

CITY OF BREWER, MAINE

Annual Financial Report

For the Year Ended June 30, 2024

CITY OF BREWER, MAINE
Annual Financial Report
For the Year Ended June 30, 2024

Table of Contents

	<u>Statement</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditor's Report		1 - 3
Management's Discussion and Analysis		4-10
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	13
Statement of Activities	2	14
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	15
Statement of Revenues, Expenditures, and Changes in Fund		
Balances - Governmental Funds	4	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund		
Balances of Governmental Funds to the Statement of Activities	5	17
Statement of Revenues, Expenditures, and Changes in Fund Balance -		
Budget and Actual - General Fund (Budgetary Basis)	6	18
Statement of Net Position - Proprietary Funds	7	19
Statement of Revenues, Expenses, and Changes in Net Position -		
Proprietary Funds	8	20
Statement of Cash Flows - Proprietary Funds	9	21
Statement of Fiduciary Net Position - Fiduciary Funds	10	22
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	11	23
Notes to Basic Financial Statements		24-59
Required Supplementary Information		60-66
Combining and Individual Fund Financial Statements and Schedule:	<u>Exhibit</u>	
General Fund:		
Comparative Balance Sheets	A-1	69
Statement of Revenues, Expenditures, and Changes in Fund		
Balance - Budget and Actual (Budgetary Basis)	A-2	70-72

CITY OF BREWER, MAINE
Annual Financial Report
For the Year Ended June 30, 2024

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, CONTINUED		
All Other Governmental Funds:		
Combining Balance Sheet	B-1	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	76
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	79-82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-2	83-86
City Small Grants and Programs - Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	87
School Department Grants Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances	C-4	88
Nonmajor Capital Project Funds:		
Combining Balance Sheet	D-1	91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	92
Capital Improvement Program - Combining Schedule of Changes in Fund Balances	D-3	93-94
Impact Fee Projects - Combining Schedule of Changes in Fund Balances	D-4	95
Nonmajor Permanent Funds:		
Combining Balance Sheet	E-1	99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-2	100
Schedule:		
Brewer School Department - General Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budgetary Basis	1	103
Operating Data Section:		
Operating Data		107-126

Independent Auditor's Report

City Council
City of Brewer, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brewer, Maine as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brewer, Maine, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Brewer, Maine 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 Brewer, Maine'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Brewer, Maine'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 Brewer, Maine'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, and schedules related to the pension and OPEB liabilities, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Brewer, Maine's basic financial statements. The accompanying individual fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2024 on our consideration of the City of Brewer, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Brewer, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Brewer, Maine's internal control over financial reporting and compliance.



December 30, 2024
South Portland, Maine

CITY OF BREWER, MAINE
Management's Discussion and Analysis
June 30, 2024

As management of the City of Brewer, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Brewer for the fiscal year ended June 30, 2024.

Financial Highlights

- ❖ The assets and deferred outflows of resources of the City of Brewer exceeded liabilities and deferred inflows of resources by **\$59,151,067** (net position). Of this amount, **\$3,857,445** was reported as unrestricted net position. The City's total net position increased by **\$4,988,247** from the prior year. Net position of Governmental Activities increased by **\$4,432,750**, while Business-type Activities increased by **\$555,497**. (See statements 1 and 2.)
- ❖ At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of **\$22,619,303**, which was an increase of **\$2,277,026** from the prior fiscal year. This increase was comprised of a **\$2,735,343** increase in the City's general fund, a **\$85,159** increase in the School grants fund, a **\$(638,716)** decrease in the City's major capital projects fund and a **\$95,240** increase in the other governmental funds. (See statement 4.)
- ❖ The City's general fund reports an unassigned fund balance of **\$11,436,480** and total fund balance of **\$14,726,780**, an increase of **\$2,735,343** in total general fund fund balance. The City's unassigned fund balance is currently at **24.2%** of budgeted general fund expenditures and **25.4%** of actual expenditures (see statement 6).
- ❖ The City of Brewer authorized **\$1,450,000** in FY24 CIP bond funding (\$1,360,000 in the general fund and \$90,000 in the sewer fund), which was issued on May 23, 2024. The City maintains authorization for up to **\$1,000,000** in sewer bond funding to provide the local match to **\$1,103,000** in US EPA Community Grant funds for sewer improvements in the Oak Grove area as well as authorization for **\$3,301,000** in Drinking Water State Revolving Fund loan for several water line improvements and an equipment purchase with the expectation that up to **\$1,671,986** of these loans will be forgiven. During FY2024, the City retired **\$3,262,070** in old bonds and notes, which includes **\$1,752,134** in the general fund and **\$1,509,936** in our water and sewer enterprise funds. (See changes in long-term liabilities table on page 39.)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Brewer's basic financial statements. The City of Brewer's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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 of Brewer's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on the City of Brewer's assets and deferred outflows of resources less liabilities and deferred inflows of resources, with the difference 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 of Brewer is improving or deteriorating.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

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 taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Brewer 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 of Brewer include administration, protection, public services, public works, unclassified, education, state retirement contributions, interest on debt, assessments and capital outlay. The business-type activities of the City of Brewer include a water department and a sewer operation. The government-wide financial statements can be found on pages **13-14** of this report, and are denoted in the top right corner as Statement 1 and Statement 2.

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 of Brewer, 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 of Brewer 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 government'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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City of Brewer maintains **53** individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the three major funds: the general fund, school grants fund and the other capital projects fund. Data from the other **50** non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of *combining statements* elsewhere in the report.

The City of Brewer adopts an annual appropriated budget for its general fund, as well as the capital improvement program, sewer fund and water fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements are found starting on page **15**, denoted as Statement 3.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

Proprietary funds. The City of Brewer maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Brewer uses enterprise funds to account for its Water and Sewer Departments.

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 on the individual enterprise funds.

The basic proprietary fund financial statements are found starting on page **19** of this report, denoted as Statement 7.

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

The basic fiduciary fund financial statements are found starting on page **22** of this report, denoted as Statement 10.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages **24-59** of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual statements and schedules are found on pages **69-100** of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Brewer, governmental activity assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by **\$34,264,266**. Business-type activity assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by **\$24,886,801** for a City-wide total of net position of **\$59,151,067** at the close of the most recent fiscal year. The Statement of Net Position can be found on page **13** of this report.

The largest portion of the City of Brewer's net position, **86.1%**, reflects its investment in capital assets (e.g., land, buildings and improvements, machinery, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City of Brewer uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City of Brewer'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, **7.3%**, represents resources that are subject to external restrictions on how they may be used, leaving the City with an unrestricted net position of **6.6%**, or **\$3,915,370**.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Primary Government Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
ASSETS						
Current and other assets	\$ 28,515,128	26,091,159	(538,265)	(767,471)	27,976,863	25,323,688
Capital assets	36,913,021	34,918,027	47,918,947	48,678,309	84,831,968	83,596,336
Total assets	65,428,149	61,009,186	47,380,682	47,910,838	112,808,831	108,920,024
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions and OPEB	2,456,938	2,938,585	356,544	398,989	2,813,482	3,337,574
Total deferred outflows	2,456,938	2,938,585	356,544	398,989	2,813,482	3,337,574
LIABILITIES						
Long-term liabilities	26,361,009	24,183,745	21,234,799	21,226,348	47,595,808	45,410,093
Other liabilities	5,366,528	7,205,510	1,398,229	2,419,177	6,764,757	9,624,687
Total liabilities	31,727,537	31,389,255	22,633,028	23,645,525	54,360,565	55,034,780
DEFERRED INFLOWS OF RESOURCES						
Related to pensions and OPEB	1,893,284	2,727,000	217,397	332,998	2,110,681	3,059,998
Total deferred inflows	1,893,284	2,727,000	217,397	332,998	2,110,681	3,059,998
NET POSITION						
Net investment in capital assets	23,487,969	21,526,804	27,623,894	26,869,433	50,994,863 *	48,221,312 *
Restricted	4,298,759	5,225,406	-	-	4,298,759	5,225,406
Unrestricted (deficit)	6,477,538	3,079,306	(2,737,093)	(2,538,129)	3,915,370 *	716,102 *
Total net position	\$ 34,264,266	29,831,516	24,886,801	24,331,304	59,151,067	54,162,820

* These amounts do not cross-foot due to the 2024 amount of **\$174,925** and 2023 amount of **\$174,925** pertaining to bond principal remaining on the \$1,000,000 of bonds used by the Government Activities to purchase capital assets, which were contributed to the business-type activities. These amounts are not considered capital related in the governmental activities' column, but are considered capital related in the primary government column.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

City of Brewer
Changes in Net Position

	Governmental Activities		Business-type Activities		Primary Government Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 5,920,963	\$ 4,963,772	6,541,541	5,877,249	12,462,504	10,841,021
Operating grants and cont.	20,154,558	19,758,458	-	-	20,154,558	19,758,458
Capital grants and cont.	-	100,000	1,351,042	1,657,161	1,351,042	1,757,161
General revenues:						
Property taxes	20,087,125	18,865,099	-	-	20,087,125	18,865,099
Excise taxes	2,187,100	2,074,848	-	-	2,187,100	2,074,848
Interest and costs on taxes	96,241	87,590	-	-	96,241	87,590
Franchise fees	106,570	118,988	-	-	106,570	118,988
State Revenue Sharing	3,046,153	2,623,207	-	-	3,046,153	2,623,207
Homestead exemption	789,005	825,729	-	-	789,005	825,729
Other govt. revenues	508,776	470,219	-	-	508,776	470,219
Unrestricted invstmt. earnings	935,730	216,662	-	-	935,730	216,662
Miscellaneous revenues	64,960	99,662	322	2,774	65,282	102,436
Total revenues	53,897,181	50,204,234	7,892,905	7,537,184	61,790,086	57,741,418
Expenses:						
Administration	2,897,797	2,002,119	-	-	2,897,797	2,002,119
Protection	7,005,857	6,482,948	-	-	7,005,857	6,482,948
Public services	421,057	387,822	-	-	421,057	387,822
Public works	3,333,912	3,112,347	-	-	3,333,912	3,112,347
Education	31,148,487	30,599,168	-	-	31,148,487	30,599,168
Unclassified	2,750,696	2,587,462	-	-	2,750,696	2,587,462
Assessments	1,471,271	1,322,688	-	-	1,471,271	1,322,688
Capital maintenance	267,499	1,402,549	-	-	267,499	1,402,549
Interest on debt	353,939	319,170	-	-	353,939	319,170
Water	-	-	3,504,174	3,551,122	3,504,174	3,551,122
Sewer	-	-	3,647,150	3,056,016	3,647,150	3,056,016
Total expenses	49,650,515	48,216,273	7,151,324	6,607,138	56,801,839	54,823,411
Increase (decrease) in net position before transfers	4,246,666	1,987,961	741,581	930,046	4,988,247	2,918,007
Transfers	186,084	163,147	(186,084)	(163,147)	-	-
Increase (decrease) in net position after transfers	4,432,750	2,151,108	555,497	766,899	4,988,247	2,918,007
Net position, prior year	29,831,516	27,680,408	24,331,304	23,564,405	54,162,820	51,244,813
Net position, current year	\$ 34,264,266	\$ 29,831,516	\$24,886,801	\$ 24,331,304	\$ 59,151,067	\$ 54,162,820

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Brewer'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 government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City of Brewer's governmental funds reported combined ending fund balances at June 30, 2024 of **\$22,619,303**, an increase of **\$2,277,026** in comparison with the prior year. Just over **50%** of this total amount, **\$11,411,267**, constitutes unassigned fund balance, which is available for spending at the government's discretion. The balances reflect compliance with G.A.A.P. accounting rules for the accrued teacher summer salaries. The remainder of the fund balance, **\$11,208,036**, is not available for new spending because it has already been restricted to use for: 1) various capital and other governmental purposes **\$2,096,590**, and education **\$1,441,522**; 2) nonexpendable principal in investments, prepaid amounts and inventory, **\$1,070,297**; or 3) committed or assigned to specific uses **\$6,599,627**.

The General Fund is the central operating fund of the City of Brewer. At the end of the current fiscal year, the fund balance was **\$14,726,780**. After adjusting for non-spendable amounts **\$309,650**, the amount that is restricted for education use **\$1,338,587** and items assigned to specific use **\$1,642,063** (made up of **\$545,000** of fund balance appropriated to the FY2025 budget, **\$437,333** in carryforward encumbrances from FY24 to FY25, and **\$659,730** in accrued compensated absences), there is a net unassigned balance of **\$11,436,480** that can be used to meet the ongoing needs of the City. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents **25.4%** of the total general fund expenditures; total fund balance represents **32.6%** of total general fund expenditures (see statement 6).

The fund balance of the City of Brewer's General Fund increased by **\$2,735,343** during the current fiscal year. While revenues came in **\$3,826,795** higher than budgeted and expenditures were **\$1,945,863** lower than budgeted, these were partially offset by the City's **\$ 3,021,670** budgeted use of fund balance and several other adjustments.

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

Net position of the City's Water Fund increased by **\$512,604** to **\$15,897,107**. Operating revenues were higher than operating expenses for an operating income gain of **\$24,734**, while net nonoperating revenue increased income by **\$586,393**, which was reduced by net interfund transfers of **(\$98,523)**.

Net position of the City's Sewer Fund increased by **\$42,893** to **\$8,989,694**. The Sewer Fund experienced an operating loss of **(\$134,625)** and a nonoperating revenue increase of **\$265,079** as well as a net transfer out of **(\$87,561)**.

CITY OF BREWER, MAINE
Management's Discussion and Analysis, Continued

Of the total proprietary net position, the amount classified as net investment in capital assets was **\$13,312,621** and **\$14,311,273** for the Water and Sewer Funds, respectively. Unrestricted net position was **\$2,584,486** for the Water Fund and **(\$5,321,579)** for the Sewer Fund.

General Fund Budgetary Highlights

The City of Brewer had a **\$860,972** difference between the original and amended expenditures in the FY 2024 budget. The changes are as follows:

Administration	\$55,436
Protection	176,683
Public Services	94,928
Public Works	24,302
Unclassified, Debt, Overlay	(211,383)
Transfers to Other Funds	721,006
Total	\$860,972

These changes in appropriations were authorized by the Brewer City Council and appropriated from an increase in budgeted revenues of **\$75,523**, and **\$238,105** in carryforward encumbrances from FY24. The majority of change in budgeted revenues came from a **\$547,344** increase in use of fund balance. The City of Brewer has a strong purchasing policy to prevent unnecessary departmental over expenditures.

Capital Asset and Debt Administration

Capital Assets. The City of Brewer's capital assets for its governmental activities as of June 30, 2024 amount to **\$79,754,910**, net of accumulated depreciation of **(\$42,841,889)**, leaving a net book value of **\$36,913,021**. This is an increase of **\$1,994,994**, including **\$4,238,654** in new additions, a net loss on disposal of **\$211,293** and **\$2,032,367** in depreciation expense. This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, as well as infrastructure. The City of Brewer maintains a capital improvement fund for the purpose of replacing and acquiring new assets and reconstruction of infrastructure.

The City of Brewer's capital assets for its business-type activities as of June 30, 2024 amounts to **\$81,636,991**, net of accumulated depreciation of **\$33,718,044**, leaving a net book value of **\$47,918,947**. This is a decrease of **(\$759,362)**, including **\$724,394** in new additions and **\$1,483,756** in depreciation expense. This investment in capital assets includes land, buildings and improvements, vehicles, machinery and equipment, and water and sewer infrastructure.

Long-term Debt. At the end of the current fiscal year, the City of Brewer had total bonds and notes outstanding of **\$33,287,844**. Of this amount, **\$14,194,830** is for governmental activities and **\$19,093,014** is for business-type activities. All debt is backed by the full faith and credit of the City.

At June 30, 2024, the City of Brewer had **\$4,301,000** in authorized but not yet issued long-term debt. In May 2024, the City issued **\$1,450,000** in debt to finance FY24 capital improvements. During FY24, the City retired **\$3,262,070** in old bonds.

State statutes limit the amount of general obligation debt a municipality may issue to 15% of its total state assessed valuation, with a further limit of no more than 7.5% of state assessed valuation in enterprise fund debt. The current debt limitation for the City of Brewer as a whole is **\$147,480,000** and **\$73,740,000** for its water and sewer funds, far exceeding the City's outstanding general obligation debt.

Requests for information

This financial report is designed to provide a general overview of the City of Brewer's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Brewer, Maine, 80 North Main Street, Brewer, ME 04412.

BASIC FINANCIAL STATEMENTS

CITY OF BREWER, MAINE
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,353,761	350	10,354,111
Investments	13,957,668	-	13,957,668
Receivables:			
Taxes	167,763	-	167,763
Tax and sewer liens	443,892	11,966	455,858
Other receivables	737,767	905,536	1,643,303
Due from other governments	492,694	390,923	883,617
Leases	78,202	-	78,202
Prepaid expenses	309,650	-	309,650
Inventory	42,570	43,440	86,010
Other assets	-	40,681	40,681
Internal balances	1,931,161	(1,931,161)	-
Capital assets, not being depreciated	3,256,450	3,510,470	6,766,920
Capital assets, net	33,656,571	44,408,477	78,065,048
Total assets	65,428,149	47,380,682	112,808,831
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	2,021,702	312,499	2,334,201
Deferred outflows of resources related to OPEB	435,236	44,045	479,281
Total deferred outflows of resources	2,456,938	356,544	2,813,482
LIABILITIES			
Accounts payable	1,584,239	269,512	1,853,751
Accrued payroll and related liabilities	3,115,240	202,641	3,317,881
Accrued interest payable	88,014	152,451	240,465
Taxes collected in advance	79,964	-	79,964
Unearned revenue	499,071	773,625	1,272,696
Noncurrent liabilities:			
Due within one year	2,119,716	1,297,013	3,416,729
Due in more than one year	24,241,293	19,937,786	44,179,079
Total liabilities	31,727,537	22,633,028	54,360,565
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	618,832	138,467	757,299
Deferred inflows of resources related to OPEB	1,193,409	78,930	1,272,339
Unavailable revenue - leases	81,043	-	81,043
Total deferred inflows of resources	1,893,284	217,397	2,110,681
NET POSITION			
Net investment in capital assets	23,487,969	27,623,894	50,994,863
Restricted:			
Education	1,338,587	-	1,338,587
Grants and other programs	1,383,928	-	1,383,928
Capital projects	751,912	-	751,912
Permanent funds:			
Nonexpendable	718,077	-	718,077
Expendable	106,255	-	106,255
Unrestricted	6,477,538	(2,737,093)	3,857,445
Total net position	\$ 34,264,266	24,886,801	59,151,067

See accompanying notes to basic financial statements.

CITY OF BREWER, MAINE
Statement of Activities
For the year ended June 30, 2024

		Program Revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
Functions/programs	Expenses				Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
Administration	\$ 2,897,797	70,587	-	-	(2,827,210)	-	(2,827,210)
Protection	7,005,857	397,088	154,644	-	(6,454,125)	-	(6,454,125)
Public services	421,057	-	16,299	-	(404,758)	-	(404,758)
Public works	3,333,912	49,924	286,417	-	(2,997,571)	-	(2,997,571)
Unclassified	2,750,696	1,649,712	-	-	(1,100,984)	-	(1,100,984)
Education	28,922,557	3,753,137	17,471,268	-	(7,698,152)	-	(7,698,152)
State retirement contribution (Education)	2,225,930	-	2,225,930	-	-	-	-
Interest on debt	353,939	515	-	-	(353,424)	-	(353,424)
Assessments	1,471,271	-	-	-	(1,471,271)	-	(1,471,271)
Capital maintenance	267,499	-	-	-	(267,499)	-	(267,499)
Total governmental activities	49,650,515	5,920,963	20,154,558	-	(23,574,994)	-	(23,574,994)
Business-type activities:							
Water	3,504,174	3,235,704	-	879,597	-	611,127	611,127
Sewer	3,647,150	3,305,837	-	471,445	-	130,132	130,132
Total business-type activities	7,151,324	6,541,541	-	1,351,042	-	741,259	741,259
Total primary government	\$ 56,801,839	12,462,504	20,154,558	1,351,042	(23,574,994)	741,259	(22,833,735)
General revenues:							
Property taxes					\$ 20,087,125	-	20,087,125
Excise taxes					2,187,100	-	2,187,100
Interest and costs on taxes					96,241	-	96,241
Franchise fees					106,570	-	106,570
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					3,046,153	-	3,046,153
Homestead exemption					789,005	-	789,005
Other intergovernmental revenues					508,776	-	508,776
Unrestricted investment earnings					935,730	-	935,730
Miscellaneous revenues					64,960	322	65,282
Transfers					186,084	(186,084)	-
Total general revenues and transfers					28,007,744	(185,762)	27,821,982
Change in net position					4,432,750	555,497	4,988,247
Net position - beginning					29,831,516	24,331,304	54,162,820
Net position - ending					\$ 34,264,266	24,886,801	59,151,067

See accompanying notes to basic financial statements.

CITY OF BREWER, MAINE
Balance Sheet
Governmental Funds
June 30, 2024

	General	School Grants Fund	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,087,984	-	2,780,333	485,444	10,353,761
Investments	13,138,477	-	-	819,191	13,957,668
Receivables:					
Taxes	167,763	-	-	-	167,763
Tax liens	443,892	-	-	-	443,892
Other receivables	720,125	-	-	17,642	737,767
Due from other governments	-	437,668	-	55,026	492,694
Leases	78,202	-	-	-	78,202
Prepaid expenditures	309,650	-	-	-	309,650
Interfund loans receivable	-	-	2,127,603	2,808,855	4,936,458
Inventory	-	-	-	42,570	42,570
Total assets	21,946,093	437,668	4,907,936	4,228,728	31,520,425
LIABILITIES					
Accounts payable	795,550	20,084	509,277	233,252	1,558,163
Accrued payroll and related liabilities	2,891,486	223,754	-	-	3,115,240
Taxes collected in advance	79,964	-	-	-	79,964
Unearned revenue	5,103	-	-	493,968	499,071
Interfund loans payable	2,829,899	93,830	-	107,644	3,031,373
Total liabilities	6,602,002	337,668	509,277	834,864	8,283,811
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	536,268	-	-	-	536,268
Unavailable revenue - leases	81,043	-	-	-	81,043
Total deferred inflows of resources	617,311	-	-	-	617,311
FUND BALANCES					
Nonspendable	309,650	-	-	760,647	1,070,297
Restricted	1,338,587	102,935	672,509	1,424,081	3,538,112
Committed	-	-	3,726,150	1,231,414	4,957,564
Assigned	1,642,063	-	-	-	1,642,063
Unassigned	11,436,480	(2,935)	-	(22,278)	11,411,267
Total fund balances (deficits)	14,726,780	100,000	4,398,659	3,393,864	22,619,303
Total liabilities, deferred inflows of resources, and fund balances	\$ 21,946,093	437,668	4,907,936	4,228,728	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	36,913,021
Other long-term assets are not available to pay for current period expenditures and therefore, are unavailable in the funds.	536,268
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds and notes	(14,194,830)
Premium on bonds	(727,090)
Financed purchases	(109,021)
Leases payable	(19,048)
Subscription payable	(14,875)
Accrued compensated absences	(848,108)
Net pension liability, including related deferred inflows and outflows of resources	(2,148,709)
Landfill closure and postclosure	(1,022,975)
Other postemployment benefits liability, including related deferred inflows and outflows of resources	(6,631,656)
Accrued interest payable	(88,014)

Net position of governmental activities **\$ 34,264,266**

See accompanying notes to basic financial statements.

CITY OF BREWER, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2024

	General	School Grants Fund	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 22,310,328	-	-	-	22,310,328
Licenses and permits	295,578	-	-	-	295,578
Intergovernmental	20,457,283	1,876,695	-	1,626,526	23,960,504
Local sources	4,967,480	-	368,533	104,977	5,440,990
Student activity fees and fundraisers	-	-	-	243,565	243,565
Unclassified	-	515,738	-	132,542	648,280
Investment earnings	903,609	-	-	34,189	937,798
Total revenues	48,934,278	2,392,433	368,533	2,141,799	53,837,043
Expenditures:					
Current:					
Administration	2,353,412	-	-	-	2,353,412
Protection	6,302,018	-	-	187,715	6,489,733
Public services	404,749	-	-	16,308	421,057
Public works	2,875,656	-	-	-	2,875,656
Unclassified	1,732,097	-	-	38,007	1,770,104
Education	25,842,092	2,307,274	-	1,015,946	29,165,312
Student activities	-	-	-	250,465	250,465
Assessments	1,471,271	-	-	-	1,471,271
Retirement and group term life contributions	2,225,930	-	-	-	2,225,930
Debt service:					
Principal	1,752,134	-	-	-	1,752,134
Interest	416,757	-	-	-	416,757
Capital outlay	123,203	-	2,690,271	1,223,999	4,037,473
Total expenditures	45,499,319	2,307,274	2,690,271	2,732,440	53,229,304
Excess (deficiency) of revenues over (under) expenditures	3,434,959	85,159	(2,321,738)	(590,641)	607,739
Other financing sources (uses):					
Bond proceeds	-	-	1,360,000	-	1,360,000
Financed purchases proceeds	68,684	-	-	-	68,684
Lease proceeds	31,747	-	-	-	31,747
Subscription proceeds	22,772	-	-	-	22,772
Transfers from other funds	1,108,398	-	323,022	732,906	2,164,326
Transfers to other funds	(1,931,217)	-	-	(47,025)	(1,978,242)
Total other financing sources (uses)	(699,616)	-	1,683,022	685,881	1,669,287
Net change in fund balances	2,735,343	85,159	(638,716)	95,240	2,277,026
Fund balances, beginning of year	11,991,437	14,841	5,037,375	3,298,624	20,342,277
Fund balances, end of year	\$ 14,726,780	100,000	4,398,659	3,393,864	22,619,303

See accompanying notes to basic financial statements.

CITY OF BREWER, MAINE
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, 2024

Net change in fund balances - total governmental funds (from Statement 4)	\$	2,277,026
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$4,238,654) exceeded depreciation (\$2,032,367) and disposal (\$211,293).		
		1,994,994
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenue - property taxes.		
		60,138
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 governmental funds. This is the change in other post-employment benefits with related deferred inflows and outflows (\$23,004), accrued compensated absences (-\$31,268), accrued interest (\$382), net pension liability with related deferred inflows and outflows (\$276,545) and landfill closure and postclosure liability (\$13,264).		
		(281,927)
The City is amortizing the issuance premium on bonds over the life of the new bond. This is the amount of amortization of bond premiums.		
		63,200
The issuance of long-term debt (e.g., bonds, notes, financed purchases, leases and subscriptions) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the amount by which repayments exceeded proceeds:		
Bond proceeds		(1,360,000)
Financed purchases proceeds		(68,684)
Lease proceeds		(31,747)
Subscriptions proceeds		(22,772)
Principal payments on long-term debt		1,802,522
Change in net position of governmental activities (see Statement 2)	\$	4,432,750

See accompanying notes to basic financial statements.

CITY OF BREWER, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund (Budgetary Basis)
For the year ended June 30, 2024

	General Fund			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 21,186,348	21,236,348	22,310,328	1,073,980
Licenses and permits	287,695	287,695	295,578	7,883
Intergovernmental	17,234,129	17,234,129	18,231,353	997,224
Local sources	3,965,747	3,981,270	4,967,480	986,210
Interest earned	132,111	142,111	903,609	761,498
Total revenues	42,806,030	42,881,553	46,708,348	3,826,795
Expenditures:				
Current:				
Administration	2,455,256	2,510,692	2,353,412	157,280
Protection	6,234,815	6,411,498	6,302,018	109,480
Public services	464,789	559,717	404,749	154,968
Public works	3,213,745	3,238,047	2,875,656	362,391
Unclassified	1,896,674	1,935,491	1,732,097	203,394
Education	26,761,784	26,761,784	25,803,981	957,803
Assessments	1,491,866	1,471,866	1,471,271	595
Debt service:				
Principal	1,982,334	1,752,134	1,752,134	-
Interest	416,709	416,709	416,757	(48)
Total expenditures	44,917,972	45,057,938	43,112,075	1,945,863
Excess (deficiency) of revenues over (under) expenditures	(2,111,942)	(2,176,385)	3,596,273	5,772,658
Other financing sources (uses):				
Use of fund balance	2,474,326	3,021,670	-	(3,021,670)
Reserves and carryforwards	-	238,105	-	(238,105)
Transfers from other funds	1,160,064	1,160,064	1,108,398	(51,666)
Transfers to other funds	(1,522,448)	(2,243,454)	(1,931,217)	312,237
Total other financing sources (uses)	2,111,942	2,176,385	(822,819)	(2,999,204)
Net change in fund balances - budgetary basis	-	-	2,773,454	2,773,454
Reconciliation to GAAP:				
Change in accrued summer salaries and benefits			(38,111)	
Total reconciling items to GAAP			(38,111)	
Net change in fund balances - GAAP basis			2,735,343	
Fund balances, beginning of year			11,991,437	
Fund balances, end of year	\$		14,726,780	

See accompanying notes to basic financial statements.

CITY OF BREWER, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2024

Business-type Activities - Enterprise Funds			
	Water Department	Sewer Department	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 300	50	350
User fees receivable	152,504	753,032	905,536
Liens receivable	193	11,773	11,966
Due from other governments	193,336	197,587	390,923
Interfund loans receivable	3,184,672	-	3,184,672
Inventory	43,440	-	43,440
Other assets	40,681	-	40,681
Total current assets	3,615,126	962,442	4,577,568
Noncurrent assets:			
Capital assets not being depreciated:			
Land and land rights	2,892,709	53,900	2,946,609
Organizational costs	121,750	-	121,750
Construction in progress	219,682	222,429	442,111
Total capital assets not being depreciated	3,234,141	276,329	3,510,470
Capital assets being depreciated:			
Capital assets	34,642,352	43,484,169	78,126,521
Accumulated depreciation	(13,866,322)	(19,851,722)	(33,718,044)
Total capital assets being depreciated	20,776,030	23,632,447	44,408,477
Total noncurrent assets	24,010,171	23,908,776	47,918,947
Total assets	27,625,297	24,871,218	52,496,515
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	154,951	157,548	312,499
Deferred outflows of resources related to OPEB	26,099	17,946	44,045
Total deferred outflows of resources	181,050	175,494	356,544
LIABILITIES			
Current liabilities:			
Accounts payable	19,311	250,201	269,512
Accrued payroll and related benefits	114,933	87,708	202,641
Accrued interest payable	66,414	86,037	152,451
Unearned revenue	432,362	341,263	773,625
Interfund loans payable	-	5,115,833	5,115,833
Noncurrent liabilities, due in one year	750,824	546,189	1,297,013
Total current liabilities	1,383,844	6,427,231	7,811,075
Long-term liabilities:			
Noncurrent liabilities, due in more than one year	10,409,968	9,527,818	19,937,786
Total long-term liabilities	10,409,968	9,527,818	19,937,786
Total liabilities	11,793,812	15,955,049	27,748,861
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	68,658	69,809	138,467
Deferred inflows of resources related to OPEB	46,770	32,160	78,930
Total deferred inflows of resources	115,428	101,969	217,397
NET POSITION			
Net investment in capital assets	13,312,621	14,311,273	27,623,894
Unrestricted	2,584,486	(5,321,579)	(2,737,093)
Total net position	\$ 15,897,107	8,989,694	24,886,801

See accompanying notes to basic financial statements.

CITY OF BREWER, MAINE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2024

Business-type Activities - Enterprise Funds			
	Water Department	Sewer Department	Total
Operating revenues:			
Charges for services	\$ 3,108,442	2,924,147	6,032,589
Other	127,262	381,690	508,952
Total operating revenues	3,235,704	3,305,837	6,541,541
Operating expenses:			
Operation - salaries and benefits	809,310	819,745	1,629,055
Operation - other	744,694	1,475,138	2,219,832
Administrative expenses - salaries and benefits	268,612	191,218	459,830
Administrative expenses - other	668,787	198,732	867,519
Depreciation and amortization	719,567	755,629	1,475,196
Total operating expenses	3,210,970	3,440,462	6,651,432
Operating income (loss)	24,734	(134,625)	(109,891)
Nonoperating revenues (expenses):			
Other revenues	-	322	322
Capital grants and contributions	879,597	471,445	1,351,042
Interest on debt service	(293,204)	(207,188)	(500,392)
Gain (loss) on disposal of capital assets	-	500	500
Total nonoperating revenues (expenses)	586,393	265,079	851,472
Net income (loss) before transfers	611,127	130,454	741,581
Transfers:			
Transfers in	-	24,488	24,488
Transfers to General Fund - administration	(98,523)	(112,049)	(210,572)
Total transfers	(98,523)	(87,561)	(186,084)
Change in net position	512,604	42,893	555,497
Net position, beginning of year	15,384,503	8,946,801	24,331,304
Net position, end of year	\$ 15,897,107	8,989,694	24,886,801

See accompanying notes to basic financial statements.

CITY OF BREWER, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2024

Business-type Activities - Enterprise Funds			
	Water Department	Sewer Department	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 3,147,209	3,182,748	6,329,957
Payments to suppliers	(1,509,448)	(1,436,424)	(2,945,872)
Payments to employees	(1,014,130)	(991,839)	(2,005,969)
Net cash provided by (used in) operating activities	623,631	754,485	1,378,116
Cash flows from non-capital financing activities:			
Transfers (to) from other funds	(710,240)	(35,768)	(746,008)
Net cash provided by (used in) non-capital financing activities	(710,240)	(35,768)	(746,008)
Cash flows from capital and related financing activities:			
Purchase of capital assets	(253,134)	(471,260)	(724,394)
Capital grants and contributions	879,597	471,445	1,351,042
Bond and note proceeds	661,572	90,000	751,572
Principal payments on bonds	(908,222)	(601,714)	(1,509,936)
Interest payments	(293,204)	(207,188)	(500,392)
Net cash provided by (used in) capital and related financing activities	86,609	(718,717)	(632,108)
Net increase (decrease) in cash	-	-	-
Cash, beginning of year	300	50	350
Cash, end of year	\$ 300	50	350
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 24,734	(134,625)	(109,891)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	719,567	755,629	1,475,196
(Increase) decrease in receivables	(126,191)	(211,729)	(337,920)
(Increase) decrease in inventory	(6,363)	-	(6,363)
(Increase) decrease in other assets	2,280	11,149	13,429
Increase (decrease) in accounts payable	(18,660)	250,201	231,541
Increase (decrease) in other liabilities	(70,944)	(12,755)	(83,699)
Increase (decrease) in accrued wages and benefits	12,042	(2,829)	9,213
Increase (decrease) in net pension liability	56,194	56,866	113,060
Increase (decrease) in OPEB liability	31,379	2,420	33,799
(Increase) decrease in deferred outflows of resources	16,956	25,489	42,445
Increase (decrease) in deferred inflows of resources	(52,779)	(62,822)	(115,601)
Increase (decrease) in unearned revenue	35,416	77,491	112,907
Net cash provided by (used in) operating activities	623,631	754,485	1,378,116

See accompanying notes to basic financial statements.

CITY OF BREWER, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

		Private- purpose Trust Funds
ASSETS		
Cash and cash equivalents	\$	35,744
Investments		895,345
Interfund loans receivable		26,076
Total assets		957,165
LIABILITIES		
Accounts payable		-
Total liabilities		-
NET POSITION		
Held in trust	\$	957,165

See accompanying notes to basic financial statements.

CITY OF BREWER, MAINE
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2024

	Private- purpose Trust Funds
Additions:	
Investment income (loss)	\$ 91,150
Donations and other	39,097
Total additions	130,247
Deductions:	
Scholarships	67,029
Other	19,434
Total deductions	86,463
Change in net position	43,784
Net position, beginning of year	913,381
Net position, end of year	\$ 957,165

See accompanying notes to basic financial statements.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Brewer have been prepared in conformity with U.S. generally accepted accounting standards (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The City of Brewer operates under an elected City Council and City Manager form of government. The City's School Department operates under an elected School Board. The City's major operations include water, sewer, public works, protection, public services, education, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City of Brewer, Maine (the primary government) and its component units. The decision to include a potential component unit was made by applying the criteria set forth in accounting principles generally accepted in the United States of America, which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability of the primary government to impose its will on the component unit, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based on the application of these criteria, the City has reported the following component unit:

SBR Real Estate Holdings LLC is a local development corporation. The City is the sole member of SBR Real Estate Holdings LLC, which is managed by City employees. There are no separately issued financial statements for this component unit and it is reported as a blended presented component unit.

B. 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 City. For the most part, the effect of interfund activity has been removed from these statements. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect costs among the programs, functions, and segments. 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 as general revenues.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

C. Measurement Focus, Basis of Accounting, and Basis of 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 a 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 for property taxes and one year for other revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **School Grants Fund** accounts for transactions related to resources obtained and used under certain federal, state, and local grants.

The **Other Capital Projects Fund** accounts for resources obtained and expended for the acquisition of major capital facilities other than those employed in the delivery of services accounted for in enterprise funds.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The City reports the following major proprietary funds:

Water Fund accounts for the operation of the water system in Brewer.

Sewer Fund accounts for the operation of a sewer system in Brewer.

Additionally, the City reports the following fund type:

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The City's fiduciary funds include the following fund types:

Private-purpose Trust Funds are used to account for resources legally held in trust for School Department scholarships and other City trusts.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Water and Sewer Funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 City's proprietary fund is charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

Cash and cash equivalents are considered to be cash on hand, amounts in demand deposits, savings accounts, and certificates of deposit. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, money market mutual funds and repurchase agreements.

Investments are stated at fair value. For the purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund loans on the balance sheet.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Unbilled revenues from the Water and Sewer Funds are recognized at the end of each fiscal year on a pro rata basis. This amount is based on billings during the months following the close of the fiscal year.

G. Inventories and Prepaid Expenditures

School Lunch and the Water Fund supply inventories are valued at the lower of cost or market using the first-in, first-out method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures in both the government-wide and fund financial statements. The cost of prepaid expenditures is recorded as expenditures/expenses when consumed rather than when purchased.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets or a group of like assets together with an initial cost of more than \$10,000 (\$50,000 for infrastructure), and an estimated useful life in excess of two years. Such assets are recorded at historical cost (except for subscription-based assets and lease assets, the measurements of which are discussed in the subscriptions and lease disclosures, respectively) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets, improvements and infrastructure are categorized by project or location. For constructed assets they are capitalized as built-in construction in progress, but not depreciated until completed.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings, building improvements and land improvements	10-100 years
Machinery and equipment	5-25 years
Vehicles	5-20 years
Infrastructure	7-50 years
Right-to-use subscription assets	3 years
Right-to-use Lease Assets	5 years

I. Compensated Absences

It is the government's policy to permit employees to accumulate earned, but unused vacation and sick pay benefits. Long-term accumulated vacation and sick leave is reported only in the entity-wide statement of net position and in the proprietary funds. 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.

J. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds reports deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has lease related deferred inflows of resources that qualifies for reporting in this category of resources.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The governmental activities have deferred outflows and inflows that relate to the net pension and OPEB liabilities, which include the City's contributions subsequent to the measurement date, which are recognized as a reduction of the net pension and OPEB liabilities in the subsequent year.

They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between City contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

L. Fund Equity

Governmental fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the City imposes on itself at its highest level of decision-making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City Council has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. Likewise, the City Council or a body or official delegated by the City Council may assign unspent budgeted amounts to specific purposes in the General Fund at year end based on Department requests. Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the City's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the City's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

M. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is used in governmental and business-type funds. All encumbrances, if any, are assigned at year end.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

N. Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

O. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and financed purchases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2024:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Primary Government</u>
Capital assets	\$ 79,754,910	81,636,991	161,391,901
Accumulated depreciation	(42,841,889)	(33,718,044)	(76,559,933)
Bonds and notes payable*	(14,194,830)	(19,093,014)	(33,404,844)
Bond premiums	(727,090)	(1,251,759)	(1,978,849)
Financed purchases payable	(109,021)	-	(109,021)
Leases Payable	(19,048)	-	(19,048)
Subscriptions Payable	(14,875)	-	(14,875)
Unspent bond proceeds	1,639,812	49,720	1,689,532
<u>Net investment in capital assets</u>	<u>\$ 23,487,969</u>	<u>27,623,894</u>	<u>50,994,863</u>

*This amount does not cross-foot due to the \$117,000 of bond principal remaining on the \$1,000,000 of the 2013A GOB Bond used by the Government Activities to purchase capital assets which were contributed to the business-type activities. This \$117,000 is not considered capital related in the governmental activities column but is considered capital related in the primary government column.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. 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.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Q. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined based on actuary reports prepared by the OPEB Plan's actuary. 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.

R. Comparative Data/Reclassifications

Comparative data for the prior year has been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

S. Subscriptions

The City is engaged in a noncancellable subscription for code permitting software. The City recognizes a subscription liability and an intangible right-to-use asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line bases over its useful life.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the non-cancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subscription assets are reported with other capital assets and subscription liabilities are reported with long term debt on the statement of net position.

T. Leases

Lessee: The City is a lessee for a noncancellable lease of tasers. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is the lessor for two non-cancellable leases of parking lots. The City has recognized lease receivables and the related deferred inflows of resources in the financial statements. At the commencement of the leases, the City measures the lease assets at the present value of payments expected to be made during the lease terms. Subsequently, the lease assets are reduced by the principal portions of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement dates. Subsequently, lease deferred inflow of resources are recognized as revenue over the life of the lease terms.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the leases. Lease receipts included in the measurement of lease receivables are composed of fixed payments, from the lessees.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivables.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are adopted for the General Fund, Capital Improvement Program, Sewer Fund, and Water Fund and are adopted on a basis consistent with accounting principles generally accepted in the United States of America except, in the case of the General Fund, for teachers' salaries and benefits which are budgeted on a cash basis. Additionally, Maine Public Employees Retirement System on-behalf payments are not budgeted. The level of control (level at which expenditures may not exceed budget) is the Department for the general fund budget. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year except some on-going projects which may be committed or assigned for subsequent year expenditure and some non-lapsing accounts which are carried forward to the next fiscal year.

For the year ended June 30, 2024, expenditures exceeded appropriations in the following general fund departments as shown on Exhibit A-2:

Protection – Animal Control	\$ 3,196
Unclassified – Dues	1,075
Unclassified – All Other	6,415
Debt Service – Interest	48

B. Revised Budget

The revised budget presented for the General Fund in the statement of revenues, expenditures, and changes in fund balance-budget and actual (Statement 6), includes various adjustments as follows:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other financing sources</u>
2024 budget as originally adopted	\$ 42,806,030	44,917,972	2,111,942
Use of prior year reserves and carryforwards	-	-	785,449
Subsequent authorizations	75,523	139,966	(721,006)
Totals	\$ 42,881,553	45,057,938	2,176,385

Deficit Fund Equity

The following funds had a deficit fund balance at June 20, 2024:

FHWA Route 15 Earmark	\$ 3,692
City Hall Rehab	18,586

These deficits are expected to be funded by future revenues or transfers from the General Fund.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

C. Budgetary versus GAAP Basis of Accounting

Through June 30, 2024, the City did not budget for expenditures related to teachers' summer pay or benefits on an accrual basis. The following is a reconciliation of fund balance for the General Fund – School Department on the basis of accounting principles generally accepted in the United States of America and on the budgetary basis.

Fund balance - School Department - June 30, 2024 - GAAP basis	\$ 1,338,587
Accrued teacher summer salaries	2,094,393
Accrued teacher summer benefits	580,810
<u>Fund balance - School Department, June 30, 2024 - budgetary basis</u>	<u>\$ 4,013,790</u>

As required by generally accepted accounting principles (GAAP), the City has recorded a revenue and expenditure for Maine Public Employees Retirement System (MainePERS) contributions made by the State of Maine on behalf of the Brewer School Department. These amounts have not been budgeted and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$ 2,225,930. These amounts have been included as intergovernmental revenues and education expenditures/expenses in the General Fund on statement 4 (GAAP basis) and on the statement of activities (Statement 2). There is no effect on the fund balance/net position at the end of the year.

DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk-City Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy is that funds can only be invested in financial institutions that are insured by the F.D.I.C. Any funds deposited or invested above the \$250,000 insurance limit must be collateralized by the financial institution at 110% of the face value of the deposit or preferably be fully insured by an independent agent. Any designated collateral shall consist of U.S. Treasury or U.S. Government Agency obligations. As of June 30, 2024, the City reported deposits of \$10,389,855 with a bank balance of \$10,724,199. As of June 30, 2024, \$17,180 of the City's total bank balance was exposed to custodial credit risk as it was not insured by the F.D.I.C. or secured by additional collateral. All remaining deposits were insured by the F.D.I.C. or collateralized by securities held in the City's name.

Deposits have been reported as follows:

Reported in governmental funds	\$ 10,353,761
Reported in business-type activities	350
Reported in fiduciary funds	35,744
<u>Total deposits</u>	<u>\$ 10,389,855</u>

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

DEPOSITS AND INVESTMENTS, CONTINUED

A. Investments

At June 30, 2024, the City had the following investments and maturities:

	Fair Value	Less than 1 year	1-5 years	Over 5 years	Level 1
Investments by fair value					
Money market	\$ 1,240,282		Not Applicable		1,240,282
Certificates of deposit	9,635,852	745,775	8,890,077	-	9,635,852
U.S. Treasury notes	3,976,879	510,000	3,466,879	-	3,976,879
Total investments	\$ 14,853,013	1,255,775	12,356,956	-	14,853,013

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the 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.

Investments have been reported as follows:

Reported in governmental funds	\$ 13,957,668
<u>Reported in fiduciary funds</u>	<u>895,345</u>
<u>Total investments</u>	<u>\$ 14,853,013</u>

Interest Rate Risk: The City has a policy that the maturity date of investments shall not fall beyond the time the City anticipates it will need the funds.

Credit Risk: Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The City's policy is only to invest in legally authorized investments under 30A MRSA section 5706.

Custodial Credit Risk - investments: Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, certificates of deposit and certain corporate stocks and bonds. The City does not have a formal policy related to credit risk.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

PROPERTY TAX

Property taxes for the current year were committed on July 28, 2023 on the assessed value listed as of the previous April 1 for all real and personal property located in the City. All real and personal property taxes were due in two installments, 50% on September 12, 2023, and 50% on March 12, 2024. Interest at the rate of 8% per annum was charged on any amounts remaining unpaid after these respective due dates. Assessed values are periodically established by the City's Assessor at 100% of estimated market value. The assessed value of \$993,507,888 was 100% of the estimated market value and 101.04% of the 2024 state valuation of \$983,200,000.

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$975,720 for the year ended June 30, 2024.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid. Property taxes levied during the year were recorded as receivables at the time the levy was made.

The following summarizes the 2024 and 2023 levy:

	<u>2024</u>	<u>2023</u>
Total assessed valuation	\$ 993,507,888	860,155,891
<u>Tax rate (per \$1,000)</u>	<u>20.10</u>	<u>21.90</u>
Commitment	19,969,508	18,837,414
<u>Supplemental taxes assessed</u>	<u>116,627</u>	<u>27,467</u>
	20,086,135	18,864,881
<u>Less - collections and abatements</u>	<u>(19,741,329)</u>	<u>(18,566,051)</u>
 <u>Receivable at end of year</u>	 <u>\$ 344,806</u>	 <u>298,830</u>
Consisting of:		
Real estate liens	293,684	266,229
<u>Real estate and personal property taxes</u>	<u>51,122</u>	<u>32,601</u>
 <u>Receivable at end of year</u>	 <u>\$ 344,806</u>	 <u>298,830</u>
 Collection rate	 98.28%	 98.42%

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance June 30, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2024</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	2,273,606	724,041	-	2,997,647
Artwork and historical treasures	109,300	-	-	109,300
Construction in progress	126,302	922,302	899,101	149,503
Total capital assets, not being depreciated	2,509,208	1,646,343	899,101	3,256,450
Capital assets, being depreciated:				
Buildings and improvements	21,228,036	1,097,343	282,560	22,042,819
Machinery and equipment	5,648,370	844,804	570,036	5,923,138
Vehicles	5,764,318	228,590	87,890	5,905,018
Infrastructure	41,366,225	1,266,156	59,415	42,572,966
Right-to-use subscription asset	-	22,772	-	22,772
Right-to-use lease asset	-	31,747	-	31,747
Total capital assets being depreciated	74,006,949	3,491,412	999,901	76,498,460
Less accumulated depreciation for:				
Buildings and improvements	7,773,380	425,366	74,846	8,123,900
Machinery and equipment	3,667,345	372,755	566,457	3,473,643
Vehicles	2,915,854	457,128	87,890	3,285,092
Infrastructure	27,241,551	761,256	59,415	27,943,392
Right-to-use subscription asset	-	3,163	-	3,163
Right-to-use lease asset	-	12,699	-	12,699
Total accumulated depreciation	41,598,130	2,032,367	788,608	42,841,889
Total capital assets being depreciated, net	32,408,819	1,459,045	211,293	33,656,571
Governmental activities capital assets, net	\$ 34,918,027	3,105,388	1,110,394	36,913,021

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

Governmental activities:	
Administration	\$ 42,160
Protection	490,264
Public works, including depreciation of general infrastructure assets	435,807
Unclassified	971,049
Education	93,087
Total depreciation expense – governmental activities	\$ 2,032,367

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

CAPITAL ASSETS, CONTINUED

	Balance June 30, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2024</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and land rights	\$ 2,946,609	-	-	2,946,609
Organizational costs	121,750	-	-	121,750
Construction in progress	234,286	234,967	27,142	442,111
Total capital assets, not being depreciated	3,302,645	234,967	27,142	3,510,470
Capital assets, being depreciated:				
Buildings and improvements	23,748,581	-	-	23,748,581
Machinery and equipment	11,305,784	178,435	-	11,484,219
Vehicles	1,405,769	46,091	-	1,451,860
Infrastructure	41,174,253	292,043	24,435	41,441,861
Total capital assets being depreciated	77,634,387	516,569	24,435	78,126,521
Less accumulated depreciation for:				
Buildings and improvements	12,529,639	463,408	-	12,993,047
Machinery and equipment	6,701,264	266,624	-	6,967,888
Vehicles	411,276	92,012	-	503,288
Infrastructure	12,616,544	661,712	24,435	13,253,821
Total accumulated depreciation	32,258,723	1,483,756	24,435	33,718,044
Total capital assets being depreciated, net	45,375,664	(967,187)	-	44,408,477
Business-type activities capital assets, net	\$ 48,678,309	(732,220)	27,142	47,918,947

Depreciation expense was charged to the business-type funds as follows:

Business-type activities:	
Water Fund	\$ 717,287
Sewer Fund	766,469
Total depreciation expense – business-type activities	\$ 1,483,756

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

INTERFUND LOAN BALANCES/TRANSFERS

During the course of normal operations, the City has numerous transactions between funds. The Water and Sewer funds regularly transfer amounts to the General Fund for administrative costs. Individual interfund receivable and payable balances and interfund transfers at June 30, 2024 arising from these transactions were as follows:

	Interfund loans <u>receivable</u>	Interfund loans <u>payable</u>	<u>Transfers</u>
Major funds:			
General Fund	\$ -	2,829,899	(822,819)
School Grants Fund	-	93,830	-
Other Capital Projects	2,127,603	-	323,022
Special revenues funds	2,129,452	5,004	618,916
Capital project funds	679,403	22,278	66,965
Permanent funds	-	80,362	-
Total governmental funds	4,936,458	3,031,373	186,084
Proprietary Funds:			
Water Fund	3,184,672	-	(98,523)
Sewer Fund	-	5,115,833	(87,561)
Total proprietary funds	3,184,672	5,115,833	(186,084)
Fiduciary Funds:			
Private-purpose trust funds	26,076	-	-
Grand total	\$ 8,147,206	8,147,206	-

LEASES RECEIVABLE

During 2023, the City entered into a leasing arrangement through which the City leased a parking lot to another entity. The first lease is for a twenty-one-year term, during which time, the City will receive annual payments of \$4,586. The City recognized \$3,228 in lease revenue during 2024. As of June 30, 2024, the City's receivable for lease payments was \$65,184. Also, the City has a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$64,554.

During 2024, the City entered into a leasing arrangement through which the City leased a parking lot to another entity. The second lease is for a five-year term, during which time, the City will receive annual payments of \$3,750. The City recognized \$279 in lease revenue during 2024. As of June 30, 2024, the City's receivable for lease payments was \$13,018. Also, the City has a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$16,489.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

CHANGES IN LONG-TERM LIABILITIES

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
Bonds and notes	\$ 14,586,964	1,360,000	1,752,134	14,194,830	2,008,062
Premium on bonds	790,290	-	63,200	727,090	63,200
Financed purchases	70,129	68,684	29,792	109,021	35,066
Compensated absences	879,376	-	31,268	848,108	-
Net pension liability	3,033,905	517,674	-	3,551,579	-
Landfill closure	1,009,711	13,264	-	1,022,975	-
OPEB liability	5,658,496	214,987	-	5,873,483	-
Leases payable	-	31,747	12,699	19,048	6,132
Subscription payable	-	22,772	7,897	14,875	7,256
Government activities long-term liabilities	26,028,871	2,229,128	1,896,990	26,361,009	2,119,716
Business-type activities:					
Bonds and notes	20,512,950	90,000	1,509,936	19,093,014	1,211,538
Premium on bonds	1,337,234	-	85,475	1,251,759	85,475
Net pension liability	550,228	113,060	-	663,288	-
OPEB liability	192,939	33,799	-	226,738	-
Business-type activities long-term liabilities	22,593,351	236,859	1,595,411	21,234,799	1,297,013
Governmental and Business-type activities long-term liabilities	\$ 48,622,222	2,465,987	3,492,401	47,595,808	3,416,729

As of June 30, 2024, the City had the following authorized, but unissued long term-debt:

\$1,000,000 in general obligation bonds were authorized on March 22, 2023 to fund the local share of improvements to the Oak Grove sewer subsystem that will be partially funded with \$1,103,000 in U.S. EPA Community Grant Program funds. The State will be forgiving up to \$379,936 of the loan principal.

\$3,301,000 in Drinking Water State Revolving Funds were authorized on May 9, 2023 to fund the purchase of a vacuum excavation truck for the Water Department and replacement of water main lines along Wilson Street and in the Robinhood neighborhood. The State will be forgiving up to \$1,292,050 of the loan principal.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

LONG-TERM DEBT

Debt issue	Year of issue	Amount issued	Maturity date	Interest rate	Governmental activities	Business-type activities	Balance June 30, 2024
FR MMBB - Sewer	2004	1,000,000	10/01/24	1.44%	-	50,000	50,000
Series E MMBB - City	2004	363,000	11/01/24	1.01 - 9.00%	18,150	-	18,150
Series E MMBB - City	2004	1,530,000	11/01/24	0.82 - 9.00%	62,900	-	62,900
Series C MMBB - City	2005	690,000	11/01/25	2.95 - 9.00%	64,000	-	64,000
Series C MMBB - Water	2005	725,000	11/01/25	3.05 - 9.00%	-	72,500	72,500
Series A MMBB - City	2006	1,070,000	11/01/26	2.00 - 5.50%	94,050	-	94,050
SR MMBB - City / Sewer	2006	448,000	04/01/26	1.77%	18,798	26,002	44,800
Series C MMBB - City	2007	1,735,000	11/01/26	2.30 - 6.00%	67,650	-	67,650
Series B MMBB - City	2008	600,000	11/01/27	2.00 - 5.50%	73,000	-	73,000
Series F MMBB	2009	593,395	04/01/29	0.00%	-	148,349	148,349
Series B MMBB - City	2009	1,442,000	11/01/29	2.08 - 5.58%	129,200	-	129,200
ARRA MMBB - Sewer	2010	750,877	10/01/29	0.00%	-	93,747	93,747
MMBB - Water	2010	735,000	04/01/30	1.00%	-	220,500	220,500
Series C MMBB - City/Water	2011	2,168,000	11/01/31	2.12 - 5.62%	566,400	68,000	634,400
GOB USDA - Sewer	2013	485,000	08/28/41	2.75%	-	344,008	344,008
GOB USDA - Sewer	2013	800,000	08/28/41	2.75%	-	567,444	567,444
Series A MMBB - City/Sewer	2013	1,225,000	11/01/33	0.60 - 3.70%	117,000	-	117,000
GOB - SRF	2014	1,100,000	10/01/33	1.35%	-	506,750	506,750
Series A MMBB	2014	990,000	11/01/34	0.41 - 4.02%	170,500	-	170,500
FR MMBB	2015	1,695,000	05/01/34	0.21%	-	836,000	836,000
Series A MMBB	2015	1,615,000	11/01/35	0.21%	432,634	-	432,634
Series A MMBB	2016	1,055,000	11/01/36	0.91-3.50%	335,031	87,750	422,781
Series C MMBB	2017	2,125,000	11/01/36	1.16-3.49%	743,925	-	743,925
Series A MMBB	2018	3,223,000	11/01/32	1.92-3.62%	1,494,950	-	1,494,950
Series B MMBB	2019	1,431,500	11/01/29	1.610-1.930%	767,142	-	767,142
GOB – RD	2020	1,500,000	02/05/50	1.75%	-	1,377,415	1,377,415
FR MMBB	2020	2,582,622	01/01/41	1.00%	-	2,286,722	2,286,722
Series A MMBB	2021	1,550,000	11/01/34	0.75%	659,500	350,000	1,009,500
Refunding GOB - City	2022	5,375,000	06/30/37	2.50-500%	4,530,000	-	4,530,000
Refunding GOB - Sewer	2022	1,805,000	06/30/38	3.00-5.00%	-	1,595,000	1,595,000
Refunding GOB - Water	2022	7,140,000	06/30/42	3.00-5.00%	-	6,410,000	6,410,000
GOB USDA Sewer	2022	4,200,000	12/16/49	1.75%	-	3,962,827	3,962,827
GOB CIP	2023	2,490,000	11/01/43	6.00%	2,490,000	-	2,490,000
GOB CIP	2024	1,450,000	11/01/33	3.45-3.82%	1,360,000	90,000	1,450,000
Total					\$14,194,830	19,093,014	33,287,844

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

LONG-TERM DEBT, CONTINUED

All governmental activities long-term debt service requirements are paid by the General Fund. Business-type debt is paid by the proprietary enterprise funds. The annual requirements to amortize all debt outstanding as of June 30, 2024 are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	2,008,062	419,399	1,211,538	494,971
2026	1,765,642	375,091	1,185,689	468,768
2027	1,624,930	328,594	1,160,484	438,417
2028	1,417,958	284,976	1,181,861	409,143
2029	1,321,106	240,679	1,202,906	373,644
2030-2034	4,583,808	652,809	5,953,130	1,331,702
2035-2039	1,298,324	128,393	3,823,667	597,030
2040-2044	175,000	19,931	1,919,906	237,772
2045-2049	-	-	1,201,352	85,963
2050	-	-	252,481	4,419
Totals	\$14,194,830	2,449,872	19,093,014	4,441,829

OVERLAPPING DEBT AND OTHER CONTINGENCIES

The City's proportionate share of debt of all local government units which provide services within the City's boundaries, and which must be borne by properties in the City is summarized as follows:

<u>Governmental Unit</u>	<u>Net debt outstanding</u>	<u>Applicable to City</u>	<u>City's share of debt</u>
Brewer High School District Trustees*	\$ 19,060,996	100%	19,060,996
Penobscot County	6,222,071	6.01%	373,928

*The High School District Trustees submit debt service bills, which are paid by the City. Approximately \$9,286,818 of the Brewer High School District Trustee debt is being paid for by the State.

STATUTORY DEBT LIMIT

The laws of the State of Maine limit types of municipal borrowing to specific percentages of the State valuation of the municipality. At June 30, 2024, the City was in compliance with these restrictions.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

FINANCED PURCHASES

The City has entered into various agreements as financed purchase agreements for financing the acquisition of copiers and two trucks. The copiers are not recorded as capital assets in the government-wide financial statements as they are individually below the City's capitalization threshold. The financed purchases have been recorded as a liability in the government-wide financial statements at the present value of the future minimum lease payments. Financed purchases are secured by the underlying assets in the agreements.

The following is a schedule of the future minimum payments under financed purchase, and the present value of net minimum payments at June 30, 2024.

Fiscal year <u>Ending</u>	Governmental <u>activities</u>
2025	\$ 36,466
2026	36,466
2027	15,410
2028	15,410
2029	15,410
Total minimum payments	119,162
<u>Less: amount representing interest</u>	<u>(10,141)</u>
 <u>Present value of future minimum payments</u>	 <u>\$109,021</u>

SUBSCRIPTIONS

On January 19, 2024, the City entered into a \$22,772 subscription agreement for a code permitting software expiring in January 2027. As of June 30, 2024, the value of the subscription payable was \$14,875. The annual payment over the term of the subscription is \$8,000. The subscription agreement has an interest rate of 5.0% derived from the City's estimated incremental borrowing rate for this agreement. The value of the right-to-use asset at the end of the current fiscal year was \$22,772 and had accumulated amortization of \$3,163.

The future principal and interest payments as of June 30, 2024 were as follows:

	Subscription Payable		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 7,256	744	8,000
2026	7,619	381	8,000
Totals	\$ 14,875	\$ 1,125	\$ 16,000

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

LEASES PAYABLE

During the fiscal year 2023, the City entered into a five-year lease agreement as lessee for the acquisition and use of tasers. As of June 30, 2024, the value of the lease liability was \$19,048. The City is required to make annual principal and interest payments of \$6,799. The lease has an interest rate of 3.5% derived from the City's estimated incremental borrowing rate. The value of the right-to-use asset as of the end of the current fiscal year was \$46,428 and had \$23,214 accumulated amortization as of June 30, 2024.

The future principal and interest lease payments as of June 30, 2024 were as follows:

	Lease Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 6,132	667	6,799
2026	6,347	452	6,799
2027	6,569	230	6,799
Totals	\$ 19,048	\$ 1,349	\$ 20,397

NET PENSION LIABILITY

Plan Description - Employees of the City are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan) and teaching-certified employees of the City are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), cost-sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employees Retirement System (MainePERS). Benefit terms are established in Maine statute. MainePERS issues a publicly available financial report that can be obtained at www.mainebers.org.

Benefits Provided - The PLD and SET Plans provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). For SET members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD Plan) or by statute (SET Plan).

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

NET PENSION LIABILITY, CONTINUED

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

PLD Plan - For the year ended June 30, 2024, the City was required to contribute 10.2% of employee's annual pay for the regular plan, 11.6% for the special 2C plan, and 12.8% for the special 3C plan. The employee's contractually required contribution rate for the regular plan was 6.95% to 7.7% of their annual pay, 8.4% for the 2C plan and 9.3% for the special 3C plan. Contributions to the pension plan from the City were \$1,049,075 for the year ended June 30, 2024.

SET Plan - Maine statute requires the State to contribute a portion of the City's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The School Department's contractually required contribution rate for the year ended June 30, 2024 was 18.98% of annual payroll of which 4.47% of payroll was required from the School Department and 14.51% was required from the State. Contributions to the pension plan from the City were \$558,654 for the year ended June 30, 2024.

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

The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The City's proportion of the net pension liabilities were based on projections of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

PLD Plan - At June 30, 2024, the City reported a liability of \$3,011,432 for governmental activities and \$663,288 for business-type activities for its proportionate share of the net pension liability. At June 30, 2023, the City's proportion of the PLD Plan was 1.1516%.

SET Plan - At June 30, 2024, the City reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ 540,147
State's proportionate share of the net pension liability associated with the City	<u>11,726,131</u>
Total	<u>\$ 12,266,278</u>

At June 30, 2023, the City's proportion of the SET Plan was 0.0356%.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

NET PENSION LIABILITY, CONTINUED

For the year ended June 30, 2024, the City recognized pension expense of \$859,717 for governmental activities and \$189,358 for business-type activities for the PLD Plan and also recognized a pension expense of \$2,378,574 and revenue of \$1,813,439 for support provided by the State for the SET Plan. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 603,331	-	123,140	-
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	561,135	-	112,556
Changes in proportion and differences between City contributions and proportionate share of contributions	-	57,697	-	25,911
City contributions subsequent to the measurement date	1,418,371	-	189,358	-
Total	\$ 2,021,702	618,832	312,498	138,467

An amount of \$1,418,371 for governmental activities and \$189,358 for business-type activities is reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2025	\$ (122,276)	(23,791)
2026	(539,068)	(110,931)
2027	619,552	114,162
2028	26,291	5,233

Actuarial Assumptions - The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75-11.48%	2.80-13.03%
Investment return, per annum, compounded annually	6.50%	6.50%
Cost of living benefit increases, per annum	1.91%	2.20%

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

NET PENSION LIABILITY, CONTINUED

Mortality rates were based on the 2010 Public Plan General (PLD) and Teacher (SET) Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
US Government	10.0%	2.6%
Private equity	12.5%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	5.0%	3.2%
Alternative credit	10.0%	7.4%
Diversifiers	7.5%	5.0%

Discount Rate - The discount rate used to measure the total pension liability was 6.50% for the PLD Plan and the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make 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 liabilities.

Sensitivity of the City's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.50% for the PLD Plan and the SET Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50% for PLD Plan and for the SET Plan) or 1 percentage-point higher (7.50% for PLD Plan and for SET Plan) than the current rate:

<u>PLD Plan</u>	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
City's proportionate share of the net pension liability	\$ 10,068,995	3,674,720	(1,600,040)

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

NET PENSION LIABILITY, CONTINUED

<u>SET Plan</u>	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
City's proportionate share of the net pension liability	\$ 1,062,056	540,147	105,687

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MainePERS financial report.

Payables to the Pension Plan - None as of June 30, 2024.

RETIREMENT PLANS

The City of Brewer offers all its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, were removed from the City's financial statements.

The City has an Internal Revenue Code section 401 defined contribution plan, administered by an independent plan administrator. This plan provides retirement benefits to the City Manager as well as other members of the City's management. Enrolled employees, other than the City Manager and Assistant City Manager, contribute at least 8.0% of their wages. The employer contribution rate for 2024 was 29% for the City Manager, 16.1% for the Assistant City Manager, 13.1% for the City Engineer and 10.1% for all other eligible employees. All eligible employees are vested at enrollment. The total cost to the City for the fiscal year ended was \$111,695.

RISK MANAGEMENT

The City is exposed to various risks of loss-related torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the City carries commercial insurance. The City participates in several public entity and self-insured risk pools sponsored by the Maine Municipal Association and Maine School Management Association for workers' compensation and property and casualty. Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, the City is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2024.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – MAINE MUNICIPAL EMPLOYEE HEALTH TRUST

General Information about the OPEB Plan

Plan Description - The City sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The City Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – MAINE MUNICIPAL EMPLOYEE HEALTH TRUST, CONTINUED

Benefits Provided - MMEHT provides healthcare benefits for retirees and their dependents. City employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. All eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage except certain public safety employees who may be eligible to share their premium costs with the State. For those City employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

Employees Covered by Benefit Terms - At January 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employee entitled to but not yet receiving benefits	-
Active employees	87
<u>Total</u>	<u>90</u>

Total OPEB Liability

The City's total OPEB liability of \$1,223,627 was measured as of January 1, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the January 1, 2024 measurement for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.38% per year
Salary increases	2.75% per year
Discount rate	3.26%
Healthcare cost trend rates	7.72% Non-Medicare and 10.77% Medicare, decreasing to 3.81% by 2044
Retirees' share of the benefit related costs	100% of projected health insurance premiums

Discount Rate - The rate used to measure the total OPEB liability for the Health Plan was 3.26% per annum. The discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, for males and females.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – MAINE MUNICIPAL EMPLOYEE HEALTH TRUST, CONTINUED

The actuarial assumptions used in the January 1, 2024 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2015 through June 30, 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 1,008,567
Changes for the year:	
Service cost	44,847
Interest	38,846
Changes in benefit terms	-
Difference between expected and actual	(93,707)
Changes in assumptions or other inputs	243,563
Benefit payments	(18,489)
Net changes	215,060
Balance at June 30, 2024	\$ 1,223,627

At June 30, 2024, the City reported a liability of \$996,889 for governmental activities and \$226,738 for business-type activities for its proportionate share of the OPEB liability.

Change in assumptions reflects a change in the discount rate from 3.72% to 3.26%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the City’s total OPEB liability calculated using the discount rate of 3.26%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.26%) or 1 percentage-point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB liability	\$ 1,429,729	1,223,627	1,055,367

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the City’s total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 1,036,383	1,223,627	1,461,541

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of \$4,782. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – MAINE MUNICIPAL EMPLOYEE HEALTH TRUST, CONTINUED

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	347,029	-	78,930
Changes of assumptions	182,162	-	41,432	-
City contributions subsequent to the measurement date	11,490	-	2,613	-
Total	\$ 193,652	347,029	44,045	78,930

\$14,103 is reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2025	\$ (45,263)	(10,295)
2026	(57,663)	(13,115)
2027	(42,110)	(9,578)
2028	(7,084)	(1,611)
2029	(14,357)	(3,265)
Thereafter	\$ 1,610	366

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – MAINE EDUCATION ASSOCIATION BENEFITS TRUST

General Information about the OPEB Plan

Plan Description - The City sponsors a post-retirement benefit plan providing health insurance to retiring school employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (MEABT). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided - MEABT provides healthcare insurance benefits for school retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 55% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – MAINE EDUCATION ASSOCIATION BENEFITS TRUST, CONTINUED

The retiree pays 45% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

Employees Covered by Benefit Terms – At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	119
Inactive employee entitled to but not yet receiving benefits	-
<u>Active employees</u>	<u>198</u>
<u>Total</u>	<u>317</u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City's total OPEB liability of \$4,646,469 was measured as of June 30, 2023, and was determined by an actuarial valuation roll forward.

Changes in the Total OPEB Liability

Balance at June 30, 2023	\$ 4,594,977
Changes for the year:	
Service cost	57,160
Interest	162,922
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(68,058)
Benefit payments	(100,532)
<u>Net changes</u>	<u>51,492</u>
<u>Balance at June 30, 2024</u>	<u>\$ 4,646,469</u>

Change in assumptions reflects a change in the discount rate from 3.54% to 3.65%.

For the year ended June 30, 2024, The City recognized OPEB expense of \$138,335. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ -	806,776
Changes of assumption	86,035	-
City contributions subsequent to measurement date	130,378	-
<u>Total</u>	<u>\$ 216,413</u>	<u>806,776</u>

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – MAINE EDUCATION ASSOCIATION BENEFITS TRUST, CONTINUED

\$130,378 is reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	\$ (129,391)
2026	(129,387)
2027	(221,759)
2028	(228,861)
2029	(11,343)

Actuarial Assumptions - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary increases	2.75% per year
Discount rate	3.65% per annum
Healthcare cost trend rates - Pre-Medicare	7.77% for 2024 grading to 4.00% through 2043
Healthcare cost trend rates - Medicare	5.62% for 2024 grading to 4.29% through 2043
Retirees' share of the benefit related costs	45% of the blended premium rate with a State subsidy for the remaining 55% of the blended premium rate

Mortality rates were based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2015 through June 30, 2020.

Discount Rate - The rate used to measure the total OPEB liability was 3.65% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the City's total OPEB liability calculated using the discount rate of 3.65%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.65%) or 1 percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 5,322,080	4,646,469	4,088,661

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – MAINE EDUCATION ASSOCIATION BENEFITS TRUST, CONTINUED

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the City's total OPEB liability calculated using the healthcare cost trend rates, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$4,025,661	4,646,469	5,406,898

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

General Information about the OPEB Plans

Plan Description - The City sponsors two post-retirement benefit plans providing group term life insurance to retiring employees. For municipal employees and certain School Department employees the City participates in Group Life Insurance Plan for Participating Local District (PLD). Teachers also participate in the Group Term Life Insurance Plan for State Employees and Teachers (SET). Both plans are a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for each plan. MPERS issues a publicly available financial reports that are available at www.maineopers.org.

Benefits Provided - Under both the PLD and SET OPEB plans, MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions - Premium rates for both the PLD and SET OPEB plans are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims.

PLD OPEB Plan - Premiums total \$0.48 per \$1,000 of coverage per month during the postemployment retirement period. Contributions to the PLD OPEB plan from the City were \$3,753 for the year ended June 30, 2024.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the City were \$55,053 for the year ended June 30, 2024. Employers and employees are not required to contribute to the SET OPEB plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability for both the PLD and SET OPEB plans was measured as of June 30, 2023, and the net OPEB liabilities used to calculate the net OPEB liabilities was determined by actuarial valuations as of that date.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

The City's proportion of the net OPEB liabilities were based on a projection of the City's long-term share of contributions to the PLD and SET OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan - At June 30, 2024, the City reported a liability of \$230,125 for its proportionate share of the net OPEB liability. At June 30, 2023, the City's proportion was 1.6866%.

SET OPEB Plan - At June 30, 2024, the City reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the City was \$401,422 as of June 30, 2024. At June 30, 2023, the City's proportion was 0.00%.

For the year ended June 30, 2024, the City recognized OPEB gain of \$2,304 for the PLD OPEB Plan. For the year ended June 30, 2024, the City recognized OPEB expense of \$55,053 and also revenues of \$55,053 for support provided by the State related to the SET OPEB plan. At June 30, 2024, the City reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,286	-
Changes of assumptions	-	39,604
Net difference between projected and actual earnings on OPEB plan investments	7,407	-
Changes in proportion and differences between City contributions and proportionate share of contributions	11,725	-
City contributions subsequent to the measurement date	3,753	-
Total	\$ 25,171	39,604

An amount of \$3,753 is reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	(17,114)
2026	(22,876)
2027	17,105
2028	2,212
2029	2,487

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

Actuarial Assumptions - The net OPEB liability in the June 30, 2023 actuarial valuations were determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>PLD OPEB Plan</u>	<u>SET OPEB Plan</u>
Inflation	2.75%	2.75%
Salary increases	2.75% - 11.48%	2.80 - 13.03%
Investment rate of return	6.50%	6.50%

Mortality rates for each plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

The actuarial assumptions used in the June 30, 2023 valuations were based on the results of an actuarial experience study conducted for the period July 1, 2015 to June 30, 2020.

The long-term expected rate of return on both PLD and SET OPEB plan investments was determined using a building-block method which best estimates ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce 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>Long-term Expected Real Rate of Return</u>
Public equities	6.0%
Real estate	5.2%
Traditional credit	3.2%
US government securities	2.3%

Discount Rate - The discount rate used to measure the collective total OPEB liability was 6.50% for 2023 for the Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 6.50%, as well as what the City's proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability	\$319,181	230,125	158,539

Sensitivity of the City's proportionate share of the net SET OPEB plan liability to the changes in the discount rate are not presented as the City does not have any liability related to this plan given that the SET OPEB plan is 100% funded by contributions from the State of Maine.

OPEB Plan Fiduciary Net Position - Detailed information about both the PLD and SET OPEB plan's fiduciary net positions are available in a separately issued MPERS financial report.

FUND BALANCE

As of June 30, 2024, fund balance components consisted of the following:

	<u>General Fund</u>	<u>School Grants Fund</u>	<u>Other Capital Projects</u>	<u>Other Govt. Funds</u>
Nonspendable:				
Inventory	\$ -	-	-	42,570
Principal for permanent funds	-	-	-	718,077
Prepaid items	309,650	-	-	-
Total nonspendable	309,650	-	-	760,647
Restricted:				
Finance and administration	-	-	-	521,126
Community services	-	-	-	72,036
Public safety	-	-	-	66,840
Public works	-	-	-	21,190
Education	1,338,587	102,935	-	557,231
Capital projects	-	-	672,509	79,403
Permanent funds	-	-	-	106,255
Total restricted	1,338,587	102,935	672,509	1,424,081
Committed:				
Finance and administration	-	-	-	262,826
Community services	-	-	-	9,524
Public safety	-	-	-	67,637
Education	-	-	-	291,427
Capital projects	-	-	3,726,150	600,000
Total committed	-	-	3,726,150	1,231,414

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

FUND BALANCE, CONTINUED

	General Fund
Assigned:	
Reappropriated to 2024 budget	\$ 545,000
Accrued compensated absences	659,730
Assessor – office supplies	800
Legal – assessing	15,353
Technology – network services	2,660
Police admin – publications and dues	1,400
Service agency – transit operating exp	43,070
Public works – bldg. maintenance and repair	104,000
Public works – contracted svcs – tree removal	20,000
Library – books	50
<u>Transfer to other funds – Heddericg Bathrooms</u>	<u>250,000</u>
Total assigned	\$ 1,642,063

LANDFILL CLOSURE AND POSTCLOSURE COSTS

The City operates a Phase II landfill under a Maine Department of Environmental Protection (“DEP”) construction and demolition debris (CDD) landfill license, dated February 24, 1994. The CDD landfill is licensed under 06-096 CMR Chapter 400 (General Provisions) and 401 (Landfill Siting, Design and Operation), Section 7 (Special Requirements for Licensing Construction/Demolition Debris, Land Clearing Debris, and Wood Waste Landfills). No wastes other than construction and demolition debris are handled by the landfill. State and Federal laws and regulations require the City to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for ten years after closure.

Although closure and postclosure care costs will be paid only near or after the dates that the landfill stops accepting waste, the City began recognizing a liability for these closure costs in 2018.

On June 18, 2021, the City received a life cycle cost estimate of its landfill from its engineering firm. The report estimated the present value of the landfill closure construction, assuming it occurs during 2032, at \$1,200,000 and annual post-closure monitoring cost at \$21,000. Actual cost to close the landfill may be higher due to inflation, changes in technology, or changes in regulations. The City’s rate of use of the landfill will affect the exact timing of the closure.

A volume control survey completed by the City’s engineering firm on March 13, 2024, estimated the remaining landfill capacity at 22,900 cubic yards. Assuming the City continues to fill at its average rate of 2,500 cubic yards per year, the landfill is expected to provide capacity until 2032.

The City retains an engineering firm to update landfill usage and volume estimates at least every two years and its life cycle cost estimate every five years.

As of June 30, 2024, the City had \$179,643 set aside in a landfill closure account and another \$391,110 set aside in a reserve dedicated to solid waste related costs. At the time of closure, the City anticipates financing costs with a combination of reserves, state grants, bonding and/or property taxes, if needed.

CITY OF BREWER, MAINE
Notes to Basic Financial Statements

LANDFILL CLOSURE AND POSTCLOSURE COSTS, CONTINUED

	2024
Total estimated future landfill closure and postclosure care costs	\$ 1,212,487
Estimated capacity used	84.37%
Estimated gross landfill closure and postclosure care costs – end of year	1,022,975
Amounts actually expended	-
<u>Estimated liability for landfill closure and postclosure care costs - end of year</u>	<u>\$ 1,022,975</u>

TAX INCREMENT FINANCING DISTRICTS

In 2024, the City had three tax increment financing (TIF) districts and one affordable housing development district established in accordance with MRSA Title 30-A, Chapter 206.

Tax increment financing is an economic development tool that permits a municipality to use some or all of the new property taxes from a capital investment within a designated geographic district to support local economic development objectives. Similarly, affordable housing development districts allow a municipality to use some of the new “incremental” taxes generated by a development to facilitate the creation of affordable housing within the district. The designation of TIF and affordable housing districts require proper notice, a local public hearing, the majority vote of the municipal legislative body, and state approval.

In addition to fostering local economic development and affordable housing goals, the establishment of TIF and affordable housing districts benefits the residents and taxpayers of Brewer by sheltering (removing) the increased property valuation in the districts from the state computation of taxable value. This lowers Brewer’s state valuation, which in turn results in higher General Purpose Aid to Education and Municipal Revenue Sharing subsidies to Brewer from the state and a lower tax bill from Penobscot County.

In 2024, the City captured \$ \$1,367,976 in TIF and affordable housing property tax revenue and disbursed \$133,165 in payments to the two developers below:

- \$48,583 to Somerset Place Housing Associates to help fund the operating costs and maintain affordable rents for this 28 unit residential building for the elderly. 2024 was the ninth of 15 scheduled years of payments.
- \$84,582 to Village Centre Housing Partners, LP to help fund the operating costs and maintain affordable rents for this 48 unit apartment building for families. 2024 was the eighth of 15 scheduled years of payments to this organization

SUBSEQUENT EVENTS

On July 12, 2024, the City entered into a five-year subscription agreement with Motorola Solutions for the acquisition and use of police department body cameras. The five-year term began on September 10, 2024. The total payment value of this agreement is estimated to be \$169,760.

On August 13, 2024, the City Council authorized the issuance of \$1,944,000 in general obligation bonds to fund the City’s FY25 Capital Improvement Program.

On August 15, 2024, the City liquidated \$500,000 of the \$3,301,000 DWSRF authorization when it closed on a loan for a vacuum excavation truck with an aggregate principal amount of \$497,238, of which \$273,481 is being forgiven, resulting in a net bond issuance of \$223,757.

On August 21, 2024, the City entered into an agreement with John Deere to purchase a John Deere 620G Motor Grader for \$342,150.

CITY OF BREWER, MAINE
Required Supplementary Information

Schedule of City's Proportionate Share of the Net Pension Liability (Asset)
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PLD Plan										
City's proportion of the net pension liability / asset	1.1516%	1.2140%	1.2458%	1.2894%	1.3312%	1.3161%	1.2650%	1.2410%	1.2868%	1.3019%
City's proportionate share of the net pension liability (asset)	\$ 3,674,720	3,227,145	(400,347)	5,123,050	4,068,889	3,601,774	5,179,257	6,593,718	4,105,528	2,003,402
City's covered payroll	9,547,154	8,586,847	7,945,198	7,867,423	7,363,174	7,349,329	6,918,825	6,542,992	6,608,210	6,506,419
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	38.49%	37.58%	-5.04%	65.12%	55.26%	49.01%	74.86%	100.78%	62.13%	30.79%
Plan fiduciary net position as a percentage of the total pension liability / asset	92.34%	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%
SET Plan										
City's proportion of the net pension liability	0.0356%	0.0240%	0.0314%	0.0154%	0.0212%	0.0198%	0.0152%	0.0096%	0.0139%	0.0163%
City's proportionate share of the net pension liability	540,147	356,988	265,708	251,530	310,473	266,785	221,047	170,412	187,491	175,726
State's proportionate share of the net pension liability associated with the City	11,726,131	11,499,242	6,592,477	12,842,671	11,152,874	10,059,509	10,762,537	13,744,363	10,479,395	8,548,683
Total	\$ 12,266,278	11,856,230	6,858,185	13,094,201	11,463,347	10,326,294	10,983,584	13,914,775	10,666,886	8,724,409
City's covered payroll	\$ 12,029,718	11,348,116	10,986,376	10,398,148	9,988,793	9,408,162	8,951,795	9,246,065	9,049,956	9,048,695
City's proportionate share of the net pension liability as a percentage of its covered payroll	4.49%	3.15%	2.42%	2.42%	3.11%	2.84%	2.47%	1.84%	2.07%	1.94%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	85.79%	90.90%	81.03%	82.73%	82.90%	0.00%	76.21%	81.18%	83.91%

* The amounts presented for each fiscal year were determined as of the prior fiscal year.

CITY OF BREWER, MAINE
Required Supplementary Information, Continued

Schedule of City Contributions – Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PLD Plan										
Contractually required contribution	\$ 1,049,076	1,044,364	955,355	852,312	832,731	736,463	730,581	648,372	666,183	526,003
Contributions in relation to the contractually required contribution	<u>(1,049,076)</u>	<u>(1,044,364)</u>	<u>(955,355)</u>	<u>(852,312)</u>	<u>(832,731)</u>	<u>(736,463)</u>	<u>(730,581)</u>	<u>(648,372)</u>	<u>(666,183)</u>	<u>(526,003)</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	9,503,300	9,547,154	8,586,847	7,945,198	7,867,423	7,363,174	7,349,329	6,918,825	6,542,992	6,608,210
Contributions as a percentage of covered payroll	11.04%	10.94%	11.13%	10.73%	10.58%	10.00%	9.94%	9.37%	10.18%	7.96%
SET Plan										
Contractually required contribution	\$ 558,654	461,426	435,769	457,034	432,717	396,555	373,596	300,795	310,832	239,824
Contributions in relation to the contractually required contribution	<u>(558,654)</u>	<u>(461,426)</u>	<u>(435,769)</u>	<u>(457,034)</u>	<u>(432,717)</u>	<u>(396,555)</u>	<u>(373,596)</u>	<u>(300,795)</u>	<u>(310,832)</u>	<u>(239,824)</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	\$ 12,497,855	12,029,718	11,348,116	10,986,376	10,398,148	9,988,793	9,408,162	8,951,795	9,246,065	9,049,956
Contributions as a percentage of covered payroll	4.47%	3.84%	3.84%	4.16%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%

CITY OF BREWER, MAINE
Required Supplementary Information, Continued

Schedule of Changes in the City's Total Health Plan - MMEHT OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 44,847	54,196	58,194	50,399	42,058	48,142	38,975
Interest	38,846	22,974	26,236	30,136	56,737	50,671	48,442
Changes of benefit terms	-	-	-	-	(21,392)	-	-
Differences between expected and actual experience	(93,707)	-	(203,644)	-	(548,452)	-	(9,886)
Changes of assumptions or other inputs	243,563	(123,281)	18,465	71,402	204,503	(152,682)	131,595
Benefit payments	(18,489)	(12,643)	(22,460)	(21,595)	(29,798)	(28,652)	(25,054)
Net change in total OPEB Liability	215,060	(58,754)	(123,209)	130,342	(296,344)	(82,521)	184,072
Total OPEB liability - beginning	1,008,567	1,067,321	1,190,530	1,060,188	1,356,532	1,439,053	1,254,981
Total OPEB liability - ending	\$ 1,223,627	1,008,567	1,067,321	1,190,530	1,060,188	1,356,532	1,439,053
Covered-employee payroll	\$ 5,554,976	4,867,798	4,867,798	4,489,969	4,489,969	4,328,349	4,328,349
Total OPEB liability as a percent of covered-employee payroll	22.03%	20.72%	21.93%	26.52%	23.61%	31.34%	33.25%

*Only seven years of information available.

CITY OF BREWER, MAINE
Required Supplementary Information, Continued

Schedule of Changes in the City's Total Health Plan - MEABT OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability						
Service cost	\$ 57,160	72,051	71,868	27,171	22,635	24,452
Interest	162,922	126,064	126,628	194,197	201,499	192,236
Changes of benefit terms	-	-	-	(475,459)	-	-
Differences between expected and actual experience	-	(1,114,250)	-	(191,830)	-	-
Changes of assumptions or other inputs	(68,058)	(190,863)	42,628	746,030	282,037	(223,531)
Benefit payments	(100,532)	(123,866)	(145,561)	(180,741)	(157,162)	(151,730)
Net change in total OPEB Liability	<u>51,492</u>	<u>(1,230,864)</u>	<u>95,563</u>	<u>119,368</u>	<u>349,009</u>	<u>(158,573)</u>
Total OPEB liability - beginning	<u>4,594,977</u>	<u>5,825,841</u>	<u>5,730,278</u>	<u>5,610,910</u>	<u>5,261,901</u>	<u>5,420,474</u>
Total OPEB liability - ending	\$ <u>4,646,469</u>	<u>4,594,977</u>	<u>5,825,841</u>	<u>5,730,278</u>	<u>5,610,910</u>	<u>5,261,901</u>
Covered-employee payroll	\$ 11,006,365	10,737,917	10,981,818	10,713,968	8,700,243	8,467,390
Total OPEB liability as a percent of covered-employee payroll	42.22%	42.79%	53.05%	53.48%	64.49%	62.14%

*Only six years of information available.

CITY OF BREWER, MAINE
Required Supplementary Information, Continued

Schedule of City's Proportionate Share of the Net OPEB Liability
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
Last 10 Fiscal Years**

		<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
PLD Plan								
City's proportion of the net OPEB liability	\$	1.6866%	1.7116%	1.5713%	1.5536%	1.7423%	1.5861%	1.5600%
City's proportionate share of the net OPEB liability		230,125	247,891	162,224	204,951	351,970	320,403	260,854
City's covered payroll		9,547,154	8,586,847	7,945,198	7,867,423	7,363,174	7,349,329	6,918,825
City's proportionate share of the net OPEB liability as a percentage of its covered payroll		2.41%	2.89%	2.04%	2.61%	4.78%	4.36%	3.77%
Plan fiduciary net position as a percentage of the total OPEB liability		59.71%	55.88%	67.26%	55.40%	43.18%	43.92%	47.42%
SET Plan								
City's proportion of the net OPEB liability		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
City's proportionate share of the net OPEB liability		-	-	-	-	-	-	-
State's proportionate share of the net OPEB liability associated with the City		401,422	436,120	223,977	440,559	407,543	401,725	370,250
Total	\$	<u>401,422</u>	<u>436,120</u>	<u>223,977</u>	<u>440,559</u>	<u>407,543</u>	<u>401,725</u>	<u>370,250</u>
Plan fiduciary net position as a percentage of the total pension liability		56.97%	52.39%	62.90%	49.51%	49.22%	48.04%	47.29%

* The amounts presented for each fiscal year were determined as of the prior fiscal year.

**Only seven years of information available.

CITY OF BREWER, MAINE
Required Supplementary Information, Continued

Schedule of City OPEB Contributions
Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
PLD Plan							
Contractually required contribution	\$ 3,753	3,928	4,183	2,794	2,432	2,719	2,790
Contributions in relation to the contractually required contribution	<u>(3,753)</u>	<u>(3,928)</u>	<u>(4,183)</u>	<u>(2,794)</u>	<u>(2,432)</u>	<u>(2,719)</u>	<u>(2,790)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered-employee payroll	\$ 9,503,300	9,547,154	8,586,847	7,945,198	7,867,423	7,363,174	7,349,329
Contributions as a percentage of covered-employee payroll	0.04%	0.04%	0.05%	0.04%	0.03%	0.04%	0.04%

* Only seven years of information available.

CITY OF BREWER, MAINE
Notes to Required Supplementary Information

Net Pension Liability

Changes of Benefit Terms - None

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2022</u>	<u>2021</u>	<u>2019</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate - PLD	6.50%	6.75%	6.75%	6.875%	6.875%	7.125%	7.25%
Discount rate - SET	6.50%	6.75%	6.75%	6.875%	7.125%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases - PLD	2.75-11.48%	2.75 + merit	2.75-9.00%	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.80-13.03%	2.75 + merit	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%	3.50-13.50%
Cost of living increases - PLD	1.91%	1.91%	1.91%	2.20%	2.20%	2.55%	3.12%
Cost of living increases - SET	2.20%	2.20%	2.20%	2.20%	2.55%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. Between 2016 and 2021, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table. Starting 2022, Mortality rates were based on the 2010 Public Plan General Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

Net OPEB Liability

Changes of Benefit Terms - None

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate - SET	6.50%	6.75%	6.75%	6.75%	6.875%
Discount rate - PLD	6.50%	6.75%	4.98%	5.13%	5.41%

Mortality rates:

In 2018, for active members and non-disabled retirees of the teachers and PLD plan, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, were used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, were used. Starting 2021, Mortality rates were based on the 2010 Public Plan General (PLD) and Teacher (SET) Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

Total OPEB Liability

Changes of Benefit Terms - In fiscal year 2021, MEABT moved the Medicare Companion Plan to a Medicare Advantage Plan.

Changes of Assumptions - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate - MMEHT Health Plan	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%
Discount rate - MEABT Health Plan	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%

Mortality rates:

In 2019, mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females. In 2020 and going forward, the mortality rates were based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

Additionally, the valuation method for the City Health Plan was changed from the Projected Unit Credit funding method in 2018 to the Entry Age Normal funding method in 2019.

** This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

GENERAL FUND

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds.

CITY OF BREWER, MAINE
General Fund
Comparative Balance Sheets
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 7,087,984	4,171,230
Investments	13,138,477	12,230,794
Receivables:		
Taxes	167,763	135,056
Tax liens	443,892	407,271
Accounts	720,125	651,168
Leases	78,202	-
Prepaid expenditures	309,650	186,342
Total assets	21,946,093	17,781,861
LIABILITIES		
Accounts payable	795,550	621,807
Accrued payroll and related liabilities	2,891,486	2,813,111
Taxes collected in advance	79,964	70,583
Unearned revenue	5,103	5,618
Interfund loans payable	2,829,899	1,803,175
Total liabilities	6,602,002	5,314,294
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	536,268	476,130
Unavailable revenue - leases	81,043	-
Total deferred inflows of resources	617,311	476,130
FUND BALANCE		
Nonspendable - prepaid expenditures	309,650	186,342
Restricted for education	1,338,587	1,423,679
Assigned	1,642,063	1,386,267
Unassigned	11,436,480	8,995,149
Total fund balance	14,726,780	11,991,437
Total liabilities, deferred inflows of resources and fund balance	\$ 21,946,093	17,781,861

CITY OF BREWER, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budgetary Basis)
For the year ended June 30, 2024

(with comparative actual amounts for the year ended June 30, 2023)

	2024			2023 Actual
	Final Budget	Actual	Variance positive (negative)	
Revenues:				
Taxes:				
Property	\$ 19,162,832	19,929,816	766,984	18,898,582
Special tax assessment	70,000	97,171	27,171	-
Automobile excise	1,905,016	2,179,108	274,092	2,067,249
Boat excise	6,500	7,992	1,492	7,599
Interest on taxes	50,000	50,512	512	42,725
Payments in lieu of taxes	42,000	45,729	3,729	44,865
Total taxes	21,236,348	22,310,328	1,073,980	21,061,020
Licenses and fees:				
Licenses and clerk fees	28,400	27,121	(1,279)	38,387
Registration fees	28,000	38,176	10,176	36,768
Ambulance and other public safety revenue	226,750	224,991	(1,759)	209,009
All other	4,545	5,290	745	5,019
Total licenses and fees	287,695	295,578	7,883	289,183
Intergovernmental:				
Road block grant program	130,000	152,836	22,836	132,528
State revenue sharing	2,250,000	3,046,153	796,153	2,623,207
Tree growth reimbursement	400	-	(400)	538
Veterans reimbursement	8,500	9,714	1,214	9,334
BETE reimbursement	400,000	498,818	98,818	423,689
Homestead exemption	818,026	789,005	(29,021)	825,729
General assistance	22,000	16,299	(5,701)	14,747
Police grant reimbursements	157,146	154,644	(2,502)	148,021
Solar reimbursement	500	14,681	14,181	3,579
School Department	13,437,557	13,531,906	94,349	13,184,949
All other	10,000	17,297	7,297	-
Total intergovernmental	17,234,129	18,231,353	997,224	17,366,321
Local sources:				
Property leases	6,866	6,084	(782)	6,865
Parks and recreation	455,265	492,638	37,373	475,504
Public safety	24,960	28,539	3,579	25,280
Code enforcement	67,000	143,558	76,558	102,327
Public works	45,780	49,924	4,144	49,601
Cable television	115,000	106,570	(8,430)	118,988
Deferred debt service	515	515	-	515
Library	21,373	24,014	2,641	31,386
Worker's compensation reimbursement	-	244	244	36,658
School Department revenue	3,220,241	4,050,434	830,193	3,568,352
All other	24,270	64,960	40,690	99,662
Total local sources	3,981,270	4,967,480	986,210	4,515,138
Investment earnings	142,111	903,609	761,498	182,382
Total revenues	42,881,553	46,708,348	3,826,795	43,414,044

CITY OF BREWER, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budgetary Basis), Continued

	2024			2023 Actual
	Final Budget	Actual	Variance positive (negative)	
Expenditures:				
Current:				
Administration:				
City Council	\$ 23,899	20,981	2,918	9,894
City Manager	432,230	429,723	2,507	393,897
City Clerk	148,993	144,461	4,532	143,370
Elections	17,480	16,331	1,149	10,251
Assessing	293,969	268,929	25,040	253,102
Finance	729,867	714,595	15,272	670,518
Technology	205,132	190,320	14,812	203,674
Legal	95,000	77,391	17,609	60,951
City Hall	91,996	79,656	12,340	79,222
Economic Development	472,126	411,025	61,101	388,757
Total administration	2,510,692	2,353,412	157,280	2,213,636
Protection:				
Police department	2,914,157	2,893,248	20,909	2,768,664
Fire department	2,047,205	2,029,035	18,170	1,944,716
Code enforcement	369,302	329,675	39,627	239,608
General protections	955,429	929,591	25,838	836,487
Insurances	109,200	101,068	8,132	110,343
Animal control	16,205	19,401	(3,196)	14,608
Total protection	6,411,498	6,302,018	109,480	5,914,426
Public services:				
Health and human services	68,511	51,766	16,745	56,294
Transit system	484,506	347,891	136,615	315,622
Adult Ed	5,200	5,092	108	5,092
Non-profit organizations	1,500	-	1,500	1,500
Total public services	559,717	404,749	154,968	378,508
Public works:				
Public works	2,018,220	1,703,534	314,686	1,571,596
Solid waste disposal	847,625	812,858	34,767	735,652
Planning	194,555	183,818	10,737	165,440
Engineering	177,647	175,446	2,201	159,769
Total public works	3,238,047	2,875,656	362,391	2,632,457
Education	26,761,784	25,803,981	957,803	24,490,255

CITY OF BREWER, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budgetary Basis), Continued

	2024		Variance positive (negative)	2023 Actual
	Final Budget	Actual		
Expenditures, continued:				
Current, continued:				
Unclassified:				
Employee benefits	\$ 283,787	241,505	42,282	335,225
Municipal auditorium	190,922	174,964	15,958	80,264
Parks and cemeteries	350,224	301,582	48,642	278,383
Recreation/pool	700,996	604,818	96,178	591,204
Library	350,174	344,944	5,230	315,979
Dues	10,000	11,075	(1,075)	9,262
Contingencies	37,440	34,846	2,594	26,267
All other	11,948	18,363	(6,415)	10,778
Total unclassified	1,935,491	1,732,097	203,394	1,647,362
Assessments:				
County tax	1,356,267	1,356,227	40	1,276,774
Abatements and bad debts	115,599	115,044	555	45,914
Total assessments	1,471,866	1,471,271	595	1,322,688
Debt service:				
Principal	1,752,134	1,752,134	-	1,930,581
Interest	416,709	416,757	(48)	376,742
Total debt service	2,168,843	2,168,891	(48)	2,307,323
Total expenditures	45,057,938	43,112,075	1,945,863	40,906,655
Excess (deficiency) of revenues over (under) expenditures	(2,176,385)	3,596,273	5,772,658	2,507,389
Other financing sources (uses):				
Use of fund balance - City	1,092,344	-	(1,092,344)	-
Use of fund balance - School Department	1,929,326	-	(1,929,326)	-
Reserves and carryforwards	238,105	-	(238,105)	-
Transfers from other funds:				
TIF projects fund - City	743,517	691,820	(51,697)	723,577
TIF projects fund - School Department	145,946	145,946	-	-
Impact Fee Fund	13,000	13,035	35	13,063
Sewer Fund	112,044	112,049	5	105,372
Water Fund	98,532	98,523	(9)	92,820
Police Academy Buyout	47,025	47,025	-	80,000
Transfers to other funds:				
Riverwalk Events	(2,500)	(2,500)	-	(2,500)
Brewer Days	-	-	-	(1,200)
City Small Grants and Programs	(9,958)	(9,441)	517	(9,205)
Flags in Brewer	(10,000)	(10,000)	-	-
Computer Reserve	(48,500)	(48,500)	-	(19,165)
Police Academy Buyout	-	-	-	(75,000)
Insurance Deductible Reserve	(4,500)	(4,500)	-	-
TIF projects fund	(1,422,422)	(1,367,976)	54,446	(1,442,301)
Heddericg Field	(250,000)	-	250,000	-
Capital Improvement Program	(495,574)	(488,300)	7,274	(397,017)
School Minor Capital Projects	-	-	-	(900,000)
Total other financing sources (uses)	2,176,385	(822,819)	(2,999,204)	(1,831,556)
Net change in fund balance - budgetary basis	-	2,773,454	2,773,454	675,833
Reconciliation to GAAP:				
Change in accrued teacher summer salaries and benefits		(38,111)		(153,213)
Total reconciling items to GAAP		(38,111)		(153,213)
Net change in fund balance - GAAP basis		2,735,343		522,620
Fund balance, beginning of year		11,991,437		11,468,817
Fund balance, end of year	\$	14,726,780		11,991,437

ALL OTHER GOVERNMENTAL FUNDS

CITY OF BREWER, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 399,941	-	85,503	485,444
Investments	-	-	819,191	819,191
Accounts receivable	17,642	-	-	17,642
Due from other governments	55,026	-	-	55,026
Interfund loans receivable	2,129,452	679,403	-	2,808,855
Inventory	42,570	-	-	42,570
Total assets	2,644,631	679,403	904,694	4,228,728
LIABILITIES				
Accounts payable	233,252	-	-	233,252
Unearned revenue	493,968	-	-	493,968
Interfund loans payable	5,004	22,278	80,362	107,644
Total liabilities	732,224	22,278	80,362	834,864
FUND BALANCES				
Nonspendable	42,570	-	718,077	760,647
Restricted	1,238,423	79,403	106,255	1,424,081
Committed	631,414	600,000	-	1,231,414
Unassigned	-	(22,278)	-	(22,278)
Total fund balances	1,912,407	657,125	824,332	3,393,864
Total liabilities and fund balances	\$ 2,644,631	679,403	904,694	4,228,728

CITY OF BREWER, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 1,622,386	4,140	-	1,626,526
Lunch program	73,754	-	-	73,754
Local sources	-	31,223	-	31,223
Investment income (loss)	2,068	-	32,121	34,189
Student activity fees and fundraisers	243,565	-	-	243,565
Other income	125,627	-	6,915	132,542
Total revenues	2,067,400	35,363	39,036	2,141,799
Expenditures:				
Current:				
Protection	187,715	-	-	187,715
Public services	16,308	-	-	16,308
Educational programs	1,015,946	-	-	1,015,946
Student activities	250,465	-	-	250,465
Unclassified	34,886	-	3,121	38,007
Capital outlay	1,022,375	201,624	-	1,223,999
Total expenditures	2,527,695	201,624	3,121	2,732,440
Excess (deficiency) of revenues over (under) expenditures	(460,295)	(166,261)	35,915	(590,641)
Other financing sources (uses):				
Transfers in	665,941	66,965	-	732,906
Transfers out	(47,025)	-	-	(47,025)
Total other financing sources (uses)	618,916	66,965	-	685,881
Net change in fund balances	158,621	(99,296)	35,915	95,240
Fund balances, beginning of year	1,753,786	756,421	788,417	3,298,624
Fund balances, end of year	\$ 1,912,407	657,125	824,332	3,393,864

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2024

	Police Asset Forfeiture	CDBG Housing Rehab Grant	Recreation Banner Fund	Performance Bonds Payable	Technical Review Payable	Industrial Park Sign	Paul Hatt Library Donation	Police Evidence Cash	Fire Museum
ASSETS									
Cash and cash equivalents	\$ -	-	-	-	-	-	-	44,686	-
Accounts receivable	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Interfund loans receivable	33,820	3,848	30,055	9,271	146,321	7,680	3,825	-	1,433
Inventory	-	-	-	-	-	-	-	-	-
Total assets	33,820	3,848	30,055	9,271	146,321	7,680	3,825	44,686	1,433
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenses	-	-	-	9,271	146,321	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	9,271	146,321	-	-	-	-
Fund balances (deficits):									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	33,820	3,848	30,055	-	-	-	-	-	1,433
Committed	-	-	-	-	-	7,680	3,825	44,686	-
Total fund balances (deficits)	33,820	3,848	30,055	-	-	7,680	3,825	44,686	1,433
Total liabilities and fund balances	\$ 33,820	3,848	30,055	9,271	146,321	7,680	3,825	44,686	1,433

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet, Continued
June 30, 2024

	Riverwalk Events	PERC Contract Reserve	FEMA Windstorm Grant	MMA Grant Fund	EPA Brownfield Rev Loan	Brewer Days	Body Camera Replacement	SBR LLC	Children's Garden Fund
ASSETS									
Cash and cash equivalents	\$ -	-	-	-	-	-	-	63,578	-
Accounts receivable	-	-	-	5,186	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Interfund loans receivable	23,645	391,110	10,055	-	7,886	8,627	2,760	-	8,276
Inventory	-	-	-	-	-	-	-	-	-
Total assets	23,645	391,110	10,055	5,186	7,886	8,627	2,760	63,578	8,276
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenses	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Interfund loans payable	-	-	-	5,004	-	-	-	-	-
Total liabilities	-	-	-	5,004	-	-	-	-	-
Fund balances (deficits):									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	23,645	391,110	10,055	182	7,886	8,627	2,760	-	8,276
Committed	-	-	-	-	-	-	-	63,578	-
Total fund balances (deficits)	23,645	391,110	10,055	182	7,886	8,627	2,760	63,578	8,276
Total liabilities and fund balances	\$ 23,645	391,110	10,055	5,186	7,886	8,627	2,760	63,578	8,276

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet, Continued
June 30, 2024

	City Small Grants and Programs	Computer Reserve	Stream Cleanup	Flags In Brewer	Recognition Coins	ARPA CSLFR	Police Firing Range	Police Academy Buyout
ASSETS								
Cash and cash equivalents	\$ -	-	-	-	-	-	-	-
Accounts receivable	4,897	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Interfund loans receivable	27,869	106,152	3,067	5,475	224	485,184	6,799	16,352
Inventory	-	-	-	-	-	-	-	-
Total assets	32,766	106,152	3,067	5,475	224	485,184	6,799	16,352
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	2,506	-	-	-	-	-	200	-
Unearned revenue	-	-	-	-	-	485,184	-	-
Interfund loans payable	-	-	-	-	-	-	-	-
Total liabilities	2,506	-	-	-	-	485,184	200	-
Fund balances (deficits):								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	30,260	-	3,067	-	-	-	-	-
Committed	-	106,152	-	5,475	224	-	6,599	16,352
Total fund balances (deficits)	30,260	106,152	3,067	5,475	224	-	6,599	16,352
Total liabilities and fund balances	\$ 32,766	106,152	3,067	5,475	224	485,184	6,799	16,352

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet, Continued
June 30, 2024

		Brewer Business and Comm'l Park	Insurance Deductible Reserve	Street Light Replacement Reserve	Business Resources Program	School Department				Total Nonmajor Special Revenue Funds	
						Food Service Fund	Student Activity Fund				
							High School	Community School	Performing Arts Center		Children's Fund
ASSETS											
Cash and cash equivalents	\$	-	-	-	-	250	170,071	21,947	25,741	73,668	399,941
Accounts receivable		-	-	-	-	7,559	-	-	-	-	17,642
Due from other governments		-	-	-	-	55,026	-	-	-	-	55,026
Interfund loans receivable		126,168	60,416	23,000	2,000	578,134	-	-	-	-	2,129,452
Inventory		-	-	-	-	42,570	-	-	-	-	42,570
Total assets											
		126,168	60,416	23,000	2,000	683,539	170,071	21,947	25,741	73,668	2,644,631
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued expenses		-	-	-	-	74,954	-	-	-	-	233,252
Unearned revenue		-	-	-	-	8,784	-	-	-	-	493,968
Interfund loans payable		-	-	-	-	-	-	-	-	-	5,004
Total liabilities		-	-	-	-	83,738	-	-	-	-	732,224
Fund balances (deficits):											
Nonspendable		-	-	-	-	42,570	-	-	-	-	42,570
Restricted		126,168	-	-	-	557,231	-	-	-	-	1,238,423
Committed		-	60,416	23,000	2,000	-	170,071	21,947	25,741	73,668	631,414
Total fund balances (deficits)		126,168	60,416	23,000	2,000	599,801	170,071	21,947	25,741	73,668	1,912,407
Total liabilities and fund balances											
	\$	126,168	60,416	23,000	2,000	683,539	170,071	21,947	25,741	73,668	2,644,631

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2024

	Police Asset Forfeiture	CDBG Housing Rehab Grant	Recreation Banner Fund	Performance Bonds Payable	Technical Review Payable	Industrial Park Sign	Paul Hatt Library Donation	Police Evidence Cash	Fire Museum
Revenues:									
Intergovernmental	\$ 3,769	-	-	-	-	-	-	-	-
Lunch program	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-
Student activity fees and fundraisers	-	-	-	-	-	-	-	-	-
Other income	-	-	6,950	-	-	-	2,314	20,261	-
Total revenues	3,769	-	6,950	-	-	-	2,314	20,261	-
Expenditures:									
Protection	8,565	-	-	-	-	-	-	17,123	-
Public services	-	-	-	-	-	-	-	-	-
Educational programs	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Unclassified	-	-	8,880	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	8,565	-	8,880	-	-	-	-	17,123	-
Excess (deficiency) of revenues over (under) expenditures	(4,796)	-	(1,930)	-	-	-	2,314	3,138	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-
Other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	(4,796)	-	(1,930)	-	-	-	2,314	3,138	-
Fund balances (deficits), beginning of year	38,616	3,848	31,985	-	-	7,680	1,511	41,548	1,433
Fund balances (deficits), end of year	\$ 33,820	3,848	30,055	-	-	7,680	3,825	44,686	1,433

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Continued
For the year ended June 30, 2024

	Riverwalk Events	PERC Contract Reserve	FEMA Windstorm Grant	MMA Grant Fund	EPA Brownfield Rev Loan	Brewer Days	Body Camera Replacement	SBR LLC	Children's Garden Fund
Revenues:									
Intergovernmental	\$ -	-	-	-	-	-	-	-	-
Lunch program	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	2,068	-
Student activity fees and fundraisers	-	-	-	-	-	-	-	-	-
Other income	26,814	-	-	9,947	-	-	-	41,321	-
Total revenues	26,814	-	-	9,947	-	-	-	43,389	-
Expenditures:									
Protection	-	-	-	-	-	-	-	-	-
Public services	8,523	-	-	-	7,680	-	-	-	-
Educational programs	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Unclassified	-	-	-	13,404	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	554,811	-
Total expenditures	8,523	-	-	13,404	7,680	-	-	554,811	-
Excess (deficiency) of revenues over (under) expenditures	18,291	-	-	(3,457)	(7,680)	-	-	(511,422)	-
Other financing sources (uses):									
Transfers in	2,500	-	-	-	-	-	-	575,000	-
Transfer out	-	-	-	-	-	-	-	-	-
Other financing sources (uses)	2,500	-	-	-	-	-	-	575,000	-
Net change in fund balances	20,791	-	-	(3,457)	(7,680)	-	-	63,578	-
Fund balances (deficits), beginning of year	2,854	391,110	10,055	3,639	15,566	8,627	2,760	-	8,276
Fund balances (deficits), end of year	\$ 23,645	391,110	10,055	182	7,886	8,627	2,760	63,578	8,276

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Continued
For the year ended June 30, 2024

	City Small Grants and Programs	Computer Reserve	Stream Cleanup	Flags In Brewer	Recognition Coins	ARPA CSLFR	Police Firing Range	Police Academy Buyout
Revenues:								
Intergovernmental	\$ 133,581	-	-	-	-	467,564	-	-
Lunch program	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Student activity fees and fundraisers	-	-	-	-	-	-	-	-
Other income	10,660	-	-	-	-	-	7,000	-
Total revenues	144,241	-	-	-	-	467,564	7,000	-
Expenditures:								
Protection	161,406	-	-	-	-	-	621	-
Public services	-	-	105	-	-	-	-	-
Educational programs	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Unclassified	7,146	-	-	5,456	-	-	-	-
Capital outlay	-	-	-	-	-	467,564	-	-
Total expenditures	168,552	-	105	5,456	-	467,564	621	-
Excess (deficiency) of revenues over (under) expenditures	(24,311)	-	(105)	(5,456)	-	-	6,379	-
Other financing sources (uses):								
Transfers in	25,441	48,500	-	10,000	-	-	-	-
Transfer out	-	-	-	-	-	-	-	(47,025)
Other financing sources (uses)	25,441	48,500	-	10,000	-	-	-	(47,025)
Net change in fund balances	1,130	48,500	(105)	4,544	-	-	6,379	(47,025)
Fund balances (deficits), beginning of year	29,130	57,652	3,172	931	224	-	220	63,377
Fund balances (deficits), end of year	\$ 30,260	106,152	3,067	5,475	224	-	6,599	16,352

CITY OF BREWER, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Continued
For the year ended June 30, 2024

		School Department								Total Nonmajor Special Revenue Funds	
		Brewer Business and Comm'l Park	Insurance Deductible Reserve	Street Light Replacement Reserve	Business Resources Program	Food Service Fund	Student Activity Fund				
							High School	Community School	Performing Arts Center		Children's Fund
Revenues:											
Intergovernmental	\$	-	-	-	-	1,017,472	-	-	-	-	1,622,386
Lunch program		-	-	-	-	73,754	-	-	-	-	73,754
Investment earnings		-	-	-	-	-	-	-	-	-	2,068
Student activity fees and fundraisers		-	-	-	-	-	189,318	12,978	7,224	34,045	243,565
Other income		-	-	-	-	360	-	-	-	-	125,627
Total revenues		-	-	-	-	1,091,586	189,318	12,978	7,224	34,045	2,067,400
Expenditures:											
Protection		-	-	-	-	-	-	-	-	-	187,715
Public services		-	-	-	-	-	-	-	-	-	16,308
Educational programs		-	-	-	-	1,015,946	-	-	-	-	1,015,946
Student activities		-	-	-	-	-	189,477	13,714	6,785	40,489	250,465
Unclassified		-	-	-	-	-	-	-	-	-	34,886
Capital outlay		-	-	-	-	-	-	-	-	-	1,022,375
Total expenditures		-	-	-	-	1,015,946	189,477	13,714	6,785	40,489	2,527,695
Excess (deficiency) of revenues over (under) expenditures		-	-	-	-	75,640	(159)	(736)	439	(6,444)	(460,295)
Other financing sources (uses):											
Transfer in		-	4,500	-	-	-	-	-	-	-	665,941
Transfer out		-	-	-	-	-	-	-	-	-	(47,025)
Total other financing sources (uses)		-	4,500	-	-	-	-	-	-	-	618,916
Net change in fund balances		-	4,500	-	-	75,640	(159)	(736)	439	(6,444)	158,621
Fund balances (deficits), beginning of year		126,168	55,916	23,000	2,000	524,161	170,230	22,683	25,302	80,112	1,753,786
Fund balances (deficits), end of year	\$	126,168	60,416	23,000	2,000	599,801	170,071	21,947	25,741	73,668	1,912,407

CITY OF BREWER, MAINE
City Small Grants and Programs
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2024

	Fund balances beginning of year	Revenues		Expenditures	Transfers in (out)	Fund balances end of year
		Intergovernmental	Other miscellaneous			
Public Safety						
Safe medicine return box	\$ 50	-	-	50	-	-
MEMA MACTAC equipment and training	3,534	-	-	-	-	3,534
Gero vest carrier grant	490	-	-	257	-	233
Public safety hosted training	390	-	-	216	-	174
FY20 Walmart grant	5,000	-	-	5,000	-	-
FY22 Walmart community grant	1,875	-	-	1,875	-	-
Overdose response partnership grant	600	-	-	-	-	600
FY22 Walmart community grant II-canine	1,463	-	-	603	-	860
Law accreditation grant	5,000	-	-	5,000	-	-
Public Safety Junior Academy	-	750	-	750	-	-
Firing Range Rehab	-	87,880	-	85,998	7,170	9,052
Bureau of Highway Grant	-	1,736	-	1,736	-	-
FY20 JAG Bryne grant	-	1,500	-	1,500	-	-
FY24 Walmart Grant	-	-	4,000	-	-	4,000
Police Trunarc	-	39,204	-	39,204	-	-
FY21 Bryne Jag Grant	-	694	-	694	-	-
Fire - rescue UTV	109	-	-	14,435	16,000	1,674
Fire - VFA Grant	-	1,817	-	4,088	2,271	-
Health & Human Service:						
FY22 Citizens Crisis Fund	500	-	-	-	-	500
Parks and Recreation:						
Parks and recreation gifts	-	-	4,160	-	-	4,160
Library:						
Bangor health & wellness grant	314	-	-	-	-	314
Brewer Kiwanis grant	1,336	-	500	1,426	-	410
Rudman book club	329	-	-	145	-	184
ME history records grant	12	-	-	-	-	12
In memoriam Bettie Ann Lawrence	3	-	-	-	-	3
ME Arts Commission bicentennial	300	-	-	-	-	300
King Foundation Cayford room renovation	88	-	-	88	-	-
Richard Morse donation	323	-	-	222	-	101
ARPA Library agent	138	-	-	78	-	60
Elaine Albright gift	276	-	-	276	-	-
Bruce Moore gift	1,000	-	1,000	1,557	-	443
Early Childhood Literacy	1,000	-	-	-	-	1,000
King Foundation - Early Childhood Literacy	5,000	-	-	3,354	-	1,646
James Palmer Donation	-	-	1,000	-	-	1,000
Totals	\$ 29,130	133,581	10,660	168,552	25,441	30,260

CITY OF BREWER, MAINE
School Department Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2024

	Fund balances (deficits) beginning of year	Revenues	Expenditures	Fund balances (deficits) end of year
Federal Programs:				
Title 1A - Disadvantaged	\$ -	543,223	543,223	-
Title 1A - Reallocated	-	22,896	22,896	-
Title IVA	-	29,550	29,550	-
Local Entitlement	-	469,557	469,557	-
ARP Local Entitlement	-	10,440	10,440	-
Pre School Handicapped	-	6,577	6,577	-
Title IIA	-	85,329	85,329	-
ESSER III	-	232,911	232,911	-
CRRSA Homeless and/or Multilanguage Learners	-	3,246	3,246	-
CRRSA ESSER - Learning Loss - Learning Management System	-	10,332	10,332	-
Stronger Connections	-	17,209	17,209	-
Literacy Grant	-	30,793	30,793	-
Educator Credential Grant	-	24,407	24,407	-
ARP Extended Learning Opportunities	-	149,297	149,297	-
Total federal programs	-	1,635,767	1,635,767	-
Other Programs:				
Driver's Ed	2,102	14,250	11,671	4,681
Brewer HOF	10,818	5,130	4,906	11,042
ROSBO	-	4,091	270	3,821
BCS Laptop	4,800	1,730	581	5,949
BHS Laptop	25,031	22,951	35,332	12,650
Construction Fund	3,222	-	1,690	1,532
Name-a-Seat Fund	23,071	-	-	23,071
Rethinking Responsive Education Ventures	(12,905)	305,406	292,501	-
Forestry Program	-	17,794	4,364	13,430
MEABT Wellness Ambassador	-	500	495	5
BHS Athletic Banners	195	-	-	195
TAP Program	100	-	-	100
Smokey Lawrence BB Tourney	3,634	1,971	734	4,871
Walmart Bldg Comm Grant	805	-	805	-
Stephen King BHS CPR Grant	-	3,000	-	3,000
Stephen King Storybird Grant	136	-	136	-
Snack Program	(167)	2,769	508	2,094
Let's Go 5210 Grant	-	2,000	987	1,013
Quiz Show Maine Grant	1,177	-	735	442
Maine Environmental Grant	1,500	-	1,350	150
Logging and Forestry Grant	-	48,800	48,800	-
Forestry Immersion Grant	-	74,917	77,452	(2,535)
Preventing Student Homelessness	-	4,325	4,325	-
Maine Learning Technology Initiative	(38,474)	53,944	15,470	-
Maine Online Opportunities for Sustained Education	(8,241)	186,984	163,854	14,889
Teaching with Tech	-	4,541	4,541	-
JROTC	(1,963)	1,563	-	(400)
Total other programs	14,841	756,666	671,507	100,000
Totals	\$ 14,841	2,392,433	2,307,274	100,000

GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Capital project funds are established to account for resources obtained and expended for the acquisition of major capital facilities other than those employed in the delivery of services accounted for in enterprise funds.

CITY OF BREWER, MAINE
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2024

	FHWA Route 15 Earmark	City Hall Rehab	Impact Fee Fund	School Minor Capital Projects	2022 SRRF Capital Project	Total Nonmajor Capital Project Funds
ASSETS						
Interfund loans receivable	\$ -	-	79,403	600,000	-	679,403
Total assets	-	-	79,403	600,000	-	679,403
LIABILITIES AND FUND BALANCES						
Liabilities:						
Interfund loans payable	3,692	18,586	-	-	-	22,278
Total liabilities	3,692	18,586	-	-	-	22,278
Fund balances (deficits):						
Restricted	-	-	79,403	-	-	79,403
Committed	-	-	-	600,000	-	600,000
Unassigned	(3,692)	(18,586)	-	-	-	(22,278)
Total fund balances (deficits)	(3,692)	(18,586)	79,403	600,000	-	657,125
Total liabilities and fund balances	\$ -	-	79,403	600,000	-	679,403

CITY OF BREWER, MAINE
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2024

	FHWA Route 15 Earmark	City Hall Rehab	Impact Fee Fund	School Minor Capital Projects	2022 School Capital Project	Total Nonmajor Capital Project Funds
Revenues:						
Intergovernmental	\$ -	-	-	4,140	-	4,140
Local sources	-	-	4,016	27,207	-	31,223
Total revenues	-	-	4,016	31,347	-	35,363
Expenditures:						
Capital outlay	-	-	41,877	86,097	73,650	201,624
Total expenditures	-	-	41,877	86,097	73,650	201,624
Excess (deficiency) of revenues over (under) expenditures	-	-	(37,861)	(54,750)	(73,650)	(166,261)
Other financing sources (uses):						
Transfer from general fund	-	-	66,965	-	-	66,965
Total other financing sources (uses)	-	-	66,965	-	-	66,965
Net change in fund balances	-	-	29,104	(54,750)	(73,650)	(99,296)
Fund balances (deficits), beginning of year	(3,692)	(18,586)	50,299	654,750	73,650	756,421
Fund balances (deficits), end of year	\$ (3,692)	(18,586)	79,403	600,000	-	657,125

CITY OF BREWER, MAINE
Capital Improvements Program
Combining Schedule of Changes in Fund Balances
For the year ended June 30, 2024

	Fund balances (deficit) beginning of year	Revenue	Bond and Premium Proceeds	Expenditures	Transfers	Fund balances (deficit) end of year
Capital Improvements Programs:						
City Hall/Other:						
City hall infrastructure	\$ 61,166	-	-	33,950	-	27,216
Library windows and entry	5,100	-	-	-	(5,100)	-
Center Street revitalization	-	-	-	22,697	75,000	52,303
Tech computer hardware	8,575	-	-	-	-	8,575
Phone system - new	33,706	-	-	39,392	-	(5,686)
Wide format scanner/printer	-	-	-	-	15,000	15,000
Library Computer Replacement	3,316	-	-	-	(3,316)	-
Bond financing costs	3,967	-	-	10,164	-	(6,197)
Economic development rev loan fund	176,000	-	-	-	-	176,000
Economic development - facade improvement fund	68,990	-	-	-	-	68,990
Total City Hall/other	360,820	-	-	106,203	81,584	336,201
Waterfront Development:						
Property acquisitions	248,621	-	-	538,192	289,571	-
Indian Trail Park amphitheater	-	-	-	7,500	300,000	292,500
Waterfront trail-phase III	229,057	-	-	-	-	229,057
Waterfront trail-fitness park	9,882	-	-	-	-	9,882
Waterfront trail-old PSB lot park	18,010	-	-	-	-	18,010
Waterfront trail-fitness bike rack	2,314	-	-	-	-	2,314
Waterfront trail-S Main sidewalk	9,235	-	-	450	-	8,785
Waterfront trail-holiday light display	-	-	-	18,394	20,000	1,606
Waterfront trail-music park	-	-	-	26,796	50,000	23,204
Waterfront trail-public parking	-	-	-	9,950	200,000	190,050
Youth waterfront projects	5,000	-	-	-	-	5,000
Total waterfront development	522,119	-	-	601,282	859,571	780,408
Protection:						
Public safety building improvements	25,966	-	-	6,629	-	19,337
Police vehicles	2,109	-	-	101,003	59,000	(39,894)
Police unmarked/admin vehicles	2,299	-	-	1,710	(589)	-
Fire Portable Radios	-	-	-	11,712	12,000	288
Police Radio Trunk Repeaters	-	-	-	10,000	10,000	-
Police Handguns	-	-	-	15,000	15,000	-
Fire Lucas CPR Device	-	26,170	-	24,446	(1,511)	213
Total protection	30,374	26,170	-	170,500	93,900	(20,056)
Public Works:						
Landfill area closing	179,643	-	-	-	-	179,643
Bridge Lighting	-	-	-	24,042	25,000	958
General road construction	42,569	-	-	3,164	35,000	74,405
Paving	24,122	-	230,000	-	-	254,122
Eastern Ave (Oak Grove-Pierce Rd)	-	-	175,000	80,715	-	94,285
Storm drain PHII-Shrwd,Sunst	5,000	-	-	-	(5,000)	-
Storm drain PHIII-Wilson,State	2,000	-	-	-	(2,000)	-
Storm drain-eval PHIV-SMAIN, Pierce	2,054	-	-	2,054	-	-
Storm drain-eval PHV-Maple St	-	-	-	10,771	25,000	14,229
Pierce Rd MPI (MDOT)--City 30% Share	-	-	-	5,000	15,000	10,000
S Main paving	51,038	-	-	-	-	51,038
S Main resurf--Wilson to Abbott	-	-	165,000	-	60,000	225,000
Stormwater drainage improvements	816	-	-	-	(816)	-
Stormwater drainage - Sherwood	21,146	-	-	-	(21,146)	-
Stormwater drainage - Adams Court	6,398	-	-	-	(6,398)	-
Stormwater drainage - Madison	23,768	-	-	-	(23,768)	-
Stormwater drainage - S Main Slipline	653,300	-	-	722,143	70,000	1,157
Stormwater drainage - Silk St Underdrain	3,748	-	-	-	(3,748)	-
Stormwater drain - Canterbury Rd	-	-	-	-	20,000	20,000
Stormwater drain - Tannery Brook	-	-	-	13,500	25,000	11,500
Stormwater drain - Wilson St	-	-	100,000	-	-	100,000
Stormwater outfall - Riverview Terrace	-	-	-	15,000	15,000	-
Elm Street (Lower) MPI resurfacing	-	-	-	1,800	10,000	8,200
Wilson Street resurfacing	5,090	-	-	-	-	5,090
N Main (Wils to State) MPI	45,083	-	-	-	-	45,083
State St. MPI (Eastern-Mullen)	63,250	-	-	-	-	63,250
Paving-Dirigo, Sparks, Grntpt (part), Bartlett Resurface	57,702	-	-	-	(50,000)	7,702
Parker Street (Middle) Reconstruction	220,000	-	-	212,198	10,000	17,802
Parker Street (Upper) reconstruction	-	-	200,000	204,400	10,000	5,600
Green Point Rd facility paving	-	-	160,000	134,698	-	25,302
Public Works fuel tank repairs	-	-	-	22,918	30,000	7,082
#426 International CV515 plow/sander	1,490	-	-	-	-	1,490
Cat 140G Grader #414	-	-	310,000	-	-	310,000
Western Star 4700 Wheeler #422	224,355	-	-	-	-	224,355
Dump/plow/sander 2 Axle	14,002	-	-	-	(14,002)	-
1 ton dump/plow/sander truck	9,559	-	-	-	(9,559)	-
#406 F250 Truck w/ plow (old #427)	-	-	20,000	-	38,191	58,191
Plow w Sander FY15-replace #434	211,689	-	-	-	-	211,689
Traffic signal battery backups	1,130	-	-	-	-	1,130
Wilsn/thmpsn int. imprvmts-10% share-PIN 20897	2,769	-	-	-	-	2,769
Skidsteer loader - Track model	-	-	-	-	6,000	6,000
Wils /Dirigo traffic signals	13,616	-	-	5,267	-	8,349
Signals-Penob Corridor (23114/23112)	15,432	-	-	-	-	15,432
Snow Pusher Blade 12'	1,520	-	-	-	(1,520)	-
Total public works	1,902,289	-	1,360,000	1,457,670	256,234	2,060,853

CITY OF BREWER, MAINE
Capital Improvements Program
Combining Schedule of Changes in Fund Balances, Continued
For the year ended June 30, 2024

	Fund balances (deficit) beginning of year	Revenue	Bond and Premium Proceeds	Expenditures	Transfers	Fund balances (deficit) end of year
Parks and Recreation:						
Wash St. rec complex	\$ 17,788	-	-	8,504	-	9,284
Oak Hill Monument Repair	1,500	-	-	-	-	1,500
Auditorium Infrastructure	8,735	-	-	-	-	8,735
Tennis court resurfacing	111,000	-	-	-	-	111,000
Auditorium stage curtains	-	-	-	-	8,000	8,000
Auditorium - playground rehab	160,135	-	-	149,801	-	10,334
Capri St park renovation	165,800	-	-	-	-	165,800
Auditorium generator	10,260	-	-	3,500	(5,000)	1,760
Fling Street playground	-	-	-	-	45,000	45,000
60" Mower	1,901	-	-	-	(1,901)	-
Riding mower	-	-	-	14,760	15,000	240
#602 pickup extended cab	36,000	-	-	38,187	2,187	-
Automatic Floor Scrubber	-	-	-	6,699	7,500	801
Total parks and recreation	513,119	-	-	221,451	70,786	362,454
Subtotal projects	3,328,721	26,170	1,360,000	2,557,106	1,362,075	3,519,860
CIP - unallocated	97,284	194,781	-	-	(85,775)	206,290
Tax Increment Financing Projects:						
Cianbro	469,767	142,336	-	-	(337,326)	274,777
Brewer econ developmt	1,134,888	3,140	-	-	(747,010)	391,018
Penobscot Eye Care	-	1,096	-	-	(1,096)	-
AHTIF - Somerset Place	2,671	509	-	48,583	48,073	2,670
AHTIF - Village Centre	4,044	501	-	84,582	84,081	4,044
Total Tax Increment Financing Projects	1,611,370	147,582	-	133,165	(953,278)	672,509
Total	\$ 5,037,375	368,533	1,360,000	2,690,271	323,022	4,398,659

CITY OF BREWER, MAINE
Impact Fee Fund
Combing Schedule of Changes in Fund Balances
For the year ended June 30, 2024

	Fund balances (deficit) beginning of year	Revenue	Expenditures	Transfers	Fund balances (deficit) end of year
Impact Fee Projects:					
Parallel Road	\$ 2,238	723	-	-	2,961
Signal Coordination	15,560	724	-	30,000	46,284
Signal Preemption	2,637	-	11,264	10,000	1,373
Pierce Road relocation and signal	2	-	-	-	2
State and Washington intersection	-	-	30,613	40,000	9,387
City transit bus	29,862	1,143	-	(13,035)	17,970
Set up and administrative costs	-	1,360	-	-	1,360
Sewer	-	66	-	-	66
Total impact fee projects	\$ 50,299	4,016	41,877	66,965	79,403

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

CITY OF BREWER, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2024

		Cemetery Trust	Elsie Olmstead Library	Ministerial and School Funds	Jefferds Educational Fund	Wallace Witham Fund	Woodlawn Revolving Cemetery Fund	Irene Robinson Fund	Total Nonmajor Permanent Funds
ASSETS									
Cash and cash equivalents	\$	85,503	-	-	-	-	-	-	85,503
Investments		376,833	6,106	1,125	5,220	350	7,108	422,449	819,191
Total assets		462,336	6,106	1,125	5,220	350	7,108	422,449	904,694
LIABILITIES AND FUND BALANCES									
Liabilities:									
Interfund loans payable		80,349	13	-	-	-	-	-	80,362
Total liabilities		80,349	13	-	-	-	-	-	80,362
Fund balances:									
Nonspendable		311,881	4,538	939	4,533	275	2,387	393,524	718,077
Restricted		70,106	1,555	186	687	75	4,721	28,925	106,255
Total fund balances		381,987	6,093	1,125	5,220	350	7,108	422,449	824,332
Total liabilities and fund balances	\$	462,336	6,106	1,125	5,220	350	7,108	422,449	904,694

CITY OF BREWER, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2024

	Cemetery Trust	Elsie Olmstead Library	Ministerial and School Funds	Jefferds Educational Fund	Wallace Witham Fund	Woodlawn Revolving Cemetery Fund	Irene Robinson Fund	Total Nonmajor Permanent Funds
Revenues:								
Investment earnings (loss)	\$ 17,717	225	41	191	13	259	13,675	32,121
Lot sales	6,915	-	-	-	-	-	-	6,915
Total revenues	24,632	225	41	191	13	259	13,675	39,036
Expenditures:								
Cemetery care	2,001	-	-	-	-	-	-	2,001
Other	-	15	3	13	1	18	1,070	1,120
Total expenditures	2,001	15	3	13	1	18	1,070	3,121
Net change in fund balances	22,631	210	38	178	12	241	12,605	35,915
Fund balances, beginning of year	359,356	5,883	1,087	5,042	338	6,867	409,844	788,417
Fund balances, end of year	\$ 381,987	6,093	1,125	5,220	350	7,108	422,449	824,332

SCHEDULE

CITY OF BREWER, MAINE
Brewer School Department - General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2024
(with comparative actual amounts for the year ended June 30, 2023)

	2024		Variance positive (negative)	2023 Actual
	Budget	Actual		
Revenues:				
State education subsidy	\$ 13,437,557	13,453,819	16,262	13,146,245
State agency clients	-	53,620	53,620	-
Mainecare reimbursement	-	24,467	24,467	38,703
District assessments	3,090,241	3,679,383	589,142	3,357,664
Local sources	130,000	371,051	241,051	210,688
Total revenues	16,657,798	17,582,340	924,542	16,753,300
Expenditures:				
Current:				
Regular instruction	\$ 10,124,072	\$ 9,820,344	303,728	9,439,552
Special education instruction	5,666,049	5,194,642	471,407	4,744,362
Other instruction	1,335,141	1,370,734	(35,593)	1,258,519
Student and staff support	1,554,132	1,516,295	37,837	1,535,594
System administration	704,477	668,386	36,091	653,726
School administration	1,223,999	1,172,450	51,549	1,145,928
Transportation and buses	679,259	624,163	55,096	630,920
Facilities maintenance	2,707,152	2,691,586	15,566	2,344,833
All other expenditures	10,501	6,614	3,887	6,788
Debt service and other commitments	2,757,002	2,738,767	18,235	2,730,033
Total expenditures	26,761,784	25,803,981	957,803	24,490,255
Excess (deficiency) of revenues over (under) expenditures	(10,103,986)	(8,221,641)	1,882,345	(7,736,955)
Other financing sources (uses):				
City appropriation	8,174,660	8,174,660	-	7,878,714
Transfers out	-	-	-	(900,000)
Budgeted use of fund balance	1,929,326	-	(1,929,326)	-
Total other financing sources (uses)	10,103,986	8,174,660	(1,929,326)	6,978,714
Net change in fund balances - budgetary basis	-	(46,981)	(46,981)	(758,241)
Reconciliation to GAAP:				
Change in accrued summer salaries and benefits		(38,111)		(153,213)
Net change in fund balances - GAAP basis		(85,092)		(911,454)
Fund balance, beginning of year		1,423,679		2,335,133
Fund balance, end of year	\$	1,338,587		1,423,679

OPERATING DATA

CITY OF BREWER

Operating Data

The City of Brewer, Maine (the “City”) was incorporated as a Town in 1812 and incorporated as a City in 1889. The City is located in southern Penobscot County, adjacent to Bangor, Maine, about 140 miles northeast of Portland, Maine and 250 miles northeast of Boston, Massachusetts. The 2020 U.S. Census population is 9,672.

GOVERNMENT

The City operates under a charter initially adopted on September 14, 1931, as amended most recently effective December 1, 2015 (the “Charter”). The Charter provides for a Council-Manager form of government with a five-member City Council, elected at-large for three-year staggered terms. The Council adopts an annual budget, provides for an annual audit, and has the ultimate policy and decision-making power in the City. The City Manager is the chief administrative officer of the City and is appointed by and reports solely to the City Council.

The Brewer public school system is administered by a five-member committee elected at large by the voters of Brewer for three-year staggered terms (the “School Committee”). The School Committee has the responsibility for school policy and hiring department employees, including the Superintendent. Final approval of the school budget lies with the City Council. All public-school buildings operated by the City are owned by the City of Brewer High School District.

MUNICIPAL SERVICES

The City provides general governmental services for the territory within its boundaries, including police and fire protection, highways, streets and sidewalks, solid waste transfer, wastewater treatment, water service, social services, parks, recreation areas and a library. Public education is provided for grades pre-Kindergarten (“pre-K”) through 12 with a consolidated pre-K to grade 8 school, opened in 2011, and a high school.

Technology Department

The Brewer Technology Department is dedicated to providing reliable and secure access to information systems and computer technology to support the operations of all the City Departments. The department strives to provide quality customer service to all City users and promotes the efficient use of technology through coordinated planning and acquisition of services, while staying current with technology applications and solutions. The department is staffed by one Technology Director plus additional help when needed from a local IT service vendor.

The Technology Department supports the computer and network needs of over 150 end users in 16 different departments spread around 5 separate building locations within the City. Technology manages currently 10 various servers that provide services for City staff and Public Safety staff. Technology provides support when needed to the City of Brewer drinking water facility in Eddington Maine. The computer environment is primarily based in Microsoft Windows for most workstations and all servers. There are Apple laptops and desktop deployed where needed as well as Apple tablets and Samsung android tablets for special use cases. Technology manages and supports live broadcasts of public meetings such as the monthly City Council Meeting.

The Brewer Public Library provides free computer usage and Internet to the public. The Brewer Public Library also offers free digital/audio books through their circulation software on the City web site. Free WIFI is provided along the Brewer Riverwalk. Brewer Police Department’s cruisers are equipped with computers that provide access in the field to State and County information; the department has also deployed dash cams in its vehicles and body cameras to its officers. The Parks & Recreation Department offers online registrations and payments for their programs.

The Technology Department manages and supports the telecommunications systems for the City. This includes department issued cell phones as well as a City wide VOIP phone system. The Technology Department is the first point of contact for and manages various in use surveillance camera systems at each City building.

The City's E-government includes items such as E-List, GIS, access to online auto registration, hunting and fishing licenses, the City web page, several social media accounts for various departments, a mass communication system through email and SMS messages, along with a monthly City newsletter distributed through the mass communication system. The City uses these tools to communicate City information such as spring cleanup, universal waste days, and City-sponsored activities to its citizens and local businesses. The City web page provides citizens and businesses with items such as the City ordinances, tax maps, upcoming public council meetings, and other pertinent information.

Public Safety

The Police and Fire Departments are co-housed in a centrally located, state-of-the art-facility, constructed in 2008. In 2012, the City consolidated the leadership of these two departments under a single Public Safety Director. Two (2) full time civilian employees are shared between the Police and Fire Departments.

In addition to the Public Safety Director (Police Chief), the Police Department is staffed by an additional twenty-two (22) sworn officers, and one (1) part time civilian court officer. The Police Department roster includes a Deputy Police Chief, a Captain, five (5) patrol sergeants, one (1) corporal assigned to the patrol division, and an additional ten (10) officers, two (2) of whom are assigned as School Resource Officers during the School year. Three officers in total are also assigned to the Detective Division, two of which work at Brewer Police Department and the other is assigned to the Maine Drug Enforcement Agency. In addition to these budgeted positions, the department has one on-call reserve police officer that is fully certified through the Maine Criminal Justice Academy. In FY2024, animal control duties were handled by a full-time police officer in addition to their standard patrol functions.

The Fire Department is operated by the Deputy Fire Chief, two (2) Captains, two (2) Lieutenants, and fourteen (14) full-time fire fighters. The department operates from a single fire station and maintains six vehicles. Through a partnership with Capital Ambulance, the station houses and helps staff an ambulance, which in turn generates revenue to offset the staffing expense.

The Public Safety roster also includes a contracted part-time Harbor Master.

Engineering Department

The Engineering Department provides professional design and drafting tasks, project inspection, and other engineering services to various City Departments, including Public Works, Planning, Economic Development, Water, and the Water Pollution Control Facility. The department is staffed with a professionally licensed City Engineer and an Engineering Project Manager.

Department of Parks & Recreation

The Parks and Recreation Department is comprised of four divisions: Community Center, Parks & Cemeteries, Recreation, and Municipal Swimming Pool. The Department offers approximately 100 programs year-round, a community center that is open 100 hours a week during the cold weather months, a popular after school program and an eight-week summer pool program. The department is responsible for mowing and maintaining over 75 acres of municipal and school property, including municipal parks. The department also maintains six athletic fields, five playgrounds, numerous parks and is also responsible for the administration and care of three cemeteries. The department is staffed with a Director of Parks and Recreation, one Deputy Director of Parks &

Recreation, one Parks/Cemetery Supervisor, one Parks/Cemetery Foreman, an After-School Program Coordinator, a Building Custodian, one Recreation Programmer, and an Office Manager. The Parks and Recreation Department hires from 55 to 65 part-time personnel throughout the year.

Brewer Public Library

The Brewer Public Library was established in 1908. In 2007, the Library moved into a former school building down the street from City Hall. The Library, a department of the City, is governed by the City Council and the City Manager and is operated by a staff comprised of a full-time Library Director, a full-time Children's/Program Librarian, a full-time Cataloging & Special Collections Librarian, and one part-time Inter-Library-Loan Library Assistant. Volunteers and on-call paid staff round out staffing needs.

The City provided approximately \$350,174 towards the Library's budget in FY2024. The Brewer Library Association (the "BLA") is a private, nonprofit organization that maintains a Board of Trustees who oversee private trust funds to benefit the Library. The BLA typically contributes about \$10,000 in funds and in-kind contributions to the Library each year for the purchase of major reference materials, furniture, and equipment. They contributed \$21,805 in FY2024.

The main portion of the Library houses the adult collection in an open format. The Library houses important Joshua Chamberlain and City of Brewer memorabilia and primary documents in the John and Millie Goodness Research Room. The Library has children and young adult sections, with separate picture book and "story time" areas; a meeting room with a 15-20-person capacity and access to a television, Zoom, and a conference camera; a small reading room; several desks and other seating areas; five public computers with printing capabilities; and two handicap accessible restrooms available for patrons.

Photocopying, faxing, and scanning services are available at the front desk, and the Library is a federally certified passport acceptance facility. The library's collection has approximately 36,624 volumes, including large print materials, audiobooks (CDs and MP3s), DVDs, and subscriptions to over 25 periodicals. Library patrons have free access to the Digital Maine Library databases, e-books from Maine InfoNet's CloudLibrary, e-comic books from Comics Plus, e-books, movies, audiobooks, music, comics, and more from Hoopla, and access to dozens of job development and computer skills webinars through Niche Academy.

The Library offers special services, which includes story time, summer reading, therapy-dog reading programs, interlibrary loan services, author visits, knitting socials, book club, free family and community programs, and an outreach book-delivery program for homebound citizens of Brewer. With 1,144 cardholders, the library's circulation for FY2024 was 24,833 physical checkouts and 7,206 digital checkouts.

Public Works

The Public Works Department provides maintenance of approximately 62 miles of roads, 40 miles of sidewalks, along with storm and sanitary drainage systems. Public Works provides construction and manpower support for all City Departments. Public Works constructs minor capital improvement projects including road construction, sidewalk improvements, and storm drainage improvements.

Public Works is responsible for all snow removal on City streets, sidewalks, City owned parking lots, and most School facilities. For snow removal activities the department uses 2, 12-yard dump trucks; 6, 6-yard dump trucks; 2, 1-ton dump trucks; and 1 wheeled loader. Each has a designated plow route that takes 3 – 4 hours to cover depending on the time of day and intensity of the storm. The plowing of sidewalks is done on a limited basis during storms but the actual cleanup doesn't start until the conclusion of storms.

The Public Works vehicle maintenance crew, maintains approximately 130 City owned vehicles and equipment, which includes all City Departments.

The Department is staffed with a Public Works Director, one administrative staff, one purchasing agent, one shop foreman, two mechanics, two environmental technicians, one landfill operator, and ten other full-time crew members.

The City contracts with a private hauler for curbside collection, processing, and disposal of municipal solid waste ("MSW") from residential properties of 4 units or less. The current curbside collection protocol allows residents to put out up to 5 average size trash bags free per week. Any additional bags require a special \$2.00 trash tag.

The City has a contract through at least 2034 with the nonprofit Municipal Review Committee ("MRC") to dispose of MSW generated in Brewer. MSW tipping fees as of January 1, 2024 are \$85.28 per ton and receive a CPI adjustment annually. The preferred disposal site is the MSW recycling & processing facility in Hampden, Maine; however, the facility has been closed since June 2020 in search of new owners. The primary disposal facility since that time has been the Penobscot Energy Recovery Company (PERC) and Juniper Ridge Landfill. A new partnership now owns the Hampden facility and anticipates accepting waste there again starting in 2025.

The City operates a Phase II landfill under a Maine Department of Environmental Protection ("DEP") construction and demolition debris landfill license, dated February 24, 1994. No wastes other than construction and demolition debris are placed in the landfill. Based on the average annual utilization rate over the last seven years (2015-2021) of 3,000 cubic yards, landfill closure construction can be expected in 2032. The City has been actively managing and reducing the flow of waste to the landfill to preserve and extend its life for the benefit of Brewer residents and taxpayers. In May 2014, the City reduced the landfill's hours of operation from 6 days per week to 2 days per month but is open every Tuesday morning from 7:00-11:30am for the disposal of yard waste, brush, and metals. Freon containing appliances and tires are also accepted at the landfill but only on Saturdays. The City has been setting aside funds to help cover the closure costs, which in 2021 were estimated at present value of \$1,191,487.

Sewer Department

The City's Sewer Department maintains a Wastewater Treatment Plant (the "Treatment Plant") that processes flow, total suspended solids, and oxygen depleting organic pollutants (Biochemical Oxygen Demand or "BOD") from municipal sewers. The sewer system also includes 14 pumping stations and approximately 53 miles of sewer lines. The Sewer Department is staffed by one Director and nine employees. The operation and maintenance of the Brewer Water Pollution Control Facility, the 14 pump stations and the 53 miles of sewer which includes 1400 manholes are all funded by the wastewater budget.

The Treatment Plant was constructed in 1975 and was originally designed to treat 3.03 million gallons per day ("MGD") of flow. Due to capacity limitations, excessive loadings, worn equipment and outdated original processes, in 1992 the DEP, the City and a former manufacturer entered into a Consent Agreement which required improvements to the Plant's capacity, physical needs and process efficiencies. In complying with its Consent Agreement, the City established a \$7,000,000 phased plant remediation approach for its Treatment Plant that started in 1993 and was completed in 1998. After completing the upgrades, the plant was designed for 5.2 MGD flow, engineered for a 20- year growth period and is classified as a Class V treatment operation. An additional 10 MGD can be treated through the storm water bypass during periods of snowmelt, high ground water, and storm water runoff.

In 1994, the City started a very successful 20-year combined sewer overflow ("CSO") Abatement Program that reduced the volume of untreated water entering the Penobscot River by 99.99%. To achieve this level of success the City's sewer users have invested over \$25,000,000 to date to comply with Federal and State CSO elimination mandates.

The City completed the required Combined Sewer Overflow (“CSO”) abatement upgrades mandated by the 1992 consent agreement in 2012, and in October 2014, it received formal notice from the DEP that the Consent Agreement had been closed out and conditions met. The separation projects have reduced the number of overflow events from 77 per year to virtually zero. The Sewer Department is established as an Enterprise Fund in that the intent of the City is for the department to provide services on a continuing basis financed entirely through user fees.

Water Department

The former Brewer Water District was formed under Chapter 146 of the Private and Special Laws of Maine (1945), as amended and supplemented by Chapters 111, 134, 64, 60, 44, 61 and 66 of the Private and Special Laws of Maine (1947), (1949), (1957), (1967), (1993), (1993) and (2002), respectively (the “Charter”), established as a quasi-municipal corporation and as a body politic and corporate, whose service area includes the territory constituting most of the City of Brewer and parts of the Towns of Eddington, Holden and Orrington, Maine (the “Water System Territory”), for the purpose of supplying its inhabitants with pure water for domestic, sanitary, commercial, municipal purposes and public and private fire protection.

Chapter 66 of the Private and Special Laws of the State of Maine of 2001 (“An Act Providing for the Supply of Water to the City of Brewer”) (the “Act”) authorized the transfer of the assets and obligations of the Brewer Water District (the “Water District”), including its debt, to the City, subject to the approval of the voters of the City at a referendum election and the affirmative vote of the City Council and the trustees of the Water District. The voters of the City approved the transfer, pursuant to the Act, at a referendum held on June 11, 2002; the City Council voted affirmatively to approve the transfer on July 16, 2002; and the former trustees of the Water District voted to approve the transfer on August 26, 2002. The transfer occurred on December 31, 2002 at which time the operations of the Water District were converted to become a department of the City, operating as an Enterprise Fund, whereby the intent of the City is for the department to provide services on a continuing basis financed entirely through user charges and be self-supporting.

The day-to-day administration, operation and maintenance of the waterworks facility are conducted by 12 Water Department employees under the direction of its Superintendent. The Water Department serves approximately 3,600 customers in a territory with communities that have a consolidated population of approximately 18,000 inhabitants. The current source of the Water Department’s water supply is primarily from the 2.92 square mile Hatcase Pond, an estimated daily “dry year” yield of 2 million gallons; with Flood’s Pond as a back-up emergency source.

The Water System includes three storage tanks with combined capacity of 2,895,000 gallons (or approximately 3.64 days average 2018 demand). The Water Department’s water transmission and distribution system is comprised of approximately 385,426 feet (almost 73 miles) of transmission and distribution mains. The Water Department provides service to 473 fire hydrants for communities in its territory.

PUBLIC EDUCATION

The City, through its School Department, operates its education program for grades pre-Kindergarten (“pre-K”) through 12 under its own supervision in facilities currently owned by the City of Brewer High School District (described in the section below). Article III of the City’s Charter provides that the public schools for the City be administered by a Superintending School Committee (the “School Committee”) comprised of five members, who are elected by the voters of the City at-large for three-year staggered terms. The School Committee performs all duties and functions in regard to the curriculum; care and management of the public schools of the City; and governs the affairs of the Brewer School Department. The School Committee prepares and submits its budget to the City Manager, who includes it in the budget process. The School’s staff consists of a Superintendent, four full-time principals, one part-time principal and one hundred thirty full time equivalent classroom based teachers,

two nurses, three social workers, two librarians, six guidance counselors, and various other professional and non-professional staff.

In addition to providing education to all students who are residents of the City, the School Department also provides education for grades 9 through 12 for certain contiguous communities or districts that do not have a high school on a tuition basis, as annually set by the State. The communities or districts that send some or all of their students to Brewer High School are AOS 47, RSU 63, and the towns of Amherst, Aurora, Glenburn and Veazie.

The following table shows the actual school enrollment as of April 1, 2020 through 2024.

City of Brewer Students			Tuition Students				
April 1,	Pre-K to 8	9 to 12	City	RSU63	AOS 47	Other	Total
2024	873	402	1,275	122	132	37	1,566
2023	893	416	1,309	118	159	34	1,620
2022	920	402	1,322	127	155	23	1,627
2021	897	394	1,291	140	136	25	1,592
2020	967	388	1,355	134	142	19	1,650

SOURCE: State of Maine, Department of Education, “April 1 Attending Count”.

City of Brewer High School District

The City of Brewer High School District (the “CBHSD”) is an entity coterminous with the residents and territory of the City. The CBHSD is not a department of the City but exists as a distinct body politic and corporate, as established by Chapter 4 of the Private and Special Laws of Maine (1925), as amended. The CBHSD was first established to erect, equip and maintain a high school upon land already secured for this purpose. By March 29, 1950, the CBHSD received additional powers “... to purchase land and to erect, equip and maintain one or more grammar schools, a junior high school, a high school and a vocational school or any or all of such schools....” The CBHSD currently owns all of the school buildings used by the City for its grades pre-Kindergarten through 12 educations programs.

The CBHSD is governed by a five-member Board of Trustees (the “Trustees”) serving staggered five-year terms. A Trustee must be a resident of the territory encompassed by the CBHSD and any who cease to be a resident must vacate the respective office. The Trustees have the power to issue debt for the above stated purposes. Each year the Trustees determine the amount of monies due to meet the CBHSD’s interest, principal, and/or sinking fund obligations. On or before April 1st of each year, the Trustees issue a warrant to the assessor of the City, who is required to then collect the assessment from the City’s taxpayers. Failure by the City to provide the CBHSD with the requisite assessment allows the Treasurer of the CBHSD the same authority as is vested in county officials for the collection of county taxes, including the power to seize and sell real and personal property. When payment of indebtedness is completed the respective school building is conveyed to the City. When all debt is retired, the Board of Trustees function is terminated.

The School Committee, who governs the affairs of the Brewer School Department, a department of the City, provides for the operation of the City’s public schools, including maintenance and minor capital costs of the facilities; the Board of Trustees of the CBHSD are separate and distinct from the City. CBHSD received \$2,797,502 from Brewer for the year ended June 30, 2024, of which \$1,846,116 was debt service subsidy from the State. The debt obligations of the CBHSD are Overlapping Debt obligations of the City.

Alternative Education

Title 20-A, Chapter 313 of the Maine Revised Statutes, as amended, provides for “applied technology education” or a course or program of education which is designed to create or improve job-related skills that are part of a

secondary school curriculum. The City is a member of the United Technologies Center, Region #4 (“Region #4”). Applied technology regions in Maine are quasi-municipal corporations established by the Legislature for the delivery of applied technology programs that are comprised of two or more school administrative units and governed by a cooperative board. Each Region now receives direct General-Purpose Aid from the State of Maine, and there is no longer an assessment to the school administrative units. Region #4’s territory encompasses 34 towns, including Brewer. The City sent 75 students to Region #4 in FY2024. The total operating budget for Region #4 in FY2024 was \$4,159,422.

The City participates in the Southern Penobscot Regional Program for Children with Exceptionalities (SPRPCE), along with 23 additional SAUs in the region. This program specializes in classification of educational curriculum for programs offered at the Bangor, Maine campus. Specialized areas include Multiple Handicapped programs; Severe Behavioral/Emotionally Disturbed programs; and Moderate to Severe Development Disability programs.

LABOR RELATIONS

The City employs approximately 405 full and part-time employees, approximately 279 of whom are employed by the School Department. The following lists the various bargaining units that are represented by a union, and the status of its current contract. City Employees not included in the below table are not represented by unions.

Union ⁽¹⁾	Bargaining Unit	Contract Expiration
IAFF, Local 2162	Firefighters	6/30/2027
AFSCME, Council 93	Fire Officers	6/30/2027
Fraternal Order of Police	Police Command	6/30/2027
Fraternal Order of Police	Patrol Officers	6/30/2027
AFSCME, Council 93	Water Pollution Control	6/30/2027
BEA/MEA	Teachers	8/31/2027
BEA/MEA	Custodians/Food Service	8/31/2027
BEA/MEA	Education Technicians	8/31/2027

NOTE: ⁽¹⁾ “IAFF” indicates the International Association of Firefighters; “AFSCME” indicates the American Federation of State, County and Municipal Employees. All IAFF and AFSCME units are affiliated with the American Federation of Labor & Congress of Industrial Organizations (“AFL-CIO”), as separate bargaining units. “MEA” indicates the Maine Education Association of which the various components of the Brewer Education Association (“BEA”) are affiliated, as separate bargaining units.

PHYSICAL AND ECONOMIC CHARACTERISTICS

General

Brewer is the thirteenth largest city in Maine with a population of 9,672 (2020 census). The City is part of an eleven-municipality employment and commercial center, having its hub in Bangor.

Brewer is situated on the eastern shore of the Penobscot River, which forms its northwestern border and separates it from the City from Bangor. Convenient access to Brewer is provided by five Bangor exits from U.S. Interstate Route 95 and from U.S. Interstate 395, which bisects the City. U.S. Route 1A also bisects the City from northwest to southeast, while State Routes 9, 15 and 178 follow the Penobscot River along the City’s western perimeter. The Bangor International Airport provides both domestic and international air traffic for the entire region. Brewer is also served by the Bar Harbor line of the Maine Central Railroad, which passes through the industrially zoned areas of the City.

The City has evolved from its predominate shipyards through stages of lumbering, textiles and home of Brewer Brick, and now includes a variety of diversified commercial, service or manufacturing businesses and various retail shopping centers along U.S. Route 1A. The City is an important retail shopping area to the region and a major distribution center for eastern and northern Maine.

The City is an urban, commercial, industrial, and suburban residential community with some rural characteristics. The City is comprised of residential, local business, industrial, commercial and resource protection zones, totaling 15.25 square miles.

Economic Development Department

Brewer's Department of Economic Development was established to increase wages and create jobs for City residents and those who live in the Brewer region; to expand the City's tax base, thereby reducing the tax burden on Brewer residents; to promote development consistent with the City's values and needs; and to help Brewer to become an economic leader in the State of Maine.

The primary objective of the Economic Development Department is the creation of an environment in Brewer that is conducive to business attraction and growth, with special emphasis on encouraging projects consistent with the City's Comprehensive Plan and likely to grow the tax base. Objectives are achieved through business attraction efforts and quick turn-around customer service, community outreach, planning and implementation designed to capitalize on broader economic trends, the creative use of incentives and facilitation services designed to support business growth, and the development of partnerships with neighboring communities to advance regional development goals. The Department of Economic Development also takes on leadership roles in regional and State development organizations in order to impact regional and State policy and advance the development-related interests of the City of Brewer. The Department is staffed with an Economic Development Director and Deputy Director.

Principal Employers

Major Employers	Business	Employees
Northern Light Health (formerly EMMC & EMHC)	Health Care	600
City of Brewer	Governmental	408
Wal-Mart	Retail	233
UPS	Transportation	250
Hannaford	Retail	184
Cianbro	Manufacturing	116
Somic America	Manufacturing	154
Downeast Toyota	Vehicle Sales and Service	147
Lowes	Retail	140
Mardens	Retail	55
SJ Rollins	IT	59

Building Permits

Calendar Yr. End Dec. 31,	Residential		Commercial & Industrial		Total	
	Permits	Est. Cost of Construction	Permits	Est. Cost of Construction	Permits	Est. Cost of Construction
2023	125	2,390,678	58	17,328,377	183	\$19,719,055
2022	109	3,970,723	38	6,074,967	147	10,045,690
2021	120	2,959,850	64	5,007,905	184	7,967,755
2020	134	1,975,205	54	3,552,961	188	5,528,166
2019	109	1,757,015	78	10,436,803	187	12,193,818
2018	134	1,793,125	81	11,138,524	215	12,931,649
2017	120	2,142,660	90	4,207,111	210	6,349,771
2016	136	1,880,328	60	2,019,533	196	3,899,861
2015	117	2,702,974	87	10,081,492	204	12,784,466
2014	78	1,639,298	96	9,407,068	174	11,046,366
2013	112	1,662,798	65	9,005,595	177	10,668,393
2012	124	1,904,192	73	7,103,610	197	9,007,802

Population Trends

Census	Population
2020	9,672
2010	9,482
2000	8,987
1990	9,021
1980	9,017

SOURCE: Respective census, U.S. Department of Commerce, Bureau of the Census.

Age and Income Levels

Median age (years) ^(a)	<u>Brewer</u>	<u>Maine</u>	<u>USA</u>
2020	40.9	45.0	38.3
2010	41.1	42.4	37.0
2000	41.1	42.7	37.2
Median Family Income ^(b)	<u>Brewer</u>	<u>Maine</u>	<u>USA</u>
2020	\$64,652	\$63,440	\$67,521
2010	66,544	60,021	61,455
2000	46,632	45,179	50,046
Per Capita Income	<u>Brewer</u>	<u>Maine</u>	<u>USA</u>
2020	\$35,074	\$32,637	\$33,741
2010	27,242	26,195	27,915
2000	20,158	19,533	21,587

SOURCE: Respective census, U.S. Department of Commerce, Bureau of the Census.

CITY FINANCES

Budgetary Process

The fiscal year (or “budget year”) of the City begins on the first day of July and ends on the thirtieth day of June of the following calendar year. The Charter provides that the budget (the “Budget”) will be comprised of two divisions: the Municipal Budget and the School Budget. The City Manager submits the Municipal Budget for the ensuing fiscal year to the City Council. The School Committee also submits its School Budget to the City Council, whereby the City Council may change the proposed appropriation for any line item but may not create additional line items. The School Committee may not approve transfers from line item categories without the prior approval of the City Council. The City Council holds a public meeting before its subsequent final passage of the appropriation resolve (“Appropriation Resolve”). Upon adoption of the budget, a property tax levy is established and filed with the City Assessor. The following table sets forth the trends in the originally adopted General Fund Budgets for the City for the last four fiscal years and for the current fiscal year:

**City of Brewer Budgets
General Fund
Fiscal Year Ending June 30,**

	2021	2022	2023	2024	2025
REVENUES					
Taxes	\$19,795,234	\$20,171,800	\$20,337,483	\$21,186,348	\$21,943,497
Licenses and permits	247,043	247,451	272,108	287,695	274,688
Intergovernmental	14,121,110	14,941,411	16,409,553	17,234,129	18,601,928
Local sources	4,607,325	3,528,406	3,995,166	3,965,747	3,840,813
Interest	40,000	20,000	90,000	132,111	300,000
TOTAL REVENUES	\$38,810,712	\$38,909,068	\$41,104,310	\$42,806,030	\$44,960,926
EXPENDITURES					
General government	2,088,548	2,187,717	2,337,903	2,455,256	2,696,397
Protection	4,928,037	5,507,068	5,791,044	6,234,815	6,723,222
Public services	315,811	300,665	398,627	464,789	529,124
Public works	2,705,509	2,606,926	2,973,496	3,213,745	3,424,774
Education	23,967,934	24,528,447	26,166,712	26,761,784	28,632,514
Unclassified	2,978,615	1,683,533	1,746,323	1,896,674	2,007,239
Debt service	2,542,428	2,567,106	2,357,878	2,399,043	2,430,788
Assessments	1,110,233	1,271,522	1,297,774	1,491,866	1,403,236
TOTAL EXPENDITURES	\$40,627,115	\$40,652,984	\$43,069,757	\$44,917,972	\$47,847,293
Fund balance	1,580,000	2,066,182	2,438,913	2,474,326	2,793,889
Reserves and carryforwards	515	-	-	-	392,455
Operating transfers	235,888	(322,266)	(473,466)	(362,384)	(299,977)
TOTAL OTHER FINANCING SOURCES	\$1,816,403	\$1,743,916	\$1,965,447	\$2,111,942	\$2,886,367

Capital Improvement Program

Chapter 2 of the City's Ordinance provides that the City will have a capital improvement plan ("CIP") to be prepared and presented with the annual budget. The CIP includes an inventory of possible capital projects, some of which may ultimately be financed through the issuance of indebtedness. The issuance of debt, however, is subject to the prior review and approval of the City Council. The CIP includes necessary large capital expenditures such as building construction and infrastructural needs for the City, exclusive of the School Department. The City projects the increased debt service and resultant impact on tax rates.

The CIP process starts with the submission of proposal projects by department heads to the City Manager. The City Manager develops a tentative CIP, which is reviewed at the staff level, and then developed into a draft CIP. The draft CIP is submitted to the City Council. The City Council reviews the draft CIP, develops recommendations, and then approves a Capital Improvement/Investment Program. The following displays the current five-year Capital Improvements Program of the City:

**City of Brewer
Current Capital Improvement Plan
Fiscal Year Ending June 30,**

	2025	2026	2027	2028	2029	Total
EQUIPMENT						
City Hall	\$ -	\$ 37,500	\$ 75,000	\$ 75,500	\$ 10,000	\$ 198,000
Public Safety	144,000	213,000	128,000	1,595,000	120,000	2,200,000
Public Works	395,000	600,000	672,000	195,000	480,000	2,342,000
Other	61,887	272,613	58,500	100,000	43,000	536,000
Total Equipment	600,887	1,123,113	933,500	1,965,500	653,000	5,276,000
PLANT & PROPERTY						
Minor Struct. & Reno.	226,500	2,073,000	159,500	85,500	57,000	2,601,500
Street Reconstruction	1,348,000	2,380,000	315,000	340,000	390,000	4,773,000
Major Structures	215,000	1,280,000	3,585,000	885,000	835,000	6,800,000
Financing Expenses	10,000	10,000	10,000	10,000	10,000	50,000
Total Plant & Property	1,799,500	5,743,000	4,069,500	1,320,500	1,292,000	14,224,500
TOTAL CIP	\$2,400,387	\$6,866,113	\$5,003,000	\$3,286,000	\$1,945,000	\$19,500,500
FUNDING SOURCES						
CIP Fund Balance	326,287	150,000	150,000	150,000	150,000	926,287
TIF Revenue	110,000	50,000	250,000	550,000	500,000	1,460,000
Bond Financed	1,944,000	6,216,113	4,403,000	2,486,000	1,195,000	16,244,113
Other (grants, general fund)	20,100	450,000	200,000	100,000	100,000	870,100
TOTAL SOURCES	\$2,400,387	\$6,866,113	\$5,003,000	\$3,286,000	\$1,945,000	\$19,500,500

Property Tax Levy Limit

As of June 30, 2024, the City was limited to an increase in the City's property tax levy from one year to the next to an amount not more than its Municipal Property Tax Levy Limit. The City's Municipal Property Tax Limit for subsequent fiscal years was the Municipal Property Tax Levy Limit for the preceding year multiplied by the Growth Limitation Factor. Additionally, if the state revenue sharing distribution was reduced from the previous year rather than increased, the City's property tax levy limit was adjusted upwards to reflect that loss in the state-based financial support. Therefore, in cases where the amount of the prior year's Municipal Property Tax Levy Limit exceeded the amount of the City's actual property tax levy ("Property Tax Levy"), the City may carry-forward that difference in establishing its future years' property tax levy. Effective August 9, 2024, the Property Tax Levy Limit requirement was repealed.

The following table displays the City's limitation on Municipal Property Tax Levy:

Fiscal year:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
State Personal Income Factor:	2.77%	2.89%	3.30%	3.78%	4.69%
City Property Growth Factor:	<u>0.31</u>	<u>0.31</u>	<u>0.27</u>	<u>0.54</u>	<u>0.95</u>
Growth Limitation Factor:	3.08%	3.20%	3.57%	4.32%	5.64%
Property Tax Levy Limit:	\$10,747,749	\$10,890,901	\$10,962,511	\$10,895,788	\$10,982,294
Property Tax Levy:	<u>6,963,305</u>	<u>7,608,272</u>	<u>7,713,177</u>	<u>7,713,177</u>	<u>8,240,831</u>
Over/(below) Levy Limit:	(\$3,784,444)	(\$3,282,629)	(\$3,249,334)	(\$3,182,611)	(\$2,741,463)

Fund Balance

	(000s)					
	Fiscal Year Ended June 30,					
FUND BALANCE	2019	2020	2021	2022	2023	2024
Unassigned	\$4,735	\$4,882	\$6,193	\$7,435	\$8,995	\$9,495
Non-spendable, restricted, committed	\$1,600	\$2,495	\$3,172	\$4,034	\$2,996	\$2,519
TOTAL FUND BALANCE	<u>\$6,335</u>	<u>\$7,377</u>	<u>\$9,365</u>	<u>\$11,469</u>	<u>\$11,991</u>	<u>\$12,014</u>
 Operating Expenditures	 \$38,767	 \$39,832	 \$40,169	 \$41,015	 \$43,204	 \$45,200
Gross Revenues	\$38,953	\$40,874	\$41,660	\$43,697	\$43,726	\$47,000
 Unassgn. Fund Balance as % of Op. Exp.	 12.2%	 12.3%	 15.4%	 18.1%	 20.8%	 21.0%
Total Fund Balance as % of Gross Rev.	16.3%	18.1%	22.5%	26.2%	27.4%	25.6%

INVESTMENT POLICY

The City adopted and has followed a formal Investment Policy since August 10, 1999, as amended. Pursuant to the Investment Policy and under Maine law [Title 30-A, Section 5706 et seq. of the Maine Revised Statutes, as amended (the "Act")], all investments of the City must be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment considering (i) safety of principal and maintenance of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements with which a fund is charged, that is reasonably expected, and (iii) return of income commensurate with avoidance of unreasonable risk. Under the Act, the City's investment practice is to maintain a cash and investment pool that is available for use by all funds and consists of short-term investments. The City is invested principally in direct obligations of the United States government and its agencies, as well as FDIC insured Certificates of Deposit in FY24. The City is not invested in any obligations typically referred to as derivatives, meaning obligations created from, or whose value depends on or is derived from the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest.

FINANCIAL STATEMENTS

Title 30-A, Chapter 223, Subchapter VIII of the Maine Revised Statutes, as amended, and Article VI, Section 2 of the City's Charter provide that independent annual audits of the City's accounts be undertaken. The City, in conformance with this statute and its Charter currently engages the services of Runyon Kersteen Ouellette, Certified Public Accountants.

**CITY OF BREWER
COMPARATIVE BALANCE SHEET
GENERAL FUND
(As of June 30,)**

	2024	2023	2022	2021	2020
ASSETS					
Cash	\$7,087,984	\$4,171,230	\$13,427,006	\$8,154,945	\$7,647,870
Investments	13,138,477	12,230,794	3,726,136	805,187	814,991
Receivables:					
Taxes receivable	167,763	135,056	113,128	113,227	105,622
Tax liens	443,892	407,271	471,872	528,884	626,297
Other receivables	798,327	651,168	691,088	547,667	537,640
Prepaid items	309,650	186,342	186,342	181,292	235,486
Inter-fund loans	-	-	-	3,231,306	1,596,527
TOTAL ASSETS	\$21,946,093	\$17,781,861	\$18,615,572	\$13,562,508	\$11,564,433
LIABILITIES					
Accounts payable	795,550	621,807	770,762	780,074	857,670
Accrued payroll	2,891,486	2,813,111	2,880,490	2,829,366	2,636,086
Taxes collected in advance	79,964	70,583	45,941	61,151	49,510
Unearned revenue	5,103	5,618	6,133	6,648	7,163
Inter-fund loans	2,829,899	1,803,175	2,933,816	-	-
TOTAL LIABILITIES	\$6,602,002	\$5,314,294	\$6,637,142	\$3,677,239	\$3,550,429
DEFERRED INFLOWS of RESOURCES⁽¹⁾					
Unavailable revenue – property taxes	\$617,311	\$476,130	\$509,613	\$519,613	\$634,089
FUND EQUITY⁽¹⁾					
Non-spendable	309,650	186,342	186,342	181,292	235,486
Restricted	1,338,587	1,423,679	2,335,133	1,451,745	836,662
Assigned	1,642,063	1,386,267	1,512,439	1,539,191	1,423,085
Unassigned	11,436,480	8,995,149	7,434,903	6,193,428	4,884,682
TOTAL FUND EQUITY	\$14,726,780	\$11,991,437	\$11,468,817	\$9,365,656	\$7,379,915
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	\$21,946,093	\$17,781,861	\$18,615,572	\$13,562,508	\$11,564,433

Prepared from Audited Financial Statements

NOTES: ⁽¹⁾ Redefined, pursuant to GASB

CITY OF BREWER
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND
(For the Years Ended June 30,)

	2024	2023	2022	2021	2020
REVENUES					
Taxes	\$22,310,328	\$21,061,020	\$20,577,857	\$20,597,726	\$19,340,789
Licenses and permits	295,578	289,183	276,179	250,571	243,159
Intergovernmental	20,457,283	19,510,271	18,643,908	17,017,023	15,598,707
Local sources	4,967,480	4,515,138	4,171,814	3,741,278	4,241,426
Interest earned	903,609	182,382	27,755	53,087	155,813
TOTAL REVENUES	\$48,934,278	45,557,994	43,697,513	41,659,685	39,579,894
EXPENDITURES					
Current:					
Administration	2,353,412	2,213,636	2,059,842	1,954,906	2,012,509
Protection	6,302,018	5,914,426	5,538,206	4,979,458	4,806,523
Public services	404,749	378,508	283,507	200,725	323,225
Public works	2,875,656	2,632,457	2,483,241	2,393,824	2,256,038
Unclassified	1,732,092	1,647,362	1,542,852	1,407,439	1,456,481
Education	25,842,092	24,643,468	23,293,112	22,475,875	22,059,633
Debt service	2,168,891	2,307,323	2,515,692	2,477,650	2,520,002
Assessments	1,471,271	1,322,688	1,263,850	1,126,292	1,075,191
MainePERS	2,225,930	2,143,950	2,034,983	2,003,944	1,897,741
Capital outlay	123,203	-	-	1,149,236	1,482,069
TOTAL EXPENDITURES	45,499,319	43,203,818	41,015,285	40,169,349	39,889,412
EXCESS OF REVENUES OVER EXPENDITURES	3,434,959	2,354,176	2,682,228	1,490,336	(309,518)
OTHER FINANCING SOURCES:					
Long-term debt proceeds	123,203	-	3,971	1,149,236	1,482,069
Operating transfers in	1,108,398	1,014,832	980,439	1,109,801	1,294,452
Operating transfers out	(1,914,276)	(2,846,388)	(1,563,477)	(1,763,632)	(1,424,430)
TOTAL OTHER FINANCING SOURCES (USES):	(699,616)	(1,831,556)	(579,067)	495,405	1,352,091
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	2,735,343	522,620	2,103,161	1,985,741	1,042,573
BEGINNING FUND BALANCE	\$11,991,437	\$11,468,817	\$9,365,656	\$7,379,915	\$6,337,342
ENDING FUND BALANCE	\$14,726,780	\$11,991,437	\$11,468,817	\$9,365,656	\$7,379,915

Prepared from Audited Financial Statements

ASSESSING DEPARTMENT

The Assessing Department is responsible for the just valuation of all property for the purpose of taxation within the City of Brewer. The Assessing office is staffed by 3 employees who work to discover, list, equalize, and value all taxable property, real and personal, as of its situs on April 1st of each year. It utilizes deeds, court records, probate documents, subdivision plans, building permits, site inspections', declarations of value and other inquiries to assist it in ensuring compliance with State of Maine Statutes. The Assessing Department processes tax exemption and current use applications, as well as maintaining tax maps and E911 address assignments for all properties. Once per year, the assessment roll is committed and sent to the Tax Collector for accounts receivable tax collection purposes.

PROPERTY TAXATION

The principal tax of the City is the tax on real and personal property. A single tax applies for each fiscal year to the assessed value of the taxable real or personal property. The City's Tax Collector receives the tax commitment from the City Assessor, with assessed values as of April 1st of each year, after which time the tax bills are due in two installments. All taxes paid after the due dates are subject to interest, at the rate of 8.0% per annum, in FY2024.

Real Estate Tax

Collection of real estate taxes is ordinarily enforced in the City by the "tax lien" procedure as provided in the Maine Revised Statutes, as amended, to the collection of delinquent real estate taxes. Real Estate Tax Liens are recorded against the individual property at the County Registry of Deeds. This lien has priority over all mortgages, liens, attachments, and encumbrances of any nature, subject to any paramount federal tax lien and subject to bankruptcy and insolvency laws. If the account is not satisfied within 18 months, the property becomes tax acquired and may be disposed of by the City.

Business Personal Property Tax

In 2006, the Maine Legislature enacted LD 2056, codified as Title 36, Chapter 105, Subchapter 4-C of the Maine Revised Statutes, as amended, which exempts from taxation, beginning with the April 1, 2008 tax year, various types of tangible business personal property subject to an allowance for depreciation and some specialty types of real property improvements.

Through the Business Equipment Tax Exemption Program ("BETE") the State will reimburse municipalities with respect to the lost property taxes associated with this new exemption. For property not in a grandfathered tax increment financing ("TIF") district, the State reimbursement rate is 50% of the lost tax revenue or, for communities whose tax base is made up of at least 5% personal property, an enhanced rate. In FY2024, Brewer received reimbursement at the enhanced rate of 54.38%. The City receives 100% reimbursement for BETE value in one grandfathered TIF district.

For the purposes of identifying the municipality's valuation for determining the local property tax rate, the value of all property made exempt by this legislation in the municipality must be considered part of that municipality's local valuation to the extent the municipality is being reimbursed for its lost property taxes by the State other than property located in, and the assessed value of which is retained in, a tax increment financing district. The following table identifies the value of the property subject to BETE reimbursement:

Fiscal Year ended	Exempt BETE Value		Total
<u>June 30,</u>	<u>Not in TIF</u>	<u>In TIF Districts</u>	<u>BETE Value</u>
2024	\$45,543,700	\$7,561,400	\$53,105,100
2023	35,857,000	2,246,800	38,103,800
2022	32,913,400	556,800	33,470,200
2021	32,470,900	354,900	32,825,800
2020	17,714,900	10,204,200	27,919,100

The value of all property made exempt by this law in the City will also be considered part of that municipality's equalized State Valuation to the extent the City is being reimbursed for its lost property taxes by the state with an additional adjustment for property in a tax increment financing district. The law provides some additional security for the municipal reimbursement system by funding the reimbursements described above directly from State Income Tax receipts before those receipts are deposited into the State's General Fund, rather than as an annual General Fund appropriation.

Largest Taxpayers

The following is a list of the City's ten largest taxpayers for fiscal 2024:

Name	Nature of Business	Fiscal 2024 Assessed Valuation	% of Total Assessed Valuation
Maritime & Northeast Pipe LLC	Utility	\$48,017,100	4.83%
Fransway Realty LLC	Real Estate	21,445,300	2.16%
Walmart	Retail	19,228,400	1.94%
Versant Energy	Utility	16,674,700	1.68%
Lowe's Home Centers Inc	Retail	15,566,500	1.57%
EODSR LLC/Darling Edward O	Auto Dealer	9,450,100	0.95%
Cianbro/Penobscot River Holdings	Manufacturer	7,535,000	0.76%
Somic America	Manufacturer	7,404,400	0.75%
Village Centre Housing Partners LP	Residential Real Estate	5,713,900	0.58%
Woodlands LLC	Health Care	5,594,100	0.56%
Total		<u>\$156,629,500</u>	<u>15.78%</u>

Valuations

Fiscal Year	Real Estate Valuation ⁽¹⁾	Personal Property Valuation ⁽²⁾	Total Assessed Valuation	Tax Rate Per \$1,000 of Assessed Valuation	Gross Tax Levy (000s)	Tax Levy Per Capita ⁽³⁾
2024	\$955,078,988	\$38,428,900	\$993,507,888	\$20.10	\$19,970	\$2,065
2023	830,164,291	29,991,600	860,155,891	21.90	18,837	1,948
2022	795,517,145	30,682,100	825,199,245	22.30	18,424	1,905
2021	768,236,365	31,279,700	799,516,065	22.75	18,189	1,881
2020	731,471,173	30,517,200	761,988,373	22.99	18,300	1,930
2019	724,376,483	29,238,200	753,614,683	22.50	17,698	1,867
2018	721,369,640	30,721,800	752,091,440	22.50	16,922	1,785

⁽¹⁾ Excludes Homestead Value Exemption.

⁽²⁾ Excludes property eligible for the Business Equipment Tax Exemption.

⁽³⁾ The 2020 Federal Census is 9,672.

Tax Levy and Collections

The following table compares the City's tax collections with its gross tax levies for the past seven fiscal years.

Fiscal Year	Gross Tax Levy (000)	Collected Year End Levy (000)	% of Tax Levy	Collected as of 6/30/24 (000)	% of Tax Levy
2024	19,970	19,625	98.27	19,625	98.27
2023	18,837	18,804	99.82	18,804	99.82
2022	18,424	18,113	98.31	18,342	99.55
2021	18,189	17,874	98.27	18,156	99.82
2020	17,513	17,093	97.60	17,498	99.91
2019	16,956	16,942	99.91	16,945	99.93
2018	16,922	16,627	99.46	16,913	99.95

TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE DEVELOPMENT HOUSING DISTRICTS

Chapter 206 and former 207 (now repealed) of Title 30-A of the Maine Revised Statutes, as amended, enables a municipality to finance qualified development by borrowing against the future increased property tax receipts attributable to that development. Under the statutory framework, the municipality designates a tax increment financing ("TIF") district or an affordable housing development district (a "housing district") for a period of up to 30 years and adopts a development program (the "Development Program") stating the means and objectives for the development of that district. The municipality may designate, or "capture", all or a portion of the increase in assessed value resulting from development within the district and dedicate the increased property taxes it receives in future years generated by the "captured" assessed value to payment of the costs of the Development Program, which may include debt service on borrowing to fund such costs.

The Commissioner of the Maine Department of Economic and Community Development, with respect to TIF Districts, or the Director of the Maine State Housing Authority, with respect to housing development districts, must approve the designation of any such district.

Such districts are subject to statutory limits on their size, including the following limitations: (a) the total area of a single district may not exceed 2% of the total acreage of the municipality, (b) the total area of all TIF districts or housing districts within a municipality each may not exceed 5% of the total acreage of the municipality, and (c) the aggregate original assessed value of all TIF districts and the aggregate original assessed value of all housing districts within the municipality cannot exceed 5% of the municipality's total value of taxable property.

Excluded from these limits as applicable to TIF districts is any district involving project costs in excess of \$10,000,000, the geographic area of which consists entirely of contiguous property owned by a single taxpayer with an assessed value in excess of 10% of the municipality's total assessed value. In addition, the foregoing limitations do not apply to approved downtown TIF districts, TIF districts included within Pine Tree Development Zones or TIF districts that consist solely of one or more community wind power generation facilities owned by a community wind power generator that has been certified by the Public Utilities Commission pursuant to Title 35-A, section, 3403, subsection 3 of the Maine Revised Statutes, as amended.

The increase in assessed value captured by the municipality is excluded from the municipality's equalized just value for each year's State valuation filed with the Secretary of State in accordance with Title 36, Sections 208 and 305 of Maine Revised Statutes, as amended, and is therefore not included in calculating that municipality's share of State educational aid, State municipal revenue sharing, the county tax or the 15% debt limitation for the municipality pursuant to Title 30-A, Section 5702 of the Maine Revised Statutes, as amended.

In FY2024, the City had three designated tax increment financing districts and one affordable development housing district with a total of \$68,058,500 in captured assessed value. It may consider proposals for other districts on an ongoing basis. All districts will be evaluated based upon the City's comprehensive plan for economic development, which includes tax increment financing as one of its aspects. In no event will the City's districts exceed the statutory limitation of total area and aggregate equalized value within all districts, determined as of their date of designation, as set out above.

REVENUES FROM THE STATE

The State provides revenue to the City in a number of areas including aid to the City in the areas of education and road maintenance, reimbursement for general assistance, homestead exemption and BETE and revenue sharing. The amount of revenue in each category is based upon a number of formulas, many of which contain variables that change annually. Further, most categories of State disbursements are governed by laws that may be changed by the State Legislature and are subject to appropriation by the State Legislature in its budgetary process.

The State subsidizes most local school administrative units through a calculation that utilizes a number of factors that are subject to change each year. The subsidy formula itself is subject to change by the Legislature. Furthermore, subsidies for school administrative units are an annual item in the State's budgetary process and are subject to legislative appropriation in that process. The following table displays revenues received by the City from the State for the last seven audited fiscal periods:

Fiscal Yr. End June 30,	State Revenue Sharing	State School Subsidy	General Assistance	BETE	Homestead Exemption	Total
2024	\$3,046,153	\$13,453,819	\$16,299	\$498,818	\$789,005	\$17,804,094
2023	2,623,207	13,146,245	14,747	423,689	825,729	17,033,617
2022	2,217,121	12,791,128	3,859	406,022	807,818	16,225,948
2021	1,487,601	12,007,685	9,257	396,498	828,498	14,729,539
2020	1,110,704	11,880,029	12,172	216,661	540,840	13,760,406
2019	698,879	10,995,234	6,193	133,337	533,531	12,367,174
2018	673,342	10,181,025	10,200	68,679	421,425	11,354,671

INDEBTEDNESS

Limitation and Exclusions

In accordance with Title 30-A, Section 5702 of the Maine Revised Statutes, as amended, "No municipality shall incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes, to exceed 7½% of its last full state valuation, or any lower percentage or amount that a municipality may set. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full state valuation, or any lower percentage or amount that a municipality may set, for storm and sewer purposes to an amount outstanding at any time not exceeding 7½% of its last full state valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full state valuation, or any lower percentage or amount that a municipality may set; provided, however, that in no event shall any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full state valuation, or any lower percentage or amount that a municipality may set."

Title 30-A, Section 5703 of the Maine Revised Statutes, as amended, provides that the limitations on municipal debt contained in Section 5702 do not apply "... to any funds received in trust by any municipality, any loan which has been funded or refunded, notes issued in anticipation of federal or state aid or revenue sharing money, tax

anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt issued under Chapter 235 and Title 10, chapter 110, subchapter IV, obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality, and the state reimbursable portion of school debt.”

The City’s 2024 equalized state valuation (“equalized State Valuation”) is \$983,200,000. The 15% debt limit is \$147,480,000. As of June 30, 2024, the City’s long-term debt outstanding was \$33,287,844, or 3.39% of the equalized State Valuation.

Outstanding Debt

The following table sets forth the City’s bonded debt, including bond anticipation notes and net debt as percentages of the City’s state equalized valuation as of the end of the current fiscal year and the most recently completed fiscal years.

Fiscal Year End	G.O. Bonded Debt Outstanding	Total State Equalized Valuation ⁽²⁾	Bonded Debt Per Capita ⁽¹⁾	Total Bonded	Levy Supported
				Debt as % of State Equalized Valuation	Debt as a % of State Equalized Valuation
2024	\$33,287,844	\$983,200,000	\$3,442	3.39%	1.44%
2023	35,099,914	910,650,000	3,629	3.85	1.60
2022	35,848,233	837,700,000	3,706	4.28	1.67
2021	34,807,437	782,200,000	3,599	4.45	1.95
2020	31,881,917	762,350,000	3,362	4.18	2.13
2019	33,482,695	732,700,000	3,531	4.57	2.31
2018	36,409,536	721,000,000	3,840	5.00	2.35
2017	36,306,839	718,900,000	3,829	5.05	2.45

(1) The 2020 Federal Census is 9,672.

(2) As determined by the State of Maine.

Debt Service Component of Operating Expenses

	2020	2021	2022	2023	2024
Gross Current Debt Service:	\$4,136,228	\$4,086,797	\$4,451,824	\$4,152,130	\$3,802,024
(less Self Support Enterprise):	<u>(1,617,689)</u>	<u>(1,609,147)</u>	<u>(1,936,132)</u>	<u>(1,845,156)</u>	<u>(1,633,676)</u>
Tax Backed Current Debt Svc:	2,518,539	2,477,650	2,515,691	2,306,974	\$2,168,348
Operating Expense:	\$39,889,412	\$40,169,349	\$41,015,285	\$43,203,818	\$45,200,000
Tax Backed					
Debt Service as % Oper. Exp:	6.31%	6.17%	6.13%	5.34%	4.80%

Debt Ratios

The following table sets forth the ratio of bonded debt to equalized State Valuation and per capita debt ratios for the end of the seven most recent audited fiscal years:

FY End June 30,	Total Debt	Eq. State Val. (000)	Assessed Val. (000)	Debt as % Eq. Val.	Per Capita Debt
2024	\$33,287,844	\$983,200	\$993,508	3.39%	\$3,442
2023	35,099,914	910,650	860,155	3.85	3,629
2022	35,848,233	837,700	826,199	4.3	3,706
2021	34,804,437	782,200	799,516	4.4	3,599
2020	31,881,917	762,350	761,988	4.2	3,362
2019	33,482,695	732,700	753,615	4.6	3,531
2018	36,409,536	721,000	752,091	5.0	3,840

Future Financing

The City Manager develops a formal five-year Capital Improvement Plan ("CIP"), which includes an inventory of possible capital projects, some of which may ultimately be included in the annually approved CIP, and is an indication of future projects that may be financed through the issuance of indebtedness. The issuance of debt, however, is subject to the prior review and approval of the City Council.

As of June 30, 2024, the City had the following authorized, but unissued long term-debt:

\$1,000,000 in general obligation bonds were authorized on March 22, 2023 to fund the local share of improvements to the Oak Grove sewer subsystem that will be partially funded with \$1,103,000 in U.S. EPA Community Grant Program funds. The State will be forgiving up to \$379,936 of the loan principal.

\$3,301,000 in Drinking Water State Revolving Funds were authorized on May 9, 2023 to fund purchase of a vacuum excavation truck for the Water Department and replacement of water main lines along Wilson Street and in the Robinhood neighborhood. The State will be forgiving up to \$1,292,050 of the loan principal.

In August 2024, the City Council authorized the issuance of up to \$1,944,000 in general obligation bonds to finance planned capital improvements approved as part of the FY2025 budget process. The bond issue will take place in the spring of 2025.