

CALL MEETING TO ORDER

MAYOR FARMER WILL
CALL MEETING TO ORDER



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

PLEDGE OF ALLEGIANCE

THE MAYOR WILL CALL ON A COUNCIL
MEMBER TO LEAD THE PLEDGE,
EVERYONE CAN PARTICIPATE



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

ROLL CALL & QUORUM

CLERK WILL DO A ROLL CALL, QUORUM IS
FOUR (4) COUNCILMEMBERS



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

EXCUSE ABSENT COUNCIL MEMBERS

COUNCIL WILL ALREADY KNOW WHAT
COUNCIL MEMBERS ARE ABSENT AND
EXCUSES, THIS IS AN OPPORTUNITY TO
EXCUSE OR NOT EXCUSE A COUNCIL
MEMBERS ABSENCE AT EACH MEETING



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE



1. Call Meeting to Order
2. Pledge of Allegiance Mayor (Chair) will ask a Councilmember to lead
3. Roll Call and Determination of Quorum Four (4) Clerk will perform Roll Call
4. Authorization to Excuse Absences, if any, from the Meeting
5. Approval of Agenda for 03/02/26
6. Adopt Consent Agenda (Roll Call Vote)

STAY CONNECTED

WEBSITE: cityofbangormi.org
FACEBOOK: BangorMI
YOUTUBE: @CityofBangorMI
NIXLE: text "49013" to 888777

All items listed under 'Consent Agenda Items' are considered to be routine and have previously been reviewed by Council, and will be enacted with one motion, unless stated otherwise by a Council Member, in which event the item will be removed from the consent agenda and considered in unfinished business.

- a. Approval of Regular Meeting minutes for 02/17/26
- b. Approval of Special (COTW) Meeting minutes for 02/17/26
- c. Approval of General Checking Accounts Payable & Payroll for 03/02/26 for **\$108,850.04**
- d. Approval of Roads Accounts Payable for 03/02/26 for **\$450.00**

7. Regular Business (Resolutions, Proclamations, Reports, and Presentations)

a. Resolutions

ACTION ITEM: Resolution 2026-06 (Five-Year Water Rate Study Presented by Abonmarche to Support Water System Infrastructure Maintenance and Improvements) (Roll Call Vote)

Five (5) Year Rate Study City Manager Weber
The Council will: Adopt Resolution 2026-06, Five-Year Water Rate Study.

ACTION ITEM: Resolution 2026-07 (Senator Gary C Peters FY27 Congressionally Directed Spending (CDS) Request for the Bangor Water Storage Tank) (Roll Call Vote)

Approval to Apply for FY27 CDS City Manager Weber
The Council will: Adopt Resolution 2026-07; Approval to Apply for FY27 CDS – Bangor Water Storage Tank Grant Application.

b. Proclamations

None

c. Reports

None

d. Presentations

ACTION ITEM: Audit Presentation from Vredeveld Haefner LLC

For the Year Ended June 30, 2025 Vredeveld Haefner Representative
The Council will: hear presentation from Vredeveld Haefner LLC the findings of the Audit.

8. Comments/Concerns from the Audience/Public*

This is an opportunity for the public to address the Council and to make any appropriate comments. Persons addressing City Council are to wait until they are recognized by the Mayor/Chair. Please limit your comments to three (3) minutes per speaker.

9. Unfinished Business/Postponed Items

a. Unfinished Business/Postponed Items

None

b. Items Removed from Consent Agenda

If any item(s) is removed from Consent Agenda, it is discussed here

10. New Business

a. ACTION ITEM: Planning Commission - Lot Split Planning Commission Chair Babcock

The Council will: Accept the Planning Commission recommendation - Lot Split for 206 Lincoln Ave.

11. Comments/Concerns from the Audience/Public*

This is an opportunity for the public to address the Council and to make any appropriate comments. Persons addressing City Council are to wait until they are recognized by the Mayor/Chair. Please limit your comments to three (3) minutes per speaker.

12. Councilmember Closing Comments

13. Adjournment

Next Regularly & Special Scheduled City Council Meetings

**THE NEXT REGULAR CITY COUNCIL MEETINGS ARE
MONDAY, MARCH 16TH, 2026 AND APRIL 6TH, APRIL 20TH**

**THE NEXT SPECIAL CITY COUNCIL MEETINGS ARE
BUDGET WORKSHOP WEDNESDAY, MARCH 25TH @ 2:30PM AND
ABB JOINT FIRE DISTRICT BOARD WEDNESDAY, MARCH 25TH @ 6:30 PM AT 417 WEST ARLINGTON**

For agendas and packets refer to the City's website at www.cityofbangormi.org

<p>Free Local Newspaper Weekly Delivery South Haven Beacon New editions dropped off at City Hall every Thursday.</p>	<p>Resources Need Information or Help? Visit our website at www.cityofbangormi.org and go to Community, Resources.</p>	<p>Council Recordings & Live Stream Downtown Bangor Visit our YouTube Channel @CityofBangorMI and go to live.</p>
--	--	---

Upcoming Commission/Board Meetings

Commission/Board	Date	Time	Location	Frequency
Bangor Community Fire Department Fire Board	March 9, 2026	7:30 PM	417 W Arlington St	1 X per month; Second Monday**
Parks & Recreation Advisory Board	March 10, 2026	5PM	257 W Monroe St	1 X per month; Second Tuesday*
Planning Commission	March 13, 2026	7PM	257 W Monroe St	1 X per month; Second Thursday*
Downtown Development Authority (DDA)	March 17, 2026	7PM	257 W Monroe St	1 X per month; Third Tuesday*
Bangor Housing Commission	March 19, 2026	6PM	820 Second St	1 X per month; Third Thursday**
Economic Development Corporation (EDC)	March 19, 2026	6PM	257 W Monroe St	1 X per month; Third Thursday*
Cemetery Committee	Will resume meetings beginning in April 2026		257 W Monroe St	1 X per month; Fourth Monday*
<i>*Subject to change if there is a scheduling conflict at City Hall – if a date is changed, a notice is posted on the boards outside City Hall, Facebook, and City website (events calendar)</i>				
<i>**These boards control their own meeting schedule</i>				
Board of Review	March 3, 2026	8:30 AM	257 W Monroe St	Organizational Meeting
Board of Review March Appeal Hearings	March 9, 2026	2-5PM 6-9PM	257 W Monroe St	Appeal Hearings; Letters must be received by March 12th
Board of Review March Appeal Hearings	March 10, 2026	9AM- Noon	257 W Monroe St	Appeal Hearings; Letters must be received by March 12th
Board of Review March Appeal Hearings	March, 13, 2026	9AM- Noon	257 W Monroe St	Appeal Hearings; Letters must be received by March 12th

*The purpose of the public comment periods are for members of the public to inform the council of their views. Traditionally, Council does not respond to comments made at the meeting; however, the Mayor and/or City Manager may direct staff to follow up with the speaker as appropriate. Public and council comments are not required to be recorded. **“Meeting Minutes are a record of what was done, not what was said” - Roberts Rules of Order Newly Revised (RONR)**

CONSENT AGENDA

- 02/17/26 COTW MEETING MINUTES
- 02/17/26 MEETING MINUTES
- GENERAL CHECKING AP
- ROADS CHECKING AP



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE



Council Chambers

COTW Meeting

6:00PM

257 W MONROE ST BANGOR, MI 49013

1. This meeting was called to order by Mayor Farmer at 6:00 pm.
2. ROLL CALL & DETERMINATION OF QUORUM

Attendee Name	Title	Status	
		Present	Absent
Lynne Farmer	Mayor	X	
Pati Martinez-Serratos	Mayor Pro Tem	X	
Heléne Rivers	Councilmember	X	
Jeremy Uplinger	Councilmember		X
Renee Doroh	Councilmember	X	
Amber Garcia	Councilmember	X	
Darla McCrumb	Councilmember	X	
QUORUM (4) MET (6 PRESENT)			

OTHERS PRESENT

Justin Weber, City Manager
 Shelly Umbanhowar, City Clerk
 Stephenie Cagle, City Treasurer

Steve Lowder, DPW Director
 Madelyn Landry, Nick Shelton,
 Dan Bomzer, Dawn Lund - Abonmarche
 Approximately 11 members of the public

3. **APPROVAL OF COTW AGENDA**

Motion to accept COTW Meeting 02/17/26 Agenda as presented.	
RESULT:	CARRIED (UNANIMOUS)
MOVER:	Renee Doroh, Councilmember
SECONDER:	Amber Garcia, Councilmember
ABSENT:	Uplinger

4. **ITEMS FOR COUNCIL DISCUSSION**

a. **Drinking Water State Revolving Fund (DWSRF)**

i. **Financial Projections**

Water Capital Improvement Plan (CIP):

Madelyn Landry with Abonmarche reviewed the PowerPoint and explained that the study has a 5 & 20 year rate study. This study has most items starting in 2027 to give the City the best chances for low interest rate funds and any possible grants.

Rate Study Findings:

Dawn Lund with Abonmarche joined the meeting via conference call and reviewed the Financial Projections with UFS. Dawn explains the need for a water increase incrementally throughout the next five years to begin. The entire rate study goes out 20 years. There is a brief question and answer with Council and Dawn regarding the issue with raising water rates too much. Dawn reminds the Council that the fixed funds pay for a lot of items, the meters, employees' time, the overall system, water storage, etc, if these

fees are not set properly the City cannot maintain the system. The rates need to be stabilized in the system in order to meet revenue requirements. The City is currently on the lower end of rates across municipalities. Our fixed and variable rates are off.

Submission of the DWSRF Project Plan:

Next steps would require City Council approval of UFS Rate Study or alternative funding plan (required by the ACA).

City Council approval of Project Plan for DWSRF Application.

9. OPPORTUNITY FOR PUBLIC COMMENT

Mayor Farmer opened the public comment. Two (2) public comments were offered. Mayor Farmer closed the public comment period.

13. ADJOURNMENT

Motion to adjourn at 6:47 PM.

RESULTS:	CARRIED (UNANIMOUS)
MOVER:	Amber Garcia, Councilmember
SECONDER:	Darla McCrumb, Councilmember

Shelly Umbanhowar, City Clerk

Mayor Lynne Farmer

CERTIFICATION

I, **Shelly Umbanhowar**, the duly appointed Clerk for the City of Bangor, do hereby certify that this is a true and exact copy of the minutes from the **COTW Meeting held on Tuesday, February 17th, 2026**. These minutes were **approved by the City Council on Monday, March 2nd, 2026**, by unanimous vote. The original is on file at the Bangor City Hall, 257 W. Monroe Street, Bangor, Michigan 49013.

Shelly Umbanhowar, City Clerk



Council Chambers

Regular Meeting

7:00PM

257 W MONROE ST BANGOR, MI 49013

1. This meeting was called to order by Mayor Farmer at 7:00 pm.
2. PLEDGE OF ALLEGIANCE IS LED BY COUNCILMEMBER MCCRUMB AND RECITED BY ALL PRESENT
3. ROLL CALL & DETERMINATION OF QUORUM

Attendee Name	Title	Status	
		Present	Absent
Lynne Farmer	Mayor	X	
Pati Martinez-Serratos	Mayor Pro Tem	X	
Heléne Rivers	Councilmember	X	
Jeremy Uplinger	Councilmember		X
Renee Doroh	Councilmember	X	
Amber Garcia	Councilmember	X	
Darla McCrumb	Councilmember	X	
QUORUM (4) MET (6 PRESENT)			

OTHERS PRESENT

Justin Weber, City Manager
 Shelly Umbanhowar, City Clerk
 Stephenie Cagle, City Treasurer
 Scott Graham, City Attorney

Steve Lowder, DPW Director
 Derek Babcock, Fire Chief
 Ezekiel Drake, Police Officer
 Approximately 11 members of the public

4. **AUTHORIZATION TO EXCUSE ABSENT COUNCILMEMBER(S) FROM THE MEETING**
 Motion to excuse Councilmember Uplinger from the 02/17 Regular City Council Meetings. Mover: Councilmember Doroh; Seconder: Councilmember Rivers.

5. **APPROVAL OF REGULAR AGENDA**

Motion to accept Regular Meeting 02/17/26 Agenda as presented.	
RESULT:	CARRIED (UNANIMOUS)
MOVER:	Amber Garcia, Councilmember
SECONDER:	Darla McCrumb, Councilmember
ABSENT:	Uplinger

6. **APPROVAL OF CONSENT AGENDA**

a. **Consent Agenda**

Motion to accept Consent Agenda items: Regular Meeting Minutes 02/02/26 & Budget Workshop Meeting Minutes 02/03/26 . Accounts Payable/Payroll: General Checking in the amount of \$223,087.30 and Roads Checking in the amount of \$6,845.00 , and T&A Checking in the amount of \$81,415.98 .	
RESULT:	MOTION CARRIED (6 YES; 1 ABSENT) (ROLL CALL)
MOVER:	Amber Garcia, Councilmember
SECONDER:	Pati Martinez-Serratos, Mayor Pro Tem
AYES:	Rivers, Martinez-Serratos, Doroh, McCrumb, Garcia, Farmer
NAYS:	None
ABSENT:	Uplinger

7. REGULAR BUSINESS

a. Resolutions

i. Resolution 2026-04 2nd Quarter Budget Amendments 25/26 FY

Moved to 10. a. Unfinished Business/Postponed Items/Removed from Consent Agenda Items; Failed for lack of second at 01/20/26 and no motion at the 02/02/26 Regular City Council Meetings.

b. Proclamations

None

c. Reports

i. Department Heads

DPW*, Police*, Fire*, Code Enforcement*, Clerk, and Treasurer: The reports have been received by the Council, reviewed as presented, and are hereby placed on file for record. **verbal report given (DPW & Police presented written reports as well)*

ii. Commission and Boards

Reports from Planning**, Cemetery**, Parks & Recreation*, EDC**, and DDA*: The reports have been received by the Council, reviewed as presented, and are hereby placed on file for record. **verbal, no report to file, **did not meet, not report to file*

iii. Other

Bangor Housing Commission and Van Buren County Senior Services updates were given by Jerry Muenzer.

d. Presentations

None

9. OPPORTUNITY FOR PUBLIC COMMENT

Mayor Farmer opened the public comment. Two (2) public comments were offered. Mayor Farmer closed the public comment period.

10. UNFINISHED BUSINESS/POSTPONED ITEMS/REMOVED FROM CONSENT AGENDA ITEMS

a. Unfinished Business/Postponed Items

Resolution 2026-04 2nd Quarter Budget Amendments 25/26 FY

Motion to adopt Resolution 2026-04 2nd Quarter Budget Amendments 25/26 FY.

RESULT:	MOTION CARRIED (6 YES; 1 ABSENT) (ROLL CALL)
MOVER:	Pati Martinez-Serratos, Mayor Pro Tem
SECONDER:	Amber Garcia, Councilmember
AYES:	Rivers, Martinez-Serratos, Doroh, McCrumb, Garcia, Farmer
NAYS:	None
ABSENT:	Uplinger

b. Items Removed From Consent Agenda

None

10. NEW BUSINESS**a. Inspection Services Agreement**

Motion to accept the Inspection Services Agreement with Bangor Community Fire Department for inspections effective 03/01/26.

RESULT: CARRIED (UNANIMOUS)
MOVER: Pati Martinez-Serratos, Mayor Pro Tem
SECONDER: Heléne Rivers, Councilmember
ABSENT: Uplinger

b. Bangor Housing Commission (BHC) Agreement

Motion to accept the City of Bangor with Bangor Housing Commission for Payroll & Administrative Services Agreement.

RESULT: CARRIED (UNANIMOUS)
MOVER: Heléne Rivers, Councilmember
SECONDER: Renee Doroh, Councilmember
ABSENT: Uplinger

c. Special Meeting Council & DDA

There is a brief discussion that Council Members will attend the 02/24/26 Regular DDA meeting as participants or observers of the meeting. Then the Council will decide and choose a separate date from DDA and Council regular meetings to have a joint meeting with the DDA to discuss City matters.

11. OPPORTUNITY FOR PUBLIC COMMENT

Mayor Farmer opened the public comment. Six (6) public comment was offered. Mayor Farmer closed the public comment period.

12. COUNCILMEMBER CLOSING COMMENTS

Councilmember comments were heard.

13. ADJOURNMENT

Motion to adjourn at 7:37 PM.

RESULTS: CARRIED (UNANIMOUS)
MOVER: Amber Garcia, Councilmember
SECONDER: Darla McCrumb, Councilmember

 Shelly Umbanhowar, City Clerk

 Mayor Lynne Farmer

CERTIFICATION

I, **Shelly Umbanhowar**, the duly appointed Clerk for the City of Bangor, do hereby certify that this is a true and exact copy of the minutes from the **Regular Meeting held on Tuesday, February 17th, 2026**. These minutes were **approved by the City Council on Monday, March 2nd, 2026**, by unanimous vote. The original is on file at the Bangor City Hall, 257 W. Monroe Street, Bangor, Michigan 49013.

 Shelly Umbanhowar, City Clerk



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

CITY COUNCIL

AGENDA FACT SHEET

To: Mayor Farmer, Pro Tem Martinez-Serratos, Councilmember Rivers, McCrumb, Garcia, Doroh and Uplinger

CC: Justin Weber, City Manager

From: Shelly Umbanhowar, City Clerk

CC: Stephenie Cagle, Treasurer

Subject: Accounts Payable and Payroll

Date: 02/26/26

Recommended Action:

GENERAL CHECKING - Treasurer recommends City Council approval of the following:

- **Invoice List** for 03/02/26 in the amount of **\$62,274.73.**
- **Payroll** for 02/27 (02/08-02/21/26) in the amount of **\$44,213.63.**
 - For a **grand total** amount of **\$108,850.04** from the **GCK-2** account.

• TOTAL AMOUNT OF <u>GCK-2</u> BILLS LIST & PAYROLL	\$108,850.04
--	---------------------

ROADS - Treasurer recommends City Council approval of the following:

- **Bill List** for 03/02/26 in the amount of **\$450.00.**
 - For a **grand total** amount of **\$450.00** from the **ROADS** account.

• TOTAL AMOUNT OF <u>ROADS</u> BILLS LIST	\$450.00
--	-----------------

Council Action:

For Action

Summary:

See GCK-2 and ROADS Invoice approval lists.

02/23/2026 INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF BANGOR
 EXP CHECK RUN DATES 03/03/2026 - 03/03/2026
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: GCK-2

Vendor Code	Vendor Name Invoice	Description	Amount
AT&T	AT&T MOBILITY 02142026	PHONE @ WELLS	117.72
TOTAL FOR: AT&T MOBILITY			117.72
BENISTAR	BENISTAR/UA-6803 03012026	RETIREMENT BENEFITS MARCH 2026	3,197.50
TOTAL FOR: BENISTAR/UA-6803			3,197.50
BRONSON	BRONSON HEALTHCARE GROUP 020426	DPW DOT PHYSICALS - 2 EMPLOYEES	176.00
TOTAL FOR: BRONSON HEALTHCARE GROUP			176.00
CINTAS	CINTAS CORPORATION #301 4259637867 4259867052 4260389788 5319403805	DPW UNIFORMS RUGS CITY HALL & POLICE STATION DPW UNIFORMS DPW HARD SURFACE DISINFECTANT	57.49 102.16 57.49 7.53
TOTAL FOR: CINTAS CORPORATION #301			224.67
COMCAST	COMCAST 263031200	BILLING ACTIVITY UP TO AND INCLUDING 01/31/26 CITY HALL PHONE	271.05
TOTAL FOR: COMCAST			271.05
CONSUMERS	CONSUMERS ENERGY 100010938270.021626 100010938833.021626	WELL #9 01/16-02/16/26 WELL #8 01/16-02/16/26	519.08 2,238.40
TOTAL FOR: CONSUMERS ENERGY			2,757.48
CROWN	CROWN TROPHY #104 49795	MISS AND MR BANGOR KEYS TO THE CITY	100.00
TOTAL FOR: CROWN TROPHY #104			100.00
DANSAUTO	DAN'S AUTOMOTIVE I011797 I011800	#55 - COOLANT LEAK, HEATER HOSE CONNECTOR CODE ENFORCEMENT VEHICLE - TIRE PRESSURE MONITORING SYSTEM	230.00 482.50
TOTAL FOR: DAN'S AUTOMOTIVE			712.50

DELTA	DELTA DENTAL OF MICHIGAN		
	RIS0006870468	DENTAL INSURANCE	1,596.95
TOTAL FOR: DELTA DENTAL OF MICHIGAN			1,596.95
FERGUSON	FERGUSON ENTERPRISES, INC		
	0239047	DPW SUPPLIES - 6X12 AND 8X12 ALL SS REP CLMPS	1,120.81
TOTAL FOR: FERGUSON ENTERPRISES, INC			1,120.81
HOEKSTRA	HOEKSTRA EQUIPMENT		
	X301020442:01	PLOW EDGE KIT/CURB KIT - DPW	214.79
TOTAL FOR: HOEKSTRA EQUIPMENT			214.79
SUNBELT	HOMESERVE USA		
	FEBRUARY	WATER LEAK, AND WATER & SEWER LINE COVERAGE	1,722.30
	JANUARY	WATER LEAK, AND WATER & SEWER LINE COVERAGE	1,722.30
TOTAL FOR: HOMESERVE USA			3,444.60
INTEGRITY	INTEGRITY TECH PARTNERS		
		CITY HALL SERVER BACK UP BATTERY - TO REPLACE	
	14508	FAILING ONE	1,599.90
	14514	DPW ON SITE SUPPORT - PASSWORD/MFA SET UP	22.50
	14524	CITY HALL INTERCOM/DOOR UNLOCK/LOCK SYSTEM	2,079.80
	14525	COUNCIL CHAMBERS/CITY HALL - VIDEO/ZOOM SYSTEM	2,863.50
TOTAL FOR: INTEGRITY TECH PARTNERS			6,565.70
PRIMAR	MERLE BOES, INC		
	SI-125724	DPW GAS 02/11/26	349.71
	SI-125983	DPW GAS 02/13/26	797.98
	SI-126168	DPW GAS 02/15/26	899.70
TOTAL FOR: MERLE BOES, INC			2,047.39
MRWA	MICHIGAN RURAL WATER ASSOCIATION		
		MRWA WATER OPERATORS SCHOOL - DPW ASSISTANT	
	033026	DIRECTOR	805.00
TOTAL FOR: MICHIGAN RURAL WATER ASSOCIATION			805.00
STATE POL	MICHIGAN STATE POLICE		
	551-671604	DRY GAS - POLICE DEPARTMENT	140.00
TOTAL FOR: MICHIGAN STATE POLICE			140.00
PLUNKETT	PLUNKETT COONEY		
	10973419	GALLEGOS V BANGOR SERVICES THRU 01/31/26	1,349.81
TOTAL FOR: PLUNKETT COONEY			1,349.81

PRIORITY	PRIORITY HEALTH		
	260170023849	HEALTH INSURANCE	12,425.49
	260480023290	HEALTH INSURANCE	12,425.49
TOTAL FOR: PRIORITY HEALTH			24,850.98
MISC	SPEER, CHARLES		
	02/19/2026	UB refund for account: 1.10500.0	149.49
TOTAL FOR: SPEER, CHARLES			149.49
STANDARD	STANDARD INSURANCE COMPANY		
	030126	LIFE INSURANCE	177.00
TOTAL FOR: STANDARD INSURANCE COMPANY			177.00
STAPLES	STAPLES		
	7008719639	CITY HALL - OFFICE SUPPLIES MANILA FILE FOLDERS; DPW - MOP HEADS	60.42
	7008752902	FRONT COUNTER STAMPS FOR CITY HALL - DATE & BANK	92.98
	7008815906	DPW LAUNDRY DETERGENT; CITY HALL SIGN HOLDER	60.87
TOTAL FOR: STAPLES			214.27
STAR UNIFO	STAR UNIFORM		
	50695-2	POLICE UNIFORMS X 5	1,275.00
TOTAL FOR: STAR UNIFORM			1,275.00
TRACE	TRACE ANALYTICAL LABORATORIES, INC		
	6020477	DRINKING WATER REQ	129.76
TOTAL FOR: TRACE ANALYTICAL LABORATORIES, INC			129.76
USBANK	US BANK EQUIPMENT FINANCE		
	575039748	CITY HALL COPIERS - COPIER LEASE MARCH 2026	503.56
TOTAL FOR: US BANK EQUIPMENT FINANCE			503.56
VERIZWIRE	VERIZON WIRELESS		
	6135701720	DPW, POLICE, CODE ENF - ON DUTY CELL PHONES, WIFI HOTSPOT - CODE ENF JAN 11 - FEB 10, 2026	162.11
TOTAL FOR: VERIZON WIRELESS			162.11
VSP	VISION SERVICE PLAN		
	824657014	VISION INSURANCE	289.26
TOTAL FOR: VISION SERVICE PLAN			289.26

VREDEVELD	VREDEVELD HAEFNER LLC	PROF SERVICES THRU 01/31/26 PROGRESS ON CITY	
	7120	AUDIT ENDING JUNE 30, 2025	9,300.00
TOTAL FOR: VREDEVELD HAEFNER LLC			9,300.00

WOODHAMS	WOODHAMS FORD LINCOLN	POLICE CAR #54 DRIVERS DOOR KEY CYLINDER QUIT	
	45138	WORKING - NEW LOCK CYLINDER IN DOOR	381.33
TOTAL FOR: WOODHAMS FORD LINCOLN			381.33

TOTAL - ALL VENDORS 62,274.73

PAYROLL

PAYROLL	PAYROLL	02/08-02/21/26 PAYROLL, INCLUDING BHC	44,213.63
	02/27/26		
TOTAL FOR: PAYROLL			44,213.63

TOTAL - ALL PAYROLL 44,213.63

CHECKS IN BETWEEN

CHECKS IN BETWEEN	CHECKS IN BETWEEN	ELAN FINANCIAL SERVICES - CITY CREDIT CARD	
	42852	CHARGES/FEB 2026	2,176.68
	42853	METRO BUILDING INSPECTORS ASSOC - BUILDING	
		INSPECTOR MEMBERSHIP AND MEETING	185.00
TOTAL FOR: CHECKS IN BETWEEN			2,361.68

TOTAL - ALL CHECKS IN BETWEEN 2,361.68

GRAND TOTAL - ALL CATEGORIES 108,850.04

FUND TOTALS:

Fund 101 - GENERAL FUND	86,519.11
Fund 590 - SEWER FUND	5,388.03
Fund 591 - WATER FUND	11,173.11
Fund 661 - MOTOR EQUIPMENT FUND	5,769.79
FUND TOTALS:	108,850.04

BANK TOTALS:

Bank GCK-2 GENERAL CHECKING 2	108,850.04
BANK TOTALS:	108,850.04

PAYMENT TYPE TOTALS:

Paper Check	61,375.37
EFT Transfer	47,474.67
PAYMENT TYPE TOTALS:	108,850.04

PAGE 4 TOTAL 56,256.64

02/23/2026 INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF BANGOR
 CHECK RUN DATES 02/20/2026 - 02/20/2026
 BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
 BANK CODE: ROADS

Vendor Code	Vendor Name Invoice	Description	Amount
SULLINS EX	MIKE SULLINS EXCAVATING INC 1578	SNOW REMOVAL & STACKING AT LIONS PARK	450.00
TOTAL FOR: MIKE SULLINS EXCAVATING INC			450.00

TOTAL - ALL VENDORS	450.00
----------------------------	---------------

FUND TOTALS:

Fund 202 - MAJOR STREETS FUND	225.00
Fund 203 - LOCAL STREETS FUND	225.00
	450.00

BANK TOTALS:

Bank ROADS STREET FUNDS	450.00
-------------------------	--------

PAYMENT TYPE TOTALS:

Paper Check	450.00
-------------	--------

REGULAR BUSINESS

- RESOLUTIONS
- PROCLAMATIONS
- DEPARTMENT HEAD REPORTS
- PRESENTATIONS



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE



To: Mayor Farmer, Pro Tem Martinez-Serratos, Councilmember Rivers, McCrumb, Garcia, Doroh, and Uplinger

CC: Justin Weber, City Manager

From: Shelly Umbanhowar, City Clerk

CC: Stephenie Cagle, Treasurer

Subject: Resolution 2026-06

Date: 02/26/26

Summary:

At the February 17, 2026 Committee of the Whole meeting, Abonmarche presented the City's 5-Year Water Rate Study to the City Council. The study outlines the financial planning necessary to maintain the City's water infrastructure and to fund anticipated system improvements over the next five years. (*Abonmarche report is attached*)

In addition, adoption of a formal rate study and commitment to implement its recommendations is an important component of the City's efforts to apply for grants and/or low-interest loans to help cover the cost of water infrastructure improvements. Funding agencies require demonstration of financial sustainability and the City's ability to support repayment obligations when considering applications.

Based on the findings of the study, the recommendation is that the City implement a five-year, incremental rate adjustment plan. The proposed adjustment equates to a 10% annual increase, beginning July 1, 2026. This phased approach is intended to responsibly prepare the City for costs associated with required water system improvements beginning in Fiscal Year 2027, while avoiding more significant single-year increases.

The Michigan Department of Environment, Great Lakes, and Energy (Michigan Department of Environment, Great Lakes, and Energy) requires written confirmation of the City Council's commitment to adopt and implement the 5-Year Rate Study and corresponding rate increases as part of its regulatory and funding oversight.

With the direction and guidance provided by Michigan Department of Environment, Great Lakes, and Energy and Abonmarche, the City Manager recommends that the City Council formally approve the 5-Year Water Rate Study as presented.

By way of example, a typical resident using 600 cubic feet of water currently pays approximately \$44.79 for the water portion of their utility bill. Under the proposed adjustment, that amount would increase to approximately \$47.58, reflecting an estimated monthly increase of \$2.79 during the first year. This increase applies specifically to the water usage and water ready-to-serve components of the bill. On average, residents can expect to see an increase of approximately \$2.79-\$3.68 depending on water usage per month during the first year of the phased adjustments.

Council action is requested to approve the 5-Year Water Rate Study and authorize implementation of the rate adjustments beginning July 1, 2026.

Action:

Approve Resolution 2026-06 to adopt the Five-Year Water Rate Study presented by Abonmarche to support Water System Infrastructure and Improvements.

**CITY OF BANGOR
VAN BUREN COUNTY, MICHIGAN**

**A RESOLUTION TO ADOPT THE FIVE-YEAR WATER RATE STUDY
PRESENTED BY ABONMARCHE TO SUPPORT WATER SYSTEM
INFRASTRUCTURE MAINTENANCE AND IMPROVEMENTS**

RESOLUTION: 2026-06

At a Regular Meeting of the City Council of the City of Bangor held on March 2, 2026.

WHEREAS, the City Council conducted a Working Session on February 17, 2026, at which Abonmarche presented the findings and recommendations of a comprehensive Five-Year Water Rate Study; and

WHEREAS, the purpose of the Five-Year Water Rate Study is to evaluate the City's current water utility revenue structure, projected operational costs, capital improvement needs, and long-term financial sustainability; and

WHEREAS, the Study outlines recommended rate adjustments over a five-year period beginning in 2027, including a projected rate adjustment to customers of 10.0%, to ensure adequate funding for the continued operation, maintenance, repair, and replacement of the City's water infrastructure; and

WHEREAS, the first five years of the estimated capital project costs identified in the Study are calculated to be approximately \$7,326,358; and

WHEREAS, implementation of the recommended rate structure will support critical infrastructure improvements, regulatory compliance, system reliability, and the protection of public health and safety; and

WHEREAS, the City Council finds that adoption of the Five-Year Water Rate Study and its recommended rate plan is in the best interest of the City and its water customers to maintain a safe, reliable, and financially sustainable water system;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Bangor hereby adopts the Five-Year Water Rate Study as presented and recommended by Abonmarche; and

BE IT FURTHER RESOLVED, that the recommended water rate adjustments outlined in the Study shall be implemented beginning July 1, 2026, and phased in over a five-year period, consistent with the Study's schedule and recommendations; and

BE IT FURTHER RESOLVED, that the City Administration is authorized and directed to take all necessary actions to implement the adopted rate structure, including preparation of any required ordinances, budget amendments, public notices, and administrative procedures.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately upon adoption by the Bangor City Council.

Motion to adopt Resolution proposed by Councilmember _____, Second by Councilmember _____

Approved as follows by roll call vote:

AYES:

NAYES:

ABSTAIN:

ABSENT:

The Mayor declared the resolution adopted on 03/02/26.

Shelly Umbanhowar
Bangor City Clerk

CERTIFICATION

I, Shelly Umbanhowar, Clerk of City of Bangor, Van Buren County, Michigan, hereby certify that the foregoing resolution was adopted by the City Council at the regular meeting of said board held on 03/02/26 at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth that said resolution was ordered to take immediate effect.

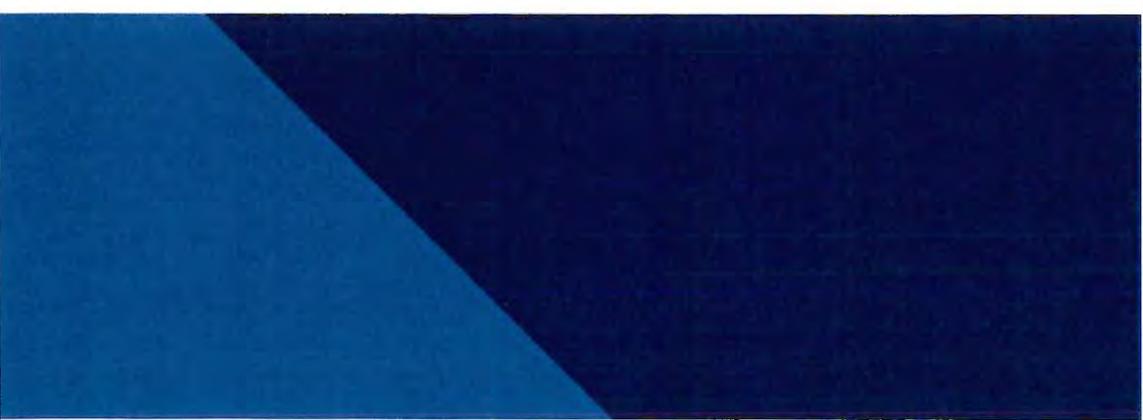
Shelly Umbanhowar
Bangor City Clerk

Bangor City Council Working Session

Water Capital Improvement Plan & Financial Projection

February 17, 2026

 **ABONMARCHE**



Introductions

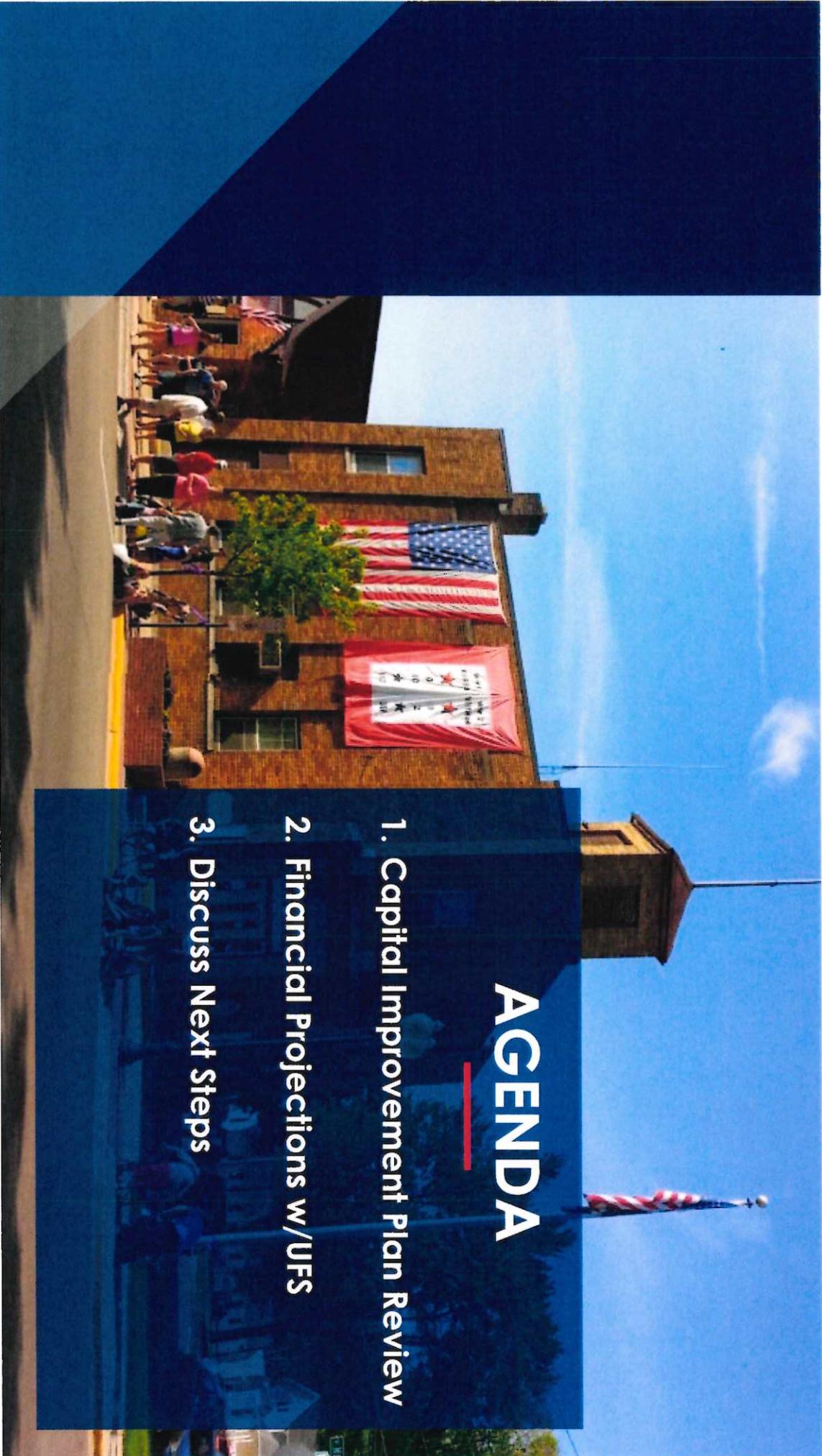
Abonmarche Team

- Nick Shelton
 - Business Development & Government Strategy Director
- Jeff Heald
 - Project Manager
- Madelyn Landry
 - Staff Engineer

Utility Financial Solutions Team

- Dawn Lund
 - Vice President





AGENDA

1. Capital Improvement Plan Review
2. Financial Projections w/UFS
3. Discuss Next Steps

Capital Plan/ACA Status

Status of Bangor's ACA with EGLE

- Water Distribution Asset Management Plan and Capital Improvement Plan has been completed and approved by EGLE
- Technical, Managerial, and Financial Capacity study is underway
 - Abonmarche working with Delta Institute and Utility Financial Consultants
- 5- and 20- year Rate Study incorporating Capital Improvement Projects in progress by Utility Financial Consultants
 - Approval and rate implementation of these rate studies to be completed by City Council



Water Capital Improvement Plan Breakdown

CIP Item	Estimated Project Cost
Water Supply & Treatment Upgrades (ACA)	\$271,000
Lead Service Line Removal (EPA/EGLE)	\$1,443,750
Storage Tank Coatings and Improvements (ACA)	\$558,500
2" Water Main Removal Project	\$100,000
Alexander Street – Arlington to Washington (2300 ft)	\$2,283,908
Bangor Street – 3 rd to Center (1950 ft)	\$1,904,908
Arlington Street – Maple to Chase (700 ft)	\$764,292
Total 5 Year Water Project Costs	\$7,326,358
Long-term Water Distribution CIP Estimate	\$34,123,444
Total Water Project Costs	\$41,449,802



5-Year CIP Timeline

Fiscal Year	Project Description	Estimated Cost
2027	All 5-Year Water Supply Improvements All 5-Year Water Storage Improvements 2" Water Main Removal Project Alexander Street Water Main Replacement 5-Year Lead Service Line Replacements	\$4,657,158
2028	-	\$0
2029	-	\$0
2030	Bangor Street Water Main Replacement	\$1,904,908
2031	Arlington Street Water Main Replacement	\$764,292
5 Year Water CIP Project Total		\$7,326,358



Financial Projection And Rate Design Study

- UFS Completed a financial projection looking at key targets
- Capital from Abonnement was incorporated
- Borrowing needs analyzed with corresponding rate adjustments
- Rate impacts were projected over five years
- Capital is projected outside of the five-year period, that report to follow



Financial Projection And Rate Design Study

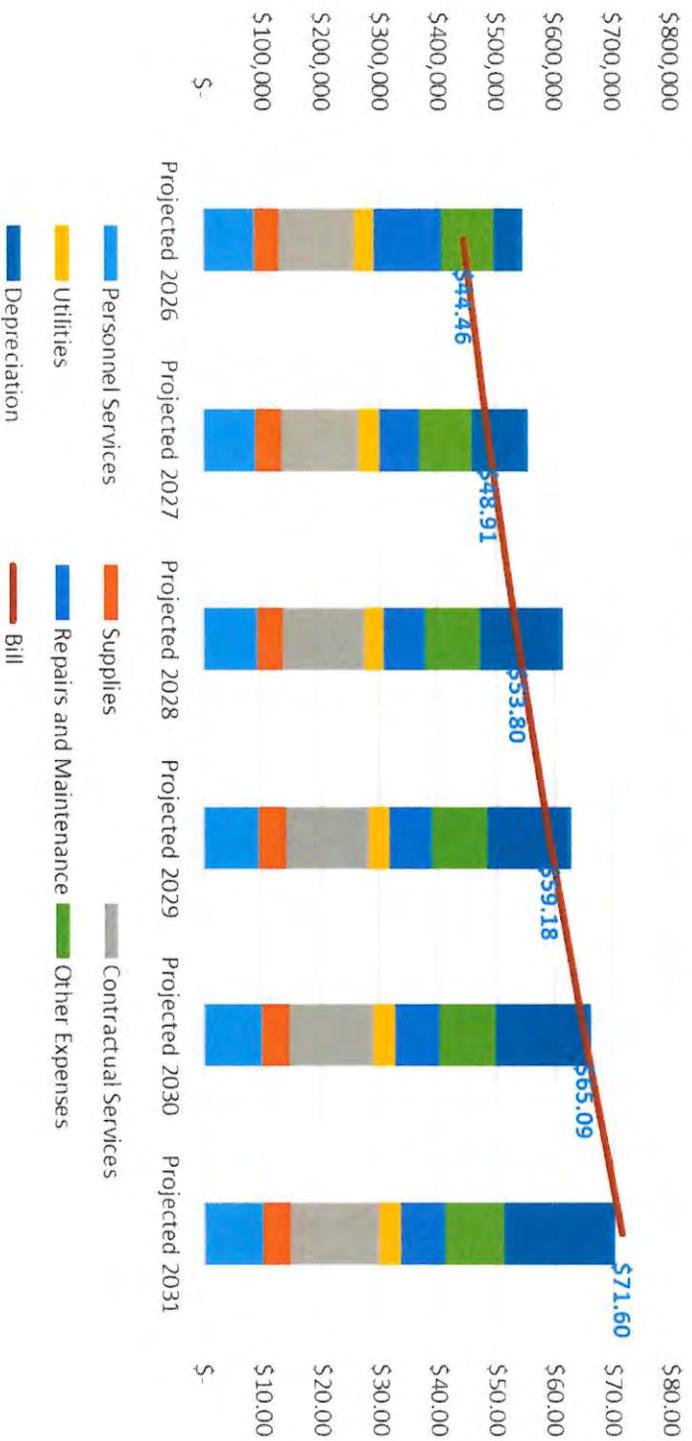
Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Debt Coverage Ratio
2027	0.0%	\$ 551,238	\$ 547,494	\$ 21,655	\$ 669,596	\$ 4,657,158	\$ 4,657,158	1.45
2028	0.0%	551,238	607,359	(38,209)	519,174	-	-	0.35
2029	0.0%	551,238	621,037	(51,887)	355,073	-	-	0.29
2030	0.0%	551,238	654,161	(85,012)	737,614	1,904,908	2,500,000	0.20
2031	0.0%	551,238	695,337	(126,187)	(342,799)	764,292	-	0.11
Targeted Minimum in 2027				\$ 75,554				
Targeted Minimum in 2031				\$ 209,482				
MINIMUM/CRITICAL Reserves 2027					\$ 450,945			1.0/1.5
MINIMUM/CRITICAL Reserves 2031					\$ 542,561			1.0/1.5

Financial Projection And Rate Design Study

Fiscal Year	Projected Rate Adjustments	Projected Revenues	Projected Expenses	Adjusted Operating Income	Projected Cash Balances	Capital Improvements	Bond Issues	Debt Coverage Ratio
2027	10.0%	\$ 604,001	\$ 547,494	\$ 74,418	\$ 722,359	\$ 4,657,158	\$ 4,657,158	2.27
2028	10.0%	662,040	607,359	72,592	682,738	-	-	0.83
2029	10.0%	725,882	621,037	122,757	693,281	-	-	1.05
2030	10.0%	796,110	654,161	159,860	1,320,693	1,904,908	2,500,000	1.12
2031	10.0%	873,359	695,337	195,934	562,402	764,292	-	1.02
Targeted Minimum in 2027				\$ 75,554				
Targeted Minimum in 2031				\$ 209,482				
MINIMUM/CRITICAL Reserves 2027					\$ 450,945			1.0/1.5
MINIMUM/CRITICAL Reserves 2031					\$ 542,561			1.0/1.5

Financial Projection And Rate Design Study

Option 1 - Gap Closure
Rate Increases and Borrowing



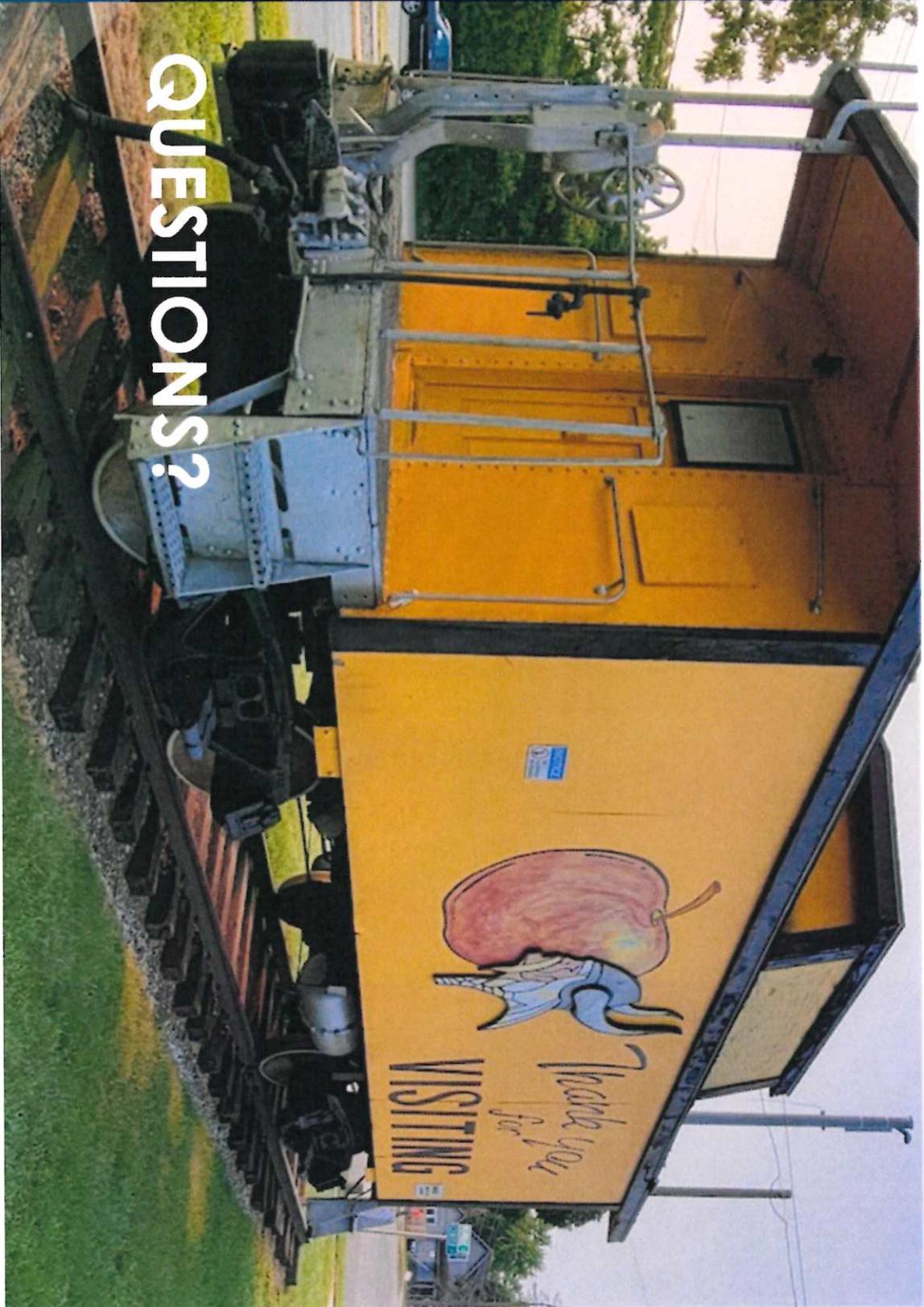
AVG customer using 6,000 gallons per month
No debt to a debt payment of \$353,452



Next Steps

- City Council to approve UFS Rate Study or alternative funding plan
 - Required by the ACA
- City Council to approve Project Plan for DWSRF Application
 - DWSRF Application for FY 2027 due May 31, 2026





QUESTIONS?



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

CITY OF BANGOR

257 West Monroe Street / Bangor, Michigan 49013

Telephone: 269.427.5831 / Email: clerk@cityofbangormi.gov / Website: www.cityofbangormi.org

City Manager Justin Weber

Treasurer Stephenie Cagle

Clerk Shelly Umbanhowar

2/25/2026

To: City Council

From: City Manager Weber

Subject: Request for Approval to Apply for FY27 Congressionally Directed Spending (CDS) – Safe Drinking Water Project

City Staff recently met with Abonmarche to discuss an important funding opportunity through U.S. Senator Gary Peters' office for Fiscal Year 2027 Congressionally Directed Spending (CDS). As a member of the Senate Appropriations Committee, Senator Peters is inviting eligible local government entities, including municipalities such as the City of Bangor, to submit project requests for consideration.

After reviewing the FY27 Appropriations guidance and eligibility requirements, we believe our Safe Drinking Water project is an appropriate and competitive candidate for submission under this program. Safe drinking water improvements directly benefit all Bangor residents and align strongly with federal infrastructure funding priorities.

We are currently estimating the total project cost at approximately \$500,000. The CDS program requires a 20% local match, which would equate to approximately \$100,000, leaving a federal request of approximately \$400,000.

This is a highly competitive process, with significantly more requests than available funding. However, we believe this project is worthy of consideration and that it is in the City's best interest to pursue this opportunity. Even if funding is not ultimately awarded, submitting a strong application positions Bangor for future federal support and demonstrates our commitment to maintaining and improving essential infrastructure.

After consultation with the City Treasurer, it has been determined that the Water Fund represents the most appropriate and feasible source for the required 20% match.

We are respectfully requesting City Council's approval to proceed with submitting a FY27 Congressionally Directed Spending request through Senator Peters' office for Safe Drinking Water funding, including authorization of the approximately \$100,000 match from the Water Fund should the project be selected.

Thank you for your consideration.

Respectfully,

Justin Weber

City Manager
City of Bangor

**CITY OF BANGOR
VAN BUREN COUNTY, MICHIGAN**

**A RESOLUTION TO APPROVE THE SENATOR GARY C. PETERS
FY27 CONGRESSIONALLY DIRECTED SPENDING REQUEST
FOR THE BANGOR WATER STORAGE TANK**

RESOLUTION: 2026-07

WHEREAS, the City of Bangor seeks to improve its water system to promote long-term sustainability, ensure adequate fire flow protection, and maintain high water quality standards; and

WHEREAS, the City intends to undertake necessary repairs and extensive improvements to ensure the longevity of the water storage tank and the continued delivery of safe drinking water to users; and

WHEREAS, the proposed project will address the City-owned 300,000 gallon above ground water storage tank; and

WHEREAS, funding is available through Senator Gary C. Peters Fiscal Year 2027 Congressionally Directed Spending Requests from the Subcommittee on Interior, Environment, and Related Agencies;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Bangor approves the submission of the Congressionally Directed Spending Request to the Office of Senator Gary C. Peters with a total project cost of **\$558,500.00**, funded 80 percent by the Subcommittee on Interior, Environment, and Related Agencies and 20 percent by local match through the City's water fund, and commits to providing the required local match if the project is funded.

Motion to adopt Resolution proposed by Councilmember _____, Second by Councilmember _____.

Approved as follows by roll call vote:

AYES:

NAYES:

ABSTAIN:

ABSENT:

The Mayor declared the resolution adopted on 03/02/26.

Shelly Umbanhowar
Bangor City Clerk

CERTIFICATION

I, Shelly Umbanhowar, Clerk of City of Bangor, Van Buren County, Michigan, hereby certify that the foregoing resolution was adopted by the City Council at the regular meeting of said board held on 03/02/26 at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth that said resolution was ordered to take immediate effect.

Shelly Umbanhowar
Bangor City Clerk

Memo



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

To: Mayor Farmer
City Manager Weber
Mayor Pro-Tem Martinez–Serratos
Councilmember Uplinger
Councilmember McCrumb
Councilmember Rivers
Councilmember Doroh
Councilmember Garcia

From: Stephenie Cagle, Treasurer

cc: N/A

Date: 2/23/2026

Re: City Council Meeting 3/2/2026

This memorandum summarizes the results of the City of Bangor’s audit for the fiscal year ended June 30, 2025, and management’s plan to address the identified deficiencies.

Financial Overview

As of June 30, 2025, the City’s governmental funds reported:

- **Total Assets:** \$2,454,629
- **Total Liabilities:** \$627,377
- **Deferred Inflows:** \$115,006
- **Total Fund Balances:** \$1,712,246
 - Unassigned Fund Balance: \$846,089

Total governmental fund balances increased by \$505,906 during the fiscal year, resulting in an ending balance of \$1,712,246. The net position of governmental activities was \$3,462,264.

While overall fund balances improved, the audit identified material weaknesses and compliance issues that require corrective action.

Summary of Audit Findings

The auditors identified two material weaknesses in the City’s internal controls.

First, the City does not have adequate procedures to prepare accrual-basis financial statements in accordance with generally accepted accounting principles (GAAP). The City relies heavily on audit adjustments to correct year-end balances, increasing the risk of material misstatements.

Second, bank reconciliations were not consistently accurate or properly reviewed. Errors were identified, and balances did not always agree with the general ledger, creating a risk of misstatements in cash and related accounts.

Additional Audit Findings

The auditors also noted several areas requiring improvement, including:

- Lack of written financial procedures
- Insufficient documentation and approval for utility billing adjustments
- Inconsistent retention of billing records
- Untimely and incomplete bank reconciliation reviews
- Inadequate payroll review and monitoring of withholdings
- Employees approving their own time sheets
- Budget amendments approved after fiscal year-end
- Inaccurate year-end liability accruals

Excess of Expenditures Over Appropriations

During fiscal year 2025, the City incurred expenditures in excess of approved budget appropriations in multiple General Fund departments. Michigan law prohibits expenditures exceeding authorized appropriations. These overages indicate inadequate budget monitoring and untimely amendments.

The City also reported deficit net positions in the Sewer Fund, Motor Vehicle Pool Fund, and Housing Commission. Required Deficit Elimination Plans have been submitted to the Michigan Department of Treasury.

Management's Response

Management is committed to correcting these deficiencies and strengthening financial oversight. The following actions are being implemented:

- Establish formal year-end closing and accrual procedures
- Require supervisory review of journal entries and reconciliations
- Standardize and document financial processes
- Maintain complete digital records for utility billing
 - Management has already implemented procedures and forms to aid in digital records for utility billing adjustments; Treasurer will download and save monthly billing register
- Strengthen payroll and time sheet approval controls
 - Management has already implemented forms to aid in digital records for payroll and time sheet controls; Currently in progress: Standard Operating Procedures are being drafted
- Implement monthly budget-to-actual reviews
 - City Treasurer already provides monthly treasurer reports to City Council
- Require timely budget amendments before year-end
- Improve monitoring of liabilities and fund balances
- Implement and monitor approved Deficit Elimination Plans
- Work toward transitioning to annual audits

Conclusion

Although the City ended the year with improved fund balances, the identified weaknesses and compliance issues require immediate and sustained corrective action. Management is committed to strengthening internal controls, improving compliance, and enhancing financial accountability.



Vredeveld Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredeveld, CPA
(616) 446-7474
Michael J. Vredeveld, CPA
(616) 648-8447

February 18, 2026

To the City Council
City of Bangor, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Bangor for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 12, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City adopted GASB Statement No. 101 Compensated Absences during the fiscal year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

The useful lives of capital assets.

Management's estimate of the useful lives of capital assets is based on previous history and future expectations. We evaluated the methods, assumptions, and data used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was:

The disclosure of long-term debt in Note 9 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We proposed a significant number of adjustments, many of which are material. The attached schedule itemizes the adjustments, all of which were recorded by management. In our judgment, the adjustments we proposed indicate matters that have a material effect on the City's financial reporting process.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 18, 2026.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

We also noted the following during the performance of our audit:

Annual audits

The City is currently getting bi-annual audits. We recommend the City change to annual audits. Annual audits can help identify internal control weaknesses, enhance financial practices, ensure accounting records are accurate and in accordance with accounting standards, and provide assurance to City residents.

Financial Processes

During the audit we noted that there were not written procedures for many financial processes. Written procedures are critical for detecting and preventing errors or other irregularities.

- Utility Billing adjustments: We noted that utility billing adjustments did not have supporting documentation and did not have documented review and approval. The City has adopted a policy to address this.
- Utility Billing: We noted no formal documentation is being kept after running UB bills. We suggest that the City maintain digital copies of the billing registers after being finalized and implement a documented review and approval process.
- Bank reconciliations: We recommend that banks reconciliations are completed in a timely manner, old outstanding items should be researched and cleared, and have documented review and approval.
- Payroll: We recommend that payroll registers are reviewed and approved after payroll is run and before payroll is finalized. We also recommend that there is a review of related withholding accounts on at least a quarterly basis to ensure that all withholdings are properly being disbursed and there are no issues with the wrong amounts being withheld or disbursed.

Self-review

During the audit we noted that some individuals were approving their own time sheets. Time sheet approval could be by having department heads approve their employees time sheets, the administrator approving the department head time sheets, and the Comptroller approving the administrator time sheet.

Budget amendments

We noted that the budget was amended for the fiscal year after the fiscal year had ended. To be a valid budget amendment, the amendment must be approved before the end of the fiscal year. If a year end budget amendment is needed by the City we suggest that they be scheduled during the final meeting of the fiscal year.

Liability accounts

We needed to adjust several liability accounts to properly accrue year end balances. Care should be taken to ensure that disbursements shortly after year end have the related expenditures booked into the proper fiscal year.

Other Matters

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

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

Restriction on Use

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

Sincerely,

Orlando Haefner LLC



Vredeveld Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredeveld, CPA
(616) 446-7474
Michael J. Vredeveld, CPA
(616) 648-8447

February 18, 2026

City of Bangor
Board and management
Bangor, Michigan

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Bangor (the City) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

- During the audit, we identified a material weakness related to the City's ability to prepare accrual-basis financial statements in accordance with generally accepted accounting principles (GAAP). The City does not have sufficient internal controls or financial reporting processes in place to ensure that year-end accruals, adjustments, and other GAAP-required closing entries are properly identified and recorded. This condition was evidenced by the number and significance of auditor-proposed adjustments required to correct misstatements in various areas such as accounts payable.

Because the City relies on the audit process to identify and correct these misstatements, there is a reasonable possibility that material errors in the financial statements would not be prevented, or detected and corrected, on a timely basis.

- During the audit, we identified a material weakness related to the City's failure to properly perform bank reconciliations throughout the audit year. While the City completed bank reconciliations on a monthly basis, the reconciliations contained errors and did not consistently reconcile to the general ledger. The City does not have sufficient internal controls in place to ensure that cash balances recorded in the general ledger are regularly reconciled to bank statements and that reconciling items are appropriately identified, investigated, and resolved on a timely basis. This condition was evidenced by the errors noted on the bank reconciliations during the year and the need for audit procedures to identify errors and correct cash balances in the general ledger.

Because the City's bank reconciliations are not properly completed, there is a reasonable possibility that material misstatements in cash and related accounts could occur and would not be prevented, or detected and corrected, on a timely basis.

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

Ordevald Haefner LLC



BANGOR, MI
TRAIN CITY USA
G A T E W A Y T O T H E L A K E

CITY OF BANGOR, MICHIGAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025



Vredeveld Haefner LLC
CPAs and Consultants

CITY OF BANGOR

TABLE OF CONTENTS

FINANCIAL SECTION	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10-11
Fund Financial Statements	
Balance Sheet - Governmental Funds	13
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to the Net Position of Governmental Activities on the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Position - Proprietary Funds	17
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	18
Statement of Cash Flows - Proprietary Funds	19
Statement of Fiduciary Net Position - Fiduciary Funds	20
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	21
Combining Statement of Net Position – Component Units	22
Combining Statement of Activities – Component Units	23-24
Notes to Financial Statements	25-45
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	47
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Major Streets Fund	48
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Local Streets Fund	49
Defined Benefit Pension Plan	
Schedule of Changes in Employers Net Pension Liability and Other Ratios	50
Schedule of Employer Contributions	51
Retiree Health Other Post-Employment Benefits Plan	
Schedule of Changes in Employers Net OPEB Liability and Other Ratios	52
Schedules of Employer Contributions and Investment Return	53
Notes to Required Supplementary Information	53
Nonmajor Governmental Funds	
Combining Balance Sheet	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	56

CITY OF BANGOR

TABLE OF CONTENTS

	<u>PAGE</u>
Component Units	
Downtown Development Authority	
Balance Sheet/Statement of Net Position	58
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities	59
Economic Development Corporation	
Balance Sheet/Statement of Net Position	60
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities	61
Housing Commission	
Balance Sheet/Statement of Net Position	62
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities	63
Statement of Cash Flows	64



Vredeveld Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredeveld, CPA
(616) 446-7474
Michael J. Vredeveld, CPA
(616) 648-8447

INDEPENDENT AUDITORS' REPORT

February 18, 2026

Honorable Mayor and Members of the City Council
City of Bangor, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bangor, Michigan, (the City), 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, based on our audit and the report of the other auditors, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bangor, 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.

We did not audit the financial statements of the City of Bangor Housing Commission, which represent 29 percent, 22 percent, and 56 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for City of Bangor Housing Commission, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Bangor, 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 Bangor's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and budgetary comparison information and benefit plan schedules on pages 47 through 53 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bangor's basic financial statements. The combining nonmajor fund financial statements and the individual component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining nonmajor fund financial statements and the individual component unit financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Uredewold Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Bangor (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.

Financial Highlights

- During the fiscal year, the City of Bangor's financial position remained generally consistent with the prior year. Governmental activities continued to be supported primarily by property taxes, state-shared revenues, and charges for services.
- Expenditures were generally consistent with the adopted budget. Fund balances changed modestly during the fiscal year.
- The General Fund reported a positive fund balance at year-end, which was available to meet current obligations.
- The Sewer Fund continued to operate at a deficiency during the fiscal year, consistent with the prior two fiscal years. A 20-year sewer bond is scheduled to be paid off in April 2026. The City completed a utility rate study during the fiscal year and will consider adjustments to utility rates as necessary.
- The City did not issue significant new long-term debt during the fiscal year. Several existing loans are scheduled to be paid off in fiscal years 2027 and 2028. All debt obligations were serviced in accordance with their terms.

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 comprise three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements The Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, 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. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, health and welfare, culture and recreation, and debt service. The business-type activities of the City include the water and sewer utilities.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Downtown Development Authority (DDA), Economic Development Corporation (EDC), and Housing Commission for which the City is financially accountable. Information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements 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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Major Streets and Local Streets funds which are considered to be major funds. Data is combined into a single aggregated presentation for the other governmental funds (non-major governmental funds). Individual fund data for each of the non-major governmental funds is provided in the form of combining statements.

The City adopts an annual appropriated budget for its General fund and all special revenue funds as required by state law. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate legal compliance.

Proprietary funds The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sewer and Water operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City utilizes an internal service fund to account for its equipment maintenance and replacement services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer and Water operations, which are considered to be major funds. They also provide information for the internal service fund.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements The notes to the financial statements 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. This is limited to this discussion and analysis, required pension and other post-employment benefits information, and major fund budget and actual presentations. Supplementary information follows the required supplementary information and includes combining fund financial statements.

Government-wide Financial Analysis

Statement of Net Position As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by \$9,359,285 at the close of the most recent fiscal year. The following chart illustrates the composition of net position at June 30:

Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	\$2,194,871	\$1,986,504	\$535,075	\$405,980	\$2,729,946	\$2,392,484
Capital assets	2,356,112	2,514,386	5,738,021	6,016,888	8,094,133	8,531,274
Total assets	4,550,983	4,500,890	6,273,096	6,422,868	10,824,079	10,923,758
Deferred outflows	106,653	91,358	28,352	28,828	135,005	120,186
Liabilities						
Current liabilities	415,099	224,698	223,941	125,599	639,040	350,297
Long-term liabilities	761,818	1,155,974	175,580	452,162	937,398	1,608,136
Total liabilities	1,176,917	1,380,672	399,521	577,761	1,576,438	1,958,433
Deferred inflows	18,455	51,595	4,906	15,412	23,361	67,007
Net position						
Net investment in						
capital assets	1,482,419	1,451,681	5,648,870	5,184,504	7,131,289	6,636,185
Restricted	849,736	461,326	-	-	849,736	461,326
Unrestricted (deficit)	1,130,109	1,246,974	248,151	674,019	1,378,260	1,920,993
Total net position	\$3,462,264	\$3,159,981	\$5,897,021	\$5,858,523	\$9,359,285	\$9,018,504

By far the largest portion of the City's net position in the amount of 76% reflects its investment in capital assets (e.g., land, buildings, machinery/ equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position in the amount of 9% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position in the amount of \$1,378,260, or 15%, may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported positive net position in the governmental activities and business-type activities.

Statement of Activities The City's total revenue for the fiscal year ended June 30, 2025, was \$3,741,479 while total cost of all programs and services was \$3,400,698. This results in an increase in net position of \$340,781. The following table presents a summary of the changes in net position for the years ended June 30:

Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	293,025	254,475	1,136,241	1,027,590	1,429,266	1,282,065
Operating grants and contributions	369,974	324,446	321,882	246,208	691,856	570,654
Capital grants and contributions	-	43,133	-	-	-	43,133
General revenues						
Property taxes	1,162,187	942,982	-	-	1,162,187	942,982
State shared revenues	411,130	411,665	-	-	411,130	411,665
Investment earnings (loss)	31,602	13,426	-	-	31,602	13,426
Other	15,438	53,286	-	-	15,438	53,286
Total revenues	2,283,356	2,043,413	1,458,123	1,273,798	3,741,479	3,317,211
Expenses						
General government	478,785	522,480	-	-	478,785	522,480
Public safety	776,130	691,285	-	-	776,130	691,285
Public works	571,342	704,076	-	-	571,342	704,076
Health and welfare	39,288	33,057	-	-	39,288	33,057
Culture and recreation	98,106	125,398	-	-	98,106	125,398
Interest on long-term debt	17,422	832	-	-	17,422	832
Sewer	-	-	552,106	590,853	552,106	590,853
Water	-	-	867,519	758,257	867,519	758,257
Total expenses	1,981,073	2,077,128	1,419,625	1,349,110	3,400,698	3,426,238
Increase (decrease) in net position	302,283	(33,715)	38,498	(75,312)	340,781	(109,027)
Net position – beginning	3,159,981	3,193,696	5,858,523	5,953,806	9,018,504	9,147,502
Error correction	-	-	-	(19,971)	-	(19,971)
Net position – beginning of year, restated	3,159,981	3,193,696	5,858,523	5,933,835	9,018,504	9,127,531
Net position – ending	3,462,264	3,159,981	5,897,021	5,858,523	9,359,285	9,018,504

Governmental Activities The preceding table shows that the governmental activities increased the City's net position by \$302,283 during this fiscal year. This increase is primarily due to increased property taxes and charges for services.

Business-type Activities Business-type activities increased the City's net position by \$38,498 during the year. This increase is primarily the result of increased water and sewer rates.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,712,246, an increase of \$505,906 from the prior year.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance was \$860,591, an increase of \$99,566 from the prior year. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance totaled \$846,089 or 63% of total general fund expenditures.

The major streets fund is used to account for the receipt and expenditure of state shared gas and weight taxes under Act 51, P.A. 1951 as amended. The fund balance at the end of the year amounted to \$461,798 an increase of \$226,252 from the previous year.

The local streets fund has a total fund balance of \$110,502, which increased by \$78,344 during the year due to collecting more taxes and an increase in funds received from the state.

Proprietary funds The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$6,064,888. The enterprise funds reported an increase in net position for the year of \$81,180. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Budgetary Highlights

- The City of Bangor adopts an annual budget in accordance with Michigan law and City policy, with the General Fund as the primary operating fund.
- Revenue-related amendments:
 - Property Taxes – Real: +\$79,636; Property Taxes – Police (GF 101): +\$45,732 due to higher taxable values.
 - Permit fees: +\$18,117 from increased residential construction.
 - Water Fund: amended to reflect DWAM grant revenue for water improvements.
- Expenditure-related amendments:
 - Police equipment: –\$35,075, deferred per Van Buren County recommendation and potential State grant funding.
 - Utility costs: increased due to rate changes from providers.
 - Water Fund: amended to align DWAM grant expenditures with approved grant activities.
- Amendments reflect responsiveness to economic conditions and funding opportunities. Actual expenditures remained consistent with amended budgets, demonstrating fiscal discipline and effective control.

Capital Asset and Debt Administration

Capital assets The City's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounted to \$8,094,133 (net of accumulated depreciation). Of this amount, \$2,356,112 was for its governmental type activities and \$5,738,021 was for its business-type activities. This investment in capital assets includes land, buildings, equipment and vehicles, and infrastructure.

Significant additions consisted of several new vehicles and other equipment and a new patio/ sidewalk for the library. Additional information on the City's capital assets can be found in Note 6 to these financial statements.

Long-term obligations At the end of the current fiscal year, the City had obligations outstanding including long-term debt, compensated absences, and other post-employment benefits obligations of \$1,267,985. Of this amount, \$962,405, was for governmental activities while \$305,580 was for business-type activities. Additional information on the City's long-term debt can be found in Note 9 to these financial statements.

Economic Factors and 2025–2026 Budget

- Revenue considerations: property tax projections based on taxable value trends; state revenue sharing estimates per latest State of Michigan guidance.
- Expenditure/capital considerations:
 - Inflationary pressures on utilities, fuel, insurance, services, and equipment.
 - Personnel costs reviewed to maintain essential services.
 - Hamilton Street Bridge replacement: 95% grant-funded, 5% local match funded from Major Street Fund.
- Conservative revenue assumptions and fund balance planning ensure financial stability and support cash flow, contingencies, and long-term sustainability.
- The resulting 2025–2026 budget is balanced, supports essential services, addresses infrastructure needs, and aligns with the City’s long-term objectives.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City Hall, City of Bangor, 257 W Monroe St, Bangor, MI 49013.

BASIC FINANCIAL STATEMENTS

CITY OF BANGOR
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and pooled investments	\$ 1,524,766	\$ 487,775	\$ 2,012,541	\$ 376,857
Accounts receivable	27,236	151,338	178,574	79,665
Accounts receivable - Long term	43,133	-	43,133	-
Due from other governments	275,820	-	275,820	-
Taxes receivable	231	-	231	-
Internal balances	147,596	(147,596)	-	-
Prepaid and other assets	22,418	2,709	25,127	-
Inventory	-	-	-	694
Capital assets				
Land	62,412	60,927	123,339	205,787
Depreciable capital assets, net	2,293,700	5,677,094	7,970,794	662,199
Net pension asset	153,671	40,849	194,520	-
Total assets	4,550,983	6,273,096	10,824,079	1,325,202
Deferred outflows				
Deferred outflows - pension	106,653	28,352	135,005	-
Liabilities				
Accounts payable	76,031	82,851	158,882	74,120
Accrued liabilities	55,062	8,593	63,655	5,977
Accrued interest	13,990	2,497	16,487	-
Unearned revenue	69,429	-	69,429	90,441
Debt due within one year	200,587	130,000	330,587	28,755
Noncurrent liabilities				
Compensated absences	36,267	-	36,267	-
Net other post-employment benefits liability	52,445	175,580	228,025	-
Debt due in more than one year	673,106	-	673,106	14,377
Total liabilities	1,176,917	399,521	1,576,438	213,670
Deferred inflows				
Deferred inflows - pension	18,455	4,906	23,361	-
Net position				
Net investment in capital assets	1,482,419	5,648,870	7,131,289	867,986
Restricted for				
Public Safety	184,622	-	184,622	-
Roads	570,381	-	570,381	-
Senior services	15,594	-	15,594	-
Library maintenance	60,878	-	60,878	-
Cemetery services	18,261	-	18,261	-
Unrestricted (deficit)	1,130,109	248,151	1,378,260	243,546
Total net position	\$ 3,462,264	\$ 5,897,021	\$ 9,359,285	\$ 1,111,532

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

CITY OF BANGOR
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/ Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Primary government				
Governmental activities				
General government	\$ 478,785	\$ 234,413	\$ 12,629	\$ (231,743)
Public safety	776,130	58,612	-	(717,518)
Public works	571,342	-	357,345	(213,997)
Health and welfare	39,288	-	-	(39,288)
Culture and recreation	98,106	-	-	(98,106)
Interest on long-term debt	17,422	-	-	(17,422)
Total governmental activities	1,981,073	293,025	369,974	(1,318,074)
Business-type activities				
Sewer	552,106	563,717	33	11,644
Water	867,519	572,524	321,849	26,854
Total business-type activities	1,419,625	1,136,241	321,882	38,498
Total primary government	\$ 3,400,698	\$ 1,429,266	\$ 691,856	\$ (1,279,576)
Component units	\$ 495,295	\$ 169,564	\$ 152,700	\$ (173,031)

(Continued)

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

CITY OF BANGOR
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (1,318,074)	\$ 38,498	\$ (1,279,576)	\$ (173,031)
General revenues				
Property taxes				
General	1,162,187	-	1,162,187	255,998
State shared revenues	411,130	-	411,130	-
Unrestricted investment earnings	31,602	-	31,602	450
Other general revenues	15,438	-	15,438	4,378
Total general revenues	<u>1,620,357</u>	<u>-</u>	<u>1,620,357</u>	<u>260,826</u>
Change in net position	<u>302,283</u>	<u>38,498</u>	<u>340,781</u>	<u>87,795</u>
Net position, beginning of year	<u>3,159,981</u>	<u>5,858,523</u>	<u>9,018,504</u>	<u>1,023,737</u>
Net position, end of year	<u>\$ 3,462,264</u>	<u>\$ 5,897,021</u>	<u>\$ 9,359,285</u>	<u>\$ 1,111,532</u>

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

(This page left intentionally blank)

CITY OF BANGOR
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	<u>General</u>	<u>Major Streets Fund</u>	<u>Local Streets Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 562,178	\$ 543,922	\$ 256,157	\$ 162,509	\$ 1,524,766
Accounts receivable	27,236	-	-	-	27,236
Accounts receivable - Long term	43,133	-	-	-	43,133
Taxes receivable	-	-	100	131	231
Prepaid items	14,502	1,919	2,618	-	19,039
Due from other funds	504,020	15,045	9,113	36,226	564,404
Due from other governments	109,314	41,339	15,380	109,787	275,820
Total assets	<u>\$ 1,260,383</u>	<u>\$ 602,225</u>	<u>\$ 283,368</u>	<u>\$ 308,653</u>	<u>\$ 2,454,629</u>
Liabilities, deferred inflows, and fund balances					
Liabilities					
Accounts payable	\$ 68,482	\$ -	\$ -	\$ 1,121	\$ 69,603
Accrued liabilities	48,396	2,436	2,435	-	53,267
Due to other funds	98,479	137,991	170,431	28,177	435,078
Unearned revenue	69,429	-	-	-	69,429
Total liabilities	<u>284,786</u>	<u>140,427</u>	<u>172,866</u>	<u>29,298</u>	<u>627,377</u>
Deferred inflows					
Unavailable revenues	115,006	-	-	-	115,006
Fund balances					
Nonspendable					
Prepaid items	14,502	1,919	-	-	16,421
Restricted					
Public safety	-	-	-	184,622	184,622
Roads	-	459,879	110,502	-	570,381
Senior services	-	-	-	15,594	15,594
Library maintenance	-	-	-	60,878	60,878
Cemetery services	-	-	-	18,261	18,261
Unassigned	846,089	-	-	-	846,089
Total fund balances	<u>860,591</u>	<u>461,798</u>	<u>110,502</u>	<u>279,355</u>	<u>1,712,246</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,260,383</u>	<u>\$ 602,225</u>	<u>\$ 283,368</u>	<u>\$ 308,653</u>	<u>\$ 2,454,629</u>

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

CITY OF BANGOR

RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET POSITION OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

JUNE 30, 2025

Fund balances - governmental funds	\$ 1,712,246
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	
Add - land	62,412
Add - capital assets (net of accumulated depreciation)	1,603,219
Certain assets are not due and receivable in the current period and therefore are offset with unavailable revenues in the funds.	
Add - deferred inflows	115,006
An internal service fund is used by management to charge the costs of centralized services, to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities.	
Add (deduct) - net position of governmental activities accounted for in the internal service fund	290,270
Certain items are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	(36,267)
Deduct - other post-employment benefits payable	(50,165)
Add - net pension asset	153,671
Add - deferred outflows related to pensions	106,653
Deduct - deferred inflows related to pensions	(18,455)
Deduct - notes payable	<u>(476,326)</u>
Net position of governmental activities	<u>\$ 3,462,264</u>

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

CITY OF BANGOR
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>General</u>	<u>Major Streets Fund</u>	<u>Local Streets Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues					
Taxes	\$ 784,535	\$ -	\$ 113,522	\$ 264,130	\$ 1,162,187
Intergovernmental revenues					
State	403,685	405,711	150,901	6,000	966,297
Local	4,680	-	-	4,500	9,180
Licenses and permits	74,508	-	-	-	74,508
Charges for services	206,877	-	-	-	206,877
Fines	11,640	-	-	-	11,640
Investment earnings (loss)	31,602	-	-	-	31,602
Miscellaneous	15,438	-	-	-	15,438
Total revenues	<u>1,532,965</u>	<u>405,711</u>	<u>264,423</u>	<u>274,630</u>	<u>2,477,729</u>
Expenditures					
Current					
General government	489,416	-	-	-	489,416
Public safety	599,756	-	-	105,586	705,342
Public works	181,465	140,872	147,492	-	469,829
Sanitation	-	-	-	39,288	39,288
Culture and recreation	68,467	-	-	20,325	88,792
Debt service					
Principal	-	29,876	29,876	-	59,752
Interest	-	8,711	8,711	-	17,422
Total expenditures	<u>1,339,104</u>	<u>179,459</u>	<u>186,079</u>	<u>165,199</u>	<u>1,869,841</u>
Revenues over (under) expenditures	<u>193,861</u>	<u>226,252</u>	<u>78,344</u>	<u>109,431</u>	<u>607,888</u>
Other financing sources (uses)					
Transfers in	-	-	-	44,295	44,295
Transfers out	(94,295)	-	-	(51,982)	(146,277)
Total other financing sources (uses)	<u>(94,295)</u>	<u>-</u>	<u>-</u>	<u>(7,687)</u>	<u>(101,982)</u>
Net changes in fund balances	<u>99,566</u>	<u>226,252</u>	<u>78,344</u>	<u>101,744</u>	<u>505,906</u>
Fund balances, beginning of year	761,025	235,546	32,158	177,611	1,206,340
Fund balances, end of year	<u>\$ 860,591</u>	<u>\$ 461,798</u>	<u>\$ 110,502</u>	<u>\$ 279,355</u>	<u>\$ 1,712,246</u>

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

CITY OF BANGOR

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

FOR THE YEAR ENDED JUNE 30, 2025

Net changes in fund balances - total governmental funds	\$	505,906
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.</p>		
Add - capital outlay		26,375
Deduct - depreciation expense		(168,295)
<p>Some receivables are long-term in nature and are collectable over several years. However the current receipts are reflected as revenues on the fund statements.</p>		
Deduct - long-term receivable reduction		(194,373)
<p>Issuance of bonds or notes provides current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Add - principal payments on debt		59,752
<p>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 the funds.</p>		
Deduct - increase in compensated absences		(1,889)
Add - decrease in other post-employment benefits liability		6,166
Deduct - decrease in net pension asset		(67,775)
Add - increase in deferred outflows related to pensions		15,295
Add - decrease in deferred inflows related to pensions		33,140
<p>Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.</p>		
Add - increase in net position from the internal service funds allocated to governmental activities		87,981
Change in net position of governmental activities	\$	302,283

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

CITY OF BANGOR
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total	Equipment Revolving Internal Service Fund
Assets				
Current assets				
Cash and pooled investments	\$ -	\$ 487,775	\$ 487,775	\$ -
Accounts receivable	70,045	81,293	151,338	-
Due from other funds	37,653	37,668	75,321	307,419
Prepaid and other assets	1,424	1,285	2,709	3,379
Total current assets	<u>109,122</u>	<u>608,021</u>	<u>717,143</u>	<u>310,798</u>
Non-current assets				
Capital assets				
Land	25,825	35,102	60,927	-
Depreciable capital assets, net	5,147,266	529,828	5,677,094	690,481
Net pension asset	19,452	21,397	40,849	-
Total non-current assets	<u>5,192,543</u>	<u>586,327</u>	<u>5,778,870</u>	<u>690,481</u>
Total assets	<u>5,301,665</u>	<u>1,194,348</u>	<u>6,496,013</u>	<u>1,001,279</u>
Deferred outflows				
Deferred outflows - pension	13,501	14,851	28,352	-
Liabilities				
Current liabilities				
Accounts payable	43,366	39,485	82,851	6,428
Accrued liabilities	4,112	4,481	8,593	1,795
Due to other funds	55,050	-	55,050	457,016
Accrued interest	2,497	-	2,497	13,990
Current portion of bonds payable	130,000	-	130,000	138,891
Total current liabilities	<u>235,025</u>	<u>43,966</u>	<u>278,991</u>	<u>618,120</u>
Long-term liabilities				
Net other post-employment benefits obligation	88,930	86,650	175,580	2,280
Bonds payable, net of current portion	-	-	-	258,476
Total long-term liabilities	<u>88,930</u>	<u>86,650</u>	<u>175,580</u>	<u>260,756</u>
Total liabilities	<u>323,955</u>	<u>130,616</u>	<u>454,571</u>	<u>878,876</u>
Deferred inflows				
Deferred inflows - pension	2,336	2,570	4,906	-
Net Position				
Net investment in capital assets	5,062,543	586,327	5,648,870	293,114
Unrestricted	(73,668)	489,686	416,018	(170,711)
Total net position	<u>\$ 4,988,875</u>	<u>\$ 1,076,013</u>	<u>\$ 6,064,888</u>	<u>\$ 122,403</u>

An internal service fund is used by management to charge the costs of centralized services, to individual funds. The assets and liabilities of the internal service fund are included in the business-type activities.

Add (deduct) - net position of business-type activities accounted for in the internal service fund (167,867)

Net position of business-type activities \$ 5,897,021

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

CITY OF BANGOR
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total	Equipment Revolving Internal Service Fund
Operating revenue				
Charges for services	\$ 563,717	\$ 572,524	\$ 1,136,241	\$ 226,001
Other	33	3,885	3,918	-
Total operating revenue	<u>563,750</u>	<u>576,409</u>	<u>1,140,159</u>	<u>226,001</u>
Operating expense				
Personnel services	114,428	128,790	243,218	54,318
Supplies	20,415	39,712	60,127	76,299
Contractual services	19,298	36,514	55,812	4,056
Utilities	41,433	31,103	72,536	1,465
Repairs and maintenance	10,245	25,489	35,734	11,783
Other expenses	90,623	534,344	624,967	7,205
Depreciation	234,777	44,089	278,866	93,836
Total operating expense	<u>531,219</u>	<u>840,041</u>	<u>1,371,260</u>	<u>248,962</u>
Operating income (loss)	<u>32,531</u>	<u>(263,632)</u>	<u>(231,101)</u>	<u>(22,961)</u>
Non-operating revenue (expense)				
State grant	-	317,964	317,964	-
Interest expense	(5,683)	-	(5,683)	(33,722)
Total non-operating revenue (expense)	<u>(5,683)</u>	<u>317,964</u>	<u>312,281</u>	<u>(33,722)</u>
Income (loss) before capital contributions and transfers	<u>26,848</u>	<u>54,332</u>	<u>81,180</u>	<u>(56,683)</u>
Transfers in	-	-	-	101,982
Changes in net position	<u>26,848</u>	<u>54,332</u>	<u>81,180</u>	<u>45,299</u>
Fund balances, beginning of year	<u>4,962,027</u>	<u>1,021,681</u>	<u>5,983,708</u>	<u>77,104</u>
Net position, end of year	<u>\$ 4,988,875</u>	<u>\$ 1,076,013</u>	<u>\$ 6,064,888</u>	<u>\$ 122,403</u>
Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue (expense) of certain internal service fund is reported with business-type activities.			<u>(42,682)</u>	
Change in net position of business-type activities			<u>\$ 38,498</u>	

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

CITY OF BANGOR
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total	Equipment Revolving Internal Water Fund
Cash flows from operating activities				
Receipts from internal services provided	\$ -	\$ -	\$ -	\$ 226,001
Receipts from customers and users	550,551	571,276	1,121,827	-
Operating grant	-	317,964	317,964	-
Payments to employees	(116,496)	(131,746)	(248,242)	(54,462)
Payments to suppliers	(175,687)	(702,748)	(878,435)	(104,055)
Net cash provided by (used in) operating activities	<u>258,368</u>	<u>54,746</u>	<u>313,114</u>	<u>67,484</u>
Cash flows from non-capital financing activities				
Due (from) to other funds	(127,686)	(26,599)	(154,285)	74,767
Transfers in	-	-	-	101,982
Net cash provided by (used in) non-capital financing activities	<u>(127,686)</u>	<u>(26,599)</u>	<u>(154,285)</u>	<u>176,749</u>
Cash flows from capital and related financing activities				
Payments made on bonds	(125,000)	-	(125,000)	(129,261)
Interest paid	(5,682)	-	(5,682)	(37,491)
Acquisitions of capital assets	-	-	-	(77,481)
Net cash provided by (used in) capital and related financing activities	<u>(130,682)</u>	<u>-</u>	<u>(130,682)</u>	<u>(244,233)</u>
Net increase (decrease) in cash and pooled investments	-	28,147	28,147	-
Cash and pooled investments, beginning of year	<u>-</u>	<u>459,628</u>	<u>459,628</u>	<u>-</u>
Cash and pooled investments, end of year	<u>\$ -</u>	<u>\$ 487,775</u>	<u>\$ 487,775</u>	<u>\$ -</u>
Cash flows from operating activities				
Operating income (loss)	\$ 32,531	\$ (263,632)	(231,101)	\$ (22,961)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	234,777	44,089	278,866	93,836
Operating grant	-	317,964	317,964	-
Deferred outflows related to pensions	1,089	(613)	476	-
Deferred inflows related to pensions	(5,035)	(5,471)	(10,506)	-
Change in operating assets and liabilities which provided (used) cash				
Accounts receivable	(13,199)	(5,133)	(18,332)	-
Prepaid assets and other items	776	2,914	3,690	1,009
Accounts payable	5,551	(38,500)	(32,949)	(4,256)
Accrued liabilities	627	664	1,291	136
Other post-employment benefits	(10,932)	(10,650)	(21,582)	(280)
Net pension asset	12,183	13,114	25,297	-
Net cash provided by (used in) operating activities	<u>\$ 258,368</u>	<u>\$ 54,746</u>	<u>\$ 313,114</u>	<u>\$ 67,484</u>

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

CITY OF BANGOR
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2025

	<u>Custodial Funds</u>
Assets	
Cash and pooled investments	\$ 158,049
Accounts receivable	<u>918</u>
Total assets	<u>158,967</u>
Liabilities	
Due to other governmental units	<u>158,967</u>
Total liabilities	<u>158,967</u>
Net Position	
Net position - held in trust for post-employment benefits	
Net position - held for others	<u>\$ -</u>

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

CITY OF BANGOR
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Funds
Additions	
Property taxes collected for other governments	\$ 1,364,396
Deductions	
Property taxes to other governments	<u>1,364,396</u>
Changes in net position	-
Net position, beginning of year	<u>-</u>
Net position, end of year	<u>\$ -</u>

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

CITY OF BANGOR
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION

JUNE 30, 2025

Assets	Downtown Development Authority	Economic Development Corporation	Housing Commission	Total
Current assets				
Cash and pooled investments	\$ 206,201	\$ 120,290	\$ 50,366	\$ 376,857
Accounts receivable	-	-	79,665	79,665
Inventory	-	-	694	694
	<u>206,201</u>	<u>120,290</u>	<u>130,725</u>	<u>457,216</u>
Total current assets				
Non-current assets				
Capital assets				
Land	63,923	-	141,864	205,787
Depreciable capital assets, net	415,296	107,348	139,555	662,199
	<u>479,219</u>	<u>107,348</u>	<u>281,419</u>	<u>867,986</u>
Total non-current assets				
Total assets	<u>685,420</u>	<u>227,638</u>	<u>412,144</u>	<u>1,325,202</u>
Liabilities				
Current liabilities				
Accounts payable	5,974	1,337	66,809	74,120
Accrued liabilities	-	-	5,977	5,977
Unearned revenue	-	-	90,441	90,441
Current portion of bonds payable	28,755	-	-	28,755
	<u>34,729</u>	<u>1,337</u>	<u>163,227</u>	<u>199,293</u>
Total current liabilities				
Long-term liabilities				
Bonds payable, net of current portion	14,377	-	-	14,377
	<u>14,377</u>	<u>-</u>	<u>-</u>	<u>14,377</u>
Total liabilities	<u>49,106</u>	<u>1,337</u>	<u>163,227</u>	<u>213,670</u>
Net Position				
Net investment in capital assets	479,219	107,348	281,419	867,986
Unrestricted	157,095	118,953	(32,502)	243,546
	<u>636,314</u>	<u>226,301</u>	<u>248,917</u>	<u>1,111,532</u>
Total net position	<u>\$ 636,314</u>	<u>\$ 226,301</u>	<u>\$ 248,917</u>	<u>\$ 1,111,532</u>

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

CITY OF BANGOR
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

<u>Functions/ Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Component units				
Downtown Development Authority	\$ 109,932	\$ -	\$ -	\$ (109,932)
Economic Development Authority	26,723	-	-	(26,723)
Housing Commission	<u>358,640</u>	<u>169,564</u>	<u>152,700</u>	<u>(36,376)</u>
Total component units	<u>\$ 495,295</u>	<u>\$ 169,564</u>	<u>\$ 152,700</u>	<u>\$ (173,031)</u>

(Continued)

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

CITY OF BANGOR
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Downtown Development Authority	Economic Development Corporation	Housing Commission	Total Component Units
Changes in net position				
Net (expense) revenue	\$ (109,932)	\$ (26,723)	\$ (36,376)	\$ (173,031)
General revenues				
Property taxes	198,292	57,706	-	255,998
Unrestricted interest	399	-	51	450
Miscellaneous revenue	-	250	4,128	4,378
Total general revenues and transfers	<u>198,691</u>	<u>57,956</u>	<u>4,179</u>	<u>260,826</u>
Change in net position	88,759	31,233	(32,197)	87,795
Net position, beginning of year	<u>547,555</u>	<u>195,068</u>	<u>281,114</u>	<u>1,023,737</u>
Net position, end of year	<u>\$ 636,314</u>	<u>\$ 226,301</u>	<u>\$ 248,917</u>	<u>\$ 1,111,532</u>

(Concluded)

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

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Bangor, Michigan (the City) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

These financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations, so data from these units are combined with data of the primary government. The City has no blended component units. Discretely presented component units are reported in a separate column in the financial statements to emphasize they are legally separate from the City.

Discretely Presented Component Units

The component unit columns in the government-wide financial statements include the financial data of the City of Bangor Downtown Development Authority (DDA), City of Bangor Economic Development Corporation (EDC), City of Bangor Housing Commission, City of Bangor Hospital Finance Authority (HFA). These component units provide services to the businesses located within the districts. They are reported in a separate column to emphasize they are legally separate from the City.

The DDA Board is comprised of nine members. The DDA is responsible for the creation of a development and financing plan for the downtown district or a development area within the district to promote economic growth. The DDA, which has a year ended June 30, is disclosed as a discretely presented component unit because the City appoints the governing body, approves the budget, and any surplus funds existing at termination of the DDA vest to the City. Complete financial statements of the DDA can be obtained from their administrative offices or from the City Clerk's Office at City Hall.

The EDC Board is comprised of up to nine members. The EDC was established to promote economic development within the City. The EDC, which has a year ended June 30, is disclosed as a discretely presented component unit because the City appoints the governing body and approves the budget. Separate financial statements have not been issued as management believes that these financial statements, including note disclosures, contain complete information so as to constitute fair presentation.

City of Bangor Housing Commission This is a nonprofit corporation that was organized under the laws of the State of Michigan to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD). The City of Bangor Housing Commission operates with a fiscal year ended September 30. This is a legally separate entity but is considered a component unit due to the City's ability to influence the Housing Commission's actions through representation on the Housing Commission Board and because of their ability to impose its will by removing an appointed member. Complete financial statements of the Housing Commission can be obtained from their administrative offices or from the City Clerk's Office at City Hall.

HFA -This potential component unit was created to provide a method to enable nonprofit, nonpublic hospitals to provide facilities and services for health care. To accomplish these purposes, the HFA is authorized to issue bonds. There is currently no financial activity for the HFA.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Joint Ventures

ABB Fire District – The City has joined with the Townships of Arlington and Bangor in establishing the ABB Joint Fire District (the District) to provide fire protection in the District’s area of operation, which includes the City of Bangor. The operations of the District are financed by annual support from the participating units of government. The District’s Board is composed of two members appointed from each of the participating municipalities. During the year ended June 30, 2025, the City contributed \$103,871 toward the District’s operations. There is no equity interest by any participating unit in the District. The City is unaware of any indication that the District is accumulating significant financial resources or is experiencing fiscal stress that may cause an additional financial benefit or burden on the City in the near future. Complete financial statements can be obtained from the District at 417 West Arlington Street, Bangor, Michigan.

South Haven Regional Airport Authority – The City has joined with the City of South Haven and the Townships of South Haven, Geneva, Casco, and Covert in establishing the South Haven Regional Airport Authority (the Authority) to provide airfield services in the Authority’s area of operation, which includes the City of Bangor. The Authority’s Board is composed of two members appointed from each of the remaining municipalities. The operations of the Authority are financed by annual support from the participating units of government, as well as hangar rentals and fuel sales. During the year ended June 30, 2025, the City did not contribute toward the Authority’s operations. There is no equity interest by any participating unit in the Authority. The City is unaware of any indication that the Authority is accumulating significant financial resources or is experiencing fiscal stress that may cause an additional financial benefit or burden on the City in the near future. Complete financial statements can be obtained from the Authority at 73020 CR380, South Haven, Michigan.

Funds with Other Year Ends

The financial statements of the City of Bangor Housing Commission have been included in the financial statements using the fiscal year ended September 30, 2024.

Government-wide and Fund Financial Statements

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. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are changes between enterprise functions and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants, state shared revenue and interest which use a one-year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, state revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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 enterprise fund are charges for services. The principal operating revenues of the City's internal service fund is charges to City departments for repairs and equipment utilization. Operating expenses for the enterprise fund include depreciation on capital assets, labor, supplies and contracted services. Operating expenses for the internal fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

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

The *Major Streets Fund* is used to account for the construction and maintenance of streets. Financing is provided by the City's share of the State's fuel and weight taxes.

The *Local Streets Fund* is used to account for the construction and maintenance of streets. Financing is provided by the City's share of the State's fuel and weight taxes.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

The City reports the following major enterprise funds:

The *Water Enterprise Fund* is used to account for the operations of the City's water department that provides water services to most residents of the City on a user charge basis.

The *Sewer Enterprise Fund* is used to account for the operations of the City's sewer department that provides sewer services to most residents of the City on a user charge basis.

Additionally, the City reports the following fund types:

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The *Internal Service Fund* is used to account for shared equipment usage provided to the City departments and funds on a cost reimbursement basis.

The *Custodial Funds* are used to account for collection and disbursement of resources that are held on behalf of outside governments, entities and individuals.

Budgets and Budgetary Accounting

Comparisons to budget are presented for the General and special revenue funds. General and special revenue funds adopt a legal budget with remaining funds maintaining budgets as a management control device. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget is adopted at the activity level.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed for the governmental fund types as a management control device.
5. Budgets for the General and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets lapse at fiscal year-end.
6. Adoption and amendments of all budgets used by the City are governed by Michigan state law. The appropriations resolution is based on the projected expenditures budgets of the department heads of the City. Any amendment to the original budget must meet the requirements of Michigan law. Any revisions that alter the total expenditures of any department must be approved by the City Council. The City Manager is authorized to transfer budgeted amounts within a department subject to the condition that the total expenditures do not exceed the approved appropriations by department. Thus, the legal level of budgetary control is at the activity level. Supplemental appropriations were necessary during the year.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Cash and Pooled Investments

For the purpose of the statement of cash flows, the City considers cash and pooled investments to be cash and cash equivalents because the pooling of these balances allows for withdrawal at any time similar to a demand deposit account.

Investments

Investments are stated at fair value at the balance sheet date.

City investment policy allows for all investment authorized by State statutes. State statutes authorize the City to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.

Receivables/Due from Other Governments

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances are immaterial to the financial statements.

Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements following the consumption method of reporting.

Inventory

All inventories are valued at original cost using the first-in/first-out (FIFO) method. Inventory represents parts, materials, and supplies utilized in the various City operations following the consumption method of reporting.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Capital Assets

Capital assets, which include land, construction in progress, buildings, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental and business-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$3,500 (\$10,000 for infrastructure assets). Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction) on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

Depreciation on capital assets (including infrastructure) is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	7-45
Land improvements	7-100
Water and sewer system	5-100
Infrastructure	7-20
Machinery and equipment	5-30
Vehicles	3-10

Unavailable and Unearned Revenue

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period and unearned revenue for resources that have been received, but not yet earned

Compensated Absences

Under contracts negotiated with employee groups, individual employees have a vested right to receive payments for unused vacation paid time off (PTO) upon termination, and for accumulated sick leave upon retirement under formulas and conditions specified in the contracts. The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense; information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Where applicable, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the year of issuance. The face amount of debt issued and any premiums received are reported as other financing sources. Discounts on debt issuances are reported as another financing use. Issuance costs are reported as expense/expenditures.

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(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has items that qualify for reporting in this category related to the net pension asset which is discussed in Note 7.

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(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has items which arise only under a modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from state shared revenue which are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has items that qualify for reporting in this category related to the net pension asset which is discussed in Note 7.

Net Position/Fund Balance

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal resolution of the entity's governing board.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

4. Assigned - the related assets can only be spent for a specific purpose but do not meet the criteria to be classified as committed.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

Fund balance can only be committed by resolution of the City Council. The City has not delegated the authority to assign fund balance.

Net Position and Fund Balance Flow Assumptions

Sometimes the government 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/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resource as they are needed. 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.

Property Taxes

City property taxes are attached as an enforceable lien on property as of July 1 and December 1. Summer taxes are levied July 1 and are due without penalty on or before September 15. Winter taxes are levied December 1 and are due without penalty on or before February 14. Tax bills include the City's own property taxes and taxes billed on behalf of other taxing units. Real property taxes not collected as of March 1 are turned over to the County for collection, which advances the City 100% of the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the City Treasurer. Taxes collected on behalf of other taxing units are accounted for in a custodial fund.

Property taxes levied in July of each year are recognized as revenue in the year in which they are levied. The City's 2024 taxable value was \$43,812,262 on which they levied 14,2397 mills for general fund operations, 1.4874 mills for roads, 0.4958 mills for cemetery, 0.5000 mills for museum, 1.0000 mill for seniors, 3.0000 mills for police, and an additional 2.0000 mills for fire.

Intergovernmental Revenues

Grants and assistance awards made on the basis of entitlement periods are recorded as due from other governments and revenue when entitlement occurs. Reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditure/expenses are incurred.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Changes between enterprise funds and other functions of the City are not reimbursements because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Remaining transactions are generally reflected as transfers.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

2. DEFICIT NET POSITION / FUND BALANCE

As of June 30, 2025, the City has an unrestricted deficit net position in the Sewer Fund of \$73,668, an unrestricted deficit net position in the Motor Vehicle Pool Fund of \$170,711, and an unrestricted deficit net position in the housing commission of \$32,502. Deficit elimination plans are required to be submitted to the Michigan Department of Treasury as current assets do not exceed current liabilities in the Sewer Fund and Motor Vehicle Pool Fund. The required deficit eliminations were submitted to the State subsequent to the issuance of the audit.

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the City's actual expenditures and budgeted expenditures for the budgeted funds have been shown on a functional basis. The approved budgets of the City for these budgeted funds were adopted at the activity level.

During the year ended June 30, 2025, the City incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General fund			
General Government			
City Council	\$ 76,340	\$106,929	\$30,589
Manager	21,800	25,768	3,968
Clerk	58,000	60,912	2,912
Planning and commission	-	8,726	8,726
Treasurer	54,875	56,715	1,840
Building and grounds	161,650	165,724	4,074
Public safety			
Building inspection department	87,288	97,294	10,006
Public works	163,610	181,465	17,855
Culture and recreation			
Museum	-	19,623	19,623

4. CASH AND INVESTMENTS

The captions on the financial statements relating to cash and pooled investments and investments are as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and pooled investments	\$2,012,541	\$376,857	\$158,049	\$2,547,447

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

The cash and pooled investments making up the above balances are as follows:

Deposits	\$2,015,930
Investments	531,377
Petty cash	<u>140</u>
Total	<u>\$2,547,447</u>

The deposits are in financial institutions located in Michigan in varying amounts. State policy limits the investing options to financial institutions located in Michigan. All accounts are in the name of the City and a specific fund or common account. They are recorded in City records at fair value. Interest is recorded when earned.

Investments

The City chooses to disclose its investments by specifically identifying each. As of year-end, the City had the following deposits and investments:

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
Michigan CLASS	N/A	\$531,377	AAAm	S&P

The above investments do not include certificates of deposit which are classified as deposits for risk identification purposes.

The City categorizes its fair value measurements of investments 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 asset. 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 the following recurring fair value measurements as of year-end.

- The City does not have any investments that report fair value using quoted market prices (Level 1 inputs).
- The Michigan CLASS investments are valued using a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determining the fair value of the securities making up the of investments fund/pool (Level 2 inputs).
- The City does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

Investment and deposit risk

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. The City minimizes this risk by pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors to be in compliance with the requirements set forth in the City's investment policy. As of year-end, \$1,505,829 of the City's bank balance of \$2,295,192 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Interest Rate Risk. City policy limits allowable investments to those indicated in Note 1, the summary of significant accounting policies. The City’s investment policy does not have specific limits in excess of state law on investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to specific government securities, certificates of deposits 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 as identified in Note 1, the summary of significant accounting policies. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for investments held at year-end.

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. Custodial credit risk associated with the investments in the Michigan CLASS Investment Pool cannot be determined because the participation in the pools/funds do not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The City’s investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are identified above.

5. INTERFUND TRANSACTIONS

Interfund balances reflect allocated costs of general operations to applicable funds. Internal balances for the year ended June 30, 2025 consist of:

Due To Other Funds	Due From Other Funds							Total
	General Fund	Major Streets	Local Streets	Nonmajor Funds	Sewer Fund	Water Fund	Internal Service Fund	
General Fund	\$ -	\$14,045	\$9,113	\$ -	\$37,653	\$37,668	\$ -	\$ 98,479
Major Streets	3	-	-	-	-	-	137,988	137,991
Local Streets	-	1,000	-	-	-	-	169,431	170,431
Nonmajor Funds	28,177	-	-	-	-	-	-	28,177
Sewer Fund	55,050	-	-	-	-	-	-	55,050
Internal Service Fund	420,790	-	-	36,226	-	-	-	457,016
Total	\$504,020	\$15,045	\$9,113	\$36,226	\$37,653	\$37,668	\$307,419	\$947,144

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Transfers are used to move allocated cost of general operations to applicable funds. Transfers in and transfers out from other funds at June 30, 2025 are as follows:

<u>Transfer Out</u>	<u>Transfer In</u>		<u>Total</u>
	<u>Nonmajor Funds</u>	<u>Equipment Fund</u>	
General Fund	\$44,295	\$ 50,000	\$ 94,295
Nonmajor Funds	-	51,982	51,982
Total	\$44,295	\$101,982	\$146,277

6. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 62,412	\$ -	\$ -	\$ 62,412
Total capital assets, not being depreciated	62,412	-	-	62,412
Capital assets, being depreciated				
Building	847,855	-	-	847,855
Equipment	1,121,106	32,870	-	1,153,976
Infrastructure	2,319,864	-	-	2,319,864
Land improvements	846,549	19,005	-	865,554
Office equipment	35,707	-	-	35,707
Vehicles	623,261	51,982	-	675,243
Total capital assets, being depreciated	5,794,342	103,857	-	5,898,199
Less accumulated depreciation for				
Building	474,466	20,887	-	495,353
Equipment	500,138	75,920	-	576,058
Infrastructure	1,309,719	104,550	-	1,414,269
Land improvements	484,080	36,718	-	520,798
Office equipment	35,707	-	-	35,707
Vehicles	538,258	24,056	-	562,314
Total accumulated depreciation	3,342,368	262,131	-	3,604,499
Net capital assets, being depreciated	2,451,974	(158,274)	-	2,293,700
Governmental Activities capital assets, net	\$2,514,386	\$ (158,274)	\$ -	\$ 2,356,112

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 60,927	\$ -	\$ -	\$ 60,927
Total capital assets, not being depreciated	60,927	-	-	60,927
Capital assets being depreciated				
Building	52,360	-	-	52,360
Equipment	124,230	-	-	124,230
Land improvements	756,247	-	-	756,247
Water/ Sewer System	9,967,486	-	-	9,967,486
Total capital assets, being depreciated	10,900,323	-	-	10,900,323
Less accumulated depreciation for				
Building	1,342	1,342	-	2,684
Equipment	122,953	696	-	123,649
Land improvements	482,672	9,425	-	492,097
Water/ Sewer System	4,337,396	267,403	-	4,604,799
Total accumulated depreciation	4,944,363	278,866	-	5,223,229
Net capital assets, being depreciated	5,955,960	(278,866)	-	5,677,094
Business-type Activities capital assets, net	\$ 6,016,887	\$ (278,866)	\$ -	\$ 5,738,021

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Component Units				
Capital assets, not being depreciated				
Land	\$ 205,787	\$ -	\$ -	\$ 205,787
Capital assets being depreciated				
Land improvements	784,969	12,887	-	797,856
Buildings, additions and improvements	2,947,526	-	-	2,947,526
Total capital assets, being depreciated	3,732,495	12,887	-	3,745,382
Less accumulated depreciation for				
Land improvements	286,223	51,373	-	337,596
Buildings, additions and improvements	2,699,328	46,259	-	2,745,587
Total accumulated depreciation	2,985,551	97,632	-	3,083,183
Net capital assets, being depreciated	746,944	(84,745)	-	662,199
Component Units capital assets, net	\$ 952,731	\$ (84,745)	\$ -	\$ 867,986

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General government	\$ 41,872
Public safety	67,876
Highways and streets	49,967
Culture and recreation	8,580
Capital assets held by the internal service fund is charged to the various functions based on their usage of the assets	93,836
Total depreciation expense - governmental activities	\$262,131

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Business - Type Activities	
Sewer Fund	\$234,777
Water Fund	44,089
Total depreciation expense – business-type activities	\$278,866
Component Units	
DDA	\$53,224
EDC	6,144
Housing Commission	38,264
Total depreciation expense – component units	\$97,632

7. PENSION PLANS

Defined Benefit Plan

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.

Benefits provided

Benefits provided include plans with multipliers ranging from 1.2 to 1.7. Vesting period of 10 years. Normal retirement age is 60 with early retirement dependent on years of service final average compensation is calculated based on 5 years.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2024):

Active plan members	14
Inactive employees entitled but not yet receiving benefits	18
Inactive employees or beneficiaries currently receiving benefits	19
Total	51

Contributions

The City is required to contribute at an actuarially determined rate. 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. The City and covered employees were not required to make any contributions in the current year as the plan is overfunded.

Net Pension Liability

The employer’s net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

The total pension liability in the December 31, 2024 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: base wage inflation of 3.00% annually

Investment rate of return: 7.00%, net of investment expense, including inflation

Mortality rates used for non-disabled plan member were based on a weighted blend of RP-2014 mortality tables of a 50% Male and 50% Female blend. Mortality rates used for disabled plan member were based on a blend of RP-2014 disabled retiree mortality tables of a 50% Male and 50% Female blend of disabled retirees.

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

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money Weighted Rate of Return</u>
Global Equity	60.0%	4.50%	2.70%
Global Fixed Income	20.0%	2.00%	0.40%
Private Investments	20.0%	7.00%	1.40%
MERS dedicated gains policy			(0.07)%
Inflation			2.50%
Administrative fee			0.25%
			<hr style="width: 100%;"/>
Discount rate			7.18%
			<hr style="width: 100%;"/>

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 employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate has stayed the same as the prior year rate.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at December 31, 2023	\$1,720,221	\$2,007,813	\$(287,592)
Changes for the Year:			
Service cost	48,370	-	48,370
Interest	120,109	-	120,109
Change in benefits	-	-	-
Differences between expected and actual experience	74,982	-	74,982
Change in assumptions	(6,373)	-	(6,373)
Contributions: employer	-	-	-
Contributions: employee	-	-	-
Protecting MI Pension Grant	-	-	-
Net investment income	-	148,376	(148,376)
Benefit payments, including refunds	(143,153)	(143,153)	-
Administrative expense	-	(4,360)	4,360
Other changes	-	-	-
Net changes	93,935	863	93,072
Balance at December 31, 2024	\$1,814,156	\$2,008,676	\$(194,520)

Sensitivity of the Net Pension Liability to changes in the discount rate.

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

	1% Decrease	Current Discount rate	1% Increase
Total Pension Liability	\$2,030,072	\$1,814,156	\$1,635,703
Fiduciary Net Position	2,008,676	2,008,676	2,008,676
Net Pension Liability	\$ 21,396	\$ (194,520)	\$ (372,973)

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended June 30, 2025 the City recognized pension expense of \$33,068. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 49,988	\$19,112
Differences in assumptions	-	4,249
Excess (Deficit) investment returns	85,017	-
Total	\$135,005	\$23,361

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

2026	\$ 40,075
2027	90,118
2028	(16,646)
2029	<u>(1,903)</u>
Total	<u>\$111,644</u>

8. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City maintains a single-employer defined benefit healthcare plan (the Plan). In addition to the retirement benefits described in Note 7, the Plan provides health insurance benefits to certain retirees and their beneficiaries, which are advance funded on a discretionary basis. The Plan does not issue a publicly available financial report and a legal trust has not been established for the plan.

Benefits provided

The Plan provides healthcare, dental, and vision benefits for retirees and their spouse. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (June 30, 2025). The Plan is closed to new participants.

:	
Active plan members	0
Retirees and beneficiaries receiving benefits	<u>5</u>
Total	<u>5</u>

Contributions

The Plan was established and is being funded under the authority of the City Council and agreements with various unions representing various classes of employees. The Plan's funding policy is that the employer will pay expected plan benefits from general operating funds on a pay-as-you-go basis. Active participants do not make contributions to the Plan. There are no long-term contracts for contributions to the Plan. The plan has no legally required reserves.

Total OPEB Liability

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 3.0%
- Salary Increases: 3.65%
- Investment rate of return: 0%
- Healthcare cost trend rates: 5.75% trending to 4.5% long term rate
- 20-year Aa Municipal bond yield: 3.93%
- Mortality rates used Social Security Actuarial tables version 2025

The actuarial assumptions used in the valuation were based on the State of Michigan uniform assumptions. The Plan is not prefunded, thus no expected rate of return on Plan investments was determined.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Discount rate. The discount rate used to measure the total OPEB liability is 3.93%. Because the Plan does not have a dedicated OPEB trust, there are not assets projected to be sufficient to make projected benefit payments of current Plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the “depletion date”), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. As of June 30, 2024, the discount rate used to value the OPEB liability was 3.65%.

Changes in the Net OPEB Liability

	Net OPEB Liability
Balance at June 30, 2024	\$256,053
Changes for the Year:	
Service cost	-
Interest	9,319
Change in benefits	-
Differences between expected and actual experience	497
Change in assumptions and other inputs	-
Benefit payments, including implicit rate subsidy	(37,844)
Other changes	-
Net changes	(28,028)
Balance at June 30, 2025	\$228,025

Sensitivity of the Net OPEB Liability to changes in the discount rate.

The following presents the net OPEB liability of the employer, calculated using the discount rate of 3.93%, as well as what the employer’s net OPEB liability would be using a discount rate that is 1 percentage point lower or higher than the current rate.

	1% Decrease	Current discount rate	1% Increase
Net OPEB liability	\$243,433	\$228,025	\$214,082
Plan fiduciary position as a percentage of the net OPEB liability	0%		

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate, as well as what the employer’s net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower or higher than the current rate.

	1% Decrease	Current healthcare cost trend rate	1% Increase
Total OPEB liability	\$218,232	\$228,025	\$238,544

OPEB Expense

For the year ended June 30, 2025 the employer recognized OPEB expense of \$(49,631).

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

9. LONG-TERM DEBT

The following is a summary of the debt transactions for the year:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>	<u>Due Within One Year</u>
Governmental Activities					
Private Placement Debt					
\$650,000 2022 MDOT Infrastructure bank loan payable in annual installments ranging from \$56,050 to \$74,746 due July 2023 through July 2032 plus interest at 3.3%	\$536,078	\$ -	\$ 59,752	\$ 476,326	\$61,695
\$312,000 2018 sewer vac truck installment purchase payable in annual installments ranging from \$54,911 to \$70,368 due August 2023 through August 2027 plus interest at 2.5%	257,089	-	58,423	198,666	62,161
\$151,018 2022 police vehicle installment purchase payable in annual installments ranging from \$11,581 to \$13,293 due October 2022 through October 2025 plus interest at 7.0%	25,647	-	12,390	13,257	13,257
\$751,533 2023 dump truck installment purchase payable in semiannual installments ranging from \$21,430 to \$31,357 due May 2023 through November 2027 plus interest at 8.6%	186,002	-	47,652	138,350	51,857
\$61,312 2024 skid steer installment purchase payable in monthly installments ranging from \$841.75 to \$1,218 due April 2024 through March 2029 plus interest at 7.3%	57,889	-	10,795	47,094	11,617
Total Private Placement Debt	1,062,705	-	189,012	873,693	200,587
Compensated absences*	34,378	1,889	-	36,267	-
Total Governmental Activities	<u>\$1,097,083</u>	<u>\$1,889</u>	<u>\$189,012</u>	<u>\$909,960</u>	<u>\$200,587</u>
Business-type Activities					
Public Offering Debt					
\$2,200,000 2006 Sewage disposal System refunding bonds due in annual installments ranging from \$65,000 to \$130,000 due April 2007 through April 2026 plus interest at 1.6%	<u>\$ 255,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ 130,000</u>	<u>\$130,000</u>

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>	<u>Due Within One Year</u>
Component Units					
Private Placement Debt					
\$147,750 2020 promissory note payable in annual installments ranging from \$24,152 to \$26,837 due 2021 through 2027 plus interest at 3.5%.	\$ 76,529	\$ -	\$76,529	\$ -	\$ -
\$57,509 2023 partner purchase agreement payable in annual installments of \$14,378 through November 2026.	43,132	-	-	43,132	28,755
Total Component Units	\$119,661	\$ -	\$76,529	\$43,132	\$28,755

* The change in compensated absences is presented as a net change

The annual requirements to amortize all debt outstanding (excluding lease payable and accrued employee benefits) as of June 30, 2025 are as follows:

<u>Year Ending June 30</u>	<u>Governmental activities</u>		<u>Business-type Activities</u>		<u>Component Units</u>	
	<u>Private Placement Debt</u>		<u>Public Offering Debt</u>		<u>Private Placement Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$200,587	\$ 43,051	\$130,000	\$2,113	\$28,755	\$ -
2027	198,772	30,682	-	-	14,377	-
2028	179,644	18,452	-	-	-	-
2029	77,437	9,534	-	-	-	-
2030	70,114	7,061	-	-	-	-
2031-2035	147,139	7,211	-	-	-	-
Total	\$873,693	\$115,991	\$130,000	\$2,113	\$43,132	\$ -

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government carries commercial insurance. The City carries commercial health, dental, and optical insurance. Generally accepted accounting principles require that a liability for claims be reported if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF BANGOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

11. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability to applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

In the normal course of its operations, the City has become a party in various legal actions, including property tax appeals. Management of the City is of the opinion that the outcome of such actions will not have a material effect on the financial position of the City. Amounts reserved for losses related to legal actions have not been included as a liability in the financial statements.

12. TAX ABATEMENTS

The City entered into property tax abatements agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Tax Abatement) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high-tech facilities. An Industrial Facilities Tax Abatement (IFT) certificate entitles the facility to a partial exemption from ad valorem real and/or personal property taxes for a term of 12 years as determined by the local unit of government. The agreements entered into by the City include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The IFT is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%.

For the year the City abated property tax revenues of approximately \$23,000.

(This page left intentionally blank)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BANGOR

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 636,000	\$ 697,500	\$ 784,535	\$ 87,035
Intergovernmental revenues				
State	385,500	394,000	403,685	9,685
Local	700	1,300	4,680	3,380
Licenses and permits	58,100	68,100	74,508	6,408
Charges for services	212,000	214,500	206,877	(7,623)
Fines	12,500	13,000	11,640	(1,360)
Investment earnings	7,000	26,000	31,602	5,602
Miscellaneous	7,000	9,000	15,438	6,438
Total revenues	<u>1,318,800</u>	<u>1,423,400</u>	<u>1,532,965</u>	<u>109,565</u>
Expenditures				
Current				
General government				
City council	81,500	76,340	106,929	(30,589)
Manager	21,700	21,800	25,768	(3,968)
Clerk	63,500	58,000	60,912	(2,912)
Board of review	-	3,200	3,094	106
Planning commission	-	-	8,726	(8,726)
Treasurer	73,500	54,875	56,715	(1,840)
Assessing	-	17,500	16,771	729
Elections	-	15,000	11,883	3,117
Building and grounds	165,500	161,650	165,724	(4,074)
Cemetery	58,100	35,100	32,894	2,206
Total general government	<u>463,800</u>	<u>443,465</u>	<u>489,416</u>	<u>(45,951)</u>
Public safety				
Police	500,500	519,000	502,462	16,538
Building inspection department	82,178	87,288	97,294	(10,006)
Total public safety	<u>582,678</u>	<u>606,288</u>	<u>599,756</u>	<u>6,532</u>
Public works	<u>151,100</u>	<u>163,610</u>	<u>181,465</u>	<u>(17,855)</u>
Culture and recreation				
Parks and rec	64,100	56,190	48,844	7,346
Museum	-	-	19,623	(19,623)
Total culture and recreation	<u>64,100</u>	<u>56,190</u>	<u>68,467</u>	<u>(12,277)</u>
Total expenditures	<u>1,261,678</u>	<u>1,269,553</u>	<u>1,339,104</u>	<u>(69,551)</u>
Revenues over (under) expenditures	57,122	153,847	193,861	40,014
Other financing sources (uses)				
Transfers out	(50,000)	(95,000)	(94,295)	705
Net changes in fund balance	7,122	58,847	99,566	40,719
Fund balance, beginning of year	<u>761,025</u>	<u>761,025</u>	<u>761,025</u>	<u>-</u>
Fund balance, end of year	<u>\$ 768,147</u>	<u>\$ 819,872</u>	<u>\$ 860,591</u>	<u>\$ 40,719</u>

CITY OF BANGOR
MAJOR STREETS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues				
State	\$ 220,000	\$ 300,000	\$ 405,711	\$ 105,711
Total revenues	<u>220,000</u>	<u>300,000</u>	<u>405,711</u>	<u>105,711</u>
Expenditures				
Current				
Highway and streets	281,500	290,800	140,872	149,928
Debt service				
Principal	28,936	29,876	29,876	-
Interest	<u>9,652</u>	<u>8,712</u>	<u>8,711</u>	<u>1</u>
Total expenditures	<u>320,088</u>	<u>329,388</u>	<u>179,459</u>	<u>149,929</u>
Net changes in fund balance	<u>(100,088)</u>	<u>(29,388)</u>	<u>226,252</u>	<u>255,640</u>
Fund balance, beginning of year	<u>235,546</u>	<u>235,546</u>	<u>235,546</u>	<u>-</u>
Fund balance, end of year	<u>\$ 135,458</u>	<u>\$ 206,158</u>	<u>\$ 461,798</u>	<u>\$ 255,640</u>

CITY OF BANGOR
LOCAL STREETS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 60,000	\$ 75,500	\$ 113,522	\$ 38,022
Intergovernmental revenues				
State	<u>100,000</u>	<u>120,000</u>	<u>150,901</u>	<u>30,901</u>
Total revenues	<u>160,000</u>	<u>195,500</u>	<u>264,423</u>	<u>68,923</u>
Expenditures				
Current				
Highway and streets	146,600	156,500	147,492	9,008
Debt service				
Principal	28,936	29,876	29,876	-
Interest	<u>9,652</u>	<u>8,712</u>	<u>8,711</u>	<u>1</u>
Total expenditures	<u>185,188</u>	<u>195,088</u>	<u>186,079</u>	<u>9,009</u>
Net changes in fund balance	(25,188)	412	78,344	77,932
Fund balance, beginning of year	<u>32,158</u>	<u>32,158</u>	<u>32,158</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,970</u>	<u>\$ 32,570</u>	<u>\$ 110,502</u>	<u>\$ 77,932</u>

CITY OF BANGOR

**DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN EMPLOYERS NET PENSION
LIABILITY AND RELATED RATIOS**

FOR THE YEAR ENDED JUNE 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 48,370	\$ 37,257	45,971	38,816	18,796	12,704	21,988	26,676	20,345	15,513
Interest	120,109	120,724	121,246	117,488	113,888	118,978	129,907	128,888	129,232	128,993
Difference between expected and actual experience	74,982	(31,169)	(39,606)	34,111	(13,503)	(52,434)	(152,875)	6,311	-	-
Changes in assumptions	(6,373)	12,678	-	61,859	47,041	56,602	-	-	-	-
Benefit payments including employee refunds	(143,153)	(131,590)	(129,323)	(129,447)	(128,280)	(126,924)	(135,057)	(158,512)	(157,737)	(155,135)
Other	-	-	-	-	-	-	-	-	1,080	61,352
Net change in total pension liability	93,935	7,900	(1,712)	122,827	37,942	8,926	(136,037)	3,363	(7,080)	50,723
Total pension liability, beginning of year	<u>1,720,221</u>	<u>1,712,321</u>	<u>1,714,033</u>	<u>1,591,206</u>	<u>1,553,264</u>	<u>1,544,338</u>	<u>1,680,375</u>	<u>1,677,012</u>	<u>1,684,092</u>	<u>1,633,369</u>
Total pension liability, end of year	<u>\$ 1,814,156</u>	<u>\$ 1,720,221</u>	<u>\$ 1,712,321</u>	<u>\$ 1,714,033</u>	<u>\$ 1,591,206</u>	<u>\$ 1,553,264</u>	<u>\$ 1,544,338</u>	<u>\$ 1,680,375</u>	<u>\$ 1,677,012</u>	<u>\$ 1,684,092</u>
Plan Fiduciary Net Position										
Net investment income	148,376	209,036	(255,844)	312,548	245,919	253,851	(79,360)	260,259	217,607	(30,819)
Benefit payments including employee refunds	(143,153)	(131,590)	(129,323)	(129,447)	(128,280)	(126,924)	(135,057)	(158,512)	(157,737)	(155,135)
Administrative expense	(4,360)	(3,938)	(4,171)	(3,397)	(4,003)	(4,370)	(4,035)	(4,135)	(4,303)	(4,610)
Net change in plan fiduciary net position	863	73,508	(389,338)	179,704	113,636	122,557	(218,452)	97,612	55,567	(190,564)
Plan fiduciary net position, beginning of year	<u>2,007,813</u>	<u>1,934,305</u>	<u>2,323,643</u>	<u>2,143,939</u>	<u>2,030,303</u>	<u>1,907,746</u>	<u>2,126,198</u>	<u>2,028,586</u>	<u>1,973,019</u>	<u>2,163,583</u>
Plan fiduciary net position, end of year	<u>\$ 2,008,676</u>	<u>\$ 2,007,813</u>	<u>\$ 1,934,305</u>	<u>\$ 2,323,643</u>	<u>\$ 2,143,939</u>	<u>\$ 2,030,303</u>	<u>\$ 1,907,746</u>	<u>\$ 2,126,198</u>	<u>\$ 2,028,586</u>	<u>\$ 1,973,019</u>
Employer net pension liability	<u>\$ (194,520)</u>	<u>\$ (287,592)</u>	<u>\$ (221,984)</u>	<u>\$ (609,610)</u>	<u>\$ (552,733)</u>	<u>\$ (477,039)</u>	<u>\$ (363,408)</u>	<u>\$ (445,823)</u>	<u>\$ (351,574)</u>	<u>\$ (288,927)</u>
Plan fiduciary net position as a percentage of the total pension liability	43%	117%	113%	136%	135%	131%	124%	127%	121%	117%
Covered employee payroll	\$ 628,180	\$ 494,121	\$ 583,393	\$ 487,030	\$ 285,219	\$ 184,644	\$ 326,718	\$ 394,621	\$ 297,441	\$ 191,987
Employer's net pension liability as a percentage of covered employee payroll	420%	-58%	-38%	-125%	-194%	-258%	-111%	-113%	-118%	-150%

CITY OF BANGOR
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 628,180	\$ 494,121	\$ 583,393	\$ 487,030	\$ 285,219	\$ 184,644	\$ 326,718	\$ 394,621	\$ 297,441	\$ 191,987
Contributions as a percentage of covered employee payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	16 years
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.00% (3.75% for 2015 through 2019)
Investment rate of return	6.93% (7.75% 2015-2019; 7.35% for 2020 and 2021; 7.00% 2022 and 2023)
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 mortality table

CITY OF BANGOR

**OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN EMPLOYERS NET OPEB
LIABILITY AND RELATED RATIOS**

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	9,319	13,594	9,951	22,277	22,487	41,621	32,048	37,676
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	497	(111,003)	(60,969)	317,434	388,346	(746,179)	(8,902)	(159,645)
Changes in assumptions	-	-	-	-	-	-	349,901	8,506
Benefit payments including implicit rate subsidy	(37,844)	(37,953)	(36,559)	(38,805)	-	(37,968)	(69,974)	(78,304)
Other	-	-	(853,917)	-	(42,640)	-	-	-
Net change in total OPEB liability	(28,028)	(135,362)	(941,494)	300,906	368,193	(742,526)	303,073	(191,767)
Total OPEB liability, beginning of year	256,053	391,415	1,332,909	1,032,003	663,810	1,406,336	1,103,263	1,295,030
Total OPEB liability, end of year	\$ 228,025	\$ 256,053	\$ 391,415	\$ 1,332,909	\$ 1,032,003	\$ 663,810	\$ 1,406,336	\$ 1,103,263
Employer net OPEB liability	\$ 228,025	\$ 256,053	\$ 391,415	\$ 1,332,909	\$ 1,032,003	\$ 663,810	\$ 1,406,336	\$ 1,103,263
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's net OPEB liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF BANGOR

**OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 13,931	\$ 15,295	\$ 66,437	\$ 52,170	\$ 36,093	\$ 33,462	\$ 69,227	\$ 79,051
Contributions in relation to the actuarially determined contribution	<u>37,844</u>	<u>37,953</u>	<u>36,559</u>	<u>38,805</u>	<u>42,640</u>	<u>37,968</u>	<u>69,974</u>	<u>78,304</u>
Contribution excess (deficiency)	<u>\$ 23,913</u>	<u>\$ 22,658</u>	<u>\$ (29,878)</u>	<u>\$ (13,365)</u>	<u>\$ 6,547</u>	<u>\$ 4,506</u>	<u>\$ 747</u>	<u>\$ (747)</u>
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to schedule

Actuarial cost method	Entry Age Normal (level percent)
Amortization method	Level dollar, closed
Remaining amortization period	24 years
Asset valuation method	N/A
Inflation	3.00%
Salary increases	3.65%
Investment rate of return	N/A
20-year Aa Municipal bond yield	3.93%
Healthcare cost trend rates	5.75% graded down to rate of 4.5%
Retirement age	Varies depending on plan adoption
Mortality	2022 Social Security Life tables

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Basis of Accounting

Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Pension and OPEB data

The data presented on the schedule of changes in employers net pension liability schedule is based on a December 31 measurement date.

The data presented on the schedule of changes in employers net OPEB liability schedule is based on a June 30 measurement date.

The OPEB schedules are being accumulated prospectively until 10 years of information is presented.

(This page left intentionally blank)

CITY OF BANGOR

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2025

	Special Revenue							Total
	Police	Bangor Fire District	Cemetery	South Haven Hospital Authority	Police Training Fund	Senior Services	Library Maintenance	
Assets								
Cash and pooled investments	\$ 57,786	\$ -	\$ 18,356	\$ 925	\$ 9,000	\$ 15,528	\$ 60,914	\$ 162,509
Taxes receivable	-	-	-	65	-	66	-	131
Due from other funds	36,226	-	-	-	-	-	-	36,226
Due from other governments	-	109,787	-	-	-	-	-	109,787
Total assets	\$ 94,012	\$ 109,787	\$ 18,356	\$ 990	\$ 9,000	\$ 15,594	\$ 60,914	\$ 308,653
Liabilities, deferred inflows, and fund balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 95	\$ 990	\$ -	\$ -	\$ 36	\$ 1,121
Due to other funds	-	28,177	-	-	-	-	-	28,177
Total liabilities	-	28,177	95	990	-	-	36	29,298
Fund balances								
Restricted								
Public safety	94,012	81,610	-	-	9,000	-	-	184,622
Senior services	-	-	-	-	-	15,594	-	15,594
Library maintenance	-	-	-	-	-	-	60,878	60,878
Cemetery services	-	-	18,261	-	-	-	-	18,261
Total fund balances	94,012	81,610	18,261	-	9,000	15,594	60,878	279,355
Total liabilities, deferred inflows, and fund balances	\$ 94,012	\$ 109,787	\$ 18,356	\$ 990	\$ 9,000	\$ 15,594	\$ 60,914	\$ 308,653

CITY OF BANGOR

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

FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue							Total
	Police	Bangor Fire District	Cemetery	South Haven Hospital Authority	Police Training Fund	Senior Services	Library Maintenance	
Revenues								
Taxes	\$ 45,169	\$ 160,197	\$ 19,476	\$ -	\$ -	\$ 39,288	\$ -	\$ 264,130
Intergovernmental revenues								
State	-	-	-	-	6,000	-	-	6,000
Local	-	-	500	-	-	-	4,000	4,500
Total revenues	<u>45,169</u>	<u>160,197</u>	<u>19,976</u>	<u>-</u>	<u>6,000</u>	<u>39,288</u>	<u>4,000</u>	<u>274,630</u>
Expenditures								
Current								
Public safety	-	103,871	1,715	-	-	-	-	105,586
Health and welfare	-	-	-	-	-	39,288	-	39,288
Culture and recreation	-	-	-	-	-	-	20,325	20,325
Total expenditures	<u>-</u>	<u>103,871</u>	<u>1,715</u>	<u>-</u>	<u>-</u>	<u>39,288</u>	<u>20,325</u>	<u>165,199</u>
Revenues over (under) expenditures	<u>45,169</u>	<u>56,326</u>	<u>18,261</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>(16,325)</u>	<u>109,431</u>
Other financing sources (uses)								
Transfers in	-	44,295	-	-	-	-	-	44,295
Transfers out	(51,982)	-	-	-	-	-	-	(51,982)
Total other financing sources (uses)	<u>(51,982)</u>	<u>44,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,687)</u>
Net changes in fund balances	<u>(6,813)</u>	<u>100,621</u>	<u>18,261</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>(16,325)</u>	<u>101,744</u>
Fund balances, beginning of year	100,825	(19,011)	-	-	3,000	15,594	77,203	177,611
Fund balances, end of year	<u>\$ 94,012</u>	<u>\$ 81,610</u>	<u>\$ 18,261</u>	<u>\$ -</u>	<u>\$ 9,000</u>	<u>\$ 15,594</u>	<u>\$ 60,878</u>	<u>\$ 279,355</u>

(This page left intentionally blank)

CITY OF BANGOR

**DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET/STATEMENT OF NET POSITION**

JUNE 30, 2025

	Downtown Development Authority	Adjustments	Statement of Net Position
Assets			
Cash and pooled investments	\$ 206,201	\$ -	\$ 206,201
Capital assets			
Land	-	63,923	63,923
Depreciable capital assets, net	-	415,296	415,296
Total assets	<u>\$ 206,201</u>	<u>\$ 479,219</u>	<u>\$ 685,420</u>
Liabilities and fund balance			
Liabilities			
Current liabilities			
Accounts payable	\$ 5,974	\$ -	\$ 5,974
Due within one year	-	28,755	28,755
Noncurrent liabilities			
Due in more than one year	-	14,377	14,377
Total liabilities	<u>5,974</u>	<u>43,132</u>	<u>49,106</u>
Fund balance			
Unassigned	<u>200,227</u>	<u>(200,227)</u>	<u>-</u>
Total Fund balance	<u>200,227</u>		
Total liabilities and fund balances	<u>\$ 206,201</u>		
Net position			
Net investment in capital assets		479,219	479,219
Unrestricted		157,095	157,095
Total net position			<u>\$ 636,314</u>

CITY OF BANGOR

**DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE/STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2025

	Downtown Development Authority	Adjustments	Statement of Activities
Revenues			
Taxes	\$ 198,292	\$ -	\$ 198,292
Investment earnings (loss)	399	-	399
Total revenues	<u>198,691</u>	<u>-</u>	<u>198,691</u>
Expenditures/expenses			
Current			
Community and economic development	67,169	40,337	107,506
Debt Service			
Principal	76,529	(76,529)	-
Interest	2,426	-	2,426
Total expenditures/expenses	<u>146,124</u>	<u>(36,192)</u>	<u>109,932</u>
Revenues over (under) expenditures/expenses	<u>52,567</u>	<u>36,192</u>	<u>88,759</u>
Net changes in fund balance	52,567	(52,567)	
Change in net position		88,759	88,759
Fund balance/net position, beginning of year	<u>147,660</u>	<u>399,895</u>	<u>547,555</u>
Fund balance/net position, end of year	<u>\$ 200,227</u>		<u>\$ 636,314</u>

CITY OF BANGOR
ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET/STATEMENT OF NET POSITION

JUNE 30, 2025

	Economic Development Corporation	Adjustments	Statement of Net Position
Assets			
Cash and pooled investments	\$ 120,290	\$ -	\$ 120,290
Capital assets			
Depreciable capital assets, net	<u>-</u>	<u>107,348</u>	<u>107,348</u>
Total assets	<u>\$ 120,290</u>	<u>\$ 107,348</u>	<u>\$ 227,638</u>
Liabilities and fund balance			
Liabilities			
Accounts payable	<u>\$ 1,337</u>	<u>\$ -</u>	<u>\$ 1,337</u>
Total liabilities	<u>1,337</u>	<u>-</u>	<u>1,337</u>
Fund balance			
Unassigned	<u>118,953</u>	<u>(118,953)</u>	
Total liabilities and fund balances	<u>\$ 120,290</u>		
Net position			
Net investment in capital assets		107,348	107,348
Unrestricted		<u>118,953</u>	<u>118,953</u>
Total net position			<u>\$ 226,301</u>

CITY OF BANGOR

**ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE/STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2025

	Economic Development Corporation	Adjustments	Statement of Activities
Revenues			
Taxes	\$ 57,706	\$ -	\$ 57,706
Miscellaneous	250	-	250
	<u>57,956</u>	<u>-</u>	<u>57,956</u>
Total revenues	<u>57,956</u>	<u>-</u>	<u>57,956</u>
Expenditures/expenses			
Current			
Community and economic development	20,579	6,144	26,723
	<u>20,579</u>	<u>6,144</u>	<u>26,723</u>
Total expenditures/expenses	<u>20,579</u>	<u>6,144</u>	<u>26,723</u>
Net changes in fund balance	<u>37,377</u>	<u>(37,377)</u>	
Change in net position		31,233	31,233
Fund balance/net position, beginning of year	<u>81,576</u>	<u>113,492</u>	<u>195,068</u>
Fund balance/net position, end of year	<u>\$ 118,953</u>		<u>\$ 226,301</u>

CITY OF BANGOR
HOUSING COMMISSION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	<u>Housing Commission</u>
Assets	
Current assets	
Cash and pooled investments	\$ 50,366
Accounts receivable	79,665
Inventory	<u>694</u>
Total current assets	<u>130,725</u>
Non-current assets	
Capital assets	
Land	141,864
Depreciable capital assets, net	<u>139,555</u>
Total non-current assets	<u>281,419</u>
Total assets	<u>412,144</u>
Liabilities	
Current liabilities	
Accounts payable	66,809
Accrued liabilities	5,977
Unearned revenue	<u>90,441</u>
Total liabilities	<u>163,227</u>
Net Position	
Net investment in capital assets	281,419
Unrestricted	<u>(32,502)</u>
Total net position	<u>\$ 248,917</u>

CITY OF BANGOR
HOUSING COMMISSION
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Housing Commission</u>
Operating revenue	
Dwelling rent	\$ 166,817
Tenant revenue-other	2,747
Operating grants	<u>152,700</u>
Total operating revenue	<u>322,264</u>
Operating expense	
Administration	127,666
Utilities	44,722
Maintenance	92,703
Insurance	21,633
General Expenses	33,652
Depreciation	<u>38,264</u>
Total operating expense	<u>358,640</u>
Operating income (loss)	<u>(36,376)</u>
Non-operating revenue (expense)	
Investment earnings (loss)	51
Other income	<u>4,128</u>
Total non-operating revenue (expense)	<u>4,179</u>
Changes in net position	<u>(32,197)</u>
Net position, beginning of year	<u>281,114</u>
Net position, end of year	<u>\$ 248,917</u>

CITY OF BANGOR
HOUSING COMMISSION
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Housing Commission</u>
Cash flows from operating activities	
Receipts from dwelling and non dwelling rents	\$ 164,723
Receipts from operating grants	152,700
Payments to employees	(189,972)
Payments to suppliers	<u>(113,121)</u>
Net cash provided by (used in) operating activities	<u>14,330</u>
Cash flows from non-capital financing activities	
Tenant security deposits	<u>6,967</u>
Cash flows from investing activities	
Other income	4,105
Investment earnings (loss)	<u>51</u>
Net cash provided by (used in) investing activities	<u>4,156</u>
Net increase (decrease) in cash and pooled investments	25,453
Cash and pooled investments, beginning of year	<u>24,913</u>
Cash and pooled investments, end of year	<u>\$ 50,366</u>
Cash flows from operating activities	
Operating income (loss)	\$ (36,376)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation	38,264
Bad debt allowance	13,400
Change in operating assets and liabilities which provided (used) cash	
Accounts receivable	(18,092)
Prepaid assets and other items	9,003
Accounts payable	(775)
Accrued liabilities	(3,160)
Unearned revenue	(144)
Accounts payable-PILOT	<u>12,210</u>
Net cash provided by (used in) operating activities	<u>\$ 14,330</u>

COMMENTS PUBLIC

WAIT UNTIL RECOGNIZED BY THE CHAIR
-THREE (3) MINUTES PER SPEAKER



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

UNFINISHED BUSINESS

-NONE



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

NEW BUSINESS

-PLANNING COMMISSION RECOMMENDATION
LOT SPLIT FOR 206 LINCOLN AVE



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

CITY COUNCIL
AGENDA FACT SHEET

To: Mayor Farmer, Pro Tem Martinez-Serratos, Councilmember Rivers, McCrumb, Garcia, Doroh, and Uplinger

CC: Justin Weber, City Manager

From: Shelly Umbanhowar, City Clerk

CC: Stephenie Cagle, Treasurer

Subject: Lot Split Application – 206 Lincoln Ave

Date: 02/26/26

Summary:

At its regularly scheduled meeting on February 12, 2026, the Planning Commission reviewed the lot split application for 206 Lincoln Ave. After review and discussion, the Planning Commission approved the lot split application.

Planning Commission Chair Derek Babcock noted that this matter would be forwarded to the City Council for consideration at the February 17, 2026 Regular City Council Meeting.

The documents associated with the lot split were reviewed and approved by the Planning Commission at their February 12, 2026 meeting. The approved meeting minutes are attached for verification of the Commission's action.

At this time, the City Council's role is to accept or reject the Planning Commission's recommendation. It is the Planning Commission's recommendation that the City Council approve the lot split.

Please note that the lot split application itself is not included in this packet, as Council action is limited to approval or denial of the Planning Commission's recommendation rather than the application document. Should any Council Member wish to review the full application materials, a copy may be obtained by contacting the Clerk's office via email or by visiting City Hall, Monday through Friday, between the hours of 9:00 a.m. and 4:00 p.m.

Please let me know if you have any questions prior to the meeting. You can also contact the Planning Commission Chair Derek Babcock at 269.214.0123 or via email at chiefbabcock@bangorfire.org.

Action:

Approve or reject the Planning Commission's recommendation to accept the lot split application for 206 Lincoln Ave.

CITY OF BANGOR
PLANNING COMMISSION
REGULAR MEETING MINUTES
February 12, 2026, 7:00 P.M.
257 W. Monroe Street
Bangor, Michigan 49013

1. **Call To Order:** Meeting called to order at 7:00 P.M. by Chairperson Derek Babcock.

2. **Pledge of Allegiance:** Pledge led by Chairperson Derek Babcock and recited by all present.

3. **Roll Call: Present:** Derek Babcock, Yvonne Beasley, Adam Burrous, Renee Doroh, Lynne Farmer, and Kevin Gruetzmacher. **Absent:** Carla Gray, Kathryn Lugten and Dave Markel.

4. **Approval of the Agenda:** Motion by Renee Doroh to approve the Agenda as presented. Support by Kevin Gruetzmacher. Motion Carried.

5. **Approval of the December 11th 2025 , Minutes:** Motion by Renee Doroh to approve the December 11th, 2025 minutes as presented. Support by Adam Burrous. Motion Carried.

6. **New Business:**
 - a. Update legal description/lot split at 206 Lincoln Ave. Chairperson Derek Babcock explained this was to clean up a mistake from years ago. Motion by Renee Doroh to cede an easement to Pat Bator for 9 feet to update the lot split. Support by Adam Burrous. Motion Carried.

7. **Unfinished Business:**
 - a. Master Plan update. Beckah Schrag was present to present to the committee Goals for the Master Plan. Questions

were asked by the committee members and Beckah gave her suggestions to the committee. The question was asked what do we need to add into the Master Plan? It was suggested that the Zoning Map needed updating. Also that updates need to be added to the zoning ordinances. The next meeting will be March 13th, 2026 at 7:00 P.M. with Future Land use being discussed.

8. *Comments/Concerns from the Audience/Public:* None.

9. *Board Minutes Comments:* None

10. *Adjournment:* Meeting was adjourned at 7:59 P.M. by the Chairperson Derek Babcock.

Respectfully Submitted by Lynne M. Farmer

COMMENTS PUBLIC

WAIT UNTIL RECOGNIZED BY THE CHAIR
-THREE (3) MINUTES PER SPEAKER



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

COUNCIL CLOSING COMMENTS

EACH COUNCIL MEMBER WILL GIVE THEIR
CLOSING COMMENTS TO THE PUBLIC



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

MEETING ADJOURNMENT

-MAYOR WILL ADJOURN
AND CLOSE MEETING

-ONCE THE MEETING IS ADJOURNED,
PLEASE EXIT THE COUNCIL ROOM



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

F.Y.I. COUNCIL

-ITEMS FOR INFORMATION
PURPOSES ONLY FOR COUNCIL
THAT DON'T REQUIRE AN AGENDA ITEM



BANGOR, MI
TRAIN CITY USA
GATEWAY TO THE LAKE

Materials Management Informational Sheet

From Bekah Schrag <schragb@swmpc.org>

Date Thu 2/12/2026 11:27 AM

To Bekah Schrag <schragb@swmpc.org>

 1 attachment (339 KB)

Michigan Materials Management LUG Inforgraphic (8.5 x 11 in).pdf;

Hello,

I am reaching out to share information on an important regional effort currently underway. Berrien, Cass, and Van Buren Counties are working together to create a Regional Materials Management Plan, as mandated under the updated Part 115. To complete this work, they have formed a Multi-county Materials Management Planning Committee that meets monthly.

This planning process began in 2023 and has been a collaborative, iterative effort among regional partners. The plan will establish a coordinated, long-term approach to materials management that supports regional economic growth, reduces the amount of material sent to landfills, and expands opportunities for composting and recycling, while also helping ensure our communities remain eligible for future programs and funding.

Input from local governments is especially important at this stage. The formal adoption process will take a minimum of 11 months and require approvals across the region, so getting involved now is highly recommended.

Please see the attached informational sheet to learn more about the plan and the planning process.

Thanks,
Bekah

Bekah Schrag (She/Her)

Associate Planner

Southwest Michigan Planning Commission

Phone: 269-925-1137 x 1521

376 W Main Street, Suite 130

Benton Harbor, MI 49022

Web: www.swmpc.org

Email: schragb@swmpc.org



Southwest Michigan Materials Management

What is it and why should I care?

Berrien, Cass, Van Buren Counties



1 | What is Materials Management?

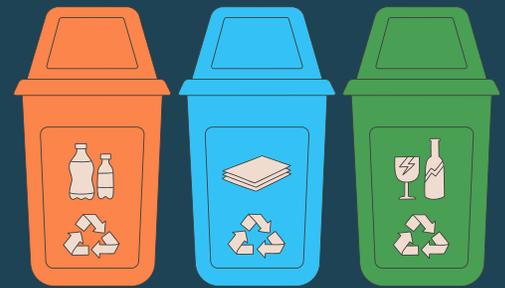
- Materials management is how materials are handled once they no longer serve their original purpose.
- Key components include **recycling, organics programs, waste diversion, and hazardous waste management**. It aims to keep materials in their highest and best use through reuse and recovery.
- Materials management recognizes waste as a resource that should be managed to promote economic vitality, and improve quality of life in a way that fosters sustainability.

2 | Why are we talking about Materials Management?

- The State of Michigan amended Part 115, Solid Waste Management, of the Natural Resources and Environmental Protection Act, 1994 PA 451, (Part 115).
- These amendments call for counties to **replace** Solid Waste Plans with Materials Management Plans (MMPs).

3 | Who is writing the Materials Management Plan?

- Berrien, Cass, and Van Buren Counties have agreed to work together to create **one** Materials Management Plan for the region.
- A 17-member multi-county Materials Management Planning Committee (MMPC) directs the Southwest Michigan Planning Commission in the writing of the plan.
- The MMPC meetings are open to the public, and **all are welcome to attend**.



4 | Why should municipalities care?

- All municipalities will have an opportunity to approve the draft Materials Management Plan. $\frac{2}{3}$ of the municipalities must approve the plan for it to be adopted. **If the plan fails to be adopted, the State may write a plan for the region without local input.**
- Many of the goals created in the Materials Management Plan will require efforts from **both** County-level government, as well as Cities, Villages, and Townships.
- Funding to help with planning and implementation is available to the Counties. Every five years each County must show progress toward achieving the goals or funding may be lost.

5 | How do I get involved?

The MMPC meets every first Wednesday of the month at 1:00 p.m. Virtual attendance for the public is available.

- Join the email list to get updates on MMPC meetings by emailing schragb@swmpc.org
- Attend meetings to provide input on your municipality's capacity to aid in the implementation of the plan
- Read through meeting minutes to stay up to date with what the MMPC is working on.

6 | Where can I find more information?

- For MMPC meetings and more information scan the QR code or visit: www.swmpc.org/materials_mngt.asp

SCAN ME



For questions, contact: Bekah Schrag, Southwest Michigan Planning Commission
schragb@swmpc.org or (269) 925-1137 x 1521

