

# **CITY OF ST. LOUIS**

Gratiot County, Michigan

## **FINANCIAL STATEMENTS**

June 30, 2025

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and Members of City Council  
City of St. Louis, Michigan

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Louis as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Louis as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of St. Louis' 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.

To the Honorable Mayor and Members of City Council  
City of St. Louis, Michigan

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of St. Louis' 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 of St. Louis' ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5-10), pension schedules (pages 58-60) and budgetary comparison information (pages 61-63) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Mayor and Members of City Council  
City of St. Louis, Michigan

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Louis' basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, 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 December 22, 2025 on our consideration of the City of St. Louis' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of St. Louis' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Louis' internal control over financial reporting and compliance.

*Berthiaume & Co.*

Saginaw, Michigan  
December 22, 2025

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS***

# CITY OF ST. LOUIS

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

As management of the City of St. Louis (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

### FINANCIAL HIGHLIGHTS:

- The City's combined total net position is reported as \$65,880,098 for the fiscal year ended June 30, 2025, compared to \$56,857,056 for the fiscal year ended June 30, 2024.
- In the City's governmental activities, revenues generated were \$4,476,170 while expenses totaled \$3,831,091.
- In the City's business-type activities, revenues generated were \$17,765,477 while expenses totaled \$9,428,098.
- Total net position increased by \$9,023,042.

### OVERVIEW OF THE FINANCIAL STATEMENTS:

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

#### Government-wide Financial Statements:

The government-wide statements are designed to provide readers with a broad overview of the City's finances, as a whole, in a manner similar to a private sector business. The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. The *statement of activities* presents all of the City's revenues and expenses, and is reported based on when the underlying event giving rise to the revenue or expense occurs, regardless of when cash is received or paid.

The government-wide statements of the City of St. Louis are divided into three categories:

**Governmental Activities** – Most of the City's basic services are included here, such as the public safety, public works, recreation departments, and general administration. Property taxes, state shared revenue, and charges for services finance most of these activities.

**Business-type Activities** – The City charges fees to customers to recover all or a significant portion of certain services it provides. These business-type activities include electric, water and sewer, and solid waste.

**Component Unit** – The City includes the Downtown Development Authority as a discretely presented component unit.

#### Fund Financial Statements:

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

# CITY OF ST. LOUIS

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

The City has three types of funds:

**Governmental Funds** – Many of the City's basic services are included in governmental funds, which focus on how cash and other financial assets that can be converted to cash flow in and out. The funds also show the balances left at year-end that are available for spending.

The governmental funds focus on a short-term view, rather than the long-term focus of the government-wide statements, so additional information is provided after each of the governmental fund statements that explain the relationship of differences between the fund and government-wide statements.

The City maintains seven (7) individual governmental funds. Separate information is presented for the General Fund and Public Safety Fund, which are considered to be "major" funds. Data from the other five (5) governmental funds, considered to be "nonmajor" funds, are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for each of its governmental funds. Budgetary comparison statements have been presented for major governmental funds to demonstrate compliance with those budgets.

**Proprietary Funds** – Proprietary funds are used to report services where the City charges a fee to the customer to recover most or all of the cost of the service rendered. Proprietary funds provide both long- and short-term financial information. The two types of proprietary funds are enterprise and internal service funds.

- Enterprise funds and business-type funds are the same, but the fund statements provide more detail and additional information such as cash flows. The City's enterprise funds are the Electric Fund, Water and Sewer Fund and Solid Waste Fund.
- Internal service funds are used to report activities that provide supplies and services to the City's other programs. The City's internal service funds are the Motor Pool Fund and Police Equipment Fund.

**Fiduciary Funds** – Fiduciary funds are used to account for the resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the City's own programs.

### Notes to the Financial Statements:

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

### Other Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City. The combining statements referred to earlier in connection with the nonmajor governmental funds are presented immediately following the required supplementary information.

### THE CITY AS A WHOLE:

The City's total combined net position for the fiscal year ended June 30, 2025 is \$65,880,098, consisting of \$17,523,207 in governmental activities and \$48,356,891 in business-type activities.



# CITY OF ST. LOUIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

Combined unrestricted net position, that part of net position that can be used to finance day-to-day operations, is \$8,478,188. Governmental activities unrestricted total is \$3,577,453, while business-type activities is \$4,900,735.

The following table shows comparisons of total assets, total deferred outflows, total liabilities, total deferred inflows, and total net position in a condensed format as of June 30, 2025 and June 30, 2024.

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
<b>Assets:</b>						
Current and other assets	\$ 8,076,041	\$ 7,787,932	\$ 18,907,289	\$ 14,914,166	\$ 26,983,330	\$ 22,702,098
Capital assets, net	11,309,245	11,156,842	36,864,555	30,563,020	48,173,800	41,719,862
Total assets	19,385,286	18,944,774	55,771,844	45,477,186	75,157,130	64,421,960
<b>Deferred outflows</b>	101,597	108,351	220,424	309,786	322,021	418,137
<b>Liabilities:</b>						
Current liabilities	366,963	459,588	3,034,103	637,430	3,401,066	1,097,018
Long-term liabilities	1,596,713	1,652,834	4,434,164	5,019,742	6,030,877	6,672,576
Total liabilities	1,963,676	2,112,422	7,468,267	5,657,172	9,431,943	7,769,594
<b>Deferred inflows</b>	-	-	167,110	213,447	167,110	213,447
<b>Net position:</b>						
Net investment in capital assets	9,930,615	9,726,486	33,028,608	26,292,905	42,959,223	36,019,391
Restricted	4,015,139	3,457,278	10,427,548	9,461,291	14,442,687	12,918,569
Unrestricted	3,577,453	3,756,939	4,900,735	4,162,157	8,478,188	7,919,096
Total net position	\$ 17,523,207	\$ 16,940,703	\$ 48,356,891	\$ 39,916,353	\$ 65,880,098	\$ 56,857,056

### Overall Analysis of Financial Position and Change in Net Position:

The City's combined total net position increased by \$9,023,042 during the current fiscal year. Governmental activities increased by \$582,504 while business-type activities increased by \$8,440,538. The City continues to report a solid net position in its governmental and business-type activities, with approximately \$23 million reported in cash and investments and manageable long-term debt and minimal pension liability.

### Governmental Activities:

The City's total governmental revenue is reported at \$4,476,170, a decrease of \$66,892 from the prior fiscal year. During the current fiscal year, charges for services decreased approximately \$212,000 while investment earnings increased approximately \$170,000. Total expenses decreased by \$342,078 from the prior fiscal year.

### Business-type Activities:

The City's total business-type revenue is reported at \$17,765,477, an increase of \$5,596,931 from the prior fiscal year. Capital grants increased approximately \$4.7 million which was used for various water system improvements. Total expenses increased by \$992,806 from the prior fiscal year.

# CITY OF ST. LOUIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

The following table shows the comparison of the change in net position in a condensed format for the fiscal years ended June 30, 2025 and June 30, 2024.

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 1,015,199	\$ 1,227,467	\$ 10,601,867	\$ 9,728,400	\$ 11,617,066	\$ 10,955,867
Operating grants	1,189,368	1,248,572	135,976	140,874	1,325,344	1,389,446
Capital grants	-	-	6,507,279	1,774,849	6,507,279	1,774,849
General revenues						
Taxes	1,011,531	961,051	-	-	1,011,531	961,051
Franchise fees	19,385	22,231	-	-	19,385	22,231
Unrestricted grants	940,848	770,696	-	-	940,848	770,696
Investment earnings	292,462	291,887	512,806	524,423	805,268	816,310
Other	7,377	21,158	7,549	-	14,926	21,158
Total revenues	<u>4,476,170</u>	<u>4,543,062</u>	<u>17,765,477</u>	<u>12,168,546</u>	<u>22,241,647</u>	<u>16,711,608</u>
<b>Expenses:</b>						
General government	591,834	630,259	-	-	591,834	630,259
Public safety	1,273,232	1,286,525	-	-	1,273,232	1,286,525
Public works	1,268,983	1,518,998	-	-	1,268,983	1,518,998
Community and economic development	154,272	197,107	-	-	154,272	197,107
Recreation and culture	493,822	490,225	-	-	493,822	490,225
Interest on debt	48,948	50,055	-	-	48,948	50,055
Electric	-	-	5,135,961	4,536,942	5,135,961	4,536,942
Sewer	-	-	1,707,464	1,544,827	1,707,464	1,544,827
Water	-	-	2,143,202	1,963,755	2,143,202	1,963,755
Solid Waste	-	-	441,471	389,768	441,471	389,768
Total expenses	<u>3,831,091</u>	<u>4,173,169</u>	<u>9,428,098</u>	<u>8,435,292</u>	<u>13,259,189</u>	<u>12,608,461</u>
Excess of revenues over expenses before other items	<u>645,079</u>	<u>369,893</u>	<u>8,337,379</u>	<u>3,733,254</u>	<u>8,982,458</u>	<u>4,103,147</u>
<b>Other items:</b>						
Principal contributions	1,275	1,738	-	-	1,275	1,738
Sale of capital assets	38,889	37,558	420	-	39,309	37,558
Transfer of capital assets to joint authority	-	-	-	(3,985,639)	-	(3,985,639)
Interfund transfers	(102,739)	223,830	102,739	(223,830)	-	-
Total other items	<u>(62,575)</u>	<u>263,126</u>	<u>103,159</u>	<u>(4,209,469)</u>	<u>40,584</u>	<u>(3,946,343)</u>
<b>Changes in net position</b>	<u>582,504</u>	<u>633,019</u>	<u>8,440,538</u>	<u>(476,215)</u>	<u>9,023,042</u>	<u>156,804</u>
Net position, beginning	<u>16,940,703</u>	<u>16,307,684</u>	<u>39,916,353</u>	<u>40,392,568</u>	<u>56,857,056</u>	<u>56,700,252</u>
Net position, ending	<u>\$ 17,523,207</u>	<u>\$ 16,940,703</u>	<u>\$ 48,356,891</u>	<u>\$ 39,916,353</u>	<u>\$ 65,880,098</u>	<u>\$ 56,857,056</u>

# CITY OF ST. LOUIS

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

### THE CITY'S FUNDS:

Presentation of the City of St. Louis' major funds and aggregate nonmajor funds begins on page 16, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Funds are created to help manage money for specific purposes, as well as show accountability for certain activities, such as specific property tax millages and restricted receipts from Federal and State sources.

The General Fund is the City's largest governmental fund and one of two governmental funds that is considered a major fund in the current fiscal year. It pays for most of the City's government services. Its major components of revenue are property taxes and state shared revenue. For the year ended June 30, 2025, General Fund had a decrease in fund balance of \$27,963 to \$1,631,818. The City's second major governmental fund, the Public Safety Fund had an increase in fund balance of \$5,461 to \$9,868.

### Overall Analysis of Financial Position and Change in General Fund Fund Balance:

The General Fund unassigned fund balance of \$981,680 as of June 30, 2025 is considered, by management, to be healthy in comparison to the annual General Fund budgeted expenditures and transfers of approximately \$2.7 million. The City has utilized effective budget controls in the General Fund to maintain its fund balance.

### General Fund Budgetary Highlights:

The General Fund budget, as originally adopted, projected a decrease in fund balance of \$574,342. During the year, the City made budget amendments which changed the projection to a net decrease in fund balance of \$235,778. The actual results for the year yielded a decrease in fund balance of \$27,963.

### Capital Assets and Debt Administration:

At June 30, 2025, the City of St. Louis had \$48,173,800 invested in a range of capital assets including land, buildings and improvements, equipment, vehicles, electric, water and sewer lines, streets, and other infrastructure, net of accumulated depreciation. At June 30, 2024, this total was \$41,719,862. Additional information about the City's capital assets is presented in Note 1 and Note 6 of the Notes to the Financial Statements.

At June 30, 2025, the City of St. Louis' total long-term indebtedness (not including compensated absences and net pension liability) was \$5,249,076, of which \$1,414,076 was backed by the full faith and credit of the City and the remaining \$3,835,000 was backed by specific revenue sources. Additional information about the City's indebtedness is presented in Note 7 of the Notes to the Financial Statements.

### Economic Factors:

The City of St. Louis is located within Gratiot County, Michigan, which includes both incorporated and unincorporated areas. According to the U.S. Bureau of Labor Statistics' Local Area Unemployment Statistics (LAUS) program, Gratiot County reported an annual average unemployment rate of approximately 5.4% for calendar year 2024, an increase from 4.6% in 2023. This increase reflects continued labor market softening at the local level.

More recent monthly, not seasonally adjusted estimates for mid-2025 indicate that Gratiot County's unemployment rate increased further, averaging approximately 7.1% during the summer of 2025, exceeding both statewide and national averages. By comparison, Michigan's statewide unemployment rate during the same period was approximately 5.1%, reflecting more moderate labor market conditions at the state level.<sup>3</sup> Elevated local unemployment rates may place continued pressure on household incomes and affordability of essential services within the community.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2025

Despite these economic pressures, the City continues to actively pursue external funding opportunities to address long-term infrastructure needs while minimizing the burden on taxpayers and utility ratepayers. In 2024, the City successfully secured a significant financing package through the Drinking Water State Revolving Fund (DWSRF) consisting of both grant and loan components. Part I of the project includes approximately \$16.0 million in American Rescue Plan (ARP) grant funding, while Part II includes up to \$13.3 million in loan financing, with the potential for up to \$5.3 million in loan forgiveness. These funds are intended to support the replacement of aging water mains throughout the City, with construction anticipated to begin in 2025 and continue over an estimated five-year period.

In recent years, City Council and staff have focused on developing sustainable long-term funding strategies for the City's water and sewer systems. Like many municipalities, the City faces challenges associated with aging infrastructure, evolving regulatory requirements, and sustained increases in equipment, materials, utilities, and maintenance costs following the COVID-19 pandemic. To address these pressures, the City anticipates the continued use of professionally developed rate studies to guide future rate adjustments in a manner that promotes financial stability, regulatory compliance, and equitable cost allocation among users.

In addition to water and sewer infrastructure needs, the City has identified significant long-term capital investment requirements within its electric distribution system. Over the next five to ten years, the City anticipates approximately \$10 million in planned upgrades to improve system reliability, safety, and operational efficiency.

Overall, the City continues to closely monitor economic conditions, control operating costs, and pursue diversified funding sources to maintain service levels. The City's healthy fund balances and net position provide important flexibility as it addresses future infrastructure demands and economic uncertainties while continuing to meet the needs of residents and businesses.

### **Contacting the City's Financial Management:**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. If you have questions about this report or need additional financial information, contact the Finance Director at the City of St. Louis, 300 N. Mill Street, St. Louis, Michigan 48880.

## ***BASIC FINANCIAL STATEMENTS***

# CITY OF ST. LOUIS

## STATEMENT OF NET POSITION

June 30, 2025

	<i>Primary Government</i>			<i>Component Unit</i>
	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>	
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,400,469	\$ 2,659,533	\$ 6,060,002	\$ 213,433
Investments	4,625,230	-	4,625,230	-
Receivables	304,920	2,390,014	2,694,934	1,769
Internal balances	(534,882)	534,882	-	-
Inventory	19,202	360,141	379,343	-
Prepaid expenses	205,441	-	205,441	-
Restricted cash and cash equivalents	-	3,472,497	3,472,497	-
Restricted investments	-	9,471,277	9,471,277	-
Asset held for resale	40,107	-	40,107	85,000
Capital assets not being depreciated	2,541,146	9,742,955	12,284,101	-
Capital assets being depreciated, net	8,768,099	27,121,600	35,889,699	-
Right-to-use lease asset, net	15,554	-	15,554	-
Right-to-use IT subscription, net	-	18,945	18,945	-
Total assets	19,385,286	55,771,844	75,157,130	300,202
<b>Deferred outflows of resources:</b>				
Related to pension	101,597	220,424	322,021	-
<b>Liabilities:</b>				
Accounts payable and accrued expenses	365,169	3,032,102	3,397,271	96
Unearned revenue	1,794	2,001	3,795	583
Long-term liabilities:				
Due within one year				
Long-term debt	37,543	423,892	461,435	-
Compensated absences	109,439	116,457	225,896	-
Due in more than one year				
Long-term debt	1,356,641	3,431,000	4,787,641	-
Compensated absences	20,639	20,374	41,013	-
Net pension liability	72,451	442,441	514,892	-
Total liabilities	1,963,676	7,468,267	9,431,943	679
<b>Deferred inflows of resources:</b>				
Leases	-	167,110	167,110	1,606

continued

The accompanying notes are an integral part of these financial statements.

# CITY OF ST. LOUIS

## STATEMENT OF NET POSITION, CONTINUED

June 30, 2025

	<i>Primary Government</i>			<i>Component Unit</i>
	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>	
<b>Net position:</b>				
Net investment in capital assets	9,930,615	33,028,608	42,959,223	-
Restricted for:				
Debt service	-	619,178	619,178	-
Library operations	1,197,102	-	1,197,102	-
Nonexpendable cemetery principal	198,470	-	198,470	-
Replacement/improvements	-	8,814,916	8,814,916	-
Streets	2,619,567	-	2,619,567	-
Water supply replacement	-	993,454	993,454	-
Unrestricted	3,577,453	4,900,735	8,478,188	297,917
Total net position	<u>\$ 17,523,207</u>	<u>\$ 48,356,891</u>	<u>\$ 65,880,098</u>	<u>\$ 297,917</u>

*The accompanying notes are an integral part of these financial statements.*

# CITY OF ST. LOUIS

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
Governmental activities:					
General government	\$ 591,834	\$ 572,100	\$ 5,368	\$ -	\$ (14,366)
Public safety	1,273,232	43,504	38,501	-	(1,191,227)
Public works	1,268,983	324,531	862,219	-	(82,233)
Community and economic development	154,272	-	-	-	(154,272)
Recreation and culture	493,822	75,064	283,280	-	(135,478)
Interest on long-term debt	48,948	-	-	-	(48,948)
Total governmental activities	3,831,091	1,015,199	1,189,368	-	(1,626,524)
Business-type activities:					
Electric	5,135,961	5,953,427	-	-	817,466
Sewer	1,707,464	2,000,409	-	-	292,945
Water	2,143,202	2,173,315	135,976	6,507,279	6,673,368
Solid Waste	441,471	474,716	-	-	33,245
Total business-type activities	9,428,098	10,601,867	135,976	6,507,279	7,817,024
Total primary government	\$ 13,259,189	\$ 11,617,066	\$ 1,325,344	\$ 6,507,279	\$ 6,190,500
COMPONENT UNIT:					
Downtown Development Authority	\$ 18,843	\$ 6,560	\$ -	\$ -	\$ (12,283)

continued

The accompanying notes are an integral part of these financial statements.



# CITY OF ST. LOUIS

## STATEMENT OF ACTIVITIES, CONTINUED

Year Ended June 30, 2025

	<i>Primary Government</i>			
	<i>Governmental Activities</i>	<i>Business- type Activities</i>	<i>Total</i>	<i>Component Unit</i>
<i>Changes in net position:</i>				
Net (Expense) Revenue	\$ (1,626,524)	\$ 7,817,024	\$ 6,190,500	\$ (12,283)
General revenues:				
Taxes:				
Property taxes, levied for general purpose	874,596	-	874,596	-
County-wide special assessment, public safety	128,182	-	128,182	-
Property taxes, captured by component unit	-	-	-	54,605
Payment in lieu of taxes	8,753	-	8,753	-
Franchise fees	19,385	-	19,385	-
Grants and contributions not restricted to specific programs	940,848	-	940,848	-
Unrestricted investment earnings	292,462	512,806	805,268	5,081
Other	7,377	7,549	14,926	-
Contributions to principal of permanent funds	1,275	-	1,275	-
Special items:				
Sale of capital assets	38,889	420	39,309	-
Transfers	(102,739)	102,739	-	-
Total general revenues, contributions, special items and transfers	2,209,028	623,514	2,832,542	59,686
Change in net position	582,504	8,440,538	9,023,042	47,403
Net position, beginning of year	16,940,703	39,916,353	56,857,056	250,514
Net position, end of year	\$ 17,523,207	\$ 48,356,891	\$ 65,880,098	\$ 297,917

*The accompanying notes are an integral part of these financial statements.*

# CITY OF ST. LOUIS

## GOVERNMENTAL FUNDS

### BALANCE SHEET

June 30, 2025

	<i><b>General Fund</b></i>	<i><b>Public Safety Fund</b></i>
<b>Assets:</b>		
Cash and cash equivalents	\$ 492,140	\$ 52,045
Investments	836,369	-
Taxes receivable	1,879	-
Accounts receivable	35,875	-
Due from other governments	123,872	-
Prepaid expenditures	191,063	3,719
Property held for resale	40,107	-
Total assets	<u>\$ 1,721,305</u>	<u>\$ 55,764</u>
<b>Liabilities and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 53,317	\$ 9,354
Accrued expenses	2,420	-
Due to other governments	4,367	-
Deposits payable	950	-
Accrued wages payable	21,465	24,418
Accrued vacation/sick payable	5,174	12,124
Unearned revenue	1,794	-
Total liabilities	<u>89,487</u>	<u>45,896</u>
<b>Fund balances:</b>		
Nonspendable:		
Prepaid expenditures	191,063	3,719
Property held for resale	40,107	-
Nonexpendable cemetery principal	-	-
Restricted for:		
Library operations/building expansion	-	-
Streets	-	-
Committed to:		
Capital improvements	-	-
Cemetery operations	-	-
Public safety	-	6,149
Assigned to:		
Cemetery improvements	43,968	-
Capital improvements	375,000	-
Unassigned	981,680	-
Total fund balances	<u>1,631,818</u>	<u>9,868</u>
Total liabilities and fund balances	<u>\$ 1,721,305</u>	<u>\$ 55,764</u>

continued

*The accompanying notes are an integral part of these financial statements.*

# CITY OF ST. LOUIS

## GOVERNMENTAL FUNDS BALANCE SHEET, CONTINUED

June 30, 2025

	<i><b>Nonmajor Funds</b></i>	<i><b>Total</b></i>
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,908,071	\$ 2,452,256
Investments	3,788,861	4,625,230
Taxes receivable	-	1,879
Accounts receivable	65	35,940
Due from other governments	143,229	267,101
Prepaid expenditures	10,659	205,441
Property held for resale	-	40,107
	<u>-</u>	<u>40,107</u>
Total assets	<u>\$ 5,850,885</u>	<u>\$ 7,627,954</u>
<b>Liabilities and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 139,116	\$ 201,787
Accrued expenses	-	2,420
Due to other governments	-	4,367
Deposits payable	-	950
Accrued wages payable	8,919	54,802
Accrued vacation/sick payable	4,162	21,460
Unearned revenue	-	1,794
	<u>-</u>	<u>1,794</u>
Total liabilities	<u>152,197</u>	<u>287,580</u>
<b>Fund balances:</b>		
Nonspendable:		
Prepaid expenditures	10,659	205,441
Property held for resale	-	40,107
Nonexpendable cemetery principal	198,470	198,470
Restricted for:		
Library operations/building expansion	1,186,443	1,186,443
Streets	2,619,567	2,619,567
Committed to:		
Capital improvements	1,609,859	1,609,859
Cemetery operations	73,690	73,690
Public safety	-	6,149
Assigned to:		
Cemetery improvements	-	43,968
Capital improvements	-	375,000
Unassigned	-	981,680
	<u>-</u>	<u>981,680</u>
Total fund balances	<u>5,698,688</u>	<u>7,340,374</u>
Total liabilities and fund balances	<u>\$ 5,850,885</u>	<u>\$ 7,627,954</u>

The accompanying notes are an integral part of these financial statements.

# CITY OF ST. LOUIS

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## RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2025

<b>Fund balances of governmental funds</b>	<b>\$ 7,340,374</b>
Net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Capital assets not being depreciated	2,541,146
Capital assets being depreciated, net	7,021,326
Right-to use lease assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Right-to-use lease assets being amortized, net	15,554
Certain pension amounts, such as net pension asset and related deferred amounts are not due and payable in the current period and do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(72,451)
Deferred outflows related to net pension liability	101,597
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Accrued interest payable	(16,077)
Long-term obligations	(1,394,184)
Compensated absences payable	(105,824)
A portion of the net position (including capital assets of \$1,746,773) and liabilities of the internal service fund are included in the governmental activities in the statement of net position (net of \$534,882 allocation to business-type activities).	<u>2,091,746</u>
<b>Net position of governmental activities</b>	<b><u>\$ 17,523,207</u></b>

*The accompanying notes are an integral part of these financial statements.*

# CITY OF ST. LOUIS

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2025

	<i><b>General Fund</b></i>	<i><b>Public Safety Fund</b></i>
<b>Revenues:</b>		
Taxes	\$ 883,349	\$ 128,182
Licenses and permits	33,854	45
State grants	940,848	25,461
Contributions from other units	-	-
Charges for services	611,384	-
Fines and forfeits	-	2,233
Investment income and rentals	65,286	816
Other revenue	21,020	25,816
Total revenues	<u>2,555,741</u>	<u>182,553</u>
<b>Expenditures:</b>		
Current		
General government	495,151	-
Public safety	91,966	1,275,526
Public works	324,140	-
Community and economic development	161,891	-
Recreation and culture	172,091	-
Capital outlay	161,159	-
Debt service		
Principal	35,180	991
Interest and fees	49,010	241
Total expenditures	<u>1,490,588</u>	<u>1,276,758</u>
Excess (deficiency) of revenues over expenditures	<u>1,065,153</u>	<u>(1,094,205)</u>
<b>Other financing sources (uses):</b>		
Sale of capital assets	6,550	-
Interfund transfers in	-	1,099,666
Interfund transfers out	(1,099,666)	-
Net other financing sources (uses)	<u>(1,093,116)</u>	<u>1,099,666</u>
Changes in fund balances	(27,963)	5,461
Fund balances, beginning of year	<u>1,659,781</u>	<u>4,407</u>
Fund balances, end of year	<u>\$ 1,631,818</u>	<u>\$ 9,868</u>

continued

The accompanying notes are an integral part of these financial statements.

# CITY OF ST. LOUIS

## GOVERNMENTAL FUNDS

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES, CONTINUED

Year Ended June 30, 2025

	<i><b>Nonmajor Funds</b></i>	<i><b>Total</b></i>
<b>Revenues:</b>		
Taxes	\$ -	\$ 1,011,531
Licenses and permits	-	33,899
State grants	873,151	1,839,460
Contributions from other units	245,786	245,786
Charges for services	14,378	625,762
Fines and forfeits	59,097	61,330
Investment income and rentals	214,305	280,407
Other revenue	24,501	71,337
Total revenues	<u>1,431,218</u>	<u>4,169,512</u>
<b>Expenditures:</b>		
Current		
General government	-	495,151
Public safety	-	1,367,492
Public works	266,585	590,725
Community and economic development	-	161,891
Recreation and culture	249,444	421,535
Capital outlay	263,711	424,870
Debt service		
Principal	-	36,171
Interest and fees	-	49,251
Total expenditures	<u>779,740</u>	<u>3,547,086</u>
Excess (deficiency) of revenues over expenditures	<u>651,478</u>	<u>622,426</u>
<b>Other financing sources (uses):</b>		
Sale of capital assets	-	6,550
Interfund transfers in	401,007	1,500,673
Interfund transfers out	(503,746)	(1,603,412)
Net other financing sources (uses)	<u>(102,739)</u>	<u>(96,189)</u>
Changes in fund balances	548,739	526,237
Fund balances, beginning of year	<u>5,149,949</u>	<u>6,814,137</u>
Fund balances, end of year	<u>\$ 5,698,688</u>	<u>\$ 7,340,374</u>

*The accompanying notes are an integral part of these financial statements.*

# CITY OF ST. LOUIS

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## RECONCILIATION OF CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

Year Ended June 30, 2025

<b>Changes in fund balances of governmental funds</b>	\$ 526,237
Change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.	
Purchases/Acquisitions of capital assets and right-to-use assets	448,842
Depreciation/Amortization expense	(545,201)
Payments of principal on long-term obligations are expenditures in the governmental funds but the payments reduce long-term liabilities in the statement of net position	36,172
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in compensated absences payable	11,144
Change in accrued interest on bonds	303
Change in net pension liability and related deferred outflows of resources and deferred inflows of resources	24,083
Certain changes in net position of the internal service fund are reported with governmental activities in the statement of activities.	<u>80,924</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 582,504</u></u>

*The accompanying notes are an integral part of these financial statements.*

# CITY OF ST. LOUIS

## *PROPRIETARY FUNDS* **STATEMENT OF NET POSITION** June 30, 2025

	<i>Enterprise Funds</i>					
				<i>Nonmajor</i>		
	<i>Electric</i>	<i>Sewer</i>	<i>Water</i>	<i>Solid</i>		<i>Internal</i>
	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Waste</i>	<i>Total</i>	<i>Service</i>
				<i>Fund</i>		<i>Funds</i>
<b>Assets:</b>						
<b><i>Current assets:</i></b>						
Cash and cash equivalents	\$ 1,574,726	\$ 581,806	\$ 368,954	\$ 134,047	\$ 2,659,533	\$ 948,213
Utility bills receivable	545,607	222,898	241,409	47,669	1,057,583	-
Accounts receivable	1,670	12,204	957	-	14,831	-
Accrued interest receivable	-	361	186	-	547	-
Due from other governments	-	-	1,135,990	-	1,135,990	-
Inventory	207,919	48,750	30,485	72,987	360,141	19,202
Total current assets	2,329,922	866,019	1,777,981	254,703	5,228,625	967,415
<b><i>Noncurrent assets:</i></b>						
Restricted cash and cash equivalents	592,687	587,028	2,292,782	-	3,472,497	-
Restricted investments	5,875,005	1,129,896	2,466,376	-	9,471,277	-
Capital assets:						
Not being depreciated	389,900	354,052	8,999,003	-	9,742,955	-
Being depreciated, net	4,606,080	9,253,679	13,261,841	-	27,121,600	1,746,773
Right-to-use IT subscription asset, net	6,315	6,315	6,315	-	18,945	-
Leases receivable	23,875	-	157,188	-	181,063	-
Total noncurrent assets	11,493,862	11,330,970	27,183,505	-	50,008,337	1,746,773
Total assets	13,823,784	12,196,989	28,961,486	254,703	55,236,962	2,714,188
<b>Deferred outflows of resources:</b>						
Related to pension	89,465	52,842	75,092	3,025	220,424	-
<b>Liabilities:</b>						
<b><i>Current liabilities:</i></b>						
Accounts payable	176,145	151,220	2,580,481	20,134	2,927,980	83,919
Due to other governments	1,701	-	-	-	1,701	-
Accrued interest payable	2,466	13,575	4,019	-	20,060	-
Deposits payable	27,918	-	9,677	-	37,595	-
Accrued wages payable	19,483	11,977	11,988	1,318	44,766	847
Compensated absences payable - current	51,713	33,228	26,784	4,732	116,457	2,269
Long-term debt - current	71,696	286,500	65,696	-	423,892	-
Total current liabilities	351,122	496,500	2,698,645	26,184	3,572,451	87,035

continued

*The accompanying notes are an integral part of these financial statements.*



# CITY OF ST. LOUIS

## *PROPRIETARY FUNDS* **STATEMENT OF NET POSITION, CONTINUED** June 30, 2025

	<i>Enterprise Funds</i>					
				<i>Nonmajor</i>		
	<i>Electric</i>	<i>Sewer</i>	<i>Water</i>	<i>Solid</i>		<i>Internal</i>
	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Waste</i>	<i>Total</i>	<i>Service</i>
	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>		<i>Funds</i>
<b>Noncurrent liabilities:</b>						
Compensated absences payable - net current	7,136	5,727	6,458	1,053	20,374	525
Long-term debt - net current	375,000	2,435,000	621,000	-	3,431,000	-
Net pension liability	130,923	117,319	156,627	37,572	442,441	-
Unearned revenue	-	-	2,001	-	2,001	-
Total noncurrent liabilities	513,059	2,558,046	786,086	38,625	3,895,816	525
Total liabilities	864,181	3,054,546	3,484,731	64,809	7,468,267	87,560
<b>Deferred inflows of resources:</b>						
Leases	22,774	-	144,336	-	167,110	-
<b>Net position:</b>						
Net investment in capital assets	4,555,599	6,892,546	21,580,463	-	33,028,608	1,746,773
Restricted for:						
Debt service	156,800	414,878	47,500	-	619,178	-
Replacement/improvement	6,310,892	1,302,046	1,201,978	-	8,814,916	-
Water supply replacement	-	-	993,454	-	993,454	-
Unrestricted	2,003,003	585,815	1,584,116	192,919	4,365,853	879,855
Total net position	<u>\$ 13,026,294</u>	<u>\$ 9,195,285</u>	<u>\$ 25,407,511</u>	<u>\$ 192,919</u>	<u>\$ 47,822,009</u>	<u>\$ 2,626,628</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					534,882	
Net position of business-type activities					<u>\$ 48,356,891</u>	

*The accompanying notes are an integral part of these financial statements.*

# CITY OF ST. LOUIS

## *PROPRIETARY FUNDS* **STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**

Year Ended June 30, 2025

	<i>Enterprise Funds</i>					
	<i>Electric Fund</i>	<i>Sewer Fund</i>	<i>Water Fund</i>	<i>Nonmajor Solid Waste Fund</i>	<i>Total</i>	<i>Internal Service Fund</i>
<b>Operating revenues:</b>						
Charges for services						
Sales	\$ 5,837,826	\$ 1,920,162	\$ 2,081,678	\$ 456,114	\$ 10,295,780	\$ -
Other	5,717	60,761	7,080	8,257	81,815	14,365
Penalties	106,255	19,486	19,778	10,345	155,864	-
Equipment rental	-	-	-	-	-	536,935
Total operating revenues	<u>5,949,798</u>	<u>2,000,409</u>	<u>2,108,536</u>	<u>474,716</u>	<u>10,533,459</u>	<u>551,300</u>
<b>Operating expenses:</b>						
Personnel	841,515	546,993	411,254	112,210	1,911,972	45,829
Contracted services	81,514	82,593	124,856	196,491	485,454	-
Purchased water	-	-	820,217	-	820,217	-
Administrative expense	313,448	83,977	109,089	22,716	529,230	-
Purchased energy	3,265,402	-	-	-	3,265,402	-
Other services and charges	339,483	504,080	241,320	110,054	1,194,937	193,127
Depreciation/Amortization	278,728	430,918	422,999	-	1,132,645	284,708
Total operating expenses	<u>5,120,090</u>	<u>1,648,561</u>	<u>2,129,735</u>	<u>441,471</u>	<u>9,339,857</u>	<u>523,664</u>
Operating income (loss)	<u>829,708</u>	<u>351,848</u>	<u>(21,199)</u>	<u>33,245</u>	<u>1,193,602</u>	<u>27,636</u>
<b>Non-operating revenues (expenses):</b>						
State grants	-	-	135,976	-	135,976	-
Interest income	309,500	62,280	138,360	2,666	512,806	20,949
Rental income	71	-	16,396	-	16,467	-
Lease income	3,558	-	48,383	-	51,941	-
Sale of capital assets	420	-	-	-	420	32,339
Interest expense	(15,871)	(58,903)	(13,467)	-	(88,241)	-
Net non-operating revenues (expenses)	<u>299,586</u>	<u>3,377</u>	<u>331,289</u>	<u>2,666</u>	<u>636,918</u>	<u>53,288</u>
Change in net position before capital contributions and transfers	1,129,294	355,225	310,090	35,911	1,830,520	80,924

continued

*The accompanying notes are an integral part of these financial statements.*

# CITY OF ST. LOUIS

## *PROPRIETARY FUNDS* **STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION, CONTINUED**

Year Ended June 30, 2025

	<i>Enterprise Funds</i>					
				<i>Nonmajor</i>		
	<i>Electric</i>	<i>Sewer</i>	<i>Water</i>	<i>Solid</i>		<i>Internal</i>
	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Waste</i>	<i>Total</i>	<i>Service</i>
	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>		<i>Fund</i>
<b>Capital contributions and transfers:</b>						
Capital contribution - Federal grants	-	-	6,507,279	-	6,507,279	-
Interfund transfers in	-	-	350,804	-	350,804	-
Interfund transfers out	(141,043)	(46,115)	(49,960)	(10,947)	(248,065)	-
Net capital contributions and transfers	(141,043)	(46,115)	6,808,123	(10,947)	6,610,018	-
Change in net position	988,251	309,110	7,118,213	24,964	8,440,538	80,924
Net position, beginning of year	12,038,043	8,886,175	18,289,298	167,955	39,381,471	2,545,704
Net position, end of year	<u>\$ 13,026,294</u>	<u>\$ 9,195,285</u>	<u>\$ 25,407,511</u>	<u>\$ 192,919</u>	<u>\$ 47,822,009</u>	<u>\$ 2,626,628</u>

*The accompanying notes are an integral part of these financial statements.*

# CITY OF ST. LOUIS

## *PROPRIETARY FUNDS* **STATEMENT OF CASH FLOWS** Year Ended June 30, 2025

	<i>Enterprise Funds</i>					
				<i>Nonmajor</i>		
	<i>Electric</i>	<i>Sewer</i>	<i>Water</i>	<i>Solid</i>		<i>Internal</i>
	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Waste</i>	<i>Total</i>	<i>Service</i>
	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>		<i>Fund</i>
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 6,165,018	\$ 2,007,079	\$ 2,113,054	\$ 471,538	\$ 10,756,689	\$ 14,365
Cash received (payments) for interfund services	(56,129)	(42,934)	(84,137)	(103,951)	(287,151)	536,935
Cash payments to and on behalf of employees	(876,656)	(560,209)	(428,385)	(115,874)	(1,981,124)	(44,893)
Cash payments for goods, services and other	<u>(4,053,906)</u>	<u>(527,561)</u>	<u>(1,332,283)</u>	<u>(224,041)</u>	<u>(6,137,791)</u>	<u>(183,154)</u>
Net cash provided (used) by operating activities	<u>1,178,327</u>	<u>876,375</u>	<u>268,249</u>	<u>27,672</u>	<u>2,350,623</u>	<u>323,253</u>
<b>Cash flows from non-capital financing activities:</b>						
State grants	-	-	200,187	-	200,187	-
Interfund transfers out	<u>(141,043)</u>	<u>(46,115)</u>	<u>(49,960)</u>	<u>(10,947)</u>	<u>(248,065)</u>	<u>-</u>
Net cash provided (used) by non-capital financing activities	<u>(139,135)</u>	<u>(46,115)</u>	<u>155,868</u>	<u>(10,947)</u>	<u>(40,329)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>						
Interfund transfers in	-	-	350,804	-	350,804	-
Capital contributions	-	-	6,035,585	-	6,035,585	-
Acquisition of capital assets	(103,881)	(10,673)	(4,830,286)	-	(4,944,840)	(461,658)
Sale of capital assets	420	-	-	-	420	12,339
Principal payments on debt	(71,009)	(281,205)	(63,009)	-	(415,223)	-
Interest paid	<u>(16,169)</u>	<u>(60,278)</u>	<u>(13,776)</u>	<u>-</u>	<u>(90,223)</u>	<u>-</u>
Net cash used by capital related financing activities	<u>(190,639)</u>	<u>(352,156)</u>	<u>1,479,318</u>	<u>-</u>	<u>936,523</u>	<u>(449,319)</u>
<b>Cash flows from investing activities:</b>						
Interest received	309,500	62,248	138,174	2,666	512,588	20,949
Rent received	71	-	16,396	-	16,467	-
Lease revenue received	<u>3,380</u>	<u>-</u>	<u>46,101</u>	<u>-</u>	<u>49,481</u>	<u>-</u>
Net cash provided by investing activities	<u>312,951</u>	<u>62,248</u>	<u>200,671</u>	<u>2,666</u>	<u>578,536</u>	<u>20,949</u>

continued

The accompanying notes are an integral part of these financial statements.

# CITY OF ST. LOUIS

## *PROPRIETARY FUNDS* **STATEMENT OF CASH FLOWS, CONTINUED** Year Ended June 30, 2025

	<i>Enterprise Funds</i>					
				<i>Nonmajor</i>		
	<i>Electric</i>	<i>Sewer</i>	<i>Water</i>	<i>Solid</i>		<i>Internal</i>
	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Waste</i>	<i>Total</i>	<i>Service</i>
				<i>Fund</i>		<i>Funds</i>
Net increase (decrease) in cash, cash equivalents and investments	1,161,504	540,352	2,104,106	19,391	3,825,353	(105,117)
Cash, cash equivalents and investments, beginning of year	6,880,914	1,758,378	3,024,006	114,656	11,777,954	1,053,330
Cash, cash equivalents and investments, end of year	<u>\$ 8,042,418</u>	<u>\$ 2,298,730</u>	<u>\$ 5,128,112</u>	<u>\$ 134,047</u>	<u>\$ 15,603,307</u>	<u>\$ 948,213</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ 829,708	\$ 351,848	\$ (21,199)	\$ 33,245	\$ 1,193,602	\$ 27,636
Adjustments:						
Depreciation/Amortization	278,728	430,918	422,999	-	1,132,645	284,708
Change in assets and liabilities:						
Utility bills receivable	209,175	8,027	4,745	(3,213)	218,734	-
Accounts receivable	6,045	(1,357)	(227)	35	4,496	-
Inventory	(4,968)	(3,290)	63	41	(8,154)	(40)
Accounts payable	(104,728)	103,445	(121,901)	1,228	(121,956)	10,013
Due to other governments	(27)	-	-	-	(27)	-
Deposits payable	(465)	-	900	-	435	-
Accrued wages payable	5,405	2,133	4,641	(338)	11,841	364
Compensated absences	(10,989)	6,545	7,785	1,053	4,394	572
Net pension liability and related deferred outflows and inflows of resources	<u>(29,557)</u>	<u>(21,894)</u>	<u>(29,557)</u>	<u>(4,379)</u>	<u>(85,387)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 1,178,327</u>	<u>\$ 876,375</u>	<u>\$ 268,249</u>	<u>\$ 27,672</u>	<u>\$ 2,350,623</u>	<u>\$ 323,253</u>

*The accompanying notes are an integral part of these financial statements.*

# CITY OF ST. LOUIS

## FIDUCIARY FUND STATEMENT OF FIDUCIARY NET POSITION June 30, 2025

	<i>Custodial Funds</i>				
	<i>Current Tax Collection Fund</i>	<i>Gratiot Downtown Art Banner Project</i>	<i>Bethany Trust</i>	<i>Michigan Public Power Rate Payers Association</i>	<i>Total</i>
<b>Assets:</b>					
Cash and cash equivalents	\$ -	\$ 2,798	\$ 2,290	\$ 14,037	\$ 19,125
Accounts receivable	-	-	3,904	-	3,904
Total assets	-	2,798	6,194	14,037	23,029
<b>Liabilities:</b>					
Due to other governments	-	-	6,194	-	6,194
<b>Net position:</b>					
Held for other organizations	\$ -	\$ 2,798	\$ -	\$ 14,037	\$ 16,835

*The accompanying notes are an integral part of these financial statements.*

# CITY OF ST. LOUIS

## FIDUCIARY FUND STATEMENT OF CHANGES IN FIDUCIARY NET POSITION Year Ended June 30, 2025

	<i>Custodial Funds</i>				
	<i>Current Tax Collection Fund</i>	<i>Gratiot Downtown Art Banner Project</i>	<i>Bethany Trust</i>	<i>Michigan Public Power Rate Payers Association</i>	<i>Total</i>
<b>Additions:</b>					
Contributions:					
Gifts and bequests	\$ -	\$ 3,750	\$ -	\$ -	\$ 3,750
Investment earnings:					
Interest	-	-	-	8	8
Property taxes collected for other governments	2,190,793	-	-	-	2,190,793
Utility billings collected for other governments	-	-	32,005	-	32,005
Total additions	<u>2,190,793</u>	<u>3,750</u>	<u>32,005</u>	<u>8</u>	<u>2,226,556</u>
<b>Deductions:</b>					
Payments on behalf of organizations	-	3,127	-	20	3,147
Property taxes paid to other governments	2,190,793	-	-	-	2,190,793
Utility billings paid to other governments	-	-	32,005	-	32,005
Total deductions	<u>2,190,793</u>	<u>3,127</u>	<u>32,005</u>	<u>20</u>	<u>2,225,945</u>
Net increase (decrease)	-	623	-	(12)	611
Net position, beginning of year	-	2,175	-	14,049	16,224
Net position, end of year	<u>\$ -</u>	<u>\$ 2,798</u>	<u>\$ -</u>	<u>\$ 14,037</u>	<u>\$ 16,835</u>

*The accompanying notes are an integral part of these financial statements.*

## ***NOTES TO FINANCIAL STATEMENTS***



# CITY OF ST. LOUIS

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The following is a summary of the significant accounting policies used by the City of St. Louis, (the “City”):

#### **Reporting Entity:**

Located in Gratiot County, Michigan, St. Louis was settled in 1853 along the banks of the Pine River, became a village in 1868, and was incorporated in 1891 as the City of St. Louis. Organized under Michigan’s Comprehensive Home Rule City Act, the City of St. Louis is governed by a single ward, four member elected City Council and the Mayor. The Mayor is elected by the City at large and the City Council selects the mayor Pro Tem. The City Manager is appointed by the Council to administer the business of the City. The City of St. Louis provides the following services to approximately 7,400 residents as authorized by its charter: public safety (police), highways and streets, electric, water, sewer, sanitation, recreation, public improvements, zoning, planning and general administrative services.

The accompanying financial statements present the City as the primary government. Component units are separate legal entities for which the City is financially accountable. Blended component units are, in substance, part of the primary government’s operations, and presented as funds of the primary government. Discretely presented component units are reported in separate columns in the government-wide financial statements. The City has determined that it has two component units; a blended component unit and a discretely presented component unit.

#### **Blended Component Unit:**

***Building Authority*** – The Building Authority is governed by a board that is appointed by the City Council. Although it is legally separate from the City, it is reported as if it were a part of the primary government because its primary purpose is to finance and construct the City’s public buildings. The Building Authority is reported as a debt service fund when there is activity. There is no activity in the current year.

#### **Discretely Presented Component Unit:**

***Downtown Development Authority*** – The Downtown Development Authority (the “Authority”) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and to promote economic growth within the downtown district. The Authority is comprised of individuals from the management of the City as well as residents who are appointed by the City Council. In addition, the Authority’s budget is approved by the City Council. The Authority does not issue any other formal financial statements except as contained in the City’s annual financial statements. Detailed information can be obtained by contacting the City Finance Director.

#### **Related Organization:**

**St. Louis Housing Commission** – St. Louis Housing Commission was created under Public Act 18 of 1933. The City is responsible for appointing the members of the Board of Directors of the St. Louis Housing Commission but the City’s accountability for this organization does not extend beyond making the appointments. The City does receive an annual amount from the Housing Commission as payment in lieu of taxes (PILT) but receives no other financial benefit. The PILT amount received from the Housing Commission during fiscal year ended June 30, 2025 was \$6,244. Complete financial statements for the Housing Commission’s June 30, 2025 year end can be obtained by contacting the Housing Commission, 308 S. Delaware Street, St. Louis, Michigan.

# CITY OF ST. LOUIS

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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#### Joint Ventures:

***Mid-Michigan Community Fire Board District*** – The Mid-Michigan Community Fire Board District is a joint venture between the City of St. Louis and the Townships of Bethany, Pine River, and Jasper. The governing Board is comprised of five members consisting of one member from each Township and two members from the City. Each unit is responsible for funding its required local contribution to cover operational deficits based on the formula established. The City's operating contribution was \$145,340. The City received \$12,208 for accounting services provided. The provisions of the agreement do not explicitly state equity interest. The financial statements can be obtained at the City of St. Louis administration office.

***Gratiot Area Water Authority*** – The Gratiot Area Water Authority (GAWA) is a joint venture between the City of St. Louis and the City of Alma. The purpose of the Authority is to acquire, own, improve, enlarge, extend and operate those portions of the City of Alma and the City of St. Louis water system which provide water treatment and supply to both cities. The governing board is comprised of six trustees, two appointed from each municipality plus the City Managers of each municipality. Funding of the initial improvements is to be provided by St. Louis and US EPA through terms of a Settlement Agreement related to contamination of the St. Louis City Wells. Ongoing the Authority will establish rates to be charged for wholesale water sold to Alma and St. Louis based on its cost of service. The City received \$16,114 for accounting services provided. The agreement has no stated equity interest provisions. The financial statements can be obtained at the City of St. Louis administration office.

***Mid-Michigan Area Cable Communications Consortium*** – The Mid-Michigan Area Cable Communications Consortium is a joint venture between twelve Mid-Michigan communities with cable franchised agreements granted to Charter Communications. The Consortium is responsible for developing and monitoring the enforcement of the cable ordinance, negotiating and monitoring of cable franchise agreements, and, to the extent permitted by federal law, regulate cable rates. Additionally, the Consortium is responsible for the operation of public education and governmental access channels. Each community is permitted to appoint two members of the governing Board. The City remits 40% of the cable tv franchise fee it receives to the Consortium. For the year ended June 30, 2025, this amounted to \$12,923. The Consortium operates on a calendar year and produces separate financial statements. Per provisions of the agreement, there is no equity interest in the Consortium. Copies of the Mid-Michigan Area Cable Communications Consortium financial statements can be obtained by writing to Operations and Administrative Director, 312 West Michigan Street, Mt. Pleasant, MI 48860.

***Gratiot Community Airport Authority*** – The City is a member of the Gratiot Community Airport Authority which operates the only public airport in Gratiot County. Under MCL 259.621, et. Seq. an agreement to establish the Gratiot Community Airport Authority was entered into on February 18, 2009 and amended on January 30, 2012. The Authority is operated by a six-person board, one member from each member municipality. The City of St. Louis has no stated equity interest. The City of Alma maintains the accounting records for the Authority. Copies of the City of Alma financial statements can be obtained by writing to City of Alma, 525 E. Superior, Alma, MI 48801.

***St. Louis Ithaca Pine River Transit Authority*** – The St. Louis Ithaca Pine River Transit Authority (SLIPR) is a joint venture between the City of St. Louis, City of Ithaca, and Pine River Township formed June 2024 under the provisions of Act 196, Public Acts of Michigan, 1986, as amended. The Authority is incorporated for the purpose of providing public transportation services to the residents and businesses of the incorporating units.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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The governing Board is comprised of three (3) members, one member being appointed by each member unit. SLIPR submitted and passed a 0.96 mill operating millage proposal to the electors in November 2020 which is the sole revenue of the authority. Transportation services are provided by a contract with the City of Alma Transit. The City received \$2,778 for accounting services provided. The entities have no equity interest. The financial statements can be obtained at the City of St. Louis administration office.

#### **Jointly Governed Organization:**

***Gratiot Area Solid Waste Authority*** – The City is a member of the Gratiot Area Solid Waste Authority which provides solid waste management services to its members. The Authority negotiates mutually beneficial waste management contracts with third-party service providers. Any local governmental unit under Act 7 of 1967 of the Michigan Public Acts is permitted to become a member of the Authority. Each member has one trustee on the board. No contributions were made to the Authority during the current fiscal year; the City paid for the solid waste services directly to the third-party service provider.

***Gratiot County Central Dispatch Authority*** – The City is a member of Gratiot County Central Dispatch Authority. The Authority provides central dispatch services for police and fire services in Gratiot County. The governing Board is comprised of ten members. The Authority has responsibility for preparing the annual budget, which is approved by Gratiot County, and to carry out all activities of the Authority. The Authority receives funding from telephone surcharge fees and local contributions. A formula has been established to allocate the local contributions. The City made no contribution during the current fiscal year.

***Alma SLIPR Transit Joint Administrative Board*** - The Alma SLIPR Transit Joint Administrative Board consists of the City Managers of the Cities of Ithaca and St. Louis, the Township Supervisor of Pine River Township, and one member appointed by the Alma City Commission. A member at large is appointed by the other four members. The Board is an oversight committee which meets periodically to review the performance of operations, budget and finance matters related to the agreement and provision of transportation services by the City of Alma to Alma and St. Louis Ithaca Pine River Transit Authority customers.

#### **Accounting and Reporting Principles:**

The City follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Government Accounting Standards Board.

#### **Report Presentation:**

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's enterprise functions and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are not included in the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **Basis of Accounting:**

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources. Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due. Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: most state-shared revenue, state gas and weight tax revenue, and interest associated with the current fiscal period. However, for grant revenues received on a reimbursement basis, the City recognizes revenue if the grant funds are expected to be collected within 180 days after year-end. This extended availability period is applied due to the known time lags in processing and payment of grant reimbursements. Revenues not collected within these availability periods are reported as deferred inflows of resources until they are available to meet current obligations.

Proprietary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

#### **Fund Accounting:**

The City accounts for its various activities in several different funds in order to demonstrate accountability for how it has spent certain resources - separate funds allow the City to show the particular expenditures that specific revenues were used for. The various funds are aggregated into two broad fund types:

**Governmental funds** include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The City reports the following funds as "major" governmental funds:

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**General Fund** is the City's primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.

**Special Revenue Fund – Public Safety Fund** – The Public Safety Fund accounts for a special assessment levy for the purpose of providing public safety.

**Proprietary funds** include enterprise funds, which provide goods or services to users in exchange for charges or fees. The City reports the following as "major" enterprise funds:

**Enterprise Fund – Electric Fund** accounts for the operations of the City's electric system.

**Enterprise Fund – Sewer Fund** accounts for the revenues and expenses for the operation of the City's sewer system.

**Enterprise Fund – Water Fund** accounts for the revenues and expenses for the operation of the City's water system.

Additionally, the City reports the following fund types:

**Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Capital Projects Funds** account for the acquisition or construction of major capital facilities by a governmental unit that is not accounted for by proprietary funds and trust funds.

**Permanent Fund** account for the resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the government or its citizenry. The City has one permanent fund for cemetery perpetual care.

**Nonmajor Enterprise Fund – Solid Waste Fund** accounts for revenues and expenses for operations of a garbage and rubbish collection system.

**Internal Service Fund – Motor Pool Fund** provides vehicle and equipment use to other departments or agencies of the government on a cost reimbursement basis.

**Fiduciary Funds – Custodial Funds** are used to account for the resources held in a fiduciary capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the City's own programs. Custodial Funds report fiduciary activities that are not required to be reported in trust funds.

#### Specific Balances and Transactions:

**Deposits and Investments** – Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. For purposes of the statement of cash flows, the City considers all investments (including restricted assets) to be cash equivalents. The investment policy adopted by the City Council is in accordance with Public Act 20 of 1943, as amended. The City's deposits and investments have been made in accordance with statutory authority.

**Inventories** – Inventories are valued at cost, on a first-in, first-out basis in the proprietary funds. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**Prepaid Items** – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets** – Capital assets, which include property, plant, equipment and infrastructure assets (e.g., streets, bridges, sidewalks and similar items), are defined by the City as assets with an individual cost in excess of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings	40-60 years
Building improvements	15-30 years
Equipment	3-10 years
Infrastructure	5-30 years
Water and sewer systems	50-75 years

**Long-term Obligations** – In the government-wide financial statements and the proprietary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, 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 effective interest method; bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an “other financing source,” as well as bond premiums and discounts. The General Fund, Electric Fund, Sewer Fund and Water Fund, and debt service funds are generally used to liquidate long-term debt.

**Unearned Revenue** – Governmental funds defer revenue recognition in connection with resources that have been received but not yet earned.

**Deferred Outflows/Inflows of Resources** – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported in the government-wide and enterprise statement of net position for pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include leases. The deferred inflow for leases is related to the leases receivable and is being amortized to leases revenue in a systematic and rational manner over the term of the lease.

**Net Position Flow Assumption** – Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., 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.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**Fund Balance Flow Assumption** – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental 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 fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policies** – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Other classifications of fund balance include: nonspendable fund balance, which are amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact; restricted fund balance, which are amounts that have constraints placed on their use by an external party or constitutional provisions or enabling legislation (grants, contributions, specific fee mandates); and unassigned fund balance, which are amounts that are available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, unassigned balances also include negative balances in other governmental funds.

**Property Taxes** – Property taxes are levied on each July 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on September 15<sup>th</sup>, at which time penalties and interest are assessed. Collections of all the taxes and remittances of them to the other taxing authorities are accounted for in an agency fund. The 2024 taxable valuation of the City totaled \$65,753,383 (exclusive of any Michigan Tax Tribunal or Board of Review adjustments). Taxes levied consisted of 13.0548 mills for the City's operating purposes. Additionally, an Act 33 special assessment of 2 mills for public safety is levied on the real property taxable value of \$64,748,645.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**Compensated Absences (vacation and sick leave)** – Employees earn sick leave at a rate of 10 hours per month, up to a maximum accrual of 500 hours. Police officers, under a separate leave policy, are credited 54 hours of sick leave annually and may accumulate up to a maximum of 96 hours. For both employee groups, sick leave balances in excess of the respective cap at fiscal year-end are not carried forward, but are instead converted into a contribution to a Health Care Savings Plan (HCSP) and paid on behalf of the employee. Sick leave is not payable upon separation, and only the portion contractually payable to the HCSP is recognized as a compensated absences liability under GASB Statement No. 101.

Vacation leave is granted annually on July 1, based on prior year service, up to a maximum of 200 hours. A maximum of 40 hours of unused vacation leave may be carried over at fiscal year-end, with an optional extension of up to an additional 40 hours if formally approved by the City Manager. Any vacation time in excess of the approved carryover is forfeited. Unused vacation leave is payable upon separation of employment. Under GASB Statement No. 101, the City recognizes a liability for compensated absences that are attributable to services already rendered and are expected to result in payments, including future leave usage or separation payouts. The accrued vacation liability is classified as follows:

- **Short-term:** the portion expected to be paid within 12 months of year-end.
- **Long-term:** the portion expected to be paid beyond 12 months.

Only the portion of compensated absences expected to be liquidated with expendable available resources is reported in the governmental fund financial statements. The full liability is recorded in the government-wide financial statements.

**Pension Costs** – The City offered a defined benefit pension plan to its employees which closed to new employees after June 30, 1999. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose 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 pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. 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.

**Proprietary Funds Operating Classification** – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The proprietary funds recognize as nonoperating revenues rental income and investment income. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not included in these classifications are reported as nonoperating expenses.

**Leases** – The City is a lessor for noncancelable leases of City-owned assets and a lessee for noncancelable leases for right-to-use assets. As a lessor, the City recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable. Interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources is recognized in a systematic and rational manner over the term of the lease.



# CITY OF ST. LOUIS

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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As a lessee, the City recognizes a lease liability and a lease asset at the commencement of the lease term. The lease liability is measured at the present value of payments expected to be made during the lease. The lease asset is measured at the amount of the initial measurement of the lease liability. The City reduces the lease liability as payments are made and recognizes an outflow of resources (for example, expense) for interest on the liability. The City amortizes the lease asset in a systematic and rational manner over the lease term. Right-to-use lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Subscription-Based Information Technology Arrangements (SBITA)** – The City has entered into a contract that conveys control of the right to use information technology software. The City has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the enterprise funds. At the commencement of the IT subscription term, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how the City determines the discount rate it uses to discount the expected payments to present value, term, and payments. The City uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate. The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments. The City monitors changes in circumstances that would require a remeasurement of its IT subscription and will remeasure the right-to-use IT subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

#### **Use of Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Interfund Activity:**

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities' column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

# CITY OF ST. LOUIS

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### Budgetary Information:

Annual budgets for all governmental funds are adopted in compliance with Michigan Law. The budgets are prepared on the modified accrual basis, which is consistent with generally accepted accounting principles. The budget document presents information by fund, function, department or activity, and line items. The legal level of budgetary control adopted by the governing body is the function level for the general fund and special revenue funds. The City does not formally record encumbrances in the accounting records during the year as a normal practice. Appropriations lapse at the end of the fiscal year and amounts are reappropriated for expenditures to be incurred in the next fiscal year.

#### Excess of Expenditures over Appropriations in Budgeted Funds:

During the year, the City did incur expenditures in excess of the amount budgeted by \$126 for Elections.

#### State Construction Code Act:

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus generated since January 1, 2000, reported in the General Fund, is as follows:

Cumulative surplus at July 1, 2024	\$	-
Current year building permit revenue		6,679
Related expenses:		
Direct costs		91,966
Cumulative surplus at June 30, 2025	\$	-

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### NOTE 3: DEPOSITS AND INVESTMENTS

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Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency of instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

# CITY OF ST. LOUIS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 3: DEPOSITS AND INVESTMENTS, CONTINUED

#### Summary of Deposit and Investment Balances:

The following is a reconciliation of deposit and investment balances as of June 30, 2025:

#### Statement of Net Position:

Cash and cash equivalents (including restricted):

Primary Government	\$ 9,532,499
Component Unit	213,433

Investments (including restricted):

Primary Government	14,096,507
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#### Statement of Fiduciary Assets and Liabilities:

Cash and cash equivalents:

Custodial Fund	19,125
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Total	<u>\$ 23,861,564</u>
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#### Deposits and Investments:

Bank deposits	\$ 9,764,764
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Investments:

Pooled investments - Michigan CLASS	14,096,507
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Cash on hand	293
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Total	<u>\$ 23,861,564</u>
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**Custodial Credit Risk – Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a deposit policy for custodial credit risk. At year end, the City held \$9,790,352 of bank deposits (certificates of deposit, checking and savings) of which \$9,042,866 was exposed to custodial credit risk because they were uninsured and uncollateralized. The City's investment policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those with an acceptable risk level are used for depositories.

**Interest Rate Risk – Investments** – Interest rate risk is the risk that the value of fixed income investments will decrease as a result of a rise in interest rates. State law limits the allowable investments and the maturities of some of the allowable investments. The City's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At year end, the average maturities of fixed income security investments are as follows:

<u>Investment Type</u>	<u>Market Value</u>	<u>Less than 1 Year</u>
Pooled investments - Michigan CLASS	<u>\$ 14,096,507</u>	<u>\$ 14,096,507</u>

**Credit Risk – Investments** – State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools. The City's investment policy does not have specific limits in excess of state law on investment credit risk. At year end, the credit quality ratings of fixed income securities are as follow:

# CITY OF ST. LOUIS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 3: DEPOSITS AND INVESTMENTS, CONTINUED

<i>Investment Type</i>	<i>Market Value</i>	<i>Rating</i>	<i>Rating Organization</i>
Pooled investments - Michigan CLASS	<u>\$ 14,096,507</u>	AAAm	S&P

***Custodial Credit Risk – Investments*** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the City does not have a policy for investment custodial credit risk. At year end, none of the City's investments were subject to custodial credit risk due to one of the following: 1) Investments were part of an insured pool; 2) Investments were book-entry only in the name of the City and were fully insured; 3) Investments were part of a mutual fund; or 4) Investments were held by an agent in the City's name.

### NOTE 4: FAIR VALUE MEASUREMENTS

***Fair Value Measurements*** – The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has \$14,096,507 invested with the Michigan Cooperative Liquid Assets Security System (Michigan CLASS). Michigan CLASS is a participant-controlled trust created in accordance with Section 5 of Act 7 of the Urban Cooperation Act of 1967 and the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150. Michigan CLASS funds are authorized to invest in U.S. Treasuries, U.S. Agencies, commercial paper, bankers' acceptances, repurchase agreements, certificates of deposit, and mutual funds. Michigan CLASS is not subject to regulatory oversight and is not registered with the SEC, however, does issue a separate audited financial statement. Michigan CLASS operates like a money market mutual fund, with each share valued at \$1. Fair value of the City's position in the government investment pool is the same as the value of the Michigan CLASS pool shares.

Michigan CLASS (money market mutual fund) is recorded at amortized cost, which approximates fair value and these funds are not subject to the fair value disclosures under Governmental Accounting Standards Board (GASB) Statement No. 72. The funds do not require notification of redemptions.

### NOTE 5: RESTRICTED ASSETS AND BOND RESERVES

There are a number of limitations and restrictions contained in the various bond indentures, including requirements to maintain certain restricted assets. The City is in compliance with all significant provisions of the bond indentures. The City Charter also requires utility replacement reserves. In accordance with the City Charter, a reserve fund shall be created and maintained for each utility to provide for the replacement of old utility plant equipment and the purchase of additional utility plant equipment. A fund balance equal to 10% of the replacement cost of utility plant equipment shall be maintained for each utility.

# CITY OF ST. LOUIS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 5: RESTRICTED ASSETS AND BOND RESERVES, CONTINUED

	<i>Electric Fund</i>	<i>Sewer Fund</i>	<i>Water Fund</i>	<i>Total</i>
<b>Restricted cash and cash equivalents:</b>				
Debt service	\$ 156,800	\$ 414,878	\$ 47,500	\$ 619,178
Replacement/Improvements	435,887	172,150	2,245,282	2,853,319
<b>Restricted investments:</b>				
Replacement/Improvements	5,875,005	1,129,896	2,466,376	9,471,277
	<u>\$ 6,467,692</u>	<u>\$ 1,716,924</u>	<u>\$ 4,759,158</u>	<u>\$ 12,943,774</u>

### NOTE 6: CAPITAL ASSETS AND RIGHT-TO-USE ASSETS

Capital assets activity for the year ended June 30, 2025 was as follows:

	<i>July 1, 2024</i>	<i>Additions</i>	<i>Retirements</i>	<i>June 30, 2025</i>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,329,569	\$ -	\$ -	\$ 2,329,569
Construction in progress	82,395	129,182	-	211,577
Capital assets not being depreciated	<u>2,411,964</u>	<u>129,182</u>	<u>-</u>	<u>2,541,146</u>
Capital assets being depreciated:				
Buildings and improvements	5,049,019	84,900	(8,928)	5,124,991
Equipment and vehicles	3,776,663	549,024	(78,400)	4,247,287
Infrastructure - storm sewer	2,816,990	26,613	-	2,843,603
Infrastructure - streets	25,321,007	174,386	-	25,495,393
Infrastructure - sidewalks	1,201,027	33,761	-	1,234,788
Capital assets being depreciated	<u>38,164,706</u>	<u>868,684</u>	<u>(87,328)</u>	<u>38,946,062</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,944,771)	(159,702)	8,928	(2,095,545)
Equipment and vehicles	(2,246,915)	(303,027)	78,400	(2,471,542)
Infrastructure - storm sewer	(2,645,355)	(6,514)	-	(2,651,869)
Infrastructure - streets	(21,632,545)	(330,663)	-	(21,963,208)
Infrastructure - sidewalks	(976,086)	(19,713)	-	(995,799)
Accumulated depreciation	<u>(29,445,672)</u>	<u>(819,619)</u>	<u>87,328</u>	<u>(30,177,963)</u>
Capital assets being depreciated, net	<u>8,719,034</u>	<u>49,065</u>	<u>-</u>	<u>8,768,099</u>
Governmental activities, capital assets, net	<u>\$ 11,130,998</u>	<u>\$ 178,247</u>	<u>\$ -</u>	<u>\$ 11,309,245</u>

# CITY OF ST. LOUIS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 6: CAPITAL ASSETS AND RIGHT-TO-USE ASSETS, CONTINUED

	<i>July 1, 2024</i>	<i>Additions</i>	<i>Retirements</i>	<i>June 30, 2025</i>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 966,863	\$ -	\$ -	\$ 966,863
Construction in progress	1,367,718	7,408,374	-	8,776,092
Capital assets not being depreciated	2,334,581	7,408,374	-	9,742,955
Capital assets being depreciated:				
Buildings and improvements	1,164,976	-	-	1,164,976
Equipment	528,756	8,946	-	537,702
Electric system	12,783,722	35,805	-	12,819,527
Sewer system	19,690,650	-	-	19,690,650
Water system	23,073,511	-	-	23,073,511
Capital assets being depreciated	57,241,615	44,751	-	57,286,366
Less accumulated depreciation for:				
Buildings and improvements	(1,031,241)	(15,257)	-	(1,046,498)
Equipment	(384,607)	(54,772)	-	(439,379)
Electric system	(8,213,278)	(216,779)	-	(8,430,057)
Sewer system	(10,024,572)	(409,934)	-	(10,434,506)
Water system	(9,397,371)	(416,955)	-	(9,814,326)
Accumulated depreciation	(29,051,069)	(1,113,697)	-	(30,164,766)
Capital assets being depreciated, net	28,190,546	(1,068,946)	-	27,121,600
Business-type activities capital assets, net	\$ 30,525,127	\$ 6,339,428	\$ -	\$ 36,864,555

Depreciation expense was charged to various functions as follows:

	<i>Governmental Activities</i>	<i>Business-type Activities</i>
General government	\$ 93,698	\$ -
Public works	367,512	-
Recreation and culture	73,701	-
Electric	-	272,412
Sewer	-	424,602
Water	-	416,683
Internal Service Fund	284,708	-
	<u>\$ 819,619</u>	<u>\$ 1,113,697</u>

# CITY OF ST. LOUIS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 6: CAPITAL ASSETS AND RIGHT-TO-USE ASSETS, CONTINUED

Right-to-use leased asset activity for the year ended June 30, 2025 was as follows:

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2025</u>
<b>Governmental activities:</b>				
Right-to-use leased assets being amortized	\$ 45,584	\$ -	\$ -	\$ 45,584
Less accumulated amortization	(19,740)	(10,290)	-	(30,030)
Governmental activities, right-to-use leased assets, net	<u>\$ 25,844</u>	<u>\$ (10,290)</u>	<u>\$ -</u>	<u>\$ 15,554</u>
<b>Business-type activities:</b>				
Right-to-use IT subscription asset being amortized	\$ 56,838	\$ -	\$ -	\$ 56,838
Less accumulated amortization	(18,945)	(18,948)	-	(37,893)
Business-type activities, right-to-use IT subscription asset, net	<u>\$ 37,893</u>	<u>\$ (18,948)</u>	<u>\$ -</u>	<u>\$ 18,945</u>

Amortization expense was charged to various functions as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General government	\$ 9,137	\$ -
Public safety	1,153	-
Electric	-	6,316
Sewer	-	6,316
Water	-	6,316
	<u>\$ 10,290</u>	<u>\$ 18,948</u>

### NOTE 7: LONG-TERM LIABILITIES

The City may issue bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service. Other liabilities include leases and IT subscription payables and compensated absences payable.

Long-term obligation activity for the year ended June 30, 2025 is summarized as follows:

# CITY OF ST. LOUIS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 7: LONG-TERM LIABILITIES, CONTINUED

	<u>July 1, 2024</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>June 30, 2025</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
<i>Leases payable:</i>					
Office equipment	\$ 26,356	\$ -	\$ (10,172)	\$ 16,184	\$ 10,543
<i>Direct placements:</i>					
2014 Capital Improvement Bond	1,404,000	-	(26,000)	1,378,000	27,000
<i>Other liabilities:</i>					
Compensated absences payable	119,190	10,888 *	-	130,078	109,439
Total governmental activities	<u>\$ 1,549,546</u>	<u>\$ 10,888</u>	<u>\$ (36,172)</u>	<u>\$ 1,524,262</u>	<u>\$ 146,982</u>
<b>Business-type Activities:</b>					
<i>IT Subscription payable:</i>					
IT subscription	\$ 38,115	\$ -	\$ (18,223)	\$ 19,892	\$ 19,892
<i>Direct placements:</i>					
2013 Water Supply and Sewage Disposal Revenue Bond	2,990,000	-	(275,000)	2,715,000	280,000
2015 Electric Revenue Bonds	505,000	-	(65,000)	440,000	65,000
2020 Water Supply and Sewage Disposal System Revenue Bond	737,000	-	(57,000)	680,000	59,000
<i>Other liabilities:</i>					
Compensated absences payable	132,437	4,394 *	-	136,831	116,457
Total business-type activities	<u>\$ 4,402,552</u>	<u>\$ 4,394</u>	<u>\$ (415,223)</u>	<u>\$ 3,991,723</u>	<u>\$ 540,349</u>

\* The change in the compensated absences liability is presented as a net change.

Debt issues outstanding for the City as of June 30, 2025 are as follows:

	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
<b>Governmental activities:</b>				
<i>Leases payable:</i>				
Police copier	2028	\$ 5,468	2.50%	\$ 2,655
City hall copier/2 printers	2028	18,995	2.50%	7,820
City hall mail meter and folder	2026	20,694	2.50%	5,709
<i>Direct placements:</i>				
2014 Capital Improvement Bond	2055	1,600,000	3.50%	1,378,000
<b>Business-type Activities:</b>				
<i>IT subscription payable:</i>				
IT subscription	2026	56,838	3.76%	19,892
<i>Direct placements:</i>				
2013 Water Supply and Sewage Disposal Revenue Bond	2034	5,445,000	2.00%	2,715,000
2015 Electric Revenue Bonds	2031	950,000	3.00-3.55%	440,000
2020 Water Supply and Sewage Disposal System Revenue Bond	2035	950,000	1.63-1.87%	680,000



# CITY OF ST. LOUIS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 7: LONG-TERM LIABILITIES, CONTINUED

Annual debt service requirements to maturity for the direct placements for the year ended June 30, 2025 are as follows:

<i>Fiscal</i> <i>Year Ended</i> <i>June 30,</i>	<i>Governmental Activities</i>			<i>Business-type Activities</i>		
	<i>Direct Placements</i>			<i>Direct Placements</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2026	\$ 27,000	\$ 47,758	\$ 74,758	\$ 404,000	\$ 80,179	\$ 484,179
2027	28,000	46,796	74,796	416,000	71,504	487,504
2028	29,000	45,798	74,798	423,000	62,476	485,476
2029	30,000	44,765	74,765	435,000	53,158	488,158
2030	31,000	43,698	74,698	447,000	43,452	490,452
2031-2035	170,000	201,253	371,253	1,710,000	85,970	1,795,970
2036-2040	202,000	168,807	370,807	-	-	-
2041-2045	239,000	130,289	369,289	-	-	-
2046-2050	285,000	84,615	369,615	-	-	-
2051-2055	337,000	30,294	367,294	-	-	-
	<u>\$ 1,378,000</u>	<u>\$ 844,073</u>	<u>\$ 2,222,073</u>	<u>\$ 3,835,000</u>	<u>\$ 396,739</u>	<u>\$ 4,231,739</u>

A summary of the principal and interest amounts for the remaining leases and IT subscriptions is as follows:

<i>Fiscal</i> <i>Year Ended</i> <i>June 30,</i>	<i>Governmental Activities</i>			<i>Business-type Activities</i>		
	<i>Leases Payable</i>			<i>IT Subscription Payable</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2026	\$ 10,543	\$ 405	\$ 10,948	\$ 19,892	\$ 751	\$ 20,643
2027	5,084	131	5,215	-	-	-
2028	557	3	560	-	-	-
	<u>\$ 16,184</u>	<u>\$ 539</u>	<u>\$ 16,723</u>	<u>\$ 19,892</u>	<u>\$ 751</u>	<u>\$ 20,643</u>

### NOTE 8: INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires or allows to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the various funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers during the current fiscal year were as follows:

# CITY OF ST. LOUIS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 8: INTERFUND TRANSFERS, CONTINUED

<i>Funds Transferred From</i>	<i>Funds Transferred To</i>	<i>Amount</i>
General Fund	Public Safety Fund	\$ 1,099,666
Major Street Fund	Nonmajor Governmental Fund Local Street Fund	152,942
Electric Fund	Nonmajor Governmental Fund Public Improvement Fund	141,043
Sewer Fund	Nonmajor Governmental Fund Public Improvement Fund	46,115
Water Fund	Nonmajor Governmental Fund Public Improvement Fund	49,960
Solid Waste Fund	Nonmajor Governmental Fund Public Improvement Fund	10,947
Nonmajor Governmental Fund Public Improvement Fund	Water Fund	350,804
		<u>\$ 1,851,477</u>

### NOTE 9: DISAGGREGATED RECEIVABLE AND PAYABLE BALANCES

	<i>Primary Government</i>			<i>Component</i>
	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>	<i>Unit</i>
	<i>Activities</i>	<i>Activities</i>		
<b>Receivables:</b>				
Property taxes	\$ 1,879	\$ -	\$ 1,879	\$ -
Utility bills	-	1,057,583	1,057,583	-
Accounts	35,940	14,831	50,771	-
Accrued interest	-	547	547	-
Intergovernmental	267,101	1,135,990	1,403,091	-
Leases	-	181,063	181,063	1,769
Total receivables	<u>\$ 304,920</u>	<u>\$ 2,390,014</u>	<u>\$ 2,694,934</u>	<u>\$ 1,769</u>
<b>Accounts payable and accrued expenses:</b>				
Accounts	\$ 285,706	\$ 2,927,980	\$ 3,213,686	\$ 96
Payroll liabilities	58,069	44,766	102,835	-
Deposits payable	950	37,595	38,545	-
Accrued interest	16,077	20,060	36,137	-
Intergovernmental	4,367	1,701	6,068	-
Total accounts payable and accrued expenses	<u>\$ 365,169</u>	<u>\$ 3,032,102</u>	<u>\$ 3,397,271</u>	<u>\$ 96</u>

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 10: RISK MANAGEMENT

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The City is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (worker's compensation), as well as medical benefits provided to employees. The City manages risk through the purchase of commercial insurance. There was no change in coverage from the prior year. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

***Liability, vehicle physical damage and property and crime*** – The City is a member of the Michigan Municipal Liability and Property Pool, which is an association organized to purchase commercial insurance for protection against loss for Michigan cities, counties, townships and special service governments. The City is insured up to the following limits: Liability - \$5,000,000, vehicle physical damage - \$5,000,000 and property and crime - \$5,000,000, subject to deductibles of \$1,000, \$100-\$250 and \$5,000, respectively. When a claim is incurred and/or paid, the member's loss contribution account is charged or credited according to the member's actual loss experience; no obligation is credited for another member's losses. If contributions are in excess of actual expenses and reserves, future contributions are increased. Should any member have more losses paid on their behalf than contributions covering such losses, credit is extended within the association joint loss fund; such a deficit is repaid by the member in future contributions. The Plan does not maintain separate funds for members and consequently the City's share of total assets and total equity is unknown. Audited financial statements of the Plan are available.

***Worker's compensation*** – The City purchases coverage through the Michigan Municipal Workers' Compensation Fund. The Fund is authorized by State law to provide its members with coverage required by the Workers' Disability Compensation Act. Claims are subject to a maximum limit of \$500,000 per occurrence.

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### NOTE 11: EMPLOYEE RETIREMENT BENEFIT COMMITMENTS

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The City has two employee pension plans: a Defined Contribution Plan and a Defined Benefit Plan (closed to all new hires beginning July 1, 1999), both administered by the MERS Retirement Board, of the Municipal Employee's Retirement System of Michigan (MERS).

#### **Defined Benefit Pension Plan (Municipal Employees' Retirement System of Michigan):**

***Plan Description*** – The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

***Benefits Provided*** – The following are the benefits provided from the December 31, 2024 valuation. All divisions are closed to new hires.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 11: EMPLOYEE RETIREMENT BENEFIT COMMITMENTS, CONTINUED

	<i>General NonUnion</i>	<i>Police &amp; Fire</i>
Benefit Multiplier:	2.50% Multiplier (80% Max)	2.25% Multiplier (80% Max)
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	55/25	55/25
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	5 years	5 years
Employee Contributions:	4.88%	0.53%
DC Plan for New Hires:	6/15/1998	1/1/2000
Act 88:	Yes (Adopted 11/18/1970)	Yes (Adopted 11/18/1970)
	<i>City Manager</i>	<i>Electric Union</i>
Benefit Multiplier:	2.50% Multiplier (80% Max)	2.50% Multiplier (80% Max)
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	55/15	55/25
Early Retirement (Reduced):	50/25	50/25
		55/15
Final Average Compensation:	3 years	5 years
COLA for Future Retirees:	2.50% (Non-Compound)	
Employee Contributions:	2.00%	4.88%
DC Plan for New Hires:	6/1/2013	7/1/1999
Act 88:	Yes (Adopted 11/18/1970)	Yes (Adopted 11/18/1970)

**Employees covered by benefit terms** – At the December 31, 2024 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	27
Inactive employees entitled to but not yet receiving benefits (including refunds)	2
Active employees	2
Total	31

**Contributions** – Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The City is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. 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 any unfunded accrued liability. The City may establish contribution rates to be paid by its covered employees. All divisions are closed to new employees. The annual City minimum required contributions (no phase-in), for the current year, were \$6,924 for General NonUnion, \$21,024 Police & Fire, \$22,824 City Manager, and \$5,868 Electric Union. These amounts are equal to the actuarially determined contribution based on the valuation payroll from the December 31, 2022 actuarial valuation.

**Net Pension Liability** – The City's net pension liability reported at June 30, 2025 was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of that date.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 11: EMPLOYEE RETIREMENT BENEFIT COMMITMENTS, CONTINUED

**Actuarial assumptions** – The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: Inflation: 2.50%; Salary Increases: 3.00% in the long-term; Investment rate of return: 6.93%, net of investment and administrative expenses including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%. Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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 and administrative 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 Gross Return	Long-term Expected Gross Return Contribution	Inflation Assumption	Long-Term Expected Real Rate of Return
Global Equity	60.0%	7.00%	4.20%	2.50%	2.70%
Global Fixed Income	20.0%	4.66%	0.93%	2.50%	0.43%
Private Investments	20.0%	9.00%	1.80%	2.50%	1.30%
Total	100.0%		6.93%		4.43%

**Discount rate** – The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that City and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for the City. 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 payments to determine the total pension liability.

# CITY OF ST. LOUIS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 11: EMPLOYEE RETIREMENT BENEFIT COMMITMENTS, CONTINUED

Changes in net pension liability during the measurement year were as follows:

	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability</i>
Balances at 12/31/23	\$ 8,145,944	\$ 7,425,466	\$ 720,478
Service cost	21,939	-	21,939
Interest on total pension liability	561,963	-	561,963
Difference between expected and actual experience	(183,851)	-	(183,851)
Changes in assumptions	(19,099)	-	(19,099)
Employer contributions	-	51,570	(51,570)
Employee contributions	-	5,619	(5,619)
Net investment income (loss)	-	545,367	(545,367)
Benefit payments, including employee refunds	(660,262)	(660,262)	-
Administrative expenses	-	(16,016)	16,016
Other changes	2	-	2
Net changes	(279,308)	(73,722)	(205,586)
Balances at 12/31/24	<u>\$ 7,866,636</u>	<u>\$ 7,351,744</u>	<u>\$ 514,892</u>

The net pension liability is recorded as follows:

Governmental activities	\$ 72,451
Business-type activities	<u>442,441</u>
	<u>\$ 514,892</u>

***Sensitivity of the net pension liability to changes in the discount rate*** – The following presents the change in net pension liability of the City, calculated using the discount rate of 7.18%, as well as what the City's net pension liability would be using a discount rate that is 1 percentage point lower (6.18%) or 1 percentage point higher (8.18%) than the current rate.

	<i>1% Decrease Rate 6.18%</i>	<i>Current Rate 7.18%</i>	<i>1% Increase Rate 8.18%</i>
Change in net pension liability as of 12/31/24	<u>\$ 693,432</u>	<u>\$ -</u>	<u>\$ (601,615)</u>

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** – For the year ended June 30, 2025; the City recognized pension expense, on the defined benefit plan, of (\$52,830). The City reported deferred outflows and inflows of resources related to pensions from the following sources:

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 11: EMPLOYEE RETIREMENT BENEFIT COMMITMENTS, CONTINUED

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Net difference between projected and actual earnings on pension plan investments	\$ 293,701	\$ -
Contributions subsequent to the measurement date	28,320	-
	<u>\$ 322,021</u>	<u>\$ -</u>

The deferred outflows of resources and deferred inflows of resources are recorded as follows:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Governmental activities	\$ 101,597	\$ -
Business-type activities	220,424	-
	<u>\$ 322,021</u>	<u>\$ -</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$28,320), which will impact the net pension liability in fiscal year 2026, rather than pension expense.

<i>Year Ended</i>	<i>Amount</i>
2026	\$ 133,707
2027	225,496
2028	(58,614)
2029	(6,888)

**Pension Plan Fiduciary Net Position** – Detailed information about the plan’s fiduciary net position is available in the separately issued financial report found at [www.mersofmichigan.com](http://www.mersofmichigan.com). The plan’s fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

#### **Defined Contribution Pension Plan (Municipal Employees’ Retirement System of Michigan):**

Beginning July 1, 1999, all new hires are eligible to participate in the Defined Contribution Money Purchase Plan. This is the only pension plan available to new hires after that date. The plan is a single employer defined contribution pension plan, established by the City and administered by MERS Retirement Board. The City’s contribution is 8% of each participant’s wages for the plan year contingent upon the participant electing to contribute 3% of earnings. The participants’ contributions are immediately 100% vested and the City’s contributions are vested over a five-year period. Employer contributions for the plan were \$191,607 for the year ended June 30, 2025. Employee contributions for the plan were \$71,853 for the year ended June 30, 2025. Plan provisions and contribution requirements are established and may be amended by the City Council. Nonvested employer contributions are forfeited

# CITY OF ST. LOUIS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 11: EMPLOYEE RETIREMENT BENEFIT COMMITMENTS, CONTINUED

upon termination of employment. Such forfeitures are used to cover future employer contributions, be directed to the employer's plan, or be equally distributed among all remaining active participants in the plan. For the year ended June 30, 2025, forfeitures reduced the City's expense by \$17,658.

### NOTE 12: CONSTRUCTION COMMITMENTS

As of June 30, 2025, the City had construction contracts in progress, as follows:

	<i><b>Construction Commitments</b></i>
City-wide water main and road improvement contract #1	\$ 8,343,486
Lead service line and valve replacement	<u>11,962</u>
	<u><b>\$ 8,355,448</b></u>

### NOTE 13: TAX ABATEMENTS

#### **Industrial Facilities Exemption:**

The City has entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption (IFE)) PA 198 of 1974, as amended. PA 198 of 1974, as amended is designed to maintain existing jobs and create new job opportunities for residents by providing substantial property tax incentives to industry to renovate and expand aging manufacturing plants or to build new plants. An IFE certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the City. This is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%.

The City Council evaluates all PA 198 applications to determine that a good public purpose for the City would be served, that is, an economic growth, expanded tax base, and job creation. The City has the right to revoke the exemption and the recipient would be responsible to pay to the affecting taxing units an amount equal to those taxes it would have paid had the abatement not been in effect if the recipient is determined to be in violation of the provisions of the written agreement, such as insufficient job creation and/or investment. For the fiscal year ended June 30, 2025, there was \$20,782 of City property tax revenue abated under this program.

#### **Gratiot County Brownfield Redevelopment Authority Abatements:**

The City receives reduced property tax revenues as a result of Brownfield Redevelopment Agreements under PA 381 of 1996, as amended, granted by Gratiot County. These agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. For the fiscal year ended June 30, 2025 there was \$1,495 of City property tax revenue abated under this program.



# CITY OF ST. LOUIS

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

### NOTE 15: LEASES RECEIVABLE

As a lessor, the City's lease receivable agreements as of June 30, 2025 are summarized as follows:

	<u>Agreement Dates</u>	<u>Remaining Lease Terms</u>	<u>Total Annual Receipts</u>	<u>Interest Rate</u>	<u>Leases Receivable</u>
<b>Business-type activities:</b>					
<b>Electric Fund:</b>					
Electric pole lease - Charter	8/20/2021	9 years	\$ 2,872	2.50%	\$ 22,895
Electric pole lease - Winn	8/20/2021	9 years	509	2.50%	980
					<u>23,875</u>
<b>Water Fund:</b>					
Water tower lease - AT&T	10/8/2023	3 yr, 2 mo	24,816-26,841	2.50%	78,029
Water tower lease - Tmobile	7/1/2021	3 yr, 6 mo	12,258-24,218	2.50%	79,159
					<u>157,188</u>
					<u>\$ 181,063</u>
<b>Component unit:</b>					
<b>DDA:</b>					
Building lease	7/1/2021	3 mo	<u>\$ 1,748</u>	2.50%	<u>\$ 1,769</u>

Total revenue for the year was \$58,502 for the year consisting of \$52,760 in lease revenue and \$5,742 in lease interest revenue.

Future revenue is as follows:

<u>Fiscal</u>	<u>Business-type Activities</u>			<u>Component Unit</u>		
<u>Year Ended</u>	<u>Lease Revenue/</u>	<u>Interest</u>	<u>Total</u>	<u>Lease Revenue/</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>	<u>Deferred Inflow</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Deferred Inflow</u>	<u>Revenue</u>	<u>Revenue</u>
2026	\$ 46,338	\$ 4,368	\$ 50,706	\$ 1,606	\$ 7	\$ 1,613
2027	46,337	3,051	49,388	-	-	-
2028	45,871	1,649	47,520	-	-	-
2029	16,431	502	16,933	-	-	-
2030	2,427	334	2,761	-	-	-
2031-2034	9,706	683	10,389	-	-	-
	<u>\$ 167,110</u>	<u>\$ 10,587</u>	<u>\$ 177,697</u>	<u>\$ 1,606</u>	<u>\$ 7</u>	<u>\$ 1,613</u>

### NOTE 16: SUBSEQUENT EVENT

On July 15, 2025, the City Council adopted Ordinance B-243 authorizing issuance of Water Supply System Junior Lien Revenue Bonds (Series 2025) under Act 94 to finance water system improvements.

On August 15, 2025, the Michigan Department of Environment, Great Lakes, and Energy (EGLE) issued its Order of Approval for DWSRF Project No. 7872-01 in the approved amount of \$9,185,000, certifying the City's eligibility for assistance. The approved project includes replacement of approximately 7,400 LF of 4-8" water main, looping of 500 LF, 71 valve replacements, and 15 lead service line replacements.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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### NOTE 16: SUBSEQUENT EVENT, CONTINUED

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On September 5, 2025, the City issued its \$9,185,000 Water Supply System Junior Lien Revenue Bond, Series 2025, to the Michigan Finance Authority through the Drinking Water State Revolving Fund program. The bond bears interest at 1% per annum, with first interest due April 1, 2026 and semiannually thereafter; principal installments are scheduled each October 1 from 2028 through 2064. The EGLE Order designates the City as a significantly overburdened system and provides for principal forgiveness not to exceed the lesser of 40% of the final DWSRF loan amount or \$3,674,000 (associated with FY 2024 capitalization grants). The Series 2025 Bond is secured by a junior lien on the net revenues of the City's Water Supply System, subordinate to the City's 2013 and 2020 senior lien revenue bonds, and includes a Revenue Sharing Pledge Agreement authorizing intercept of State revenue sharing if payments are not made when due.

***REQUIRED SUPPLEMENTARY INFORMATION***

# CITY OF ST. LOUIS

## SCHEDULE OF CHANGES IN CITY'S NET PENSION LIABILITY AND RELATED RATIOS

<i>Calendar Year</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
Service cost	\$ 21,939	\$ 19,395	\$ 25,833	\$ 21,467	\$ 28,733
Interest on total pension liability	561,963	562,946	565,501	574,207	563,762
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	(183,851)	108,545	49,632	51,435	(36,769)
Changes in assumptions	(19,099)	46,825	-	235,660	205,704
Benefit payments, including employee refunds	(660,262)	(693,693)	(652,278)	(628,322)	(612,390)
Other changes	2	1	-	2	-
<b>Net change in total pension liability</b>	<b>(279,308)</b>	<b>44,019</b>	<b>(11,312)</b>	<b>254,449</b>	<b>149,040</b>
<b>Total pension liability - beginning</b>	<b>8,145,944</b>	<b>8,101,925</b>	<b>8,113,237</b>	<b>7,858,788</b>	<b>7,709,748</b>
<b>Total pension liability - ending</b>	<b>\$ 7,866,636</b>	<b>\$ 8,145,944</b>	<b>\$ 8,101,925</b>	<b>\$ 8,113,237</b>	<b>\$ 7,858,788</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 51,570	\$ 411,994	\$ 369,552	\$ 657,862	\$ 502,854
Contributions - employee	5,619	6,083	8,237	10,141	10,986
Net investment income (loss)	545,367	752,957	(843,977)	997,474	814,598
Benefit payments, including employee refunds	(660,262)	(693,693)	(652,278)	(628,322)	(612,390)
Administrative expenses	(16,016)	(16,027)	(14,837)	(11,444)	(12,816)
<b>Net change in plan fiduciary net position</b>	<b>(73,722)</b>	<b>461,314</b>	<b>(1,133,303)</b>	<b>1,025,711</b>	<b>703,232</b>
<b>Total plan fiduciary net position - beginning</b>	<b>7,425,466</b>	<b>6,964,152</b>	<b>8,097,455</b>	<b>7,071,744</b>	<b>6,368,512</b>
<b>Total plan fiduciary net position - ending</b>	<b>\$ 7,351,744</b>	<b>\$ 7,425,466</b>	<b>\$ 6,964,152</b>	<b>\$ 8,097,455</b>	<b>\$ 7,071,744</b>
<b>City's net pension liability</b>	<b>\$ 514,892</b>	<b>\$ 720,478</b>	<b>\$ 1,137,773</b>	<b>\$ 15,782</b>	<b>\$ 787,044</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>93.45%</b>	<b>91.16%</b>	<b>85.96%</b>	<b>99.81%</b>	<b>89.99%</b>
<b>Covered payroll</b>	<b>\$ 212,407</b>	<b>\$ 185,421</b>	<b>\$ 239,981</b>	<b>\$ 217,905</b>	<b>\$ 292,357</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>242.41%</b>	<b>388.56%</b>	<b>474.11%</b>	<b>7.24%</b>	<b>269.21%</b>

continued

# CITY OF ST. LOUIS

## SCHEDULE OF CHANGES IN CITY'S NET PENSION LIABILITY AND RELATED RATIOS, CONTINUED

<i>Calendar Year</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Service cost	\$ 27,449	\$ 26,371	\$ 25,952	\$ 32,244	\$ 30,251
Interest on total pension liability	575,965	593,370	592,021	606,193	601,032
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	(2,393)	(219,932)	20,122	(199,017)	(118,385)
Changes in assumptions	230,181	-	-	-	398,731
Benefit payments, including employee refunds	(614,601)	(621,215)	(621,667)	(605,162)	(635,752)
Other changes	-	-	-	-	2
<b>Net change in total pension liability</b>	<b>216,601</b>	<b>(221,406)</b>	<b>16,428</b>	<b>(165,742)</b>	<b>275,879</b>
<b>Total pension liability - beginning</b>	<b>7,493,147</b>	<b>7,714,553</b>	<b>7,698,125</b>	<b>7,863,867</b>	<b>7,587,988</b>
<b>Total pension liability - ending</b>	<b>\$ 7,709,748</b>	<b>\$ 7,493,147</b>	<b>\$ 7,714,553</b>	<b>\$ 7,698,125</b>	<b>\$ 7,863,867</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 456,066	\$ 432,552	\$ 370,728	\$ 399,556	\$ 351,822
Contributions - employee	10,633	10,234	12,245	13,158	12,535
Net investment income (loss)	776,959	(238,958)	742,075	597,269	(83,639)
Benefit payments, including employee refunds	(614,601)	(621,215)	(621,667)	(605,162)	(635,752)
Administrative expenses	(13,383)	(11,914)	(11,764)	(11,786)	(12,249)
<b>Net change in plan fiduciary net position</b>	<b>615,674</b>	<b>(429,301)</b>	<b>491,617</b>	<b>393,035</b>	<b>(367,283)</b>
<b>Total plan fiduciary net position - beginning</b>	<b>5,752,838</b>	<b>6,182,139</b>	<b>5,690,522</b>	<b>5,297,487</b>	<b>5,664,770</b>
<b>Total plan fiduciary net position - ending</b>	<b>\$ 6,368,512</b>	<b>\$ 5,752,838</b>	<b>\$ 6,182,139</b>	<b>\$ 5,690,522</b>	<b>\$ 5,297,487</b>
<b>City's net pension liability</b>	<b>\$ 1,341,236</b>	<b>\$ 1,740,309</b>	<b>\$ 1,532,414</b>	<b>\$ 2,007,603</b>	<b>\$ 2,566,380</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>82.60%</b>	<b>76.77%</b>	<b>80.14%</b>	<b>73.92%</b>	<b>67.36%</b>
<b>Covered payroll</b>	<b>\$ 278,289</b>	<b>\$ 267,858</b>	<b>\$ 264,600</b>	<b>\$ 325,067</b>	<b>\$ 311,442</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>481.96%</b>	<b>649.71%</b>	<b>579.14%</b>	<b>617.60%</b>	<b>824.03%</b>

# CITY OF ST. LOUIS

## SCHEDULE OF CITY DEFINED BENEFIT PLAN PENSION CONTRIBUTIONS

<i>Fiscal Year Ended June 30,</i>	<i>Actuarially Determined Contribution</i>	<i>Employer Contributions</i>	<i>Contribution (Excess) Deficiency</i>	<i>Covered Payroll</i>	<i>ADC as a Percentage of Covered Payroll</i>	<i>Employer Contributions as Percentage of Covered Payroll</i>
2016	\$ 278,892	\$ 378,892	\$ (100,000)	\$ 311,442	89.55%	121.66%
2017	320,220	320,220	-	325,067	98.51%	98.51%
2018	349,356	428,424	(79,068)	264,600	132.03%	161.91%
2019	364,800	429,492	(64,692)	267,858	136.19%	160.34%
2020	417,948	461,076	(43,128)	278,289	150.18%	165.68%
2021	458,376	523,068	(64,692)	292,357	156.79%	178.91%
2022	341,616	627,007	(285,391)	217,905	156.77%	287.74%
2023	97,488	277,488	(180,000)	228,080	42.74%	121.66%
2024	46,500	296,500	(250,000)	185,421	25.08%	159.91%
2025	56,640	56,640	-	212,407	26.67%	26.67%

### Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of December 31 each year, 18 months prior to the beginning of the fiscal year in which contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	10 years
Asset valuation method	5-year smoothed market
Inflation	2.5%
Salary increases	3.00% in the long-term
Investment rate of return	6.93% net of investment and administrative expense including inflation
Retirement age	50-60 years of age depending on years of credited services
Mortality	Pub-2010 and fully generational MP-2019

Note: Information presented in this schedule is as of fiscal year end of each year.

# CITY OF ST. LOUIS

## GENERAL FUND BUDGETARY COMPARISON SCHEDULE Year Ended June 30, 2025

	<i>Budgeted Amounts</i>			<i>Variances with Final Budget Favorable (Unfavorable)</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	
<b>Revenues:</b>				
Taxes	\$ 884,611	\$ 882,110	\$ 883,349	\$ 1,239
Licenses and permits	34,650	32,635	33,854	1,219
State grants	761,884	888,687	940,848	52,161
Charges for services	483,365	659,475	611,384	(48,091)
Investment income and rentals	63,500	61,700	65,286	3,586
Other revenue	4,600	21,934	21,020	(914)
Total revenues	2,232,610	2,546,541	2,555,741	9,200
<b>Expenditures:</b>				
Current				
General government				
Council	31,750	28,315	25,621	2,694
Manager	65,139	66,143	64,125	2,018
Clerk	40,259	41,387	40,243	1,144
Board of review	3,215	4,558	4,324	234
Treasurer/Finance department	98,487	97,391	89,618	7,773
Assessor	108,145	85,069	74,057	11,012
Elections	37,940	21,026	21,152	(126)
City hall	211,544	169,773	163,692	6,081
Corporate council	10,000	12,400	12,319	81
Total general government	606,479	526,062	495,151	30,911
Public safety				
Building inspection/Code enforcement	118,020	98,410	91,966	6,444
Total public safety	118,020	98,410	91,966	6,444
Public works				
Department of public works	229,266	240,594	220,594	20,000
Cemetery	133,248	117,309	103,546	13,763
Total public works	362,514	357,903	324,140	33,763
Community and economic development				
Planning	37,086	2,214	1,867	347
Economic development	107,297	100,744	96,450	4,294
Industrial Park	22,231	24,607	22,471	2,136
Blight removal	-	15,000	14,931	69
Community promotion	28,951	32,101	26,172	5,929
Total community and economic development	195,565	174,666	161,891	12,775

continued

# CITY OF ST. LOUIS

## GENERAL FUND BUDGETARY COMPARISON SCHEDULE, CONTINUED Year Ended June 30, 2025

	<i>Budgeted Amounts</i>			<i>Variances with Final Budget Favorable (Unfavorable)</i>
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	
Recreation and culture				
City pool	89,106	91,265	79,283	11,982
Parks maintenance	89,291	115,505	92,808	22,697
Total recreation and culture	178,397	206,770	172,091	34,679
Capital outlay				
General government				
City hall	35,000	123,075	76,258	46,817
Public works				
Department of public works	12,000	12,000	-	12,000
Cemetery	15,000	22,730	22,729	1
Recreation and culture				
Parks maintenance	-	62,953	62,172	781
Total capital outlay	62,000	220,758	161,159	59,599
Debt service				
Principal	35,181	35,181	35,180	1
Interest and fees	49,160	49,160	49,010	150
Total debt service	84,341	84,341	84,190	151
Total expenditures	1,607,316	1,668,910	1,490,588	178,322
Excess (deficiency) of revenues over expenditures	625,294	877,631	1,065,153	187,522
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	6,550	6,550	-
Interfund transfers out	(1,199,636)	(1,119,959)	(1,099,666)	20,293
Change in fund balance	(574,342)	(235,778)	(27,963)	207,815
Fund balance, beginning of year	1,659,781	1,659,781	1,659,781	-
Fund balance, end of year	\$ 1,085,439	\$ 1,424,003	\$ 1,631,818	\$ 207,815



# CITY OF ST. LOUIS

## PUBLIC SAFETY FUND BUDGETARY COMPARISON SCHEDULE Year Ended June 30, 2025

	<i><b>Budgeted Amounts</b></i>			<i><b>Variances with Final Budget Favorable (Unfavorable)</b></i>
	<i><b>Original</b></i>	<i><b>Final</b></i>	<i><b>Actual</b></i>	
<b>Revenues:</b>				
Taxes	\$ 132,251	\$ 128,181	\$ 128,182	\$ 1
Licenses and permits	-	100	45	(55)
Federal grants	-	-	-	-
State grants	16,100	25,902	25,461	(441)
Fines and forfeits	645	1,607	2,233	626
Investment income and rentals	55	485	816	331
Other revenue	3,100	25,834	25,816	(18)
Total revenues	152,151	182,109	182,553	444
<b>Expenditures:</b>				
Current				
Public safety	1,325,559	1,300,833	1,275,526	25,307
Capital outlay	25,000	-	-	-
Debt service				
Principal	989	994	991	3
Interest and fees	239	241	241	-
Total expenditures	1,351,787	1,302,068	1,276,758	25,310
Excess (deficiency) of revenues over expenditures	(1,199,636)	(1,119,959)	(1,094,205)	25,754
<b>Other financing sources (uses):</b>				
Interfund transfers in	1,199,636	1,119,959	1,099,666	(20,293)
Change in fund balance	-	-	5,461	5,461
Fund balance, beginning of year	4,407	4,407	4,407	-
Fund balance, end of year	\$ 4,407	\$ 4,407	\$ 9,868	\$ 5,461

***SUPPLEMENTARY INFORMATION***

# CITY OF ST. LOUIS

## NONMAJOR GOVERNMENTAL FUNDS

### COMBINING BALANCE SHEET

June 30, 2025

	<i>Special Revenue Funds</i>		
	<i>Major Street Fund</i>	<i>Local Street Fund</i>	<i>T.A.Cutler Memorial Library Fund</i>
<b>Assets:</b>			
Cash and cash equivalents	\$ 723,295	\$ 734,708	\$ 465,271
Investments	572,338	572,296	747,005
Accounts receivable	-	-	65
Accrued interest receivable	-	-	-
Due from other governments	104,858	38,371	-
Prepaid expenditures	-	-	10,659
Total assets	<u>\$ 1,400,491</u>	<u>\$ 1,345,375</u>	<u>\$ 1,223,000</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 4,577	\$ 115,941	\$ 18,598
Accrued wages payable	962	4,052	3,905
Accrued vacation/sick payable	356	411	3,395
Total liabilities	<u>5,895</u>	<u>120,404</u>	<u>25,898</u>
<b>Fund balances:</b>			
Nonspendable:			
Nonexpendable cemetery principal	-	-	-
Restricted for:			
Library operations/building expansion	-	-	1,186,443
Streets	1,394,596	1,224,971	-
Committed to:			
Capital improvements	-	-	-
Cemetery operations	-	-	-
Total fund balances	<u>1,394,596</u>	<u>1,224,971</u>	<u>1,197,102</u>
Total liabilities and fund balances	<u>\$ 1,400,491</u>	<u>\$ 1,345,375</u>	<u>\$ 1,223,000</u>

continued

# CITY OF ST. LOUIS

## NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET, CONTINUED

June 30, 2025

	<i>Capital Projects Fund</i>	<i>Permanent Fund</i>	
	<i>Public Improvement Fund</i>	<i>Cemetery Perpetual Care Fund</i>	<i>Total</i>
<b>Assets:</b>			
Cash and cash equivalents	\$ (259,501)	\$ 244,298	\$ 1,908,071
Investments	1,869,360	27,862	3,788,861
Accounts receivable	-	-	65
Accrued interest receivable	-	-	-
Due from other governments	-	-	143,229
Prepaid expenditures	-	-	10,659
Total assets	<u>\$ 1,609,859</u>	<u>\$ 272,160</u>	<u>\$ 5,850,885</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 139,116
Accrued wages payable	-	-	8,919
Accrued vacation/sick payable	-	-	4,162
Total liabilities	<u>-</u>	<u>-</u>	<u>152,197</u>
<b>Fund balances:</b>			
Nonspendable:			
Nonexpendable cemetery principal	-	198,470	198,470
Restricted for:			
Library operations/building expansion	-	-	1,186,443
Streets	-	-	2,619,567
Committed to:			
Capital improvements	1,609,859	-	1,609,859
Cemetery operations	-	73,690	73,690
Total fund balances	<u>1,609,859</u>	<u>272,160</u>	<u>5,698,688</u>
Total liabilities and fund balances	<u>\$ 1,609,859</u>	<u>\$ 272,160</u>	<u>\$ 5,850,885</u>

# CITY OF ST. LOUIS

## NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2025

	<i>Special Revenue Funds</i>		
	<i>Major Street Fund</i>	<i>Local Street Fund</i>	<i>T.A.Cutler Memorial Library Fund</i>
<b>Revenues:</b>			
State grants	\$ 621,495	\$ 240,724	\$ 10,932
Contributions from other units	-	-	245,786
Charges for services	12,698	-	405
Fines and forfeits	-	-	59,097
Investment income and rentals	38,993	37,582	44,113
Other revenue	1,966	1,200	21,335
Total revenues	675,152	279,506	381,668
<b>Expenditures:</b>			
Current			
Public works	140,200	126,385	-
Recreation and culture	-	-	249,444
Capital outlay	86,066	148,940	28,705
Total expenditures	226,266	275,325	278,149
Excess (deficiency) of revenues over expenditures	448,886	4,181	103,519
<b>Other financing sources (uses):</b>			
Interfund transfers in	-	152,942	-
Interfund transfers out	(152,942)	-	-
Net other financing sources (uses)	(152,942)	152,942	-
Changes in fund balances	295,944	157,123	103,519
Fund balances, beginning of year	1,098,652	1,067,848	1,093,583
Fund balances, end of year	\$ 1,394,596	\$ 1,224,971	\$ 1,197,102

continued

# CITY OF ST. LOUIS

## NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES, CONTINUED

Year Ended June 30, 2025

	<i>Capital Projects Fund</i>	<i>Permanent Fund Cemetery Perpetual Care Fund</i>	<i>Total</i>
<b>Revenues:</b>			
State grants	\$ -	\$ -	\$ 873,151
Contributions from other units	-	-	245,786
Charges for services	-	1,275	14,378
Fines and forfeits	-	-	59,097
Interest and rents	83,160	10,457	214,305
Other revenue	-	-	24,501
Total revenues	83,160	11,732	1,431,218
<b>Expenditures:</b>			
Current			
Public works	-	-	266,585
Recreation and culture	-	-	249,444
Capital outlay	-	-	263,711
Total expenditures	-	-	779,740
Excess (deficiency) of revenues over expenditures	83,160	11,732	651,478
<b>Other financing sources (uses):</b>			
Interfund transfers in	248,065	-	401,007
Interfund transfers out	(350,804)	-	(503,746)
Net other financing sources (uses)	(102,739)	-	(102,739)
Changes in fund balances	(19,579)	11,732	548,739
Fund balances, beginning of year	1,629,438	260,428	5,149,949
Fund balances, end of year	\$ 1,609,859	\$ 272,160	\$ 5,698,688

# CITY OF ST. LOUIS

## WATER FUND COMBINING STATEMENT OF NET POSITION June 30, 2025

	<i>Water Operations Fund</i>	<i>Water Supply Construction Fund</i>	<i>Water Supply Replacement Fund</i>	<i>Total Water Fund</i>
<b>Assets:</b>				
<b><i>Current assets:</i></b>				
Cash and cash equivalents	\$ 368,954	\$ -	\$ -	\$ 368,954
Utility bills receivable	241,409	-	-	241,409
Accounts receivable	957	-	-	957
Accrued interest receivable	186	-	-	186
Due from other governments	-	1,135,990	-	1,135,990
Inventory	30,485	-	-	30,485
Total current assets	641,991	1,135,990	-	1,777,981
<b><i>Noncurrent assets:</i></b>				
Restricted cash and cash equivalents	233,362	1,914,882	144,538	2,292,782
Restricted investments	1,016,114	-	1,450,262	2,466,376
Capital assets not being depreciated	175,210	8,192,412	631,381	8,999,003
Capital assets being depreciated, net	13,261,841	-	-	13,261,841
Right-to-use IT subscription asset, net	6,315	-	-	6,315
Lease receivable	157,188	-	-	157,188
Total noncurrent assets	14,850,030	10,107,294	2,226,181	27,183,505
Total assets	15,492,021	11,243,284	2,226,181	28,961,486
<b>Deferred outflows of resources:</b>				
Related to pension	75,092	-	-	75,092
<b>Liabilities:</b>				
<b><i>Current liabilities:</i></b>				
Accounts payable	78,263	2,502,218	-	2,580,481
Due to other funds	(1,150,000)	1,150,000	-	-
Accrued interest payable	4,019	-	-	4,019
Deposits payable	9,677	-	-	9,677
Accrued wages payable	11,988	-	-	11,988
Compensated absences payable - current	26,784	-	-	26,784
Long-term debt - current	65,696	-	-	65,696
Total current liabilities	(953,573)	3,652,218	-	2,698,645
<b><i>Noncurrent liabilities:</i></b>				
Compensated absences payable	6,458	-	-	6,458
Long-term debt - net of current	621,000	-	-	621,000
Net pension liability	156,627	-	-	156,627
Unearned revenue	2,001	-	-	2,001
Total noncurrent liabilities	786,086	-	-	786,086
Total liabilities	(167,487)	3,652,218	-	3,484,731

continued

# CITY OF ST. LOUIS

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## WATER FUND

### COMBINING STATEMENT OF NET POSITION, CONTINUED

June 30, 2025

	<i><b>Water Operations Fund</b></i>	<i><b>Water Supply Construction Fund</b></i>	<i><b>Water Supply Replacement Fund</b></i>	<i><b>Total Water Fund</b></i>
<b>Deferred inflows of resources:</b>				
Leases	144,336	-	-	144,336
<b>Net position:</b>				
Net investment in capital assets	12,756,670	8,192,412	631,381	21,580,463
Restricted for:				
Debt service	47,500	-	-	47,500
Replacement/improvements	1,201,978	-	-	1,201,978
Water supply replacement	-	(601,346)	1,594,800	993,454
Unrestricted	1,584,116	-	-	1,584,116
Total net position	<u>\$ 15,590,264</u>	<u>\$ 7,591,066</u>	<u>\$ 2,226,181</u>	<u>\$ 25,407,511</u>



# CITY OF ST. LOUIS

## WATER FUND COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Year Ended June 30, 2025

	<i>Water Operations Fund</i>	<i>Water Supply Construction Fund</i>	<i>Water Supply Replacement Fund</i>	<i>Total Water Fund</i>
<b>Operating revenues:</b>				
Charges for services				
Sales	\$ 2,081,678	-	-	\$ 2,081,678
Other	7,080	-	-	7,080
Penalties	19,778	-	-	19,778
Total operating revenues	<u>2,108,536</u>	<u>-</u>	<u>-</u>	<u>2,108,536</u>
<b>Operating expenses:</b>				
Personnel	411,254	-	-	411,254
Contracted services	124,856	-	-	124,856
Purchase of water	820,217	-	-	820,217
Administrative expense	109,089	-	-	109,089
Other services and supplies	241,321	-	-	241,321
Depreciation	422,998	-	-	422,998
Total operating expenses	<u>2,129,735</u>	<u>-</u>	<u>-</u>	<u>2,129,735</u>
Operating income (loss)	<u>(21,199)</u>	<u>-</u>	<u>-</u>	<u>(21,199)</u>
<b>Non-operating revenues (expenses):</b>				
State grants	135,976	-	-	135,976
Interest income	64,249	-	74,111	138,360
Rental income	16,396	-	-	16,396
Lease revenue	48,383	-	-	48,383
Interest expense	(13,154)	(313)	-	(13,467)
Net non-operating revenues (expenses)	<u>257,491</u>	<u>(313)</u>	<u>74,111</u>	<u>331,289</u>
Change in net position before capital contributions and transfers	<u>236,292</u>	<u>(313)</u>	<u>74,111</u>	<u>310,090</u>
<b>Capital contributions and transfers:</b>				
Capital contribution - Federal grants	-	6,507,279	-	6,507,279
Interfund transfers in	-	350,804	-	350,804
Interfund transfers out	(49,960)	-	-	(49,960)
Total capital contributions and transfers	<u>(49,960)</u>	<u>6,858,083</u>	<u>-</u>	<u>6,808,123</u>
Change in net position	186,332	6,857,770	74,111	7,118,213
Net position, beginning of year, restated	<u>15,403,932</u>	<u>733,296</u>	<u>2,152,070</u>	<u>18,289,298</u>
Net position, end of year	<u>\$ 15,590,264</u>	<u>\$ 7,591,066</u>	<u>\$ 2,226,181</u>	<u>\$ 25,407,511</u>

# CITY OF ST. LOUIS

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION June 30, 2025

	<i><b>Motorpool Fund</b></i>	<i><b>Police Equipment Fund</b></i>	<i><b>Total Internal Service Funds</b></i>
<b>Assets:</b>			
<b><i>Current assets:</i></b>			
Cash and cash equivalents	\$ 827,930	\$ 120,283	\$ 948,213
Inventory	19,202	-	19,202
Total current assets	847,132	120,283	967,415
<b><i>Noncurrent assets:</i></b>			
Capital assets:			
Being depreciated, net	1,682,797	63,976	1,746,773
Total assets	2,529,929	184,259	2,714,188
<b>Liabilities:</b>			
<b><i>Current liabilities:</i></b>			
Accounts payable	81,432	2,487	83,919
Accrued wages payable	847	-	847
Compensated absences payable - current	2,269	-	2,269
Total current liabilities	84,548	2,487	87,035
<b><i>Noncurrent liabilities:</i></b>			
Compensated absences payable - net of current	525	-	525
Total liabilities	85,073	2,487	87,560
<b>Net position:</b>			
Investment in capital assets	1,682,797	63,976	1,746,773
Unrestricted	762,059	117,796	879,855
Total net position	\$ 2,444,856	\$ 181,772	\$ 2,626,628

# CITY OF ST. LOUIS

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Year Ended June 30, 2025

	<i>Motorpool Fund</i>	<i>Police Equipment Fund</i>	<i>Total Internal Service Funds</i>
<b>Operating revenues:</b>			
Charges for services			
Other	\$ 13,047	\$ 1,318	\$ 14,365
Equipment rental	456,658	80,277	536,935
Total operating revenues	469,705	81,595	551,300
<b>Operating expenses:</b>			
Personnel	45,828	1	45,829
Other services and charges	158,812	34,315	193,127
Depreciation	246,322	38,386	284,708
Total operating expenses	450,962	72,702	523,664
Operating income (loss)	18,743	8,893	27,636
<b>Non-operating revenues (expenses):</b>			
Interest income	18,482	2,467	20,949
Sale of capital assets	32,339	-	32,339
Net non-operating revenues (expenses)	50,821	2,467	53,288
Change in net position	69,564	11,360	80,924
Net position, beginning of year	2,375,292	170,412	2,545,704
Net position, end of year	\$ 2,444,856	\$ 181,772	\$ 2,626,628

# CITY OF ST. LOUIS

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS Year Ended June 30, 2025

	<i>Motorpool Fund</i>	<i>Police Equipment Fund</i>	<i>Total Internal Service Funds</i>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 13,047	\$ 1,318	\$ 14,365
Cash received for interfund services	456,658	80,277	536,935
Cash payments to and on behalf of employees	(44,892)	(1)	(44,893)
Cash payments for goods, services and other	<u>(149,933)</u>	<u>(33,221)</u>	<u>(183,154)</u>
Net cash provided by operating activities	<u>274,880</u>	<u>48,373</u>	<u>323,253</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets	(461,658)	-	(461,658)
Proceeds from sale of capital assets	<u>12,339</u>	<u>-</u>	<u>12,339</u>
Net cash provided (used) by capital and related financing activities	<u>(449,319)</u>	<u>-</u>	<u>(449,319)</u>
<b>Cash flows from investing activities:</b>			
Interest received	<u>18,482</u>	<u>2,467</u>	<u>20,949</u>
Net increase (decrease) in cash and cash equivalents	(155,957)	50,840	(105,117)
Cash and cash equivalents, beginning of year	<u>983,887</u>	<u>69,443</u>	<u>1,053,330</u>
Cash and cash equivalents, end of year	<u>\$ 827,930</u>	<u>\$ 120,283</u>	<u>\$ 948,213</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 18,743	\$ 8,893	\$ 27,636
Adjustments:			
Depreciation	246,322	38,386	284,708
Change in assets and liabilities:			
Inventory	(40)	-	(40)
Accounts payable	8,919	1,094	10,013
Accrued wages payable	364	-	364
Compensated absences	<u>572</u>	<u>-</u>	<u>572</u>
Net cash provided by operating activities	<u>\$ 274,880</u>	<u>\$ 48,373</u>	<u>\$ 323,253</u>

# CITY OF ST. LOUIS

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## COMPONENT UNIT – DOWNTOWN DEVELOPMENT AUTHORITY

### BALANCE SHEET

June 30, 2025

**Assets:**

Cash and cash equivalents	\$ 213,433
Property held for resale	85,000
Lease receivable	<u>1,769</u>
Total assets	<u>\$ 300,202</u>

**Liabilities:**

Accounts payable	<u>\$ 96</u>
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**Deferred inflows of resources:**

Leases	<u>1,606</u>
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**Fund balance:**

Nonspendable:

Property held for resale	85,000
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Assigned for:

Building operation and maintenance	34,268
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Unassigned	<u>178,649</u>
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Total fund balance	<u>297,917</u>
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Total liabilities, deferred inflows of resources and fund balance	<u>\$ 300,202</u>
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# CITY OF ST. LOUIS

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## *COMPONENT UNIT – DOWNTOWN DEVELOPMENT AUTHORITY*

### **STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION**

Year Ended June 30, 2025

**Revenues:**

Property taxes	\$ 54,605
Investment income and rentals	<u>11,641</u>
Total revenues	<u>66,246</u>

**Expenditures:**

Current	
Community and economic development	<u>18,843</u>
Change in fund balance	47,403
Fund balance, beginning of year	<u>250,514</u>
Fund balance, end of year	<u><u>\$ 297,917</u></u>

# CITY OF ST. LOUIS

## GOVERNMENTAL-TYPE ACTIVITIES

### SCHEDULE OF INDEBTEDNESS

June 30, 2025

#### 2014 CAPITAL IMPROVEMENT BOND (LIMITED TAX GENERAL OBLIGATION) (TAXABLE)

Issue in the amount of	\$	1,600,000
Less: Principal paid in prior years		(196,000)
Principal paid in current year		<u>(26,000)</u>
Balance payable at June 30, 2025	\$	<u>1,378,000</u>

Balance payable as follows:

<i>Fiscal Year Ended</i>	<i>Interest Rate</i>	<i>Principal due September 1</i>	<i>Interest due September 1</i>	<i>Interest due March 1</i>	<i>Total Annual Requirement</i>
2026	3.50%	\$ 27,000	\$ 24,115	\$ 23,643	\$ 74,758
2027	3.50%	28,000	23,643	23,153	74,796
2028	3.50%	29,000	23,153	22,645	74,798
2029	3.50%	30,000	22,645	22,120	74,765
2030	3.50%	31,000	22,120	21,578	74,698
2031	3.50%	32,000	21,578	21,018	74,596
2032	3.50%	33,000	21,018	20,440	74,458
2033	3.50%	34,000	20,440	19,845	74,285
2034	3.50%	35,000	19,845	19,233	74,078
2035	3.50%	36,000	19,233	18,603	73,836
2036	3.50%	38,000	18,603	17,938	74,541
2037	3.50%	39,000	17,938	17,255	74,193
2038	3.50%	40,000	17,255	16,555	73,810
2039	3.50%	42,000	16,555	15,820	74,375
2040	3.50%	43,000	15,820	15,068	73,888
2041	3.50%	45,000	15,068	14,280	74,348
2042	3.50%	46,000	14,280	13,475	73,755
2043	3.50%	48,000	13,475	12,635	74,110
2044	3.50%	49,000	12,635	11,778	73,413
2045	3.50%	51,000	11,778	10,885	73,663
2046	3.50%	53,000	10,885	9,958	73,843
2047	3.50%	55,000	9,958	8,995	73,953
2048	3.50%	57,000	8,995	7,998	73,993
2049	3.50%	59,000	7,998	6,965	73,963
2050	3.50%	61,000	6,965	5,898	73,863
2051	3.50%	63,000	5,898	4,795	73,693
2052	3.50%	65,000	4,795	3,658	73,453
2053	3.50%	67,000	3,658	2,485	73,143
2054	3.50%	70,000	2,485	1,260	73,745
2055	3.50%	<u>72,000</u>	<u>1,260</u>	<u>-</u>	<u>73,260</u>
		\$ 1,378,000	\$ 434,094	\$ 409,979	\$ 2,222,073

# CITY OF ST. LOUIS

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## GOVERNMENTAL ACTIVITIES SCHEDULE OF INDEBTEDNESS

June 30, 2025

### POLICE COPIER LEASE

Issue in the amount of	\$	5,468
Add:	Financing for new payment	228
Less:	Principal paid in prior years	(2,050)
	Principal paid in current year	<u>(991)</u>
Balance payable at June 30, 2025	\$	<u>2,655</u>

Balance payable as follows:

<i>Fiscal</i> <i>Year Ended</i>	<i>Interest</i> <i>Rate</i>	<i>Principal due</i>	<i>Interest due</i>	<i>Total</i> <i>Annual</i> <i>Requirement</i>
2026	2.50%	\$ 1,132	\$ 161	\$ 1,293
2027	2.50%	1,287	71	1,358
2028	2.50%	<u>236</u>	<u>2</u>	<u>238</u>
		<u>\$ 2,655</u>	<u>\$ 234</u>	<u>\$ 2,889</u>

### CITY HALL COPIER/2 PRINTERS

Issue in the amount of	\$	18,995
Less:	Principal paid in prior years	(7,563)
	Principal paid in current year	<u>(3,612)</u>
Balance payable at June 30, 2025	\$	<u>7,820</u>

Balance payable as follows:

<i>Fiscal</i> <i>Year Ended</i>	<i>Interest</i> <i>Rate</i>	<i>Principal due</i>	<i>Interest due</i>	<i>Total</i> <i>Annual</i> <i>Requirement</i>
2026	2.50%	\$ 3,702	\$ 155	\$ 3,857
2027	2.50%	3,797	60	3,857
2028	2.50%	<u>321</u>	<u>1</u>	<u>322</u>
		<u>\$ 7,820</u>	<u>\$ 216</u>	<u>\$ 8,036</u>



# CITY OF ST. LOUIS

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## GOVERNMENTAL ACTIVITIES SCHEDULE OF INDEBTEDNESS

June 30, 2025

### CITY HALL MAIL METER AND FOLDER

Issue in the amount of	\$	20,694
Less:		
Principal paid in prior years		(9,416)
Principal paid in current year		<u>(5,569)</u>
Balance payable at June 30, 2025	\$	<u>5,709</u>

Balance payable as follows:

<i><u>Fiscal</u></i>	<i><u>Interest</u></i>			<i><u>Total</u></i>
<i><u>Year Ended</u></i>	<i><u>Rate</u></i>	<i><u>Principal due</u></i>	<i><u>Interest due</u></i>	<i><u>Annual Requirement</u></i>
2026	2.50%	\$ <u>5,709</u>	\$ <u>89</u>	\$ <u>5,798</u>

# CITY OF ST. LOUIS

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## *BUSINESS-TYPE ACTIVITIES* **SCHEDULE OF INDEBTEDNESS**

June 30, 2025

### **IT SUBSCRIPTION**

Issue in the amount of	\$	56,838
Less:		
Principal paid in prior years		(18,723)
Principal paid in current year		<u>(18,223)</u>
Balance payable at June 30, 2025	\$	<u>19,892</u>

Balance payable as follows:

<i><u>Fiscal</u></i> <i><u>Year Ended</u></i>	<i><u>Interest</u></i> <i><u>Rate</u></i>	<i><u>Principal due</u></i>	<i><u>Interest due</u></i>	<i><u>Total</u></i> <i><u>Annual</u></i> <i><u>Requirement</u></i>
2026	3.76%	\$ <u>19,892</u>	\$ <u>751</u>	\$ <u>20,643</u>

# CITY OF ST. LOUIS

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## *BUSINESS-TYPE ACTIVITIES* **SCHEDULE OF INDEBTEDNESS**

June 30, 2025

### **2015 ELECTRIC REVENUE BONDS**

Issue in the amount of	\$	950,000
Less: Principal paid in prior years		(445,000)
Principal paid in current year		<u>(65,000)</u>
Balance payable at June 30, 2025	\$	<u><u>440,000</u></u>

Balance payable as follows:

<i><b>Fiscal Year Ended</b></i>	<i><b>Interest Rate</b></i>	<i><b>Principal due November 1</b></i>	<i><b>Interest due November 1</b></i>	<i><b>Interest due May 1</b></i>	<i><b>Total Annual Requirement</b></i>
2026	3.00%	\$ 65,000	\$ 7,399	\$ 6,424	\$ 78,823
2027	3.25%	70,000	6,424	5,286	81,710
2028	3.35%	70,000	5,286	4,114	79,400
2029	3.45%	75,000	4,114	2,820	81,934
2030	3.50%	80,000	2,820	1,420	84,240
2031	3.55%	<u>80,000</u>	<u>1,420</u>	<u>-</u>	<u>81,420</u>
		<u>\$ 440,000</u>	<u>\$ 27,463</u>	<u>\$ 20,064</u>	<u>\$ 487,527</u>

# CITY OF ST. LOUIS

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## *BUSINESS-TYPE ACTIVITIES* **SCHEDULE OF INDEBTEDNESS**

June 30, 2025

### **WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE BOND, SERIES 2013**

Issue in the amount of	\$	5,445,000
Less:		
Principal paid in prior years		(2,455,000)
Principal paid in current year		<u>(275,000)</u>
Balance payable at June 30, 2025	\$	<u>2,715,000</u>

Balance payable as follows:

<i><b>Fiscal Year Ended</b></i>	<i><b>Interest Rate</b></i>	<i><b>Interest due October 1</b></i>	<i><b>Principal due April 1</b></i>	<i><b>Interest due April 1</b></i>	<i><b>Total Annual Requirement</b></i>
2026	2.00%	\$ 27,150	\$ 280,000	\$ 27,150	\$ 334,300
2027	2.00%	24,350	285,000	24,350	333,700
2028	2.00%	21,500	290,000	21,500	333,000
2029	2.00%	18,600	295,000	18,600	332,200
2030	2.00%	15,650	300,000	15,650	331,300
2031	2.00%	12,650	305,000	12,650	330,300
2032	2.00%	9,600	315,000	9,600	334,200
2033	2.00%	6,450	320,000	6,450	332,900
2034	2.00%	<u>3,250</u>	<u>325,000</u>	<u>3,250</u>	<u>331,500</u>
		<u>\$ 139,200</u>	<u>\$ 2,715,000</u>	<u>\$ 139,200</u>	<u>\$ 2,993,400</u>

# CITY OF ST. LOUIS

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## *BUSINESS-TYPE ACTIVITIES* **SCHEDULE OF INDEBTEDNESS**

June 30, 2025

### **WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE BOND, SERIES 2020**

Issue in the amount of	\$	950,000
Less:		
Principal paid in prior years		(213,000)
Principal paid in current year		<u>(57,000)</u>
Balance payable at June 30, 2025	\$	<u>680,000</u>

Balance payable as follows:

<i><b>Fiscal Year Ended</b></i>	<i><b>Interest Rate</b></i>	<i><b>Interest due September 1</b></i>	<i><b>Principal due March 1</b></i>	<i><b>Interest due March 1</b></i>	<i><b>Total Annual Requirement</b></i>
2026	1.63%	\$ 6,028	\$ 59,000	\$ 6,028	\$ 71,056
2027	1.67%	5,547	61,000	5,547	72,094
2028	1.67%	5,038	63,000	5,038	73,076
2029	1.71%	4,512	65,000	4,512	74,024
2030	1.79%	3,956	67,000	3,956	74,912
2031	1.79%	3,356	69,000	3,356	75,712
2032	1.83%	2,739	71,000	2,739	76,478
2033	1.83%	2,089	73,000	2,089	77,178
2034	1.87%	1,421	75,000	1,421	77,842
2035	1.87%	720	77,000	720	78,440
		<u>\$ 35,406</u>	<u>\$ 680,000</u>	<u>\$ 35,406</u>	<u>\$ 750,812</u>

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

To the Honorable Mayor and Members of City Council  
City of St. Louis, Michigan

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, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of St. Louis, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of St. Louis' basic financial statements, and have issued our report thereon dated December 22, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of St. Louis' internal control over financial reporting (internal controls) 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 of St. Louis' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of St. Louis' 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 of St. Louis' 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*.

To the Honorable Mayor and Members of City Council  
City of St. Louis, Michigan

**Purpose of this Report**

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

*Berthiaume & Co.*

Saginaw, Michigan  
December 22, 2025