36,982,300
Investments	65,991
Total deposits and investments	$ 37,048,291

A reconciliation of cash and investments as shown on the government-wide statement of net position is as follows:

Cash and cash equivalents	$ 14,668,986
Cash overdraft	(77,351)
Investments:	
Restricted	65,991
Unrestricted	22,390,665
Total	$ 37,048,291

Fair Value Measurements

For assets and liabilities required to be reported at fair value, GAAP prescribes a framework for measuring fair value and financial statement disclosures about fair value measurements. A fair value hierarchy has been established that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value hierarchy as prescribed by GAAP is as follows:

Level 1 Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the City has the ability to access.

Level 2 Valuation is based upon quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.

Level 3 Valuation is generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The City's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The City's assets and liabilities measured at fair value on a recurring basis as of December 31, 2025, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Money market mutual funds	$ 65,991	$ 65,991	$ -	$ -
Total investments	$ 65,991	$ 65,991	$ -	$ -

Level 1 classifications above consist of money market mutual funds that are valued at the daily closing price as reported by the fund. These funds are primarily invested in U.S. Treasuries and other governmental securities.

No investments are classified as Level 2 or Level 3 above.

4. NOTE RECEIVABLE

On July 20, 2022, the City loaned Warbonnet Enterprises, LLC $150,000 to assist with the new business. The original repayment period was seven years bearing interest at 4% per annum. In 2023, the City Council approved a 12-month deferral of loan repayments with interest continuing to accrue. The loan is secured by assets of the business. As of December 31, 2025, the principal outstanding was $126,195.

The note receivable was recorded when the City advanced funds to the above entity from its Revolving Loan Fund. The City feels the note is fully collectible; therefore, no allowance was recorded as of December 31, 2025.

5. CAPITAL ASSETS

A summary of the proprietary funds' property, plant and equipment as of December 31, 2025, follows:

	Electric	Gas	Waste Water	Water	Total
Capital assets, not being depreciated					
Land	$ 368,281	$ 96,394	$ 163,631	$ 370,159	$ 998,465
Construction in progress	470,122	-	5,375,530	-	5,845,652
Total capital assets not being depreciated	838,403	96,394	5,539,161	370,159	6,844,117
Capital assets, being depreciated					
Structures and improvements	17,614,888	8,753,831	20,181,359	13,384,431	59,934,509
Vehicles, furniture and other equipment	2,363,085	980,159	1,024,662	522,286	4,890,192
Total capital assets being depreciated	19,977,973	9,733,990	21,206,021	13,906,717	64,824,701
Less: accumulated depreciation	16,894,505	6,839,948	11,343,719	9,855,200	44,933,372
Total capital assets being depreciated, net	3,083,468	2,894,042	9,862,302	4,051,517	19,891,329
Total capital assets, net	$ 3,921,871	$ 2,990,436	$ 15,401,463	$ 4,421,676	$ 26,735,446

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

	Balance December 31, 2024	Additions	Deductions, Transfers, Other	Balance December 31, 2025
Capital assets, not being depreciated				
Land	$ 956,670	$ 41,795	$ -	$ 998,465
Construction in progress	1,115,297	4,870,498	(140,143)	5,845,652
Total capital assets not being depreciated	2,071,967	4,912,293	(140,143)	6,844,117
Capital assets, being depreciated				
Structures and improvements	59,584,767	209,599	140,143	59,934,509
Vehicles, furniture and other equipment	4,436,994	551,666	(98,468)	4,890,192
Total capital assets being depreciated	64,021,761	761,265	41,675	64,824,701
Less accumulated depreciation for				
Structures and improvements	39,721,107	1,654,367	-	41,375,474
Vehicles, furniture and other equipment	3,239,755	416,611	(98,468)	3,557,898
Total accumulated depreciation	42,960,862	2,070,979	(98,468)	44,933,372
Total capital assets being depreciated, net	21,060,899	(1,309,714)	140,143	19,891,329
Business-type activities capital assets, net	$ 23,132,866	$ 3,602,579	$ -	$ 26,735,446

Depreciation expense was charged to the proprietary funds as follows:

Electric Fund	$ 563,538
Gas Fund	258,532
Waste Water Fund	784,181
Water Fund	464,728
Total depreciation expense - business-type activities	$ 2,070,979

6. PREPAID WATER STORAGE AND DUE TO FEDERAL GOVERNMENT

The federal government constructed Long Branch Lake, located outside of the City of Macon, which is used as a recreational and water supply facility.

The City is presently using 4,400 acre-feet of storage and was billed $1,118,261 for its proportional share (13.75%) of the project costs. This amount is payable in annual installments of $47,240, including interest at 3.649%, through October 2029. The unpaid balance due the federal government as of December 31, 2025, was $104,371. The City recorded the same amount as prepaid water storage and is amortizing the cost over 50-years on a straight-line basis. Accumulated amortization as of December 31, 2025, was $1,013,895. The City recorded interest expense of $7,030 as a direct functional expense on the statement of activities for the year ended December 31, 2025.

7. LONG-TERM OBLIGATIONS

Compensated Absences

The net change in the City's compensated absences for the year is as follows:

	Balance December 31, 2024	Net Change	Balance December 31, 2025
Compensated absences:			
Electric Fund	$ 40,842	$ (10,487)	$ 30,355
Gas Fund	14,249	314	14,563
Waste Water Fund	19,119	2,310	21,429
Water Fund	41,057	(30,134)	10,923
	$ 115,267	$ (37,997)	$ 77,270

Bonds Payable

In 2011, the City issued Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2011 for the purpose of financing construction of certain waste water improvements to the City's collection and treatment system. In connection with the issuance of these bonds, the City participates in a revolving loan program established by the Missouri Department of Natural Resources (DNR). The State of Missouri manages and invests the bond proceeds on behalf of the City. As the City incurs approved expenditures, DNR reimburses the City for the expenditures from the construction escrow fund. Additionally, an amount (83.33% of which is federal funding) representing 70% of the construction costs is deposited into a bond reserve fund in the City's name and is held as a guarantee against the outstanding bond obligation. Interest earned from this reserve fund can be used by the City to fund interest payments on the revenue bonds. A portion of the reserve fund will be transferred back to the State as principal payments are made on the revenue bonds. The costs of operation and maintenance of the waste water improvements and the debt service is payable from operating revenues. The revenue bonds do not constitute a general obligation of the City.

In 2015, the City issued Combined Waterworks and Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2015 not to exceed $826,000 for the purpose of financing construction of certain waste water improvements to the City's collection and treatment system. In connection with the issuance of these bonds, the City participates in a revolving loan program established by the Missouri Department of Natural Resources (DNR). The State of Missouri manages and invests the bond proceeds on behalf of the City. The State of Missouri manages and invests the bond proceeds on behalf of the City. The costs of operation and maintenance of the waste water improvements and the debt service is payable from operating revenues. The revenue bonds do not constitute a general obligation of the City.

The City has pledged future waste water revenues, net of current specified operating expenses, to repay the revenue bonds. Proceeds from the bonds provided financing for waste water system improvements. The bonds are payable solely from utility customer net revenues through 2031. Net revenues available for debt service are not to be less than 110% of the amount required to be paid annually of principal and interest. Net revenues for 2025 are approximately 439% of the annual principal and interest payments made during 2025. The total principal and interest paid for the current year and total net revenues were $131,852 and $578,787, respectively.

The following summarizes the bonds payable:

	Interest Rates	Final Maturity Date	Principal Balance 12/31/2025
Waste Water Fund - Series 2011	1.66%	7/1/2026	$ 71,200
Waste Water Fund - Series 2015	1.24%	7/1/2031	364,000
			435,200
		Less current portion	(128,200)
		Long-term bonds payable	$ 307,000

In addition to interest, the City is responsible for a 0.5% administrative fee on the outstanding principal.

Activity on the bonds payable for the year is as follows:

	Balance December 31, 2024	Issuances	Principal Payments, Reductions	Balance December 31, 2025	Due Within One Year
Waste Water Fund - Series 2011	$ 141,000	$ -	$ (69,800)	$ 71,200	$ 71,200
Waste Water Fund - Series 2015	420,000	-	(56,000)	364,000	57,000
	$ 561,000	$ -	$ (125,800)	$ 435,200	$ 128,200

The following is a schedule of the future minimum payments under the bonds as of December 31, 2025, based on the current amount outstanding:

Year Ending December 31:	Principal	Interest	Total
2026	$ 128,200	$ 5,534	$ 133,734
2027	58,000	3,627	61,627
2028	60,000	2,902	62,902
2029	61,000	2,158	63,158
2030	62,000	1,395	63,395
Thereafter	66,000	620	66,620
	$ 435,200	$ 16,236	$ 451,436

Notes Payable

In February 2021, the Midwest region, including Texas and Oklahoma, experienced an extended severe cold weather event with daily high temperatures near zero degrees. This event caused natural gas delivery equipment to freeze up and limited the availability of natural gas in a time of very high demand with the extreme cold temperatures. This limitation of natural gas during this event caused natural gas prices to soar, which had the effect of causing electric prices to soar for these few days since the electric industry has become reliant on natural gas generation.

In May 2021, a State of Missouri $50 million relief fund for municipal utilities who experienced extraordinary natural gas and electric prices during this polar vortex event, named the Municipal Utility Emergency Loan Program (MUELP), was created.

In June 2021, the City received an MUELP loan in an amount not to exceed $3,003,279. The City allocated $977,365 and $2,025,914 of the proceeds between the Electric and Gas Funds, respectively. The loan bears interest at 0% with a payback period of no more than five years. The first principal payment became due on January 1, 2022, and the final principal payment will be made on or before June 1, 2026.

The following summarizes the notes payable:

	Interest Rates	Final Maturity Date	Principal Balance 12/31/2025
Electric Fund - MUELP loan	0.00%	6/1/2026	$ 195,473
Gas Fund - MUELP loan	0.00%	6/1/2026	405,183
			600,656
		Less current portion	(600,656)
		Long-term notes payable	$ -

Activity on the notes payable for the year is as follows:

	Balance December 31, 2024	Issuances	Principal Payments, Reductions	Balance December 31, 2025	Due Within One Year
Electric Fund - MUELP Loan	$ 390,946	$ -	$ (195,473)	$ 195,473	$ 195,473
Gas Fund - MUELP Loan	810,366	-	(405,183)	405,183	405,183
	$ 1,201,312	$ -	$ (600,656)	$ 600,656	$ 600,656

The following is a schedule of the future minimum payments under the notes as of December 31, 2025, based on the current amount outstanding:

Year Ending December 31:	Principal	Interest	Total
2026	$ 600,656	$ -	$ 600,656

8. CONDUIT DEBT

The City has issued industrial revenue bonds to provide funds to assist a company within the City to acquire, construct, and improve facilities for industrial development purposes. The City has issued and sold these bonds to financial institutions. The company is required to make regular principal and interest payments to the financial institutions over the maturity of the bonds. The original issuance amount of these revenue bonds totaled $24,600,000 as of the issuance date of December 30, 2025. The outstanding balance on the bonds was $60,000 as of December 31, 2025.

The City has no liability for repayment of these revenue bonds; accordingly, they have not been recorded in the accompanying financial statements. Security for the bondholders consists of the unconditional obligation of the borrowers to repay the bonds.

9. INTERFUND ACTIVITY

Interfund receivable and payable balances as of December 31, 2025, in the fund financial statements resulting from interfund transfers and interfund loans were as follows:

	Due From Other Funds	Due To Other Funds	Net
Governmental funds:			
General Fund (major fund)	$ 1,823	$ (134,453)	$ (132,630)
Project Fund (non-major fund)	426	-	426
Library Fund (non-major fund)	134,027	-	134,027
Fire Protection Sales Tax Fund (non-major fund)	-	(1,823)	(1,823)
	$ 136,276	$ (136,276)	$ -

Amounts due from the General Fund to the Library Fund are from taxes collected and not yet remitted. Amounts due to/from General Fund to/from the Project and Fire Protection Sales Tax Funds are for project funds received in the other funds or for various expenses paid out of the General Fund.

A summary of interfund transfers for the year ended December 31, 2025, follows:

	Transfers Out	Transfers In	Net
Governmental funds:			
General Fund (major fund)	$ (30,496)	$ 138,945	$ 108,449
Capital Improvements Sales Tax Fund (major fund)	(448,199)	-	(448,199)
Project Fund (non-major fund)	-	339,750	339,750
Motor Fuel Fund (non-major fund)	(1,000)	1,000	-
Proprietary funds:			
Electric Fund (major fund)	-	65,267	65,267
Water Fund (major fund)	(29,172)	-	(29,172)
Waste Water Fund (major fund)	(184,960)	-	(184,960)
Natural Gas Fund (major fund)	-	148,865	148,865
	$ (693,827)	$ 693,827	$ -

Amounts due from the Capital Improvement Sales Tax Fund to the Project and General Funds are for swimming pool operations and City matching funds for grant projects. Amounts due to the General Fund are for other funds' expenses/expenditures paid out of the General Fund. Amounts due to and from each of the proprietary funds are from cash balance corrections not yet returned.

10. COMMITMENTS AND CONTINGENCIES

A. MIRMA

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workman's compensation; liability, crime, and employee errors and omissions; and natural disasters. The City participates in Missouri Intergovernmental Risk Management Association (MIRMA) to cover these risks of losses. MIRMA is a group of local governments which provides a program of self-insurance to its members. The City pays annual premiums to MIRMA based on its payroll. There were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded insurance coverage in any of the past three years.

B. Intergovernmental Awards

Intergovernmental awards received by the City are subject to audit and adjustment by the funding agency or its representatives. If grant revenues are received for expenditures which are subsequently disallowed, the City may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements as of December 31, 2025.

C. Electricity Commitments

The City is a member of the Missouri Joint Municipal Electric Utility Commission (MJMEUC), an entity formed under Missouri statutes to obtain sufficient and economical power for the benefit of its Missouri municipal members. The City is also a member of the Missouri Public Energy Pool #1 (MoPEP), a membership pool within MJMEUC. Through its membership in MJMEUC and MoPEP, the City has joint agreements committing its current and future electric generating facilities and power purchase contracts to the pool of members to facilitate joint planning, scheduling, dispatching, power purchases, and payment of operating costs of power generating facilities in which MJMEUC has joint ownership interests. The joint agreement under MoPEP entails certain obligations, including maintaining adequate customer rates and maintenance of power facilities and contracts in order to meet the City's commitments to the pool. As of December 31, 2025, MJMEUC has several long-term commitments for power purchase contracts and payment of power plant operating costs in connection with its joint ownership interests in power generating facilities. The joint ownership interests generally include commitments under loan or bond financing arrangements. Through its participation in the joint contract with other MJMEUC members and the joint agreement with other MoPEP members, the City has an allocated share of the various long-term commitments under these contracts, including its allocated share of joint ownership interest in the power generating facilities and take-or-pay power purchase commitments. There are various cancellation provisions under these contracts. Because of the joint commitments, there is some risk that a future default by a member could result in an increase to other members' existing allocated shares of joint power purchase and ownership interest commitments, if the allocated share of the defaulting member is not voluntarily assumed by the remaining members, a new member or another party.

D. Natural Gas Commitments

The City has entered into contracts for the purchase of natural gas from Kinect Energy at agreed upon capacities of dekatherms (dth) each month from November 2025 through March 2026 priced at a rate of $4.20/dth. The City paid $310,925 under this agreement during 2025 and committed to paying $546,432 under this agreement during 2026.

E. Gas Turbine Project

The City has entered into a 10-year extended service agreement (ESA) with Solar Turbines Inc. (Solar) to provide services for key components of the Macon Energy Center, an asset owned and operated by the City. In September 2008, an ESA was signed, with Amendment 1 effective November 1, 2010, and Amendment 2 effective September 21, 2011. A new 5-year agreement was signed effective January 1, 2024, which states a capacity of 9500 KW priced at $1.72/KW/month. During 2025, the monthly fee due to Solar increased to $88,034 for the entire year. The monthly fee is paid directly to Solar by MJMEUC. The City received a reduction in generation capacity credits when MJMEUC began paying the fee directly to Solar in August 2008.

F. Laddonia Gas Turbine Project

The City has entered into an agreement to operate and maintain MJMEUC's gas turbine in Laddonia, Missouri. The City was paid a monthly fee of $9,958 between January and December 2025. The City received approximately $119,955 under this agreement during 2025.

G. Significant Customers

The City's proprietary funds have one customer who generated $3,901,378 or approximately 22% of its operating revenue during 2025.

H. Litigation

Various suits and claims against the City are presently pending involving claims for various miscellaneous cases. In the opinion of management such suits or claims, both individually and in the aggregate, will not have a material effect on the financial position of the City.

I. Contract Commitments

The City has entered into agreements with contractors for various projects. As of December 31, 2025, contract commitments were as follows:

Project	Spent-to-Date	Remaining Commitment
Sidewalks and Intersections Improvement Project	$ -	$ 534,472
Utilities Stormwater Project	-	1,704,974
	$ -	$ 2,239,446

J. Other Commitment

In May 2018, the City entered into a lease agreement for two fire trucks. The agreement requires ten annual lease payments of $184,320. The total lease payments remaining to be paid as of December 31, 2025 were $552,960.

As a result of the City using the cash basis of accounting, the lease is not recorded in the financial statements.

11. PENSION PLAN

General Information about the Pension Plan

The following information is presented in accordance with Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Plan Description

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

Benefits Provided

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

	2025 Valuation
Benefit multiplier	1.5%
Final average salary	3 years
Member contributions	0%

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

Employees Covered by Benefit Terms

As of June 30, 2025, the following employees were covered by the benefit terms:

Active employees	70
Inactive employees or beneficiaries currently receiving benefits	106
Inactive employees entitled to but not yet receiving benefits	59
Total	235

Contributions

The City 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. Full-time employees of the City do not contribute to the pension plan. For the year ended December 31, 2025, the City's contribution rates were 11.8% (General), 0.6% (Police), 26.7% (Fire), and 6.5% (Utility) of annual covered payroll.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2025.

Actuarial Assumptions

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

Inflation	2.75% wage, 2.25% price
Salary increase:	
General	2.75% to 6.75%, including inflation
Police	2.75% to 6.55%, including inflation
Fire	2.75% to 7.15%, including inflation
Utility	2.75% to 6.75%, including inflation
Investment rate of return	7.00%, net of investment expenses

Mortality rates were based on the PubG-2010 Retiree, PubNS-2010 Disabled Retiree, PubG-2010 Employee, and PubS-2010 Employee mortality tables.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	5.00%	1.76%
Equity	39.00%	3.39%
Fixed income	23.00%	3.54%
Real assets	33.00%	2.68%
Strategic assets	7.00%	2.83%
Cash/leverage	-7.00%	-0.86%
	100.00%	

Discount Rate

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

Changes in the Net Pension Liability (Asset)

As a result of City's governmental activities using the cash basis of accounting, the net pension liability (asset) is not recorded in the governmental activities column of the accompanying government-wide statement of net position, although it is recorded for the business-type activities.

The following table summarizes the changes in the net pension liability (asset) if the full amount had been recorded.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2024	$ 25,519,422	$ 29,043,842	$ (3,524,420)
Changes for the year:			
Service cost	381,631	-	381,631
Interest	1,747,469	-	1,747,469
Difference between expected and actual experience	1,126,008	-	1,126,008
Contributions - employer	-	367,858	(367,858)
Net investment income	-	1,805,333	(1,805,333)
Benefit payments, including refunds	(1,511,878)	(1,511,878)	-
Administrative expense	-	(26,417)	26,417
Other changes	-	216,250	(216,250)
Net changes	1,743,230	851,146	892,084
Balances at June 30, 2025	27,262,652	29,894,988	(2,632,336)
Less amount attributable to governmental activities	(9,335,643)	(10,083,362)	747,719
Balances attributable to business-type activities	$ 17,927,009	$ 19,811,626	$ (1,884,617)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the employer, calculated using the discount rate of 7.00%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Single Discount Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	$ 30,845,102	$ 27,262,652	$ 24,305,395
Plan fiduciary net position	29,894,988	29,894,988	29,894,988
Net pension liability (asset)	$ 950,114	$ (2,632,336)	$ (5,589,593)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's net position is available in the separately issued LAGERS financial report.

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

As a result of the City's governmental activities using the cash basis of accounting, deferred outflows and inflows of resources are not recorded in the accompanying government-wide statement of net position. In addition, pension expense is recorded as an expenditure in the accompanying government-wide statement of activities based on actual cash basis contributions made to the pension plan during the year ended December 31, 2025.

For the year ended December 31, 2025, the City's governmental activities' pension expense under full accrual accounting would have been $157,466. However, on the cash basis of accounting, the City's governmental activities recognized payments to LAGERS of $190,865 as expense.

The City's business-type activities and proprietary funds recognized pension expense of $84,464.

The following summarizes the full amount of deferred outflows and inflows of resources and pension expense if they had been recorded.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between:		
Expected and actual experience	$ 819,613	$ (45,457)
Projected and actual earnings on investments	1,252,655	-
Contributions subsequent to the measurement date*	172,911	-
Total	2,245,179	(45,457)
Less amount attributable to governmental activities	(795,277)	-
Attributable to business-type activities	$ 1,449,902	$ (45,457)

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

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

Year ending:	
2026	$ 1,188,100
2027	553,280
2028	239,704
2029	45,727
Total	$ 2,026,811

Payable to the Pension Plan

As of December 31, 2025, the City reported a payable of $6,136 for the outstanding amount of contributions to the pension plan required for the year then ended.

12. RELATED PARTY TRANSACTIONS

The City has related party transactions with a construction company owned by an individual who served as a member of the City Council during 2025 and was elected Mayor subsequent to year-end. The City paid a total of $54,660 to this company during 2025. All construction projects were procured through the public competitive bid process and awarded in compliance with the City's purchasing policy and state statute RSMo. 105.456.

13. ADJUSTMENT

During the year ended December 31, 2025, the Transportation Sales Tax Fund, which was previously presented as a non-major governmental fund for the year ended December 31, 2024, met the requirements to be presented as a major governmental fund as of December 31, 2025.

As a result, governmental funds' balances were adjusted as follows as of January 1, 2025:

	Governmental Funds				
	General Fund	Capital Improvement Sales Tax Fund	Transportation Sales Tax Fund	Non-Major Governmental Funds	Total
Fund balance, as previously reported	$ 4,833,174	$ 2,137,390	$ -	$ 6,688,089	$ 13,658,653
Change within the financial reporting entity (non-major to major fund)	-	-	1,404,434	(1,404,434)	-
Fund balance, as adjusted	$ 4,833,174	$ 2,137,390	$ 1,404,434	$ 5,283,655	$ 13,658,653

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MACON

LAGERS (PENSION PLAN)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
December 31, 2025

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	$ 381,631	$ 367,896	$ 356,420	$ 358,211	$ 368,393
Interest on the total pension liability	1,747,469	1,704,634	1,641,953	1,605,695	1,644,062
Difference between expected and actual experience	1,126,008	9,037	326,158	46,544	167,363
Assumption changes	-	-	-	-	(484,994)
Benefit payments	(1,511,878)	(1,442,024)	(1,427,727)	(1,553,340)	(1,306,331)
Net change in total pension liability	1,743,230	639,543	896,804	457,110	388,493
Total pension liability beginning	25,519,422	24,879,879	23,983,075	23,525,965	23,137,472
Total pension liability ending	$ 27,262,652	$ 25,519,422	$ 24,879,879	$ 23,983,075	$ 23,525,965
Plan fiduciary net position					
Contributions - employer	$ 367,858	$ 346,667	$ 352,234	$ 379,774	$ 366,330
Pension plan net investment income	1,805,333	1,473,860	985,413	19,668	6,484,460
Benefit payments	(1,511,878)	(1,442,024)	(1,427,727)	(1,553,340)	(1,306,331)
Pension plan administrative expense	(26,417)	(26,086)	(29,829)	(21,764)	(19,510)
Other	216,250	126,463	(118,751)	165,885	172,419
Net change in plan fiduciary net position	851,146	478,880	(238,660)	(1,009,777)	5,697,368
Plan fiduciary net position beginning	29,043,842	28,564,962	28,803,622	29,813,399	24,116,031
Plan fiduciary net position ending	$ 29,894,988	$ 29,043,842	$ 28,564,962	$ 28,803,622	$ 29,813,399
Employer's net pension liability (asset)	$ (2,632,336)	$ (3,524,420)	$ (3,685,083)	$ (4,820,547)	$ (6,287,434)
Plan fiduciary net position as a percentage of the total pension liability	109.66%	113.81%	114.81%	120.10%	126.73%
Covered payroll	$ 4,367,430	$ 3,871,970	$ 3,571,952	$ 3,639,371	$ 3,664,723
Employer's net pension liability (asset) as a percentage of covered payroll	60.27%	91.02%	103.17%	132.46%	171.57%

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$ 391,465	$ 424,939	$ 400,614	$ 389,694	$ 389,342
Interest on the total pension liability	1,625,039	1,679,238	1,490,819	1,433,874	1,322,837
Difference between expected and actual experience	(379,431)	(1,632,090)	1,572,968	(190,026)	32,060
Assumption changes	-	-	-	-	655,354
Benefit payments	(1,418,435)	(995,417)	(763,570)	(940,235)	(798,702)
Net change in total pension liability	218,638	(523,330)	2,700,831	693,307	1,600,891
Total pension liability beginning	22,918,834	23,442,164	20,741,333	20,048,026	18,447,135
Total pension liability ending	$ 23,137,472	$ 22,918,834	$ 23,442,164	$ 20,741,333	$ 20,048,026
Plan fiduciary net position					
Contributions - employer	$ 385,490	$ 418,929	$ 455,646	$ 378,050	$ 386,369
Pension plan net investment income	331,329	1,564,260	2,564,567	2,290,433	(62,623)
Benefit payments	(1,418,435)	(995,417)	(763,570)	(940,235)	(798,702)
Pension plan administrative expense	(25,000)	(21,849)	(15,364)	(14,749)	(14,719)
Other	302,052	13,039	(197,592)	(75,926)	426,885
Net change in plan fiduciary net position	(424,564)	978,962	2,043,687	1,637,573	(62,790)
Plan fiduciary net position beginning	24,540,595	23,561,633	21,517,946	19,880,373	19,943,163
Plan fiduciary net position ending	$ 24,116,031	$ 24,540,595	$ 23,561,633	$ 21,517,946	$ 19,880,373
Employer's net pension liability (asset)	$ (978,559)	$ (1,621,761)	$ (119,469)	$ (776,613)	$ 167,653
Plan fiduciary net position as a percentage of the total pension liability	104.23%	107.08%	100.51%	103.74%	99.16%
Covered payroll	$ 3,765,272	$ 3,763,801	$ 4,163,574	$ 4,034,607	$ 3,809,353
Employer's net pension liability (asset) as a percentage of covered payroll	25.99%	43.09%	2.87%	19.25%	-4.40%

This Schedule includes the net pension activity for the City overall. As the governmental funds are reported on the cash basis of accounting, the net pension liability (asset) is not recorded in the financial statements.

CITY OF MACON

LAGERS (PENSION PLAN)
SCHEDULE OF CONTRIBUTIONS – LAST TEN FISCAL YEARS
December 31, 2025

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 446,498	$ 454,234	$ 407,917	$ 478,151	$ 401,475
Contributions in relation to the actuarially determined contribution	374,284	355,114	344,739	361,212	364,684
Contribution deficiency (excess)	$ 72,214	$ 99,120	$ 63,178	$ 116,939	$ 36,791
Covered payroll	$ 4,367,430	$ 3,871,970	$ 3,571,952	$ 3,639,371	$ 3,664,723
Contributions as a percentage of covered payroll	8.57%	9.17%	9.65%	9.93%	9.95%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 437,275	$ 440,186	$ 474,172	$ 454,161	$ 395,136
Contributions in relation to the actuarially determined contribution	388,853	407,423	438,246	418,834	368,071
Contribution deficiency (excess)	$ 48,422	$ 32,763	$ 35,926	$ 35,327	$ 27,065
Covered payroll	$ 3,765,272	$ 3,763,801	$ 4,163,574	$ 4,034,607	$ 3,809,353
Contributions as a percentage of covered payroll	10.33%	10.82%	10.53%	10.38%	9.66%

CITY OF MACON

STATEMENT OF REVENUE AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND - CASH BASIS
Year Ended December 31, 2025

	General Fund as Reported in Financial Statements	Less Other City Funds Included for Reporting Purposes	General Fund Activity on the City's Budgetary Basis	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES						
Taxes	$ 3,426,540	$ -	$ 3,426,540	$ 3,247,157	$ 3,247,157	$ 179,383
Licenses, permits, and fines	258,497	-	258,497	181,013	181,013	77,484
Federal and state grants	85,701	-	85,701	10,750	10,750	74,951
Charges for services	229,683	-	229,683	188,000	188,000	41,683
Interest income	184,021	(14,136)	169,885	101,768	101,768	68,117
Miscellaneous	617,235	-	617,235	602,152	602,152	15,083
Total revenues	4,801,677	(14,136)	4,787,541	4,330,840	4,330,840	456,701
EXPENDITURES						
City administrator	678,841	-	678,841	790,381	790,381	111,540
Police department	994,049	-	994,049	1,054,508	1,054,508	60,459
Fire department	727,721	-	727,721	778,324	778,324	50,603
Parks, pool, and cemetery	390,647	-	390,647	460,800	460,800	70,153
City collector	120,291	-	120,291	101,920	101,920	(18,371)
Street department	497,784	-	497,784	580,872	580,872	83,088
Animal control	25,105	-	25,105	35,663	35,663	10,558
Solid waste	524,649	-	524,649	523,911	523,911	(738)
Airport	214,935	-	214,935	170,290	170,290	(44,645)
Code enforcement	61,538	-	61,538	85,987	85,987	24,449
Total expenditures	4,235,560	-	4,235,560	4,582,656	4,582,656	347,096
Excess (deficiency) of revenues over (under) expenditures	566,117	(14,136)	551,981	(251,816)	(251,816)	803,797
OTHER FINANCING SOURCES (USES)						
Operating transfers in	138,945	(30,000)	108,945	251,816	251,816	(112,871)
Operating transfers (out)	(30,496)	-	(30,496)	-	-	(30,496)
Total other financing sources (uses)	108,449	(30,000)	78,449	251,816	251,816	(143,367)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	$ 674,566	$ (44,136)	$ 630,430	$ -	$ -	$ 660,430

Note: The Airport, Asset Replacement, and Park Funds are recorded in separate funds for internal reporting and budgeting by the City, but are combined with the City's General Fund for financial reporting purposes as they do not meet the definition of a special revenue fund type. Because this schedule is presented on a budgetary basis, activity for these funds is removed so only General Fund activity remains.

CITY OF MACON

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT SALES TAX FUND - CASH BASIS
Year Ended December 31, 2025

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	$ 756,964	$ 688,890	$ 688,890	$ 68,074
Interest income	47,861	11,576	11,576	36,285
Total revenues	804,825	700,466	700,466	104,359
EXPENDITURES				
Parks, pool, and cemetery	358,006	403,222	403,222	45,216
Storm water projects	129,192	98,120	98,120	(31,072)
Total expenditures	487,198	501,342	501,342	14,144
Excess of revenues over expenditures	317,627	199,124	199,124	118,503
OTHER FINANCING SOURCES (USES)				
Transfers in	-	302,218	302,218	(302,218)
Transfers (out)	(448,199)	(501,342)	(501,342)	53,143
Total other financing sources (uses)	(448,199)	(199,124)	(199,124)	(249,075)
Deficiency of revenues and other financing sources under expenditures and other financing (uses)	$ (130,572)	$ -	$ -	$ (130,572)

CITY OF MACON

STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
TRANSPORTATION SALES TAX FUND - CASH BASIS
Year Ended December 31, 2025

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	$ 756,924	$ 688,890	$ 688,890	$ 68,034
Interest income	14,210	8,497	8,497	5,713
Total revenues	771,134	697,387	697,387	73,747
EXPENDITURES				
Street projects	1,473,848	1,405,000	1,405,000	(68,848)
Equipment and building purchases	397,950	495,402	495,402	97,452
Total expenditures	1,871,798	1,900,402	1,900,402	28,604
Deficiency of revenues under expenditures	$ (1,100,664)	$ (1,203,015)	$ (1,203,015)	$ 102,351

SUPPLEMENTARY INFORMATION

CITY OF MACON

COMBINING BALANCE SHEET - CASH BASIS
NON-MAJOR FUNDS
December 31, 2025

	Industrial Development Fund	Project Fund	Library Fund	Motor Fuel Fund	Fire Protection Sales Tax Fund	American Rescue Plan Act Fund	Total
ASSETS							
ASSETS							
Cash and cash equivalents	$ 200,081	$ 429,068	$ 189,027	$ 154,810	$ 429,433	$ -	$ 1,402,419
Due from other funds	-	426	134,027	-	-	-	134,453
Investments:							
Unrestricted	990,173	-	1,618,246	1,720,771	324,150	-	4,653,340
Note receivable	126,195	-	-	-	-	-	126,195
Total assets	$ 1,316,449	$ 429,494	$ 1,941,300	$ 1,875,581	$ 753,583	$ -	$ 6,316,407
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Due to other funds	$ -	$ -	$ -	$ -	$ 1,823	$ -	$ 1,823
Total liabilities	-	-	-	-	1,823	-	1,823
FUND BALANCES							
Restricted for:							
Capital improvements	-	429,494	-	-	-	-	429,494
Library	-	-	1,941,300	-	-	-	1,941,300
Public safety	-	-	-	-	751,760	-	751,760
Street projects	-	-	-	1,875,581	-	-	1,875,581
Committed to:							
Industrial development	1,316,449	-	-	-	-	-	1,316,449
Total fund balances	1,316,449	429,494	1,941,300	1,875,581	751,760	-	6,314,584
Total liabilities and fund balances	$ 1,316,449	$ 429,494	$ 1,941,300	$ 1,875,581	$ 753,583	$ -	$ 6,316,407

CITY OF MACON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS
NON-MAJOR FUNDS
Year Ended December 31, 2025

	Industrial Development Fund	Project Fund	Library Fund	Motor Fuel Fund	Transportation Sales Tax Fund	Fire Protection Sales Tax Fund	American Rescue Plan Act Fund	Total
REVENUES								
Taxes	$ -	$ -	$ 216,009	$ 318,798	$ -	$ 378,435	$ -	$ 913,242
Licenses, permits, and fines	-	-	7,768	-	-	-	-	7,768
Federal and state grants	-	21,112	9,351	-	-	57,870	-	88,333
Interest	47,874	-	50,139	64,159	-	16,953	1	179,126
Miscellaneous	-	-	1,872	-	-	-	-	1,872
Total revenues	47,874	21,112	285,139	382,957	-	453,258	1	1,190,341
EXPENDITURES:								
Community development	1,510	35,673	-	-	-	-	1,292	38,475
Public safety	-	-	-	-	-	351	-	351
Street projects	-	-	-	358	-	-	-	358
Equipment and building	-	-	-	-	-	208,500	-	208,500
Library	-	-	251,478	-	-	-	-	251,478
Total expenditures	1,510	35,673	251,478	358	-	208,851	1,292	499,162
Excess (deficiency) of revenues over (under) expenditures	46,364	(14,561)	33,661	382,599	-	244,407	(1,291)	691,179
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	339,750	-	1,000	-	-	-	340,750
Operating transfers (out)	-	-	-	(1,000)	-	-	-	(1,000)
Total other financing sources (uses)	-	339,750	-	-	-	-	-	339,750
Net change in fund balances	46,364	325,189	33,661	382,599	-	244,407	(1,291)	1,030,929
FUND BALANCES, JANUARY 1, as previously reported	1,270,085	104,305	1,907,639	1,492,982	1,404,434	507,353	1,291	6,688,089
Change within the financial reporting entity								
Non-major to major fund	-	-	-	-	(1,404,434)	-	-	(1,404,434)
FUND BALANCES, JANUARY 1, as adjusted	1,270,085	104,305	1,907,639	1,492,982	-	507,353	1,291	5,283,655
FUND BALANCES, DECEMBER 31	$ 1,316,449	$ 429,494	$ 1,941,300	$ 1,875,581	$ -	$ 751,760	$ -	$ 6,314,584

SINGLE AUDIT REPORTS

WILLIAMS KEEPERS LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2005 West Broadway, Suite 100
Columbia, MO 65203 | (573) 442-6171

3220 West Edgewood, Suite E
Jefferson City, MO 65109 | (573) 635-6196

www.williamskeepers.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and City Council
of the City of Macon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities (cash basis), the business-type activities (accrual basis), each major fund, and the aggregate remaining fund information of the City of Macon (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 2, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Williams Keepers LLC

Columbia, Missouri
June 2, 2026

WILLIAMS KEEPERS LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2005 West Broadway, Suite 100
Columbia, MO 65203 | (573) 442-6171

3220 West Edgewood, Suite E
Jefferson City, MO 65109 | (573) 635-6196

www.williamskeepers.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and City Council
City of Macon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Macon (the City's) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each major federal program for the year ended December 31, 2025. The City's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standard*s, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Williams Keepers LLC

Columbia, Missouri
June 2, 2026

CITY OF MACON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

	Assistance Listing Number	Pass-Through Number	Expenditures
U.S. Department of Justice			
Passed through Missouri Department of Public Safety:			
Local Law Enforcement Block Grant	16.738	15PBJA-24-GG-04250-MUMU-046	$ 9,484
Total U.S. Department of Justice			9,484
U.S. Department of Transportation			
Passed through Missouri Department of Transportation:			
Highway Planning and Construction	20.205	TAP-4000206	26,481
State and Community Highway Safety (Highway Safety Cluster)	20.600	25-PT-02-117 26-PT-02-119	5,442
Alcohol Open Container Requirements	20.607	25-154-AL-25-ENF-03-108 26-154-AL-26-ENF-03-114	2,671
Total U.S. Department of Transportation			34,594
U.S. Department of Treasury			
Passed through Missouri Department of Natural Resources:			
COVID-19: Coronavirus State and Local Fiscal ARPA Stormwater Improvements	21.027	F7869DD828F1	2,944,060
Passed through Missouri Department of Public Safety:			
COVID-19: Coronavirus State and Local Fiscal ARPA - Pool	21.027	MO1459	1,291
Total U.S. Department of Treasury			2,945,351
Total expenditures of federal awards			$ 2,989,429

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes only the current year federal grant activity of the City and is presented on the cash basis of accounting (governmental activities) and the accrual basis of accounting (business-type activities). This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Amounts presented in this schedule as expenditures may differ from amounts presented in, or used in the preparation of, the basic financial statements, although such differences are not material.

2. INDIRECT COST RATE

The City has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF MACON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2025

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City were prepared in accordance with the cash basis of accounting (governmental activities) and the accrual basis of accounting (business-type activities).

2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*"

3. No instances of noncompliance material to the financial statements of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs is reported in the "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance."

5. The auditor's report on compliance for the major federal award programs for the City expresses an unmodified opinion on the major federal programs.

5. No audit findings relative to the major federal award programs for the City, that are required to be reported in accordance with 2 CFR section 200.516(a), are reported in Part C of this Schedule.

6. The program tested as a major program includes:

	Assistance Listing Number
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027

7. The dollar threshold used to distinguish between Type A and B programs was $1,000,000.

8. The City did not qualify as a low-risk auditee for the year ended December 31, 2025.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

CITY OF MACON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2025

There were no prior audit findings.