

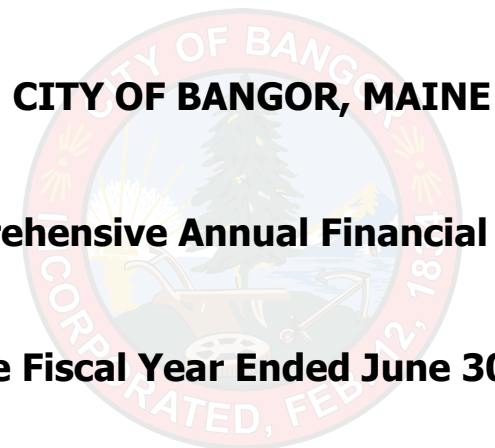


CITY OF BANGOR  
MAINE

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR JUNE 30, 2020





**CITY OF BANGOR, MAINE**

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2020**

CITY OF BANGOR

Prepared by:

Debbie Laurie, Finance Director

David Little, Deputy Finance Director

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# **INTRODUCTORY SECTION**



# DEPARTMENT OF FINANCE

## CITY OF BANGOR

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DEBBIE A. LAURIE  
DIRECTOR

December 28, 2020

To the Honorable Chair,  
Members of the Bangor City Council, and  
Citizens of Bangor

In accordance with the City Charter and state statutes, the City of Bangor's comprehensive annual financial report for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Bangor. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City of Bangor on a government wide and fund basis.

The City is responsible for establishing and maintaining an internal control framework designed to ensure that the assets of the City are protected from loss, theft, and misuse and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The City's financial statements have been audited by Runyon Kersteen Ouellette. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's unmodified opinion is presented as the first component of the financial section of this report.

Further, the City is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget's Uniform Guidance. Information related to this single audit, including a schedule of expenditures of federal awards, findings, questioned costs, recommendations, and the independent auditor's reports on the internal control structure and compliance with applicable laws and regulations, is included in a separately issued single audit report.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

## **Profile of the Government**

The City of Bangor, which occupies approximately 35 square miles on the western shore of the Penobscot River, was first settled in 1656, incorporated as a town on February 25, 1791 and as a city on February 12, 1834. The City of Bangor is the third largest City in Maine and serves as the County Seat for Penobscot County. As a result, Bangor serves as the major trade, distribution, service, and commercial center for the central, eastern, and northern portions of the State.

Bangor has operated under a Council-Manager Charter, since 1931. The City Council is composed of nine members, elected at large, for three-year staggered terms. The Charter grants to the Council all powers to enact, amend, or repeal rules, ordinances, and resolutions relating to the City's property, affairs, and government; to preserve the public peace, health, and safety; to establish personnel policies; to give effect to any vote of the City; and to authorize the issuance of debt. The Council adopts an annual budget and provides for an annual audit. The City Manager is the chief administrative officer of the City and is appointed by the Council, as are the Assessor, Solicitor, and Clerk.

The School Department is governed by a seven-member School Committee, elected at large, for three-year staggered terms. By Charter, the School Committee has all the powers and responsibility for the care and management of the public schools of the City and to provide the City Council with an estimate of the sum required for school purposes for the ensuing municipal year. The City Council makes a single gross appropriation for this purpose. Once approved, the expenditure of this appropriation is under the direction and control of the School Committee. The School Committee employs the Superintendent of Schools as its chief operating officer, responsible for the day to day operations of the schools.

The City provides a full range of municipal services including police and fire, highways, sanitation, health and welfare, parks and recreation, education, public transportation, planning, business and economic development, code enforcement, and general administrative services which are accounted for in the City's General Fund. Additionally, the City of Bangor owns and operates the Bangor International Airport, sanitary sewer, storm water, the Bass Park Complex (Cross Insurance Center), parking facilities, golf course, and economic development (properties), which are accounted for in the City's enterprise funds.

The City's fiscal year begins on July 1 and the annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function, and department and the City Manager may transfer resources within a department; however, transfers between departments require Council action.

The City Charter requires that the City Manager submit a recommended budget to the Council by the second Monday in April, which includes the general fund, school budget, and seven enterprise funds. The budget, which must be in balance, contains estimates of all non-tax revenues and



receipts expected to be received during the next fiscal year, the expenditures necessary to support City operations, debt service requirements, and the tax levy required to achieve balance between revenues and expenditures. The Council may modify recommended expenditures and as well as the recommended tax levy. In accordance with the City Charter, if the Council fails to adopt a budget by June 30, the City Manager's proposed budget is enacted. The appropriate property tax levy is established and filed with the City Assessor, who then sets the necessary property tax rate.

Special revenue funds do not have adopted budgets but have program budgets. Budgetary controls are maintained on other governmental funds through formal authorizations by the City Council and through grant agreements. All budgets are legally adopted by the City Council through the passage of appropriation resolves.

### **Factors Affecting Financial Condition**

**Local Economy.** The City of Bangor serves as the major service center in central, northern and eastern Maine for a variety of services including communications, banking, retail, industrial, transportation, and healthcare. Additionally, the City serves as the center for federal, state and county governments. Bangor also serves as northern New England's economic link to the Canadian Maritimes and eastern Quebec.

Bangor has a stable and varied economic base. Major employers include a diversified mix of health care, educational, professional, retail, manufacturing, and governmental entities. To date, the City has recorded little change in its economic base due to the impacts of COVID 19.

Bangor serves as one of the largest retail markets in Maine. The Bangor Mall, Airport Mall, Broadway commercial center, Union Street commercial corridor, and the Bangor Center Development District (downtown) have long established Bangor as the hub of the six county eastern Maine retail market. Bangor's retail sector serves an extensive geographic area ranging from eastern Maine to the Canadian Maritimes, with a population exceeding 3.1 million. With less than three percent of the State's population, Bangor's share of the State's retail sales is proportionally higher. In FY 2020, Bangor's retail taxable sales were \$1.84 billion and represent 7.27% of total State retail taxable sales. Shifts in the retail market have created challenges in some of our large retail centers. Specifically, the Bangor Mall is facing the same challenges that are being faced by retail centers around the country. The pandemic has created an additional challenge as more retail is being conducted online versus bricks and mortar stores. This is further exacerbated in our community by the pandemic related closure of the Canadian border. The implications of all factors are being monitored closely.

Further evidence of continuing sustained growth is the change that can be measured by the City's assessed value of real and personal property. The annual increase in assessed value is a combination of three factors: 1) market adjustments to existing property, 2) new construction/additions, and 3) personal property depreciation. While assessed valuations have remained relatively flat since the FY 2011 economic downturn, the taxable valuation amount is impacted by property tax exemptions created or expanded by the State of Maine (\$279.5 million in fiscal year 2021). However, personal property enrolled in the Business Equipment Tax Exempt program (BETE) continues to increase annually, an indication of continued commercial investment within the City. The City continues to be impacted by reductions in State-funded revenue sharing,

aid to education and has absorbed additional tax shifts related to general assistance and Medicare/Medicaid. The reductions in revenues and cost shifts are the major contributing factor in the overall increase of 19.79% in the tax rate from 2011 to 2020.

Until November, COVID 19 cases were generally limited to institutions and southern Maine communities. That has now changed, where the State is now experiencing a surge in cases across all communities. What impact the uptick in cases, any potential additional State restrictions and the continued closure of the Canadian border will have on our economy remains to be seen. Anecdotally, taxable retail sales for the third quarter of 2020 versus 2019 for Bangor remain relatively flat. The City continues to utilize our public health and emergency management plan to evolve our processes enabling us to adapt our operations, services and response to minimize the impact of the pandemic on our community and position our community and resources for post-pandemic operations. All of which is being undertaken with an eye toward financial sustainability. The true human, small business, employment, economic development, health and safety and financial impacts of the pandemic are likely to have a ripple effect for years to come, similar to the 2008 financial crisis.

**Long-term financial planning and major initiatives.** The City's capital improvement plan is an integral part of the annual budget process. A complete list of near-term improvements is submitted as part of the City Manager's budget submission for all City functions. The plan includes projects anticipated within five years and includes an indication of how the City anticipates funding the improvements. Certain improvements are longer term in nature and are updated and reviewed via the City Council's committee structure on an as-needed basis.

The City has made significant investments in its operating and capital infrastructure to support its economic base. Major areas of investment include:

- \$1.1 million invested in streets, sidewalks, traffic control, and other infrastructure;
- \$3.2 million invested in upgrades to Community Connector vehicles;
- \$10.8 million invested in the plant and pump station upgrades, sewer replacements and separation projects;
- \$3.1 million invested in airport equipment and infrastructure; and
- \$923 thousand invested in school facilities.

The City is proactively addressing quality of life issues and housing opportunities. Key initiatives to date include:

- Participation in the AARP age-friendly community initiative;
- Proactive approach to blighted properties;
- Provided assistance to homeowners and designated neighborhoods through CDBG funding;
- Leadership in the Community Health Leadership Board to address community health issues including; substance abuse, hunger and mental health;
- Development of housing work group to focus on the issue of quality, affordable housing;
- Sustained commitment to academic excellence for all;
- Enhanced awareness of diversity, equity and inclusion for all;
- Energy efficiency initiatives for residential and City properties; and
- Continued support of arts and culture.

Finally, the City continues to implement significant technology and process improvements to increase the overall organizational efficiency and enhance citizen communication and engagement.

**Relevant Financial Policies.** City policy prescribes uses for unassigned fund balances. In general, unassigned fund balance is not to be used to fund any portion of the on-going and routine year-to-year operating expenditures of the City. It is to be used primarily to ensure adequate fund balances, to respond to unforeseen emergencies, and to provide overall financial stability.

By Charter, the City is to maintain an unassigned fund balance of no more than 16.66% and no less than 8.33% of prior year expenditures and the Council has determined that a reasonable target is 8.33%. Unassigned fund balance – City in the General Fund as of June 30, 2020 was 14.07% of expenditures, net of debt service.

**Awards and Acknowledgements.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bangor for its comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA for consideration for another certificate.

The preparation of this document would not have been possible without the hard work of all of the City's employees. Each one contributes on a daily basis, simply by carrying out the responsibilities of their positions.

Our sincerest thanks are once again extended to our citizens and the Bangor City Council for their continued support for our efforts to further develop the City's financial management and reporting capabilities. We are confident that we have once again met their expectations.

Respectfully submitted,



Debbie Laurie  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bangor  
Maine**

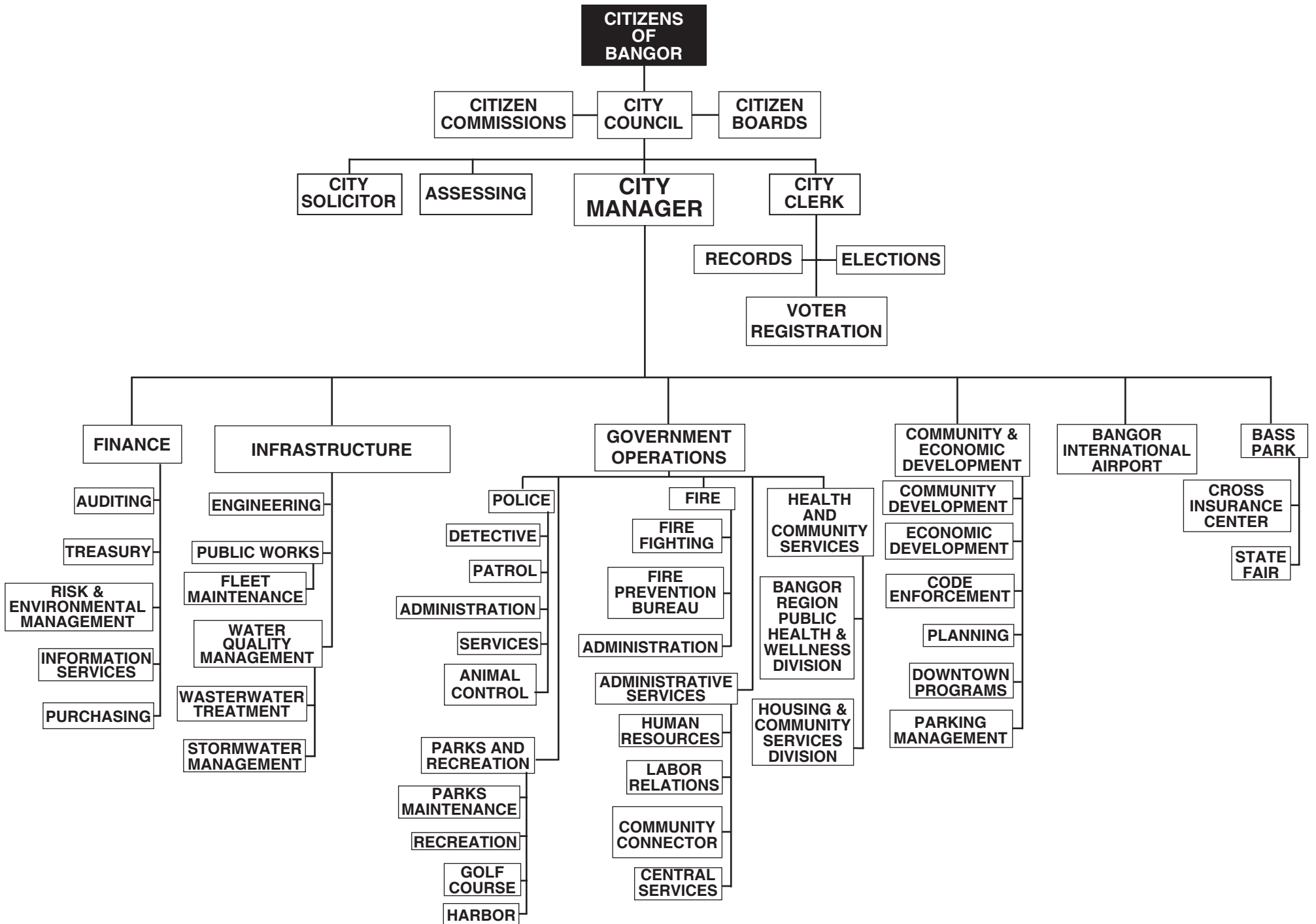
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

CITY OF BANGOR ORGANIZATIONAL CHART Revised (10-15)



**City of Bangor, Maine  
Elected Officials and Principal Administrative Officers  
June 30, 2020**

**City Council**

Clare Davitt, Chair

Richard Fournier  
Sarah Nichols  
Gretchen Schaefer  
Laura Supica

Susan Hawes  
Angela Okafor  
Benjamin Sprague  
Daniel Tremble

**City Staff**

Catherine M. Conlow, City Manager  
Philip Drew, City Assessor  
Lisa Goodwin, City Clerk  
Paul Nicklas, City Solicitor

**School Committee**

Warren Caruso, Chair

Marwa Hassanien  
Susan Sorg  
Marlene Susi

John Hiatt  
Timothy Surette, Vice Chair  
Carin Sychterz

**School Staff**

Betsy Webb, Superintendent of Schools

# **FINANCIAL SECTION**

## Independent Auditor's Report

City Council  
City of Bangor, Maine:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bangor, Maine, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bangor, Maine, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison information for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the net pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bangor, Maine's basic financial statements. The introductory section, combining and individual fund financial statements, other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

City Council  
City of Bangor, Maine

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020, on our consideration of the City of Bangor, 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 Bangor, 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 Bangor, Maine's internal control over financial reporting and compliance.



December 23, 2020  
South Portland, Maine

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

Management of the City of Bangor offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. In addition to comparative information from the government-wide statements, comparative data is also presented on key information from the fund financial statements. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in our letter of transmittal, which can be found on pages I-1 to I-5 of this report.

### **Financial Highlights**

- The assets and deferred outflows of the City of Bangor exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$222.0 million (net position).
- At the close of fiscal year 2020, the City of Bangor's governmental funds reported combined ending fund balances of \$46.9 million, an increase of \$5.5 million over the prior year balance of \$41.4 million. The Capital Projects Fund fund balance increased by \$4.8 million, as projects that have been funded were not completed at year end. The General Fund fund balance increased by \$1.2 million. General Fund actual revenues were on par with the adopted budget. Education expenditure savings were realized during fiscal year 2020, which contributed to the increase in General Fund restricted fund balance. All other governmental fund fund balances remained relatively unchanged from prior year amounts. Approximately 76% of the total amount, or \$35.7 million, is either committed, assigned or unassigned and is available for spending at the City Council's discretion, if needed.
- The City of Bangor has a fund balance policy. By Charter, the City is to maintain an unassigned fund balance of no more than 16.66% and no less than 8.33% of prior year expenditures, net of debt service. At the end of the current fiscal year, unassigned fund balance – City & School for the General Fund was \$14.5 million, or 14.07% of the general fund expenditure base. The annual calculation is included within the financial statements as Schedule F-2.
- The total liabilities and deferred inflows of resources of the City's governmental activities as restated increased by \$5.6 million and business-type activities increased \$2.0 million. The increase in governmental activities is related to an increase in accrued wages of \$2.0 million and a \$2.8 million increase in net pension liability. For business-type activities, accounts payable increased \$1.3 million, which is due to significant capital investments undertaken this year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Bangor's basic financial statements. These statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements present the financial picture of the City from the point of view of economic resources measurement and using the accrual basis of accounting, which is similar to that used by private-sector companies. These statements present governmental activities and business-type activities separately.

The statement of net position includes all of the City's assets, liabilities and deferred inflows and outflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that are accrued but not yet paid or collected but will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee vacation leave).

These statements are divided into two categories: governmental activities and business-type activities.

- Governmental activities – Most of the City's basic services are included here, such as the general government, public safety, public works, health and welfare, education, and parks and recreation. These activities are principally supported by taxes and intergovernmental revenues.
- Business-type activities – Currently, the City operates the following business-type activities: Bangor International Airport, Sewer Utility, the Bass Park Complex, Stormwater Utility, Parking, Golf Course, and Economic Development.

The government-wide financial statements can be found on pages II-19 to II-20 of this report.

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

- Governmental funds are used to account for mostly the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

The City of Bangor maintains ten 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 General Fund and Capital

Projects Fund, both of which are considered to be major funds. Data from the other eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements (Schedule B) elsewhere in this report.

The City of Bangor adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget (Schedule A-2).

- Proprietary funds are used to account for essentially the same functions reported as business-type activities in the government-wide financial statements. Enterprise funds are the only type of proprietary funds maintained by the City. The proprietary fund statements provide the same type of information as the government-wide statements, only in more detail.

The City maintains seven individual proprietary funds, of which the Sewer Utility, Airport, and Bass Park Funds are considered to be major. Data from the four other proprietary funds is combined into a single aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements (Schedule C) elsewhere in this report.

- 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 statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Fiduciary Statement of Net Position and Changes in Net position are included in this report as Exhibit 10 and Exhibit 11.

## Government-wide Financial Analysis

The following is a condensed version of the Statement of Net Position.

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019*	2020	2019	2020	2019*
Current & other assets*	\$ 58,717,770	\$ 51,035,387	\$ 40,816,587	\$ 40,411,930	\$ 99,534,357	\$ 91,447,317
Capital assets, net of						
accumulated depreciation	82,314,418	78,401,164	219,696,736	216,045,967	302,011,154	294,447,131
Total assets	141,032,188	129,436,551	260,513,323	256,457,897	401,545,511	385,894,448
Total deferred outflows of resources	6,194,756	4,338,264	586,158	520,446	6,780,914	4,858,710
Long-term debt outstanding	83,341,194	79,420,529	83,099,136	82,564,279	166,440,330	161,984,808
Other liabilities	10,243,404	8,041,717	7,551,282	6,018,952	17,794,686	14,060,669
Total liabilities	93,584,598	87,462,246	90,650,418	88,583,231	184,235,016	176,045,477
Total deferred inflows of resources	1,983,445	2,491,742	149,523	217,596	2,132,968	2,709,338
Net position:						
Net investment in capital assets	53,392,631	49,657,039	149,493,021	145,420,656	202,885,652	195,077,695
Restricted*	7,838,489	7,025,674	-	-	7,838,489	7,025,674
Unrestricted	(9,572,219)	(12,861,886)	20,806,519	22,756,860	11,234,300	9,894,974
Total net position	\$ 51,658,901	\$ 43,820,827	\$ 170,299,540	\$ 168,177,516	\$ 221,958,441	\$ 211,998,343

\* Restated for 2019 - Refer to Note G Restatement

By far, the largest portion of the City's net position reflects its net investment in capital assets (i.e., land, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to satisfy these liabilities. Restricted net position refers to those resources that are subject to external restrictions on how they may be used; such as donor, legal or granting agency restrictions. The remaining balance of unrestricted net position is \$11.2 million, the governmental activities deficit of \$9.6 million is offset by the business type activities balance of \$20.8 million. The governmental activities deficit is primarily due to \$15.1 million in outstanding pension obligation bonds.

Governmental activities net position increased \$7.8 million. The major components associated with the increase in governmental activities net position are due to the funding of capital asset acquisition with current year revenues in the amount of \$2.8 million, as well as expenses being below estimates in the areas of general government, public safety, public transportation and health and recreation, due to savings realized related to vacancies and fewer services required.

Business-type net position increased \$2.1 million. Due to the capital intensive requirements of the Airport and Sewer Funds, the net position within business-type activities can vary significantly from year to year depending upon grant fund cycles and levels of infrastructure investments.

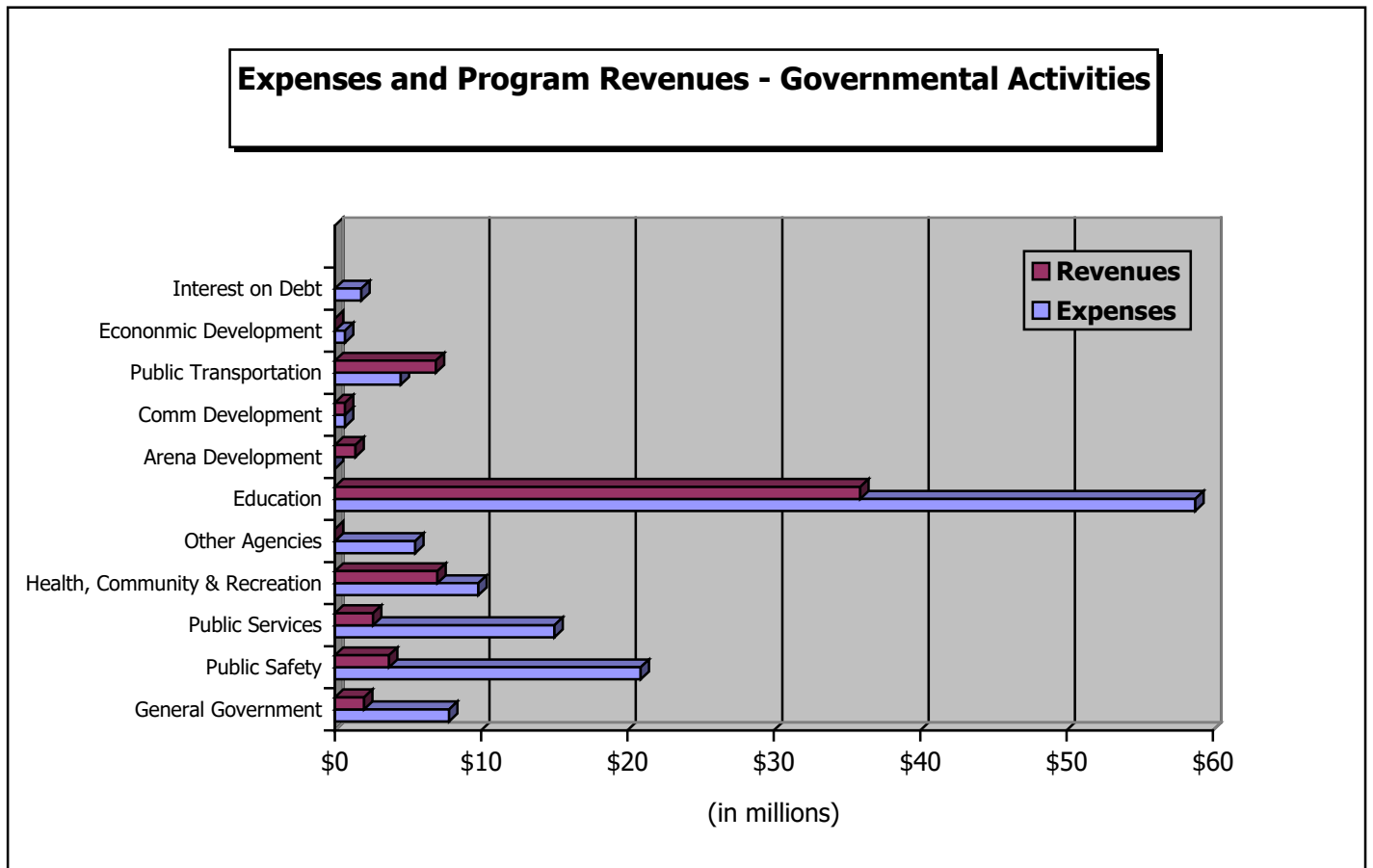
## Changes in Net Position

The following is a condensed version of the Statement of Activities.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 15,317,416	\$ 18,190,492	\$ 33,118,886	\$ 34,819,642	\$ 48,436,302	\$ 53,010,134
Operating grants & contributions	40,562,677	37,158,903	-	-	40,562,677	37,158,903
Capital grants & contributions	4,410,094	2,983,206	5,056,332	3,327,180	9,466,426	6,310,386
General Revenues						
Property and other taxes	66,729,380	65,433,795	1,300,000	1,255,000	68,029,380	66,688,795
Grants and contributions not restricted to specific programs	7,267,295	5,861,782	-	-	7,267,295	5,861,782
Other	853,277	892,161	1,024,264	965,025	1,877,541	1,857,186
Total Revenues	135,140,139	130,520,339	40,499,482	40,366,847	175,639,621	170,887,186
<b>Expenses</b>						
General government	7,848,641	7,179,064	-	-	7,848,641	7,179,064
Public safety	20,871,023	19,814,567	-	-	20,871,023	19,814,567
Health, community and recreation	9,845,591	9,273,091	-	-	9,845,591	9,273,091
Public services	14,968,314	14,443,215	-	-	14,968,314	14,443,215
Other agencies	5,515,165	5,208,400	-	-	5,515,165	5,208,400
Education	58,764,946	59,205,165	-	-	58,764,946	59,205,165
Arena development	86,510	14,961	-	-	86,510	14,961
Community development	693,641	685,926	-	-	693,641	685,926
Waterfront	105,163	221,839	-	-	105,163	221,839
Public transportation	4,533,716	3,447,181	-	-	4,533,716	3,447,181
Interest on debt	1,835,219	2,001,201	-	-	1,835,219	2,001,201
Economic development (tif)	730,471	757,396	-	-	730,471	757,396
Sewer Utility	-	-	6,254,740	6,760,227	6,254,740	6,760,227
Airport	-	-	23,749,179	22,478,598	23,749,179	22,478,598
Stormwater Utility	-	-	1,197,212	901,614	1,197,212	901,614
Parking	-	-	882,638	872,502	882,638	872,502
Bass Park	-	-	7,107,209	7,567,090	7,107,209	7,567,090
Municipal Golf Course	-	-	761,968	711,448	761,968	711,448
Economic Development	-	-	379,183	477,066	379,183	477,066
Total Expenses	125,798,400	122,252,006	40,332,129	39,768,545	166,130,529	162,020,551
Excess (deficiency) before transfers	9,341,739	8,268,333	167,353	598,302	9,509,092	8,866,635
Gain (loss) on disposition of asset	203,396	35,349	247,610	4,856	451,006	40,205
Transfers	(1,707,061)	(1,482,087)	1,707,061	1,482,087	-	-
Change in net position	7,838,074	6,821,595	2,122,024	2,085,245	9,960,098	8,906,840
<b>Beginning net position</b>	43,820,827	37,136,047	168,177,516	166,092,271	211,998,343	203,228,318
<b>Restatement - Note G</b>	-	(136,815)	-	-	-	(136,815)
<b>Ending net position</b>	\$ 51,658,901	\$ 43,820,827	\$ 170,299,540	\$ 168,177,516	\$ 221,958,441	\$ 211,998,343

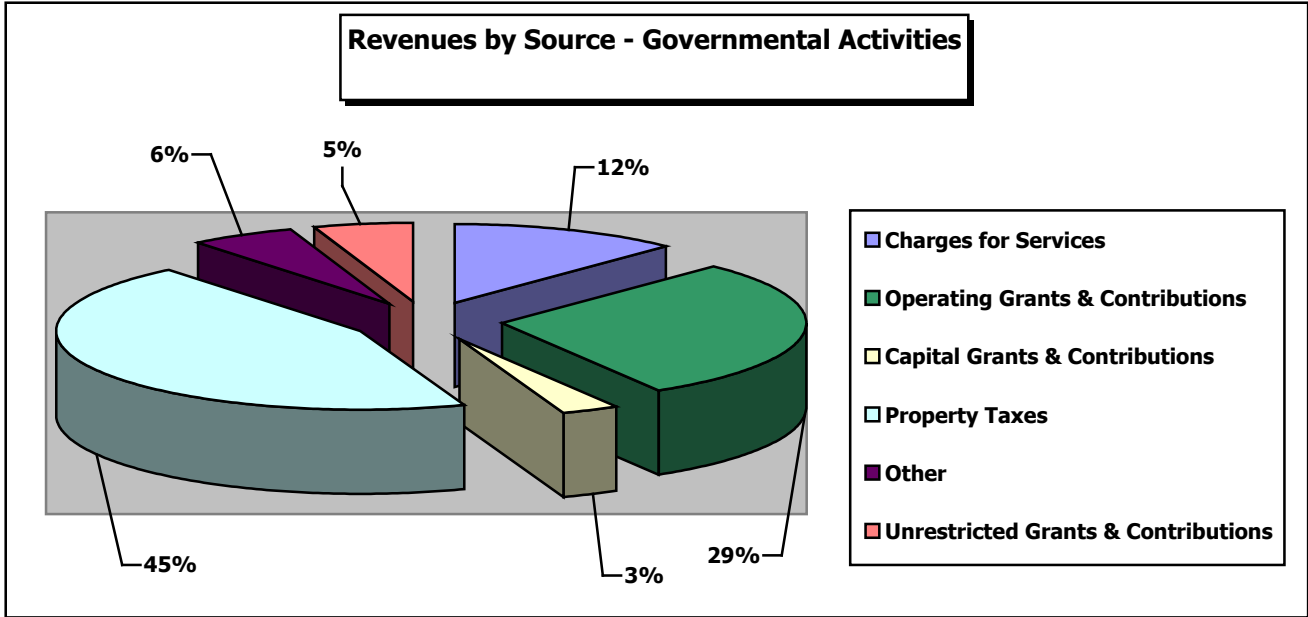
## Governmental Activities

The cost of all governmental activities was \$126.0 million. As shown on the Statement of Activities, the total amount financed by the property tax was \$60.3 million, or 48% of expenses. Those who directly benefit from an activity provided \$15.3 million in payments. Other governments and organizations subsidized certain activities with operating grants and contributions in the amount of \$40.6 million. Capital grants and contributions accounted for \$4.4 million. The City also received \$14.8 million in other general revenues such as state revenue sharing, motor vehicle and boat excise taxes, reimbursement for homestead exemptions, and interest earnings.



Total governmental activities expenses increased \$3.5 million or 2.9% over prior year levels. The majority of the increase is related to increased wage and benefits costs. Employees were provided a cost of living increase for fiscal year 2020 ranging from 1.5% - 3%.



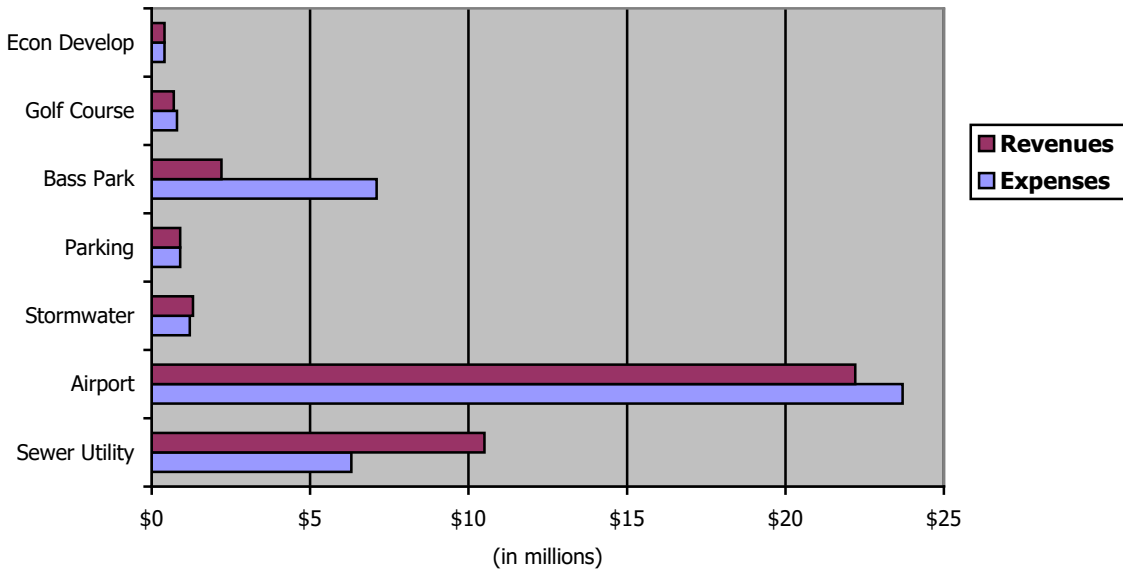


Total governmental activities' revenues increased \$4.6 million over prior year total of \$130.5 million. The largest single source of revenue continues to be the property and other taxes, which increased \$1.3 million. Capital grants and contributions increased \$1.4 million due to an increase in grant funded capital investment. Operating grants and contributions increased \$3.4 million primarily due to a \$1.1 million increase in education funding from the State of Maine. In addition, the City utilized \$1.0 million of Cares Act funding to support public transportation. Charges for services decreased \$2.9 million, primarily due to the pandemic related restrictions, i.e. less public transportation fares, no waterfront concert venue rentals in 2020, and the closure of the casino. Unrestricted grants and contributions increased \$1.4 million, of that increase, \$1.2 million is a result of increased revenue sharing receipts due to the State of Maine beginning to return to the statutory percentage allocated to municipalities.

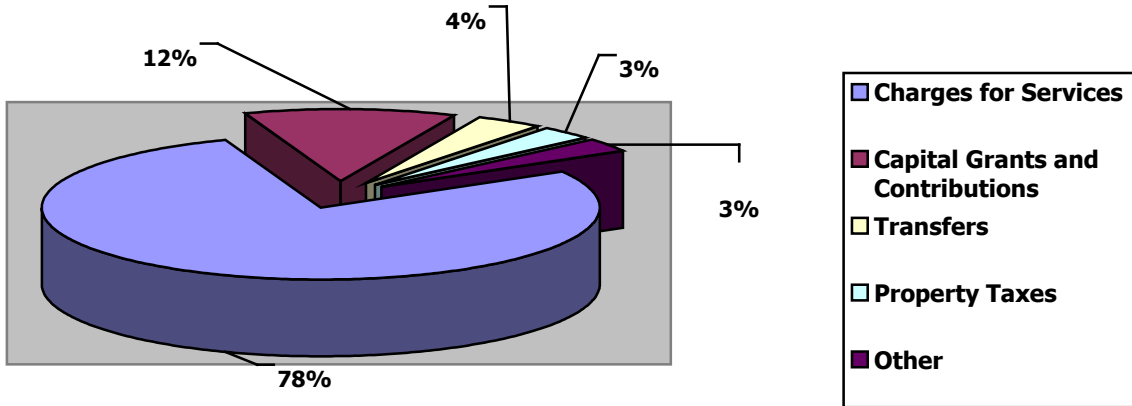
**Business-type Activities**

Total business-type activities expenses remained relatively flat over prior year levels, with an increase of \$564 thousand or 1.4%. Similar to governmental activities, the majority of the increase is related to increased wage costs. Employees were provided with a 1.5% cost of living increase for fiscal year 2020.

### Expenses and Program Revenues - Business-type Activities



### Revenues by Source - Business-type Activities



In total, business-type activities revenue remained relatively flat over prior year levels, with an increase of \$133 thousand or .3%, however there were fluctuations among individual funds and revenue types. Charges for services revenue decreased \$1.7 million, split between the Airport and Bass Park, both of which realized reductions in revenue due to the pandemic (airline travel and large in person events). This reduction was offset by a \$1.7 million increase in capital grants contributions. Due to the significant cost associated with infrastructure improvements funded through the Federal Airport Improvement Plan grant program, it is not unusual that revenues realized from year to year vary significantly. In addition, the City received \$1.0 million in debt forgiveness from an Environmental Protection Agency funded program.

## Financial Analysis of the Government's Funds

**Governmental funds.** The focus of the City's governmental funds reporting is to provide information on near-term inflows, outflows, and balances of spendable resources. Fund balance is the measure of a governmental fund's spendable resources. Governmental funds report fund balances in one of five possible classifications. The nonspendable portion of fund balance cannot be spent. Restricted fund balances are subject to externally enforceable legal restrictions. Committed fund balances are subject to limitations the City Council has imposed, that are binding unless removed in the same manner. Assigned fund balances reflect the intended use of resources. Unassigned fund balances are resources which have not been classified in any other category. Only the General Fund can report a positive unassigned fund balance amount.

At fiscal year end, the City of Bangor's governmental funds reported combined ending fund balances of \$46.9 million, an increase of \$5.5 million over the prior year balance. During the year, the Capital Projects funds received funding for projects that would be completed after the fiscal year end, which resulted in an increase in its fund balance of \$4.8 million. The General Fund fund balance increased \$1.2 million, the majority of which is reflected in an increase in restricted fund balance as a result of a positive variance in education expenditures. All other governmental fund fund balances remained relatively unchanged from prior year amounts. Of the combined ending balance of \$46.9 million, approximately 76% (\$35.7 million) is either committed, assigned or unassigned and \$7.5 million, or 16%, is restricted. Committed, assigned and unassigned fund balances are available for spending by formal action of the City Council. The remainder is nonspendable, indicating that it is in the form of nonspendable assets such as inventory, prepaid expenditures, nonexpendable trust principal balances and allowance for advances made to other funds.

The General Fund is the chief operating fund of the City and is comprised of two major functions; education and municipal services. At the end of the fiscal year, the General Fund's total fund balance was \$27.3 million, a \$1.2 million increase from the prior year's balance of \$26.1 million.

The Capital Projects Fund varies significantly from year to year depending upon City Council priorities and available funding opportunities. While total expenditures increased \$2.0 million over the prior year capital expenditures, debt service decreased by \$1.5 million due to a debt refunding in FY 2019. Significant expenditures in FY 2020 included; \$5.6 million for streets/sidewalks and other infrastructure, \$2.2 million for equipment and vehicles, and \$3.2 in Community Connector vehicles.

**Proprietary funds.** Information on the City of Bangor's proprietary funds is similar to that found in the government-wide financial statements, but in more detail. The net position of the seven enterprise funds increased by \$2.1 million to \$170.3 million. The Sewer Utility fund net position increased \$4.5 million due to annual rate increases to keep pace with inflation and in advance of significant capital investments as well as the receipt of a \$1.0 million grant contribution for capital purposes. The Airport Fund net position decreased \$611 thousand due to lower revenues as a result of pandemic related reductions in travel. The Bass Park Fund net position decreased \$1.9 million, as operating income is not sufficient to offset depreciation expense.

## **General Fund Budgetary Highlights**

For budgetary financial statement purposes, all balances carried from the prior year are added to the subsequent year's total appropriation. This resulted in an overall budgetary increase of \$3.3 million. The net impact of additional amendments were minimal. The City's commitment to budgetary integrity continues, actual operating revenues ended the year on budget estimates with a (\$28,622) variance, municipal expenditures were under budget by 6.1%, or \$3.4 million. Education expenditures were under budget by \$2.8 million or 4.7% and by statute, education balances must be segregated from municipal balances.

## **Capital Asset and Debt Administration**

**Capital assets.** As of June 30, 2020, the City of Bangor's investment in capital assets for its governmental and business-type activities amounted to \$302.0 million (net of accumulated depreciation), an increase of \$7.6 million over the prior year. This investment includes land, buildings, machinery and equipment, roads, runways, and sewer lines. Depreciation expense of \$15.7 million was less than the City's investment in capital assets for the current fiscal year of \$23.3 million. Governmental activities invested \$8.7 million, and business-type activities invested \$14.6 million and depreciation expense was \$4.7 million and \$11.0 million, respectively.

Major capital asset events during the current fiscal year included the following:

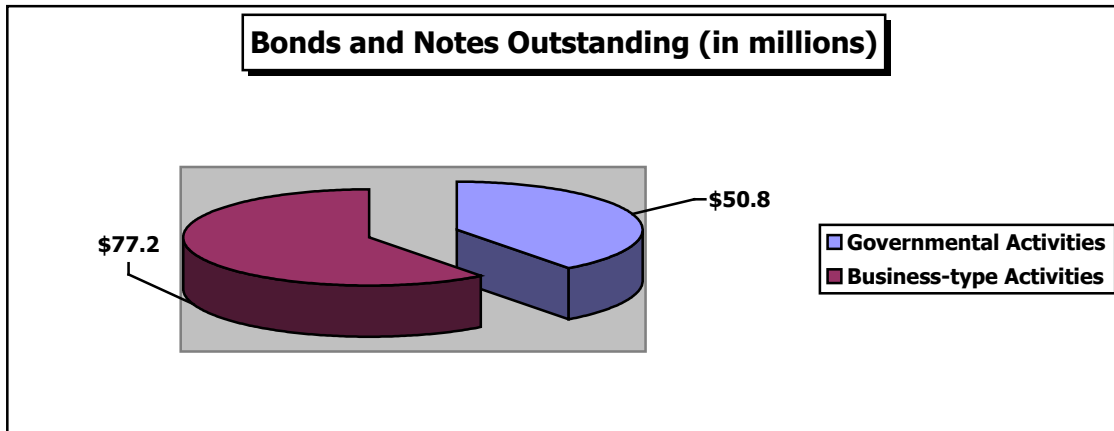
- The City continues to invest in its core functions of infrastructure, vehicles and equipment replacements. This year the City invested \$1.1 million in streets, sidewalks, traffic control and other infrastructure, as well as \$3.2 million in upgrades to Community Connector vehicles, and \$2.2 million for equipment and vehicles.
- During FY 2020, the School department invested \$923 thousand in school facilities, which included roofs, fire suppression and generator installations.
- The Airport Fund invested \$3.1 million in operational assets at Bangor International Airport. Investments included runway and building improvements as well as parking control equipment and vehicles.
- The Sewer Fund invested \$10.8 million in plant and pump station upgrades, sewer replacement and separation projects. Of the total invested, \$7.2 million was expended as part of the Davis Brook improvements associated with the future construction of a 3.8 million gallon holding tank along the Penobscot River.

## Capital Assets (net of depreciation)

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Land and improvements	\$13,227,047	\$4,197,285
Buildings and improvements	39,355,079	53,854,968
Machinery and equipment	1,814,620	4,426,773
Vehicles	12,451,192	-
Infrastructure	12,686,500	52,943,737
Parking structures	-	1,152,649
Aircraft operational assets	-	83,372,151
Construction in process	2,779,980	19,749,173
<b>Total</b>	<b>\$82,314,418</b>	<b>\$219,696,736</b>

Additional information on the City's capital assets can be found in Note C, Detailed Notes on all funds, of this report.

## Debt Administration



At fiscal year end, the City had a total outstanding bonds and notes of \$128.0 million, a decrease of \$300 thousand over the previous year.

The City's general obligation debt obtained a "AA-" rating from Standard & Poor's and a "Aa2" rating from Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total State assessed valuation. The current debt limit for the City is \$400.1 million, which is significantly in excess of existing general obligation debt of \$128.0 million.

Additional information on the City's long-term debt can be found in Note I, Detailed Notes on all funds, of this report.

## Goals and Accomplishments

On an annual basis, the City Council in conjunction with management develop a list of goals for the coming year and review accomplishments achieved in the prior year. For the 2020-2021 year, the following goals have been identified:

- Evolve the City's COVID 19 Pandemic Response;
- Improve and Develop a Safe and Accessible Multi-Modal Transportation System;
- Improve Economic Vitality of the City and Promote, Job Growth, Economic Development, Cultural and Housing Opportunities;
- Ensure Development of Sustainable Practices Towards Resource Utilization and Protection;
- Ensure Management and Financial Stability of City Government;
- Improve the Health, Safety and Vitality of All who Live, Work and Visit in Bangor; and
- Support Educational Excellence.

Within each articulated goal, the City has identified specific areas of focus. There are three areas in particular to which a significant amount of resources have been/will be invested.

**Evolve the City's COVID 19 pandemic response.** A partnership with the Community Health Leadership Board (CHLB), a group of the area's major health and social services agencies initiated by the City in 2014, to deal with public health issues facing the community, allowed our City and region to be a source of reliable and relatable public health and educational resources from the onset of the pandemic. The City maintains a robust Emergency Management Plan, which allowed our departments to pivot and adapt our operations to allow for the continuation of service delivery throughout the pandemic, by doing business differently and utilizing technology, the City was able to maintain all public services.

While the City and State of Maine continue to experience a surge in COVID 19 cases, we continue to utilize our public health and emergency management plan to evolve our processes enabling us to adapt our operations, services and response to minimize the impact of the pandemic on our community and position our community and resources for post-pandemic operations. All of which is being undertaken with an eye toward financial sustainability. To date, the City has received CARES Act funding to support the operations of public transportation and the airport. In addition the City received funding through the Community Development Act Grant to support local businesses and nonprofits. Additionally the State of Maine provided funding to support a municipal awareness campaign.

The true human, small business, employment, economic development, health and safety and financial impacts of the pandemic are likely to have a ripple effect for years to come, similar to the 2008 financial crisis.

**Improve public transit, connection, and ridership.** The current transit system design concept, routes, schedules, operating days and times, and flag stop configuration has been generally unchanged since the inception of the transit system. As a result of becoming a direct FTA recipient, a stagnation in ridership, and the changing employment, demographic and lifestyle needs of the communities served, a Transit Study was undertaken. The study was to evaluate the current system design and operations, and identify opportunities for improvements

and/or system design changes to create a framework for short-range and long range strategies aimed at managing and operating the system in the most efficient and effective manner.

The immediate needs of the transit system that deliver the greatest impact on service continue to our focus. Since 2015, the City has aggressively pursued grant opportunities and to date the transit system has been awarded 5 grants totaling in excess of \$7.9 million to fund the replacement of buses, transit facilities, and to implement transit technology. The system will have taken delivery of 12 new buses since 2016. The design of a new hub is in process and construction is expected to begin in 2021. The next project underway will be the planning and identifying of stops to allow the operation to transition to fixed stops system.

Additionally, the City working with its partners have undertaken a review of management and organizational changes which include the development and implementation of a capital replacement funding schedule as well as undertaking a governance study.

**Improve quality and quantity of housing to meet demand for workforce, life cycle and supportive housing.** In FY 2020, the City continued implementation of a number of Housing Work Group recommendations focused on quality, affordable housing in the City and the region. This work has included a variety of policy and ordinance changes that facilitate redevelopment and housing density to encourage affordable housing in walkable, transit-served neighborhoods. These changes have resulted in a pipeline of 246 new units being permitted, 132 of which are low-income housing, plus there have been many small rehab projects in Bangor. Options are being evaluated for a potential rental registration and inspection program, ensuring quality in the units available for income production. The City is also looking at partnerships with several other organizations such as banks, non-profits, and the real estate community to help address the vacant, abandoned, or placarded properties that still remain.

The City continues to work to implement approaches and policies that will allow us to facilitate redevelopment/development opportunities to encourage affordable housing in walkable, transit-served neighborhoods, and ensuring Bangor has an more balanced inventory of affordable housing options available.

The pandemic exacerbated challenges for our population experiencing homelessness, creating acute service capacity issues within the existing system. Many persons experiencing homelessness are difficult to shelter due to mental illness, substance use disorder, and physical health complications. The City continues to provide outreach with resources from our Public Health and Community Services and Police departments, as well as additional financial support to organizations assisting persons experiencing homelessness, food insecurity, and other challenges. The City works directly and with partner agencies toward the goal of moving persons experiencing homelessness into permanent housing and ensure the individual has the support required including case management, mental health care, substance abuse treatment, daily living supports, and health care.

## **Tax Shift**

One of the largest challenges faced by the City of Bangor is the incremental nature of Federal and State budget decisions. While single changes implemented over a number of sessions seem tolerable, the totality of these actions has resulted in a significant tax shift to municipalities. These actions include State legislative mandates to municipalities with no State

funding such as; transfer of normal costs of teacher retirement, shifts in general assistance and MaineCare changes. Additionally, the City remains negatively impacted by statutory funding not being upheld by the Legislature including; funding of revenue sharing and aid to education.

### **Economic Factors and Next Year's Budget and Rates**

- Impact of COVID 19.
- The unemployment rate pre-pandemic remained low and mid pandemic was on par with State rates and well below national rates.
- While Bangor represents less than 3% of the State's population, businesses within the City generate 7.27% of the State's retail sales tax.
- Residential properties valuations are increasing at a higher rate due to low supply and interest rates, however concern remains for continued decline in retail/commercial and entertainment properties.
- Bangor businesses continue to reinvest in personal property. While not subject to local taxation, the value of BETE property (net of depreciation) in FY 2020 increased \$10.7 million, or 7.7%, for a total of \$149.0 million.

The fiscal year 2021 budget reflects the City's historical results for these revenue sources taking into account the loss of program revenues that would likely be incurred due to pandemic restrictions (recreational programs, waterfront concert and Cross Insurance Center rentals) and actual results to date appear to be on track with budgetary estimates. The City did include \$456,610 in fund balance funds within the General Fund to offset what was anticipated to one-time budgetary revenue reductions as a result of COVID 19. User fees for governmental and business-type activities are reviewed on an annual basis to ensure that fee structures are sufficient to cover service costs. Many fees are adjusted annually for inflation.

In fiscal year 2021, the City's taxable assessed value increased 1.8%. The impact of the increase in taxable value was not sufficient to offset increased operating costs. The primary area of increased expense were wages and benefits, healthcare costs continue to increase at a double digit pace. State mandated increases in minimum wages, wages are increasing \$1 per hour per year for temporary and on-call part time positions, creating compression within regular full time pay rates. The budget allowed the City Council to provide at least a 2.00% increase to employees, as well as maintain increased levels of investment in infrastructure.

Both residential and commercial construction and permitting remain generally flat. We continue to monitor key revenue areas such as: raising interest rates, automobile excise taxes, and property tax collection rates.

Bangor serves as one of the largest retail markets in Maine. The Bangor Mall, Airport Mall, Broadway commercial center, Union Street commercial corridor, and the Bangor Center Development District (downtown) have long established Bangor as the hub of the six county eastern Maine retail market. Changes in retail markets due to the effects of on-line retail and the growth of experiential shopping trends has resulted in several stores, such as Macy's and Sears closing their doors. These changes have been exacerbated by COVID 19 restrictions and changes in individual behaviors, as well as the continued closure of the Canadian border. Anecdotally, taxable retail sales for the third quarter of 2020 versus 2019 for Bangor remain relatively flat. The implications of all these factors are being monitored closely.



Even with the increase in unemployment it is likely the City and region will continue to face a mismatch between workforce skills and available employment opportunities.

This year the City began an estimated \$31 million sewer infrastructure project, the Davis Brook tank installation. This project is expected to span twenty-four months and involves the installation of a 3.8 million gallon holding tank along the Penobscot River. This additional storage capacity is required to further reduce the number of discharges to the river of combined sewer overflows that occur within the City's system during high flow events (i.e. rain, snow melt). This investment is being made to ensure continued compliance with the City's consent decree with the Federal Environmental Protection Agency (a copy of which is available at the Wastewater Treatment Plant page of the City's website [www.bangormaine.gov](http://www.bangormaine.gov)).

In January, the State of Maine's 2022-2023 Biennial budget process will begin. The pandemic is likely to dominate the upcoming State budget process as a significant amount of State revenues are contingent upon some form of sales tax. The City receives approximately \$30 million in state funding annually, including state revenue sharing, aid to education, other school aid, as well as BETE and Homestead Exemption reimbursements. If history is any indication of the future, it is fairly common for the Legislature to balance the State budget by reducing aid to municipalities. Therefore, actions at the State level could negatively impact municipalities. Accordingly, city and school staff and elected officials will closely monitor legislative actions and continue to work collaboratively with other municipalities and professional organizations and actively participate in any upcoming legislative hearings.

## **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Bangor's finances. Questions concerning any of this information should be addressed to the Finance Director, City of Bangor, 73 Harlow Street, Bangor, ME 04401 or via email to [finance@bangormaine.gov](mailto:finance@bangormaine.gov).

# **BASIC FINANCIAL STATEMENTS**



CITY OF BANGOR

**CITY OF BANGOR, MAINE**  
**Statement of Net Position**  
**June 30, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bangor Public Library
<b>ASSETS</b>				
Cash and cash equivalents	\$ 40,762,335	\$ 14,743,731	\$ 55,506,066	\$ 543,170
Investments	50,000	15,427,785	15,477,785	12,229,812
Receivables:				
Accounts (net of allowance of \$541,963 and \$198,579, respectively)	663,393	8,085,306	8,748,699	353
Intergovernmental	6,083,634	1,377,061	7,460,695	-
Taxes and liens - prior years	993,846	-	993,846	-
Taxes receivable - current year	1,893,138	-	1,893,138	-
Special assessments	30,130	-	30,130	-
Loans and notes	5,063,754	1,405,026	6,468,780	-
Internal balances	1,700,000	(1,700,000)	-	-
Inventories	741,727	305,284	1,047,011	-
Prepaid items	735,813	368,598	1,104,411	-
Other assets	-	803,796	803,796	-
Non-depreciable capital assets	7,843,648	23,478,141	31,321,789	-
Depreciable capital assets, net	74,470,770	196,218,595	270,689,365	11,493,785
Total assets	\$ 141,032,188	\$ 260,513,323	\$ 401,545,511	\$ 24,267,120
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Net OPEB	\$ 1,311,024	\$ 229,909	\$ 1,540,933	\$ -
Net pension	4,883,732	356,249	5,239,981	-
Total deferred outflows of resources	\$ 6,194,756	\$ 586,158	\$ 6,780,914	\$ -
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 3,278,532	\$ 6,346,679	\$ 9,625,211	\$ 195,846
Accrued wages and benefits payable	6,813,234	456,352	7,269,586	-
Unearned revenues	151,638	748,251	899,889	-
Noncurrent liabilities:				
Due within one year	8,092,751	5,181,698	13,274,449	140,000
Due in more than one year	75,248,443	77,917,438	153,165,881	199,240
Total liabilities	\$ 93,584,598	\$ 90,650,418	\$ 184,235,016	\$ 535,086
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenues - assessments	\$ 30,130	\$ -	\$ 30,130	\$ -
Net OPEB	222,875	-	222,875	-
Net pension	1,730,440	149,523	1,879,963	-
Total deferred inflows of resources	\$ 1,983,445	\$ 149,523	\$ 2,132,968	\$ -
<b>NET POSITION</b>				
Net investment in capital assets	\$ 53,392,631	\$ 149,493,021	\$ 202,885,652	\$ 11,493,785
Restricted for:				
Nonexpendable trust principal	385,512	-	385,512	-
Expendable income	533,978	-	533,978	-
Grants and other balances	6,918,999	-	6,918,999	11,667,942
Unrestricted	(9,572,219)	20,806,519	11,234,300	570,307
<b>Total net position</b>	<b>\$ 51,658,901</b>	<b>\$ 170,299,540</b>	<b>\$ 221,958,441</b>	<b>\$ 23,732,034</b>

*See accompanying notes to financial statements.*

CITY OF BANGOR, MAINE  
Statement of Activities  
For the Fiscal Year Ended June 30, 2020

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position			Component Unit Bangor Public Library
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total	
					Governmental activities	Business-type activities		
Primary government								
Governmental activities:								
General government	\$ 7,848,641	\$ 2,004,043	\$ 500	\$ 24,400	\$ (5,819,698)	\$ -	\$ (5,819,698)	\$ -
Public safety	20,871,023	3,105,928	447,429	180,424	(17,137,242)	-	(17,137,242)	-
Health, community services, and recreation	9,845,591	1,247,814	5,741,919	51,200	(2,804,658)	-	(2,804,658)	-
Public services	14,968,314	1,583,305	25,000	980,442	(12,379,567)	-	(12,379,567)	-
Other agencies	5,515,165	-	-	-	(5,515,165)	-	(5,515,165)	-
Education	58,764,946	6,442,414	29,434,075	-	(22,888,457)	-	(22,888,457)	-
Arena development	86,510	563	1,390,119	-	1,304,172	-	1,304,172	-
Community development	693,641	298,755	442,980	-	48,094	-	48,094	-
Waterfront	105,163	-	-	-	(105,163)	-	(105,163)	-
Public transportation	4,533,716	634,594	3,080,655	3,173,628	2,355,161	-	2,355,161	-
Economic development (TIF)	730,471	-	-	-	(730,471)	-	(730,471)	-
Interest on debt	1,835,219	-	-	-	(1,835,219)	-	(1,835,219)	-
Total governmental activities	125,798,400	15,317,416	40,562,677	4,410,094	(65,508,213)	-	(65,508,213)	-
Business-type activities:								
Sewer Utility	6,254,740	9,448,625	-	1,030,000	-	4,223,885	4,223,885	-
Airport	23,749,179	18,233,077	-	3,984,985	-	(1,531,117)	(1,531,117)	-
Stormwater Utility	1,197,212	1,283,193	-	-	-	85,981	85,981	-
Parking	882,638	872,201	-	41,347	-	30,910	30,910	-
Bass Park	7,107,209	2,165,685	-	-	-	(4,941,524)	(4,941,524)	-
Municipal Golf Course	761,968	716,166	-	-	-	(45,802)	(45,802)	-
Economic Development	379,183	399,939	-	-	-	20,756	20,756	-
Total business-type activities	40,332,129	33,118,886	-	5,056,332	-	(2,156,911)	(2,156,911)	-
<b>Total primary government</b>	<b>\$ 166,130,529</b>	<b>\$ 48,436,302</b>	<b>\$ 40,562,677</b>	<b>\$ 9,466,426</b>	<b>(65,508,213)</b>	<b>(2,156,911)</b>	<b>(67,665,124)</b>	<b>-</b>
Component unit								
<b>Bangor Public Library</b>	<b>\$ 2,930,158</b>	<b>\$ 70,121</b>	<b>\$ 1,768,752</b>	<b>\$ -</b>				<b>\$ (1,091,285)</b>
General revenues:								
Property taxes, levied for general purposes					60,264,977	1,300,000	61,564,977	-
Payment in lieu of taxes					306,479	-	306,479	-
Excise taxes					5,789,454	-	5,789,454	-
Franchise taxes					368,470	-	368,470	-
Grants and contributions not restricted to specific programs:								
Homestead/BETE exemption					3,436,106	-	3,436,106	-
Other State aid					28,774	-	28,774	-
State Revenue Sharing					3,802,415	-	3,802,415	-
Unrestricted investment earnings					853,277	1,024,264	1,877,541	273,788
Gain (loss) on sale of assets					203,396	247,610	451,006	-
Transfers					(1,707,061)	1,707,061	-	-
Total general revenues and transfers					73,346,287	4,278,935	77,625,222	273,788
Change in net position					7,838,074	2,122,024	9,960,098	(817,497)
Net position, beginning of year - Restated Note G					43,820,827	168,177,516	211,998,343	24,549,531
<b>Net position, end of year</b>					<b>\$ 51,658,901</b>	<b>\$ 170,299,540</b>	<b>\$ 221,958,441</b>	<b>\$ 23,732,034</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 26,438,260	\$ 12,207,441	\$ 2,116,634	\$ 40,762,335
Investments	50,000	-	-	50,000
Receivables:				
Accounts (net of allowance of \$541,963)	413,007	-	250,386	663,393
Intergovernmental	5,375,890	476,161	231,583	6,083,634
Taxes	2,886,984	-	-	2,886,984
Special assessments	-	30,130	-	30,130
Loans and notes	-	-	5,063,754	5,063,754
Interfund	1,945,655	-	-	1,945,655
Inventory, at cost	741,727	-	-	741,727
Prepaid items	93,813	642,000	-	735,813
<b>Total assets</b>	<b>\$ 37,945,336</b>	<b>\$ 13,355,732</b>	<b>\$ 7,662,357</b>	<b>\$ 58,963,425</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,947,932	\$ 795,829	\$ 199,509	\$ 2,943,270
Accrued wages and benefits payable	6,808,077	-	5,157	6,813,234
Interfund loans payable	-	-	245,655	245,655
Unearned revenues	-	42,523	109,115	151,638
Due to rehabilitation recipients	-	-	10,569	10,569
<b>Total liabilities</b>	<b>8,756,009</b>	<b>838,352</b>	<b>570,005</b>	<b>10,164,366</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - property taxes	1,845,071	-	-	1,845,071
Unavailable revenues - special assessments	-	30,130	-	30,130
<b>Total deferred inflows of resources</b>	<b>1,845,071</b>	<b>30,130</b>	<b>-</b>	<b>1,875,201</b>
<b>FUND BALANCES (Note J)</b>				
Nonspendable	2,736,040	642,000	385,512	3,763,552
Restricted	1,216,497	-	6,236,480	7,452,977
Committed	286,801	-	479,703	766,504
Assigned	8,557,654	11,845,250	-	20,402,904
Unassigned - City & School	14,547,264	-	(9,343)	14,537,921
<b>Total fund balances</b>	<b>27,344,256</b>	<b>12,487,250</b>	<b>7,092,352</b>	<b>46,923,858</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 37,945,336</b>	<b>\$ 13,355,732</b>	<b>\$ 7,662,357</b>	

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.	82,314,418
Unavailable revenues - property taxes are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,845,071
Long-term liabilities, including bonds and notes payable \$50,784,937, accrued interest \$324,693, accrued compensated absences \$2,175,553, self insurance liability \$3,670,059, bond premium \$1,127,497, capital leases \$759,336, and net pension \$4,691,328 and OPEB \$15,891,043 liabilities, including deferred outflows and inflows of resources are not due and payable in the current period and therefore, are not reported in the funds.	(79,424,446)
Net position of governmental activities	<b>\$ 51,658,901</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 63,747,033	\$ 2,834,189	\$ -	\$ 66,581,222
Intergovernmental	38,060,989	3,935,806	7,870,901	49,867,696
Licenses and permits	681,420	-	-	681,420
Charges for services	13,147,526	116,500	566,623	13,830,649
Program income	-	-	277,835	277,835
Revenue from use of money and property	1,221,247	125,644	1,443,781	2,790,672
Other	168,249	466,293	541,641	1,176,183
Total revenues	117,026,464	7,478,432	10,700,781	135,205,677
<b>Expenditures</b>				
Current:				
General government	5,747,168	-	-	5,747,168
Public safety	20,050,145	-	-	20,050,145
Health, community services, and recreation	4,812,261	-	-	4,812,261
Public services	10,004,187	-	-	10,004,187
Other agencies	5,505,165	-	-	5,505,165
Education	58,753,118	-	-	58,753,118
Tax increment financing	888,476	-	-	888,476
Unclassified	13,711	-	-	13,711
Restricted grants	-	-	9,070,191	9,070,191
Capital outlay	332,753	12,747,254	-	13,080,007
Debt service	5,718,000	246,901	134,560	6,099,461
Total expenditures	111,824,984	12,994,155	9,204,751	134,023,890
Excess (deficiency) of revenues over (under) expenditures	5,201,480	(5,515,723)	1,496,030	1,181,787
<b>Other financing sources (uses)</b>				
General obligation bonds issued	-	5,000,642	-	5,000,642
Capital leases	548,969	-	-	548,969
Premium on debt issuance	-	296,011	-	296,011
Sale of assets	22,651	197,436	-	220,087
Transfers to other funds	(4,655,516)	(142,889)	(1,942,034)	(6,740,439)
Transfers from other funds	87,000	4,946,378	-	5,033,378
Total other financing sources (uses)	(3,996,896)	10,297,578	(1,942,034)	4,358,648
Net change in fund balances	1,204,584	4,781,855	(446,004)	5,540,435
Fund balances, beginning of year - Restated Note G	26,139,672	7,705,395	7,538,356	41,383,423
<b>Fund balances, end of year</b>	<b>\$ 27,344,256</b>	<b>\$ 12,487,250</b>	<b>\$ 7,092,352</b>	<b>\$ 46,923,858</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2020**

Net change in fund balances - total governmental funds (from Exhibit 4)	\$	5,540,435
<p>Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:</p>		
<p>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 of \$8,664,019 exceeds loss on disposal of assets of \$16,691 and depreciation expense of \$4,734,074.</p>		
		3,913,254
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the change in unavailable revenues.</p>		
		(65,538)
<p>Financing proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Governmental funds report the effects of premiums and discounts when debt is issued, but these amounts are deferred and amortized in the statement of activities. The City received \$296,011 in bond premiums and amortized \$101,627 of bond premiums. During the year, \$5,000,642 in bond proceeds were received and capital lease's increased \$548,969. Repayments of bond, note, and capital lease principal are expenditures in the governmental funds, but the repayment reduces long--term liabilities in the statement of net postion. For the year, repayments were \$5,885,751.</p>		
		141,756
<p>Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental fund statements. The differences are as follows: decrease in accrued interest (\$5,799), and increases in accrued compensated absences (\$35,472), net pension liability including deferred outflows and inflows of (\$824,943), OPEB liability including deferred outflows and inflows of (\$352,100) and self insurance liability (\$485,117).</p>		
		(1,691,833)
<b>Change in net position of governmental activities (see Exhibit 2)</b>		<b>\$ 7,838,074</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Revenues, Expenditures and Changes in**  
**Unassigned Fund Balance - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

	Budgeted amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 64,210,220	\$ 64,210,220	\$ 63,615,846	\$ (594,374)
Intergovernmental	32,241,488	32,241,488	33,352,655	1,111,167
Licenses and permits	611,743	611,743	681,420	69,677
Charges for services:				
Municipal	8,364,345	8,364,345	6,741,554	(1,622,791)
School	5,543,447	5,543,447	6,407,696	864,249
Fines, forfeits and penalties	22,000	22,000	31,315	9,315
Revenue from use of money and property				
Municipal	908,800	908,800	1,042,935	134,135
Total revenues	111,902,043	111,902,043	111,873,421	(28,622)
<b>Expenditures</b>				
Current:				
General government	5,983,512	6,107,112	5,434,779	672,333
Public safety	20,811,208	20,885,836	20,082,323	803,513
Health, community services, and recreation	5,131,959	5,163,959	4,834,218	329,741
Public services	11,479,583	11,479,583	9,984,731	1,494,852
Other agencies	5,524,433	5,528,193	5,505,115	23,078
Education	56,607,463	59,703,161	56,925,104	2,778,057
Unclassified	794,503	794,503	902,187	(107,684)
Debt service	5,893,242	5,893,242	5,718,000	175,242
Total expenditures	112,225,903	115,555,589	109,386,457	6,169,132
Excess (deficiency) of revenues over (under) expenditures	(323,860)	(3,653,546)	2,486,964	6,140,510
<b>Other financing sources (uses)</b>				
Appropriation from restricted, committed, and assigned fund balances	1,318,183	1,318,183	42,197	(1,275,986)
Appropriation to assigned fund balance	-	-	(359,000)	(359,000)
Appropriation from unassigned fund balance	216,994	216,994	-	(216,994)
Sale of assets	30,000	30,000	22,651	(7,349)
Contributions	27,500	27,500	25,361	(2,139)
Insurance settlements	27,500	27,500	76,855	49,355
Transfers to other funds	(1,323,317)	(1,323,317)	(1,323,317)	-
Transfers from other funds	27,000	27,000	60,000	33,000
Total other financing sources (uses)	323,860	323,860	(1,455,253)	(1,779,113)
Net change in fund balances	\$ -	\$ (3,329,686)	1,031,711	\$ 4,361,397
Unassigned fund balance, beginning of year			13,403,958	
Changes in fund balance classification in accordance with GAAP				
Changes in balances carried			(356,748)	
Inventory and prepaids (GASB 54)			468,343	
<b>Unassigned fund balance - City, end of year</b>			<b>\$ 14,547,264</b>	

*See accompanying notes to financial statements.*



**CITY OF BANGOR, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

<b>Business-type Activities - Enterprise Funds</b>					
	<b>Sewer Utility Fund</b>	<b>Airport Fund</b>	<b>Bass Park Fund</b>	<b>Nonmajor Proprietary Funds</b>	<b>Total Proprietary Funds</b>
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 5,449,524	\$ 4,068,381	\$ 1,108,663	\$ 4,117,163	\$ 14,743,731
Investments	-	10,310,963	-	-	10,310,963
Accounts receivable	2,914,352	4,627,522	389,949	352,062	8,283,885
Less allowance for uncollectible accounts	(45,000)	(153,579)	-	-	(198,579)
Accounts receivable (net of allowance)	2,869,352	4,473,943	389,949	352,062	8,085,306
Due from other governments	109,633	1,267,428	-	-	1,377,061
Inventories, at cost	-	269,164	36,120	-	305,284
Prepaid items	-	206,351	64,620	97,627	368,598
<b>Total current assets</b>	<b>8,428,509</b>	<b>20,596,230</b>	<b>1,599,352</b>	<b>4,566,852</b>	<b>35,190,943</b>
Noncurrent assets					
Capital assets:					
Land and improvements	683,865	-	579,157	5,008,359	6,271,381
Buildings and improvements	30,119,765	-	68,845,407	4,587,330	103,552,502
Machinery and equipment	9,686,370	-	2,158,202	655,585	12,500,157
Infrastructure	69,042,275	-	-	683,189	69,725,464
Aircraft operational assets	-	297,378,838	-	-	297,378,838
Parking structures	-	-	-	11,337,000	11,337,000
Construction in process	12,731,883	6,846,940	-	170,350	19,749,173
<b>Total capital assets</b>	<b>122,264,158</b>	<b>304,225,778</b>	<b>71,582,766</b>	<b>22,441,813</b>	<b>520,514,515</b>
Less accumulated depreciation	(51,030,471)	(214,006,687)	(20,741,265)	(15,039,356)	(300,817,779)
<b>Net capital assets</b>	<b>71,233,687</b>	<b>90,219,091</b>	<b>50,841,501</b>	<b>7,402,457</b>	<b>219,696,736</b>
Investments	-	5,116,822	-	-	5,116,822
Loans receivable	-	106,422	-	1,298,604	1,405,026
Due from bond trustee	803,796	-	-	-	803,796
<b>Total noncurrent assets</b>	<b>72,037,483</b>	<b>95,442,335</b>	<b>50,841,501</b>	<b>8,701,061</b>	<b>227,022,380</b>
<b>Total assets</b>	<b>\$ 80,465,992</b>	<b>\$ 116,038,565</b>	<b>\$ 52,440,853</b>	<b>\$ 13,267,913</b>	<b>\$ 262,213,323</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB	\$ 51,017	\$ 166,958	\$ -	\$ 11,934	\$ 229,909
Net pension	100,377	255,872	-	-	356,249
<b>Total deferred outflows of resources</b>	<b>\$ 151,394</b>	<b>\$ 422,830</b>	<b>\$ -</b>	<b>\$ 11,934</b>	<b>\$ 586,158</b>

*See accompanying notes to financial statements.*

Continued on next page

**CITY OF BANGOR, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

**Business-type Activities - Enterprise Funds**

	Sewer Utility Fund	Airport Fund	Bass Park Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 2,883,396	\$ 1,867,636	\$ 366,614	\$ 216,327	\$ 5,333,973
Accrued wages and benefits payable	59,783	220,965	151,777	23,827	456,352
Accrued interest	79,087	44,152	856,038	33,429	1,012,706
Workers' compensation	20,000	173,983	-	7,210	201,193
Interfund loans payable	-	-	1,700,000	-	1,700,000
General obligation debt payable	1,815,443	672,194	1,347,816	646,123	4,481,576
Capital lease obligation payable	-	-	3,849	12,576	16,425
Accrued compensated absences	54,275	313,496	-	17,865	385,636
Unearned revenue	-	-	748,251	-	748,251
Other liabilities	6,157	-	90,711	-	96,868
<b>Total current liabilities</b>	<b>4,918,141</b>	<b>3,292,426</b>	<b>5,265,056</b>	<b>957,357</b>	<b>14,432,980</b>
Long-term liabilities					
Workers' compensation	-	87,232	-	12,790	100,022
General obligation debt payable	18,408,517	6,098,139	46,043,634	2,194,851	72,745,141
Capital lease obligation payable	-	-	18,102	26,688	44,790
Accrued compensated absences	39,524	150,717	-	9,573	199,814
OPEB liability	470,865	1,481,698	-	92,159	2,044,722
Net pension liability	168,131	428,828	-	-	596,959
Other long-term liabilities	273,483	-	1,912,507	-	2,185,990
<b>Total long-term liabilities</b>	<b>19,360,520</b>	<b>8,246,614</b>	<b>47,974,243</b>	<b>2,336,061</b>	<b>77,917,438</b>
<b>Total liabilities</b>	<b>\$ 24,278,661</b>	<b>\$ 11,539,040</b>	<b>\$ 53,239,299</b>	<b>\$ 3,293,418</b>	<b>\$ 92,350,418</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Net pension	\$ 42,112	\$ 107,411	\$ -	\$ -	\$ 149,523
<b>Total deferred inflows of resources</b>	<b>\$ 42,112</b>	<b>\$ 107,411</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 149,523</b>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 53,938,800	\$ 85,539,092	\$ 4,652,634	\$ 5,362,495	\$ 149,493,021
Unrestricted	2,357,813	19,275,852	(5,451,080)	4,623,934	20,806,519
<b>Total net position</b>	<b>\$ 56,296,613</b>	<b>\$ 104,814,944</b>	<b>\$ (798,446)</b>	<b>\$ 9,986,429</b>	<b>\$ 170,299,540</b>

*See accompanying notes to financial statements.*

Continued from previous page

**CITY OF BANGOR, MAINE**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

<b>Business-type Activities - Enterprise Funds</b>					
	<b>Sewer Utility Fund</b>	<b>Airport Fund</b>	<b>Bass Park Fund</b>	<b>Nonmajor Proprietary Funds</b>	<b>Total Proprietary Funds</b>
Operating revenues					
Charges for services	\$ 9,448,625	\$ 18,233,077	\$ 2,165,685	\$ 3,271,499	\$ 33,118,886
<b>Total operating revenues</b>	<b>9,448,625</b>	<b>18,233,077</b>	<b>2,165,685</b>	<b>3,271,499</b>	<b>33,118,886</b>
Operating expenses					
Operating expenses other than depreciation	5,100,841	16,823,178	2,516,892	2,610,646	27,051,557
Depreciation	881,410	6,611,681	2,953,408	506,538	10,953,037
<b>Total operating expenses</b>	<b>5,982,251</b>	<b>23,434,859</b>	<b>5,470,300</b>	<b>3,117,184</b>	<b>38,004,594</b>
<b>Operating income (loss)</b>	<b>3,466,374</b>	<b>(5,201,782)</b>	<b>(3,304,615)</b>	<b>154,315</b>	<b>(4,885,708)</b>
Nonoperating revenue (expenses)					
Interest income	181,901	667,787	-	174,576	1,024,264
Interest expense	(272,489)	(314,320)	(1,636,909)	(103,817)	(2,327,535)
Taxes (Downtown TIF)	-	-	1,300,000	-	1,300,000
Gain (loss) on sale of assets	5,765	265,000	-	(23,155)	247,610
<b>Total nonoperating revenue (expenses)</b>	<b>(84,823)</b>	<b>618,467</b>	<b>(336,909)</b>	<b>47,604</b>	<b>244,339</b>
<b>Net income (loss) before grants/contributions and transfers</b>	<b>3,381,551</b>	<b>(4,583,315)</b>	<b>(3,641,524)</b>	<b>201,919</b>	<b>(4,641,369)</b>
Grants/contributions received for capital assets	1,030,000	3,984,985	-	41,347	5,056,332
Transfers to other funds	(30,000)	(12,926)	-	(184,533)	(227,459)
Transfers from other funds	99,033	-	1,716,672	118,815	1,934,520
<b>Change in net position</b>	<b>4,480,584</b>	<b>(611,256)</b>	<b>(1,924,852)</b>	<b>177,548</b>	<b>2,122,024</b>
<b>Net position, beginning of year</b>	<b>51,816,029</b>	<b>105,426,200</b>	<b>1,126,406</b>	<b>9,808,881</b>	<b>168,177,516</b>
<b>Net position, end of year</b>	<b>\$ 56,296,613</b>	<b>\$ 104,814,944</b>	<b>\$ (798,446)</b>	<b>\$ 9,986,429</b>	<b>\$ 170,299,540</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**Business-type Activities - Enterprise Funds**

	Sewer Utility Fund	Airport Fund	Bass Park Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
Cash flows from operating activities					
Cash received from customers	\$ 9,628,744	\$ 20,106,625	\$ 2,424,100	\$ 3,376,217	\$ 35,535,686
Cash paid to suppliers for goods and services	(2,344,337)	(9,372,933)	(2,193,566)	(1,935,574)	(15,846,410)
Cash paid to employees for services	(2,107,366)	(8,651,507)	-	(634,933)	(11,393,806)
Net cash provided by operating activities	5,177,041	2,082,185	230,534	805,710	8,295,470
Cash flows from noncapital financing activities					
Interfund loans (repayments)	(47,477)	-	-	-	(47,477)
Taxes (Downtown TIF)	-	-	1,300,000	-	1,300,000
Transfers in	99,033	-	1,716,672	118,815	1,934,520
Transfers out	(30,000)	(12,926)	-	(184,533)	(227,459)
Net cash provided by (used for) noncapital financing activities	21,556	(12,926)	3,016,672	(65,718)	2,959,584
Cash flows from capital and related financing activities					
Proceeds from general obligation bonds	4,433,858	-	-	142,500	4,576,358
Acquisition and construction of capital assets	(9,393,743)	(3,120,368)	-	(211,493)	(12,725,604)
Premium received	123,142	-	-	-	123,142
Principal paid on general obligation bonds/notes/capital leases	(1,698,513)	(650,130)	(1,290,751)	(611,640)	(4,251,034)
Interest paid on general obligation bonds/notes/capital leases	(259,077)	(317,342)	(1,759,155)	(109,401)	(2,444,975)
Proceeds from sale of property	5,765	265,000	-	-	270,765
Grant/contribution monies received for capital assets	1,174,547	3,699,459	-	41,347	4,915,353
Net cash used for capital and related financing activities	(5,614,021)	(123,381)	(3,049,906)	(748,687)	(9,535,995)
Cash flows from investing activities					
Net sales (purchases) of investments	-	(585,824)	-	-	(585,824)
Investment of unexpended bond proceeds	377,504	-	-	-	377,504
Interest on investments	181,901	667,787	-	174,576	1,024,264
Loan repayments	-	49,978	-	23,279	73,257
Net cash provided by investing activities	559,405	131,941	-	197,855	889,201
Net increase in cash and cash equivalents	143,981	2,077,819	197,300	189,160	2,608,260
Cash and cash equivalents, beginning of year	5,305,543	1,990,562	911,363	3,928,003	12,135,471
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,449,524</b>	<b>\$ 4,068,381</b>	<b>\$ 1,108,663</b>	<b>\$ 4,117,163</b>	<b>\$ 14,743,731</b>

## Schedule of noncash investing, capital and financing activities:

During the year, the Airport Fund had an unrealized gain on investments in the amount of \$647,011 and expended \$774,176 in capital asset acquisition costs to be reimbursed by Federal and State grants in a subsequent year.

During the year, the Bass Park Fund entered into a capital lease in the amount of \$25,401 to finance the acquisition of a capital asset.

During the year, the Parking Fund disposed of assets resulting in a loss of \$23,155.

*See accompanying notes to financial statements.*

Continued on next page

**CITY OF BANGOR, MAINE**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

<b>Business-type Activities - Enterprise Funds</b>					
	<b>Sewer Utility Fund</b>	<b>Airport Fund</b>	<b>Bass Park Fund</b>	<b>Nonmajor Proprietary Funds</b>	<b>Total Proprietary Funds</b>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 3,466,374	\$ (5,201,782)	\$ (3,304,615)	\$ 154,315	\$ (4,885,708)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	881,410	6,611,681	2,953,408	506,538	10,953,037
Allowance for uncollectible accounts	-	15,469	-	-	15,469
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	180,119	1,858,080	178,343	88,269	2,304,811
(Increase) decrease in inventories	-	(23,321)	2,511	-	(20,810)
(Increase) decrease in prepaid items	43,002	158,333	(3,731)	30,049	227,653
Increase (decrease) in accounts payable	623,636	(1,426,694)	252,811	21,978	(528,269)
Increase (decrease) in unearned revenue	-	-	80,072	-	80,072
Increase (decrease) in other liabilities	(17,500)	90,419	71,735	4,561	149,215
Total adjustments	1,710,667	7,283,967	3,535,149	651,395	13,181,178
<b>Net cash provided by operating activities</b>	<b>\$ 5,177,041</b>	<b>\$ 2,082,185</b>	<b>\$ 230,534</b>	<b>\$ 805,710</b>	<b>\$ 8,295,470</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	<b>Private Purpose Trust</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 84,707	\$ 152,718
Investments	1,874,776	-
<b>Total assets</b>	<b>\$ 1,959,483</b>	<b>\$ 152,718</b>
<b>LIABILITIES</b>		
Amounts held for others	-	152,718
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 152,718</b>
<b>NET POSITION</b>		
Net Position	\$ 1,959,483	
<b>Total net position</b>	<b>\$ 1,959,483</b>	

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Private Purpose Trust</b>
<hr/>	
Additions:	
Contributions	\$ 29,863
Investment income	68,134
Total revenues	<hr/> 97,997 <hr/>
Deductions:	
Payments to beneficiaries	\$ 62,660
Other expenses	37,600
Total expenditures	<hr/> 100,260 <hr/>
Net increase (decrease) in net position	(2,263)
<hr/>	
Net position, beginning of year	
Restated Note G	1,961,746
<b>Net position, end of year</b>	<hr/> <b>\$ 1,959,483</b> <hr/>

*See accompanying notes to financial statements.*

## INDEX OF NOTES TO THE FINANCIAL STATEMENTS

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**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**A. Reporting Entity**

The City of Bangor was incorporated under the laws of the State of Maine in 1834 and operates under a council/manager form of government. In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The criteria used to determine which entities, agencies, commissions, boards and authorities are part of the City's operations include how the budget is adopted, whether debt is secured by general obligation of the City, the City's duty to cover any deficits that may occur, and supervision over the accounting functions.

The Bangor Public Library is a nonprofit organization, which operates under the control of a nine-member Board of Trustees. The Bangor City Council appoints all members of the Library Board in accordance with the City of Bangor Charter. The Board has the power to hire officers, approve the budget and direct the operations of the Library. However, the Library is financially dependent upon the City in that the City provides approximately 68% of the operating financial support received by the Library during the year ended June 30, 2020. The City believes that the financial statements would be incomplete without the inclusion of the Library as a discretely presented component unit. Complete financial statements may be obtained from the Bangor Public Library, 145 Harlow Street, Bangor, ME 04401.

The City of Bangor is a member of the Joint Venture of the Equity Charter Municipalities of Municipal Review Committee, Inc (Joint Venture). The Joint Venture was formed to pool resources of the Equity Charter Municipalities for the long-term goal of handling the disposal of their present and projected volumes of non-hazardous municipal solid waste. As of June 30, 2019 (most recent data available) the City of Bangor's share of the Joint Venture's net position was \$4,874,037. Complete financial statements may be obtained from Municipal Review Committee, 20 Godfrey Drive, Suite 213, Orono, ME 04473.

**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, as well as from legally separate component units for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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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 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. 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 Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary funds.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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The City reports the following major proprietary funds:

The Sewer Utility fund accounts for the costs of construction and operation of the sewage treatment plant, the City sewer system, and sewer operation activities, and is self-supported through sewer user fees.

The Airport Fund accounts for the operation of Bangor International Airport. The principal sources of revenues are landing fees and the sale of aviation fuel. Other revenue sources include lease payments for the use of terminal space and non-aviation industrial buildings.

The Bass Park Fund accounts for the operation of the Cross Insurance Center, a harness racing track and the Bangor State Fair. Principal sources of revenue are amounts transferred from the Arena Fund, event admissions, concession sales and rentals. The fund is named after the Bass family, which bequeathed the property to the City for recreational purposes.

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 type:

Agency funds account for assets the City holds for others in an agency capacity. They are custodial in nature and do not present results of operations of the City or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The City serves as an agent for various School Activity funds.

Private purpose trust funds account for contributions received and scholarships awarded for Bangor High School graduates.

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 public services function 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.

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 are 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.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**D. Assets, Liabilities, Deferred Inflows/Outflows and Equity**

**1. Deposits and Investments**

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds and repurchase agreements. City policy prohibits the investment in so-called "derivative instruments".

Investments are reported at fair value. Fair value is measured using a hierarchy established by generally accepted accounting principles. Level 1 investments are based on quoted prices in active markets for identical assets, Level 2 investments are based on significant other observable inputs and Level 3 investments are based on significant unobservable inputs. Income earned from the investment of pooled cash is allocated to various funds based upon the average cash balance allocated to the fund.

**2. Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds are offset by nonspendable fund balance accounts in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

**3. Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption and are valued at cost using the weighted average method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

The cost of inventories and prepaid items are recognized as expenditures/expenses when consumed or used rather than when purchased.

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, sewer mains 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 with an initial, individual cost of more than \$10,000 for machinery/equipment/vehicles, \$25,000 for land/buildings and improvements and \$100,000 for infrastructure and an estimated useful life in excess of

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value 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 asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

The range of useful lives used to compute depreciation are as follows:

Buildings and improvements	25 – 50 years
Land improvements	25 – 50 years
Machinery/Equipment/Vehicles	5 – 20 years
Infrastructure	10 – 50 years
Airport Operational	5 – 40 years
Parking Structures	10 – 20 years

**5. Deferred Inflows/Outflows of Resources**

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows and inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position 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 report deferred inflow of resources includes: unavailable revenue from property taxes and special assessments. These amounts are considered unavailable and recognized as an inflow of resources (revenue) in the period that the amounts become available. The governmental activities have deferred outflows and inflows that relate to the net pension and OPEB liabilities, which include the City's contribution subsequent to the measurement date, which is 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, changes in proportion and differences between the City's 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.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**6. Compensated Absences**

Accumulated vacation or compensatory time or vested sick leave of governmental funds that is expected to be liquidated with expendable available resources is reported as an expenditure in respective fund financial statements only if the liability has matured, for example, as a result of employee resignations and retirements. All accumulated leave, including that which is not expected to be liquidated with expendable available financial resources, is reported in the government-wide financial statements. Accumulated leave of Enterprise Funds is recorded as an expense and liability of the respective fund as the benefits accrue to employees. No liability is recorded for non-accumulating rights to receive sick pay benefits.

**7. 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, if material.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

**8. Fund Equity**

In the fund financial statements, governmental funds report fund balances in one of five possible classifications. Classification is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which the funds can be spent. The categories are as follows:

- Nonspendable fund balance cannot be spent.
- Restricted fund balances are subject to externally enforceable legal restrictions.
- Committed fund balances are subject to limitations the City Council has imposed, that are binding unless removed or modified by the passage of a Council Order.
- Assigned fund balances reflect the intended use of the resources. The City Council adopted a comprehensive fund balance policy which authorized itself and the Finance Director and City Manager, within defined limits, with the authority to assign fund balances.
- Unassigned fund balances are resources which have not been classified in any other category. Only the General Fund can report a positive unassigned fund balance amount.

Should there be multiple sources of funding available for a particular purpose, it is the City's policy to expend currently budgeted resources first, then use other sources in the order of restricted, then committed, then assigned, then unassigned amounts.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**9. Allowance for Uncollectible Accounts and Loans**

Allowances for uncollectible accounts are maintained for all types of receivables, which historically experience uncollectible accounts. Allowances for uncollectible loans are established when the City determines its ability to collect the outstanding loan balance has been impaired.

**10. 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.

**10. Other Post Employment Benefits (OPEB)**

For purposes of measuring the 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 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.

**11. 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.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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**A. Budgetary Information**

Budgets are prepared on a modified accrual basis of accounting, with the exception of depreciation within the enterprise funds. Budgets for the General Fund and enterprise funds are formally adopted each year through the passage of an appropriation resolve. Budgets for special revenue and capital projects funds have adopted project-length budgets. Unencumbered appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is employed in governmental funds. Encumbrances (i.e., purchase orders, contracts, and other commitments) outstanding at year end are reported in assigned fund balance and do not constitute expenditures or liabilities because the commitments have not been honored in the current year. For budgetary purposes, encumbrances are treated as expenditures within both governmental and proprietary fund types.

On or before the second Monday in April, the City Manager submits to the City Council a proposed operating budget for the ensuing fiscal year. The Council holds public meetings and a final budget must be prepared and adopted no later than June 30<sup>th</sup>. Should the Council fail to adopt an operating budget on or before June 30<sup>th</sup>, by Charter, the budget proposed by the City Manager becomes effective.

The budget is adopted at the department level through the passage of appropriation resolves. The City Manager may make transfers of appropriations within a department. Transfers between departments or additional appropriations require the approval of the City Council. The City Council made several supplementary budgetary appropriations throughout the year, none of which were material.

Maine Public Employees Retirement contributions are made by the State of Maine on behalf of the School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$4,708,334. These amounts have been included as intergovernmental revenue and education expenditures in the general fund on the Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit 4) and in the entity-wide Statement of Activities (Exhibit 2). There is no effect on fund balance or net position at the end of the year.



**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED**

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**B. Reconciliation of Budgetary Basis Statements**

The following schedule reconciles the General Fund amounts on the Statement of Revenues, Expenditures, and Changes in Unassigned Fund Balance—Budget and Actual—Budgetary Basis to the amounts on the Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds:

Excess of revenues and other financing sources over expenditures and other financing uses (Budget)	\$ 1,031,711
Activity in assigned and committed fund balances	(937,070)
2020 encumbrances	1,651,165
2019 encumbrances paid	(520,107)
2019 encumbrances lapsed	<u>(21,115)</u>
Excess of revenues and other financing sources over expenditures and other uses (GAAP)	<u>\$ 1,204,584</u>

**C. Excess of Expenditures Over Appropriations**

The following General Fund departments were over-expended by the indicated dollar amounts; Executive \$38,749, Legal \$14,045 and Insurance \$38,318. These over-expenditures were funded by receipt of revenues in excess of appropriations and under-expenditures.

**D. Restricted Assets**

Donations received by the City whose use is limited are placed in the appropriate Special Revenue fund, depending upon whether or not the principal can be expended. All changes in market value are added to the earnings, which is allowable by State Statute.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The City maintains a cash pool that is available for use by all funds. In addition, cash and investments are separately held by several of the funds.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a policy with respect to custodial credit risk for deposit accounts. The City maintained certain accounts whose balances were fully covered, for other accounts in which the balance exceeded the \$250,000 provided by the Federal Deposit Insurance Corporation (FDIC), pledged collateral securities were held in the City's name. As of June 30, 2020, none of the City's bank balance of \$55,236,953 was exposed to custodial credit.

Fair Value – Investments

The City of Bangor 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.

At June 30, 2020, the City had the following investments and maturities:

Investment types	Rating	Fair Value	Not Applicable	Maturity (years)		
				<1	1-5	6-10
Mutual Funds		\$ 6,613,703	\$ 6,613,703	\$ -	\$ -	\$ -
US Treasuries	AA+	5,252,416	-	2,450,963	2,801,453	-
Corporate Bonds	A - BBB	2,115,171	-	50,300	2,064,871	-
Common Stock		1,347,260	1,347,260	-	-	-
Certificate of Deposit		2,024,011	-	1,672,775	351,236	-
Totals		<u>\$ 17,352,561</u>	<u>\$ 7,960,963</u>	<u>\$ 4,174,038</u>	<u>\$ 5,217,560</u>	<u>\$ -</u>

Investment types	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Mutual Funds	\$ 6,613,703	\$ 6,613,703	\$ -	\$ -
US Treasuries	5,252,416	5,252,416	-	-
Corporate Bonds	2,115,171	2,115,171	-	-
Common Stock	1,347,260	1,347,260	-	-
Totals	<u>\$ 15,328,550</u>	<u>\$ 15,328,550</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

The City's investment policy requires that, to the extent possible, the City will attempt to match investments with anticipated cash requirements. Unless matched to a specific cash flow, the City is not allowed to directly invest in securities maturing more than three years from the date of purchase.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**DETAILED NOTES ON ALL FUNDS, CONTINUED**

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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S agencies, repurchase agreements, and certain corporate stocks, bonds and mutual funds. In accordance with City policy, investments in certificates of deposits must be F.D.I.C. insured and any excess of the amounts covered by insurance must be collateralized in accordance with Title 30-A, Section 5706 of the Maine Revised Statutes; investments in mutual funds must be "no load" (which means no commission or fee shall be charged on the purchase or sale), have a constant daily net asset value of \$1.00 per share and limit assets of the fund to U.S. Treasury Obligations or Federal Instrumentality or Agency Securities; the total investments in stock cannot exceed 10% of the portfolio value and no more than 5% can be invested in any one company.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. As of June 30, 2020, the City had no investments that were subject to custodial risk. The City's investment policy states that all security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a "delivery vs. payment" basis.

Securities will be held by a third party custodian, or trust department, designated by the Treasurer and evidenced by safekeeping of receipts.

Concentration of Credit Risk

The City's investment policy states that the City will diversify its investments by security type and institution. No more than 40% of the City's total investment portfolio will be invested in any combination of commercial paper and time certificates of deposit.

**B. Property Tax**

Property taxes for the current year were levied July 11, 2019, on the assessed value listed as of the prior April 1<sup>st</sup> for all real and personal property located in the City. Assessed values are periodically established by the City's Assessor at 100% of assumed market value. Taxes were due in two installments: September 16, 2019 and March 16, 2020. Interest was charged at 9.00% on all taxes unpaid as of the due date.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred inflows of resources. 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.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,063,668	\$ -	\$ -	\$ 5,063,668
Construction in process	659,677	3,375,787	1,255,484	2,779,980
Total capital assets not being depreciated	<u>5,723,345</u>	<u>3,375,787</u>	<u>1,255,484</u>	<u>7,843,648</u>
Capital assets, being depreciated:				
Land improvements	15,875,665	167,691	-	16,043,356
Buildings and improvements	74,305,163	819,708	-	75,124,871
Machinery and equipment	13,631,523	263,880	42,257	13,853,146
Vehicles	21,183,002	4,554,958	328,584	25,409,376
Infrastructure	25,709,394	737,479	-	26,446,873
Total capital assets being depreciated	<u>150,704,747</u>	<u>6,543,716</u>	<u>370,841</u>	<u>156,877,622</u>
Less accumulated depreciation for:				
Land improvements	(7,185,398)	(694,579)	-	(7,879,977)
Buildings and improvements	(34,167,819)	(1,601,973)	-	(35,769,792)
Machinery and equipment	(11,732,721)	(348,062)	(42,257)	(12,038,526)
Vehicles	(11,577,618)	(1,692,459)	(311,893)	(12,958,184)
Infrastructure	(13,363,372)	(397,001)	-	(13,760,373)
Total accumulated depreciation	<u>(78,026,928)</u>	<u>(4,734,074)</u>	<u>(354,150)</u>	<u>(82,406,852)</u>
Total capital assets being depreciated, net	<u>72,677,819</u>	<u>1,809,642</u>	<u>16,691</u>	<u>74,470,770</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 78,401,164</u></b>	<b><u>\$ 5,185,429</u></b>	<b><u>\$ 1,272,175</u></b>	<b><u>\$ 82,314,418</u></b>

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,728,968	\$ -	\$ -	\$ 3,728,968
Construction in process	10,648,982	14,067,831	4,967,640	19,749,173
Total capital assets not being depreciated	<u>14,377,950</u>	<u>14,067,831</u>	<u>4,967,640</u>	<u>23,478,141</u>
Capital assets, being depreciated:				
Land improvements	2,542,413	-	-	2,542,413
Buildings and improvements	102,485,315	1,067,187	-	103,552,502
Machinery and equipment	11,901,761	611,817	13,421	12,500,157
Infrastructure	66,517,313	3,208,151	-	69,725,464
Airport operational assets	297,155,601	598,266	375,029	297,378,838
Parking structures	11,372,837	41,347	77,184	11,337,000
Total capital assets being depreciated	<u>491,975,240</u>	<u>5,526,768</u>	<u>465,634</u>	<u>497,036,374</u>
Less accumulated depreciation for:				
Land improvements	(2,017,821)	(56,275)	-	(2,074,096)
Buildings and improvements	(46,839,737)	(2,857,799)	(2)	(49,697,534)
Machinery and equipment	(7,610,638)	(476,168)	(13,422)	(8,073,384)
Infrastructure	(16,092,144)	(689,583)	-	(16,781,727)
Airport operational assets	(207,770,035)	(6,611,681)	(375,029)	(214,006,687)
Parking structures	(9,976,848)	(261,531)	(54,028)	(10,184,351)
Total accumulated depreciation	<u>(290,307,223)</u>	<u>(10,953,037)</u>	<u>(442,481)</u>	<u>(300,817,779)</u>
Total capital assets being depreciated, net	<u>201,668,017</u>	<u>(5,426,269)</u>	<u>23,153</u>	<u>196,218,595</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 216,045,967</u></b>	<b><u>\$ 8,641,562</u></b>	<b><u>\$ 4,990,793</u></b>	<b><u>\$ 219,696,736</u></b>

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

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

Governmental Activities:	
General government	\$ 1,142,181
Public safety	736,524
Health, community services and recreation	217,476
Public services	655,857
Education	1,345,173
Public transportation	<u>636,863</u>
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 4,734,074</u></b>
Business-type activities:	
Sewer Utility Fund	\$ 881,410
Airport Fund	6,611,681
Bass Park Fund	2,953,408
Stormwater	16,493
Economic Development Fund	157,193
Parking Fund	261,531
Municipal Golf Course	<u>71,321</u>
<b>Total depreciation expense - business-type activities</b>	<b><u>\$ 10,953,037</u></b>

Construction commitments:

At June 30, 2020, the City had entered into contracts or otherwise committed to various construction projects:

	Contract Amount	Paid To Date	Balance Remaining
Land Improvements	\$ 433,777	\$ 315,252	\$ 118,525
Infrastructure	483,068	115,160	367,908
Aircraft Operational Upgrades	9,615,969	2,879,331	6,736,638
Sewer Upgrades	33,057,189	14,867,984	18,189,205

**D. Interfund Transactions**

Individual fund interfund receivable and payable transactions are described in the Summary of Significant Accounting Policies Note D2. As of June 30, 2020, the balances were as follows:

	Receivable	Payable
General Fund	\$ 1,945,655	\$ -
Nonmajor Governmental Funds	-	245,655
Bass Park Fund	-	1,700,000
	<u>\$ 1,945,655</u>	<u>\$ 1,945,655</u>

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**DETAILED NOTES ON ALL FUNDS, CONTINUED**

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Individual fund transfers to and from other funds for the fiscal year ended June 30, 2020 are comprised primarily of transfers from fund balances to fund capital projects and to provide operating subsidies to certain proprietary funds.

	Transfers to	Transfers from
General Fund	\$ 4,655,516	\$ 87,000
Capital Projects Fund	142,889	4,946,378
Nonmajor Governmental Funds	1,942,034	-
Sewer Fund	30,000	99,033
Airport Fund	12,926	-
Bass Park Fund	-	1,716,672
Nonmajor Enterprise Funds	184,533	118,815
	<u>\$ 6,967,898</u>	<u>\$ 6,967,898</u>

**E. Due From Other Governments**

Due from other governments is comprised of the following amounts at June 30, 2020:

	Federal Government	State of Maine	Other	Total
General Fund	\$ 2,161,768	\$ 2,190,364	\$ 1,023,758	\$ 5,375,890
Capital Projects Fund	40,400	344,512	91,249	476,161
Nonmajor Special Revenue Funds	169,926	61,657	-	231,583
Sewer Fund	-	-	109,633	109,633
Airport Fund	879,466	387,962	-	1,267,428
Total	<u>\$ 3,251,560</u>	<u>\$ 2,984,495</u>	<u>\$ 1,224,640</u>	<u>\$ 7,460,695</u>

Amounts due from Federal Government are comprised of operating and capital grants for all fund types. Of the General Fund's \$2,190,364 due from State of Maine, \$1,341,912 represents school grant and State agency billings, and \$451,839 represents general assistance claims. Amounts owed to the Capital Projects and the Airport Funds by the State of Maine are for capital grant purposes. Amounts due from other communities for tuition reimbursement to Bangor account for \$867,879 of the Due from Other in the General Fund.

**F. Leases**

Operating Leases

The Airport and Economic Development Proprietary Funds are the lessors of various buildings and land parcels under operating leases expiring in various years through 2069 and 2041, respectively. Minimum future rentals to be received on noncancelable leases as of June 30, 2020 are:

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

Fiscal year ending June 30,	Airport	Economic Development
2021	\$ 2,827,311	\$ 477,061
2022	1,411,292	404,936
2023	1,283,654	301,229
2024	1,123,675	295,663
2025	949,519	284,989
Subsequent to 2026	10,354,511	2,122,804
	<u>\$ 17,949,962</u>	<u>\$ 3,886,682</u>

Minimum future rentals do not include contingent rentals, which may be received as stipulated in the lease contracts. The Airport received \$2,576,128 in contingent rentals in fiscal year 2020.

The carrying amounts of the leased assets are as follows:

	Airport	Economic Development
Land	\$ 565,532	\$ 2,515,911
Buildings	22,755,681	3,674,723
Less accumulated depreciation	(16,351,691)	(1,913,489)
Total	<u>\$ 6,969,522</u>	<u>\$ 4,277,145</u>

**Capital Leases**

The City entered into several leases for financing the acquisition of heavy equipment and landscaping equipment. These lease agreements qualify as capital leases for accounting purposes whereas they contain a bargain purchase option. Leased equipment below the City's capitalization policy has not been capitalized. The following is an analysis of the carrying value of the leased capitalized equipment as of June 30, 2020:

	Business-type Activities
Machinery and equipment	\$ 180,384
Less accumulated depreciation	(70,240)
Carrying value	<u>\$ 110,144</u>

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2020:

Fiscal Year ending June 30,	Governmental Activities	Business-type Activities
2021	\$ 300,946	\$ 19,115
2022	300,946	19,114
2023	204,381	19,115
2024	-	4,960
2025	-	4,960
Subsequent to 2025	-	413
Total minimum lease payments	<u>806,273</u>	<u>67,677</u>
Less: amount representing interest	(46,937)	(6,462)
Present value of future minimum lease payments	<u>\$ 759,336</u>	<u>\$ 61,215</u>

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

**G. Other Assets**

Other assets are comprised of the following:

	Sewer Utility	
	Fund	
Due from bond trustee	\$	803,796
Total	\$	803,796

**H. Unearned Revenue**

Community Development Block Grant, Arena Fund and Capital Projects Fund unearned revenues consist of \$49,944, \$59,171 and \$42,523 in advance deposits, respectively. Bass Park Fund unearned revenues consist of \$748,251 in advance sales.

**I. Long-term Debt**

**General Obligation Bonds and Notes from Direct Borrowings**

The City issues general obligation bonds or notes from direct borrowings to provide funds for the acquisition and construction of major capital additions. General obligation bonds and notes from direct borrowings have been issued for both governmental and business-type activities. Bond and note obligations are reported in proprietary funds if they are expected to be repaid from proprietary fund revenues. Propriety obligations are, or may be, self-supporting if charges, fees and revenues are sufficient to fund operating, maintenance and associated debt service. In addition, general obligation bonds have been issued to refund general obligation bonds and extinguish existing prior retirement liability. General obligation bonds and direct borrowings are direct obligations and pledge the full faith and credit of the government. These bonds are typically issued as 20-year serial bonds; but according to State Statute, may be issued for up to 30 years. In the event of default the City continues to be obligated for associated debt service, when due; or to pay arrears, if any, until the default is cured.

The original amount of general obligation bonds and notes issued is \$189,402,915. The following is a summary of general obligation bond and note transactions of the City for the fiscal year ended June 30, 2020:

Bonds and notes payable at June 30, 2019	\$	128,290,800
Add: principal additions		9,577,000
Less: principal repayments		9,856,146
Bonds and notes payable at June 30, 2020	\$	128,011,654



**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

Bonds and notes payable at June 30, 2020 are comprised of the following:

	Fiscal year of maturity	Interest rate	Governmental Activities		Business-type Activities	Total June 30, 2020
			City	School		
Long-term debt						
Public improvements note*	2022	4.50%	106,423	-	-	106,423
Pension obligation bonds	2026	3.06% - 6.45%	14,185,538	911,372	3,056,375	18,153,285
Combined sewer overflow	2023	1.94%	-	-	509,689	509,689
Briggs building note*	2023	4.50%	-	-	285,528	285,528
Combined sewer overflow	2025	1.41%	-	-	760,795	760,795
Chancellor's property note*	2026	5.00%	-	-	916,394	916,394
Combined sewer overflow	2027	1.64%	-	-	775,066	775,066
Combined sewer overflow	2028	1.81%	-	-	886,908	886,908
ARRA - CWSRF	2029	0.00%	-	-	436,009	436,009
ARRA - CWSRF	2030	0.00%	-	-	256,880	256,880
Public improvements/refunding	2021	2.00% - 3.25%	125,000	-	400,000	525,000
Qualified school construction bond	2028	4.65%	-	5,590,000	-	5,590,000
Refunding/public improvements	2022	2.00% - 2.25%	474,257	423,267	282,476	1,180,000
Arena	2043	3.25% - 5.00%	-	-	47,135,000	47,135,000
Qualified school construction bond	2035	4.05%	-	2,785,000	-	2,785,000
Refunding/public improvements	2032	2.00% - 4.00%	3,766,244	-	903,756	4,670,000
Refunding/airport improvements	2033	.50% - 4.25%	-	-	2,880,000	2,880,000
Public improvements	2034	2.00% - 4.00%	4,685,000	840,000	210,000	5,735,000
Combined sewer overflow	2034	0.10%	-	-	1,879,677	1,879,677
Public improvements	2030	2.00% - 2.75%	1,800,000	200,000	-	2,000,000
Airport improvements	2035	3.00% - 3.65%	-	-	1,200,000	1,200,000
Refunding/public improvements	2030	2.00% - 3.00%	2,071,000	-	204,000	2,275,000
Airport improvements	2027	0.95% - 3.25%	-	-	600,000	600,000
Combined sewer overflow	2036	1.00%	-	-	3,638,000	3,638,000
Public improvements	2036	1.00%	4,370,704	554,982	604,314	5,530,000
Refunding/public improvements	2034	3.00% - 5.00%	2,895,508	-	174,492	3,070,000
Combined sewer overflow	2038	1.00%	-	-	4,180,000	4,180,000
Combined sewer overflow	2038	1.00%	-	-	475,000	475,000
Public improvements	2039	2.00% - 4.00%	5,000,642	-	2,426,358	7,427,000
Sewer improvements	2039	1.00%	-	-	2,150,000	2,150,000
Total bonds and notes payable			\$ 39,480,316	\$ 11,304,621	\$ 77,226,717	\$ 128,011,654

\* Notes are held by City Funds at fixed, taxable market rates of interest.

**Legal Debt Margin**

The City is subject to the laws of the State of Maine, which limits the amount of long-term debt to 15% of the state's assessed valuation of the City. At June 30, 2020, the statutory limit for the City was \$400,072,500. The City's outstanding long-term debt of \$128,011,654 at June 30, 2020 was within the statutory limit.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

**Annual Debt Service Requirements for Bonds and Notes**

Fiscal year ending June 30,	Governmental Activities				Business-type Activities			
	Bonds		Notes from Direct Borrowings		Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 5,303,322	\$ 1,930,619	\$ 52,040	\$ 4,789	\$ 4,225,877	\$ 2,277,702	\$ 225,699	\$ 58,813
2022	5,170,283	1,581,903	54,381	2,447	3,976,945	2,178,150	236,575	47,936
2023	4,935,287	1,302,326	-	-	3,959,023	2,040,826	247,978	36,535
2024	5,175,611	1,068,631	-	-	3,920,334	1,905,992	155,962	24,584
2025	5,276,570	824,956	-	-	4,051,308	1,773,473	163,760	16,785
2026-2030	17,943,664	1,482,765	-	-	16,637,393	7,145,465	171,949	8,597
2031-2035	3,774,471	296,707	-	-	16,032,722	5,023,947	-	-
2036-2040	3,099,308	18,279	-	-	14,756,192	2,845,357	-	-
2041-2044	-	-	-	-	8,465,000	516,900	-	-
<b>Total</b>	<b>\$ 50,678,516</b>	<b>\$ 8,506,186</b>	<b>\$ 106,421</b>	<b>\$ 7,236</b>	<b>\$ 76,024,794</b>	<b>\$ 25,707,812</b>	<b>\$ 1,201,923</b>	<b>\$ 193,250</b>

**Authorized and Unissued**

On August 8, 2011, the City Council authorized the issuance of up to \$2,000,000 in general obligation bonds to provide funding for remediation of the Penobscot River. As of June 30, 2020, \$1,590,000 remains authorized and unissued. The City will continue to monitor when and if the debt will be issued.

On August 27, 2018, the City Council authorized the issuance of up to \$3,300,000 in general obligations bonds through the Maine Municipal Bond Bank State Revolving Fund to finance sewer infrastructure improvements. As of June 30, 2020, the bonds had not been issued. The City expects to issue the debt within the next eighteen months.

On August 27, 2018, the City Council authorized the issuance of up to \$4,506,000 in general obligation bonds for the purpose of funding City streets, its annual fleet/equipment replacement, building improvements and WWTP infrastructure improvements. As of June 30, 2020, \$921,500 remains authorized and unissued. The majority of the unissued bonds are dependent upon redevelopment of particular properties, at this time it is unknown when that may occur.

On August 12, 2019, the City Council authorized the issuance of up to \$15,775,000 in general obligations bonds for the purpose of funding sewer infrastructure. As of June 30, 2020, the bonds have not been issued. The City expects to issue Bond Anticipation notes within the next twelve months for this work, permanent financing is expected to occur upon completion in the fall of 2021.

On August 12, 2019, the City Council authorized the issuance of up to \$6,000,000 in general obligation bonds for the purpose of rehabilitating City Hall. As of June 30, 2020, the bond have not been issued. The City expects to issue the debt within the next eighteen months.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**DETAILED NOTES ON ALL FUNDS, CONTINUED**

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**Changes in Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due within one year
Governmental activities:					
General obligation debt	\$ 51,239,446	\$ 5,000,642	\$ 5,561,572	\$ 50,678,516	\$ 5,303,322
Notes from direct borrowings	156,220	-	49,799	106,421	52,040
Accrued compensated absences*	2,140,081	1,618,584	1,583,112	2,175,553	1,479,698
Capital leases	484,747	548,969	274,380	759,336	300,946
Bond premium	933,113	296,011	101,627	1,127,497	116,428
OPEB liability*	16,201,739	777,453	-	16,979,192	-
Net pension liability*	5,080,241	2,764,379	-	7,844,620	-
Self insurance liability	3,184,942	1,249,383	764,266	3,670,059	840,317
Governmental activities long-term liabilities	<u>\$ 79,420,529</u>	<u>\$ 12,255,421</u>	<u>\$ 8,334,756</u>	<u>\$ 83,341,194</u>	<u>\$ 8,092,751</u>
Business-type activities:					
General obligation debt	\$ 75,477,886	\$ 4,576,358	\$ 4,029,450	\$ 76,024,794	\$ 4,255,877
Notes from direct borrowings	1,417,248	-	215,325	1,201,923	225,699
Accrued compensated absences*	608,824	437,019	460,393	585,450	385,636
Capital leases	42,174	25,300	6,259	61,215	16,425
Bond premium	2,093,929	123,142	90,711	2,126,360	96,868
OPEB liability*	2,040,079	4,643	-	2,044,722	-
Net pension liability*	446,426	150,533	-	596,959	-
Self insurance liability	281,215	90,786	70,786	301,215	201,193
Other	156,498	-	-	156,498	-
Business-type activities long-term liabilities	<u>\$ 82,564,279</u>	<u>\$ 5,407,781</u>	<u>\$ 4,872,924</u>	<u>\$ 83,099,136</u>	<u>\$ 5,181,698</u>

\* - The liquidation of compensated absences, OPEB obligation and net pension liability is fully covered within the General Fund and individual proprietary funds.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**DETAILED NOTES ON ALL FUNDS, CONTINUED**

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**J. Fund Balances**

As of June 30, 2020, fund balances components consisted of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund:				
Advances to other funds	\$ 1,900,500	\$ -	\$ -	\$ -
Inventory and prepaid items	835,540	-	-	-
PEG capital support	-	5,715	-	-
School capital	-	83,635	-	-
Education	-	774,363	-	-
School debt sinking fund	-	352,784	-	-
Cultural Comm/Public Transport	-	-	108,010	-
Public Safety/General Government	-	-	178,791	-
Subsequent year expenditures	-	-	-	68,563
Pooled equipment reserve	-	-	-	511,672
Bus equipment reserve	-	-	-	611,899
Fire equipment reserve	-	-	-	535,022
Self insurance reserve	-	-	-	3,062,169
Improvement reserve	-	-	-	954,803
Demolition reserve	-	-	-	106,933
Community connector reserve	-	-	-	177,352
Benefit reserve	-	-	-	1,666,689
Energy efficiency reserve	-	-	-	431,491
Parks & Recreation reserve	-	-	-	431,061
Subtotal	<u>2,736,040</u>	<u>1,216,497</u>	<u>286,801</u>	<u>8,557,654</u>
Capital Projects Fund	<u>642,000</u>	<u>-</u>	<u>-</u>	<u>11,845,250</u>
Other Governmental Funds:				
Nonexpendable trust principal	385,512	-	-	-
Nonmajor Special Revenue Funds				
Community development	-	3,982,111	-	-
Infrastructure	-	292,889	-	-
Public Safety	-	238,538	-	-
Transportation	-	141,127	-	-
Economic Develop	-	431,917	-	-
Parks	-	508,378	-	-
Health	-	44,519	-	-
Arena	-	-	479,703	-
Other Municipal	-	63,023	-	-
Nonmajor Permanent Funds				
Cemetery	-	66,561	-	-
Missionary	-	104,048	-	-
Education	-	132,959	-	-
Other Municipal	-	230,410	-	-
Subtotal	<u>385,512</u>	<u>6,236,480</u>	<u>479,703</u>	<u>-</u>
Total	<u>\$ 3,763,552</u>	<u>\$ 7,452,977</u>	<u>\$ 766,504</u>	<u>\$ 20,402,904</u>

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

Encumbrances at year end were \$1,651,165 for the General Fund, \$2,020,795 for the Capital Projects Fund, \$5,547,112 for the Airport Fund, \$24,103,412 for the Sewer Utility Fund, \$112,414 for the Stormwater Fund, \$32,896 for the Parking Fund, \$619 for the Golf Fund and \$10,500 for the Economic Development Fund.

**K. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their 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, 2020:

	Governmental	Business-type
Capital assets	\$ 164,721,270	\$ 520,514,515
Accumulated depreciation	(82,406,852)	(300,817,779)
Bonds and notes payable	(50,784,937)	(77,226,717)
Capital leases	(759,336)	(61,215)
Non capital related bonds payable	22,127,749	6,720,283
Premium on long term debt	(1,127,497)	(2,126,360)
Unspent bond proceeds	1,622,234	2,490,294
Net investment in capital assets	\$ 53,392,631	\$ 149,493,021

**OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters for which the City either carries commercial insurance or is self-insured. The City currently reports all of its risk management activities in the General and Proprietary Funds. Claims expenditure, liabilities and reserves are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

The City purchases coverage under a number of commercially available insurance policies such as: commercial general liability, auto, property damage and crime and dishonesty, each with limits and deductibles deemed prudent given the risks, cost of coverage and the City's ability to fund certain types of losses. For those claims covered by commercial insurance, the amount of settlements has not exceeded the coverage for the years ended June 30, 2020, 2019 and 2018.

The City is self-insured for its workers' compensation liability. Reserves are actuarially determined each year to assure funding adequacy. In addition, the City purchases excess workers' compensation insurance to limit its financial risk. At June 30, 2020, the amount of self-insurance liability was \$3,971,274. This liability is the City's best estimate based on available information.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**OTHER INFORMATION, CONTINUED**

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Changes in the reported liabilities since July 1, 2018 resulted from the following:

	Workers' Compensation	All other self- insured risks	Total
Unpaid claims as of July 1, 2018	\$ 2,740,212	\$ 296,942	\$ 3,037,154
Incurred claims	290,235	-	290,235
Payments	(432,435)	-	(432,435)
Changes in estimates and other adjustments	566,610	4,593	571,203
Unpaid claims as of July 1, 2019	3,164,622	301,535	3,466,157
Incurred claims	406,155	-	406,155
Payments	(835,051)	(210)	(835,261)
Changes in estimates and other adjustments	928,984	5,239	934,223
 Unpaid claims as of July 1, 2020	 \$ 3,664,710	 \$ 306,564	 \$ 3,971,274

**B. Tax Increment Financing Districts**

The City may provide financial assistance to local economic development projects by using the new property taxes that result from the commercial investment and corresponding increase in taxable property valuation. This is accomplished by utilizing municipal tax increment financing (TIF) districts in accordance with Chapter 260 of MRSA Title 30-A or via a City Council vote, which may result in the execution of a Credit Enhancement Agreement (CEA). The CEA is a mechanism to assist the development project by returning all or a portion of the incremental property tax revenues generated by the new investment directly to the developer. Incremental taxes within a TIF that are not returned to the developer may be retained by the City to fund eligible local expenses.

For FY 2020, the City captured \$4,260,027 in incremental property taxes and dispersed \$361,531 in CEA payments to fourteen (14) developers. The remaining \$3,898,496 was applied to eligible local expenses. The following are the CEA payments that exceed ten (10) percent of the total CEA payments.

The City dispersed \$95,176 to Volunteers of America Northern New England to reimburse for investments for affordable elderly housing funded through the HUD 202 Program, which represents a 100% TIF.

The City dispersed \$50,721 to Peoples United Bank to reimburse for investments for the rehabilitation and conversion of a historic building into office space, which represents a 100% CEA.

The City dispersed \$36,272 to Seminary Housing to reimburse for investments for affordable elderly housing.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**OTHER INFORMATION, CONTINUED**

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**C. Contingent Liabilities**

In 2002, the City filed suit against Citizens Communications Company ("Citizens") to force a cleanup remediation of the contamination of the Penobscot River because of the inability to reach a settlement. Trial was held in the U. S. District Court for the District of Maine in September 2005. The Court issued an Order finding that Citizens' Communications Company is responsible for 60% of the remediation costs and the City is responsible for 40%. The City and Citizens Communications Company reached a settlement agreement that wherein Citizens Communication Company paid to the City \$7.625 million to be held in escrow and to be used towards payment of the cost related to the remediation of the contamination.

The parties also negotiated a Consent Decree with the Maine Department of Environmental Protection ("DEP") for the remediation to be done in stages. The City contracted with RMT of Madison, Wisconsin to perform the remediation and the first two stages of the remediation have been completed. The effectiveness of the remediation is monitored.

There now are discussions between the City, its consultants and the DEP to determine what, if any, additional remediation is necessary. It is anticipated that those discussions will be concluded in 2021.

In November 2015, the City entered into a Consent Decree with the Federal Environmental Protection Agency (EPA) pursuant to which the City is required to (1) implement a capacity management operations and maintenance program for the sewer collection system, (2) implement a municipal separate storm sewer system illicit discharge detection and elimination program, (3) develop and implement a Phase II long-term control plan for the combined sewer overflow program, and (4) otherwise take such measures as are necessary to achieve and maintain compliance with the Clean Water Act and permits required of the City thereunder. A complete copy of the Consent Decree is available at the Wastewater Treatment Plant page of the City's website [www.bangormaine.gov](http://www.bangormaine.gov).

The City is a party to various other lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a materially adverse effect on the financial condition of the City.

**D. Retirement**

The City of Bangor provides retirement pensions for its employees through a number of vehicles, including a defined contribution plan, defined benefit pension plan, deferred compensation plan, and social security.

**Defined Contribution Plan**

Description of the Plan - The City provides pension benefits for certain employees through a 401(a) defined contribution plan administered by ICMA/RC. In addition, certain full-time employees are covered through both a 401(a) and 457 Deferred Compensation Plans (DCP) also administered by ICMA/RC. In a DCP, benefits depend solely on amounts contributed to the plan plus investment earnings. Covered employees are eligible to participate and are fully vested (i.e. eligible for benefits) from the date of employment. The authority to establish and amend plan provisions or requirements rests with the City.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

Funding Policy – Plan members not covered by employment contracts are required to contribute 6.5% of their annual covered salary and the City is required to contribute either 8% or 10.6% depending upon the employee’s classification. For fiscal year 2020, covered payroll was \$19,566,977 and City contributions were \$1,628,578. For those plan members that have employment contracts, the City contributes at various rates from 10% - 15% of annual earnings. The covered payroll and City contributions for those employees with employment contracts were \$227,654 and \$32,235 respectively, in fiscal year 2020.

**Defined Benefit Pension Plan**

Description of the Plan – For certain employees the City contributes to the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan) and 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 Employers Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at [www.maineopers.org](http://www.maineopers.org).

As of June 30, 2020, the City had the following balances reported in the government-wide financial statements:

<b>Plan</b>	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PLD	\$ 6,297,032	\$ 3,757,938	\$ (1,577,249)	\$ 5,347,033
SET	2,144,547	1,482,043	(302,714)	6,078,805
<b>Total</b>	<b>\$ 8,441,579</b>	<b>\$ 5,239,981</b>	<b>\$ (1,879,963)</b>	

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 credit service. 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 or 25 years of service for certain public safety employees. For SET members, normal retirement age is 60, 62 or 65. The normal retirement age is determined by whether a member had 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 his/her normal 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).

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 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.



**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**OTHER INFORMATION, CONTINUED**

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PLD Plan – Employees are required to contribute 8.0% - 8.10% of their annual pay. The City's contractually requirement contribution rate for the year June 30, 2020 ranged from 10.0% - 10.6% depending on the applicable benefit structure. The City's contributions to the pension plan were \$1,230,690 for the year ended June 30, 2020.

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 City's contractually required contribution rate for the year ended June 30, 2020 was 18.49% of annual payroll of which 4.16% of payroll was required from the City and 14.33% was required from the State. Contributions to the pension plan from the City were \$1,150,353 for the year ended June 30, 2020.

Pension Liabilities, Expense and Deferred Outflows and Inflows of Resources – The net pension liabilities were measured as of June 30, 2019, 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.

At June 30, 2020, the City's aggregate information for net pension liabilities is as follows:

PLD Plan – At June 30, 2020, the City's reported liability of its proportionate share of the net pension liability was \$6,297,032. At June 30, 2019, the City's proportion of the PLD plan was 2.060119%.

SET Plan – At June 30, 2020 the City's reported liability of its proportionate share of the net pension liability was reduced to reflect the State 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 associated with the City were as follows:

City's proportionate share of the net pension liability	\$2,144,547
State's proportionate share of the net pension liability	29,786,584
<u>Total</u>	<u>\$31,931,131</u>

At June 30, 2019, the City's proportion of the SET Plan was .146298%.

For the year ended June 30, 2020, the City recognized pension expense of \$5,347,033 for the PLD Plan and \$6,078,805 of pension expense and revenue of \$3,963,234 for support provided by the State for the SET Plan. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to PLD Plan from the following sources:

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 745,590	\$ -
Changes of assumptions	318,903	-
Net difference between projected and actual earnings on pension plan investments	-	1,577,249
Changes in proportion and differences between City contributions and proportionate share of contributions	1,462,755	-
City contributions subsequent to the measurement date	1,230,690	-
	<u>\$ 3,757,938</u>	<u>\$ 1,577,249</u>

\$1,230,690 is reported as deferred outflows of resources related to the PLD Plan 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PLD Plan will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 655,110
2022	(139,197)
2023	435,083
2024	(997)

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to SET Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 166,816	\$ -
Changes of assumptions	62,091	-
Net difference between projected and actual earnings on pension plan investments	-	302,714
Changes in proportion and differences between City contributions and proportionate share of contributions	102,783	-
City contributions subsequent to the measurement date	1,150,353	-
	<u>\$ 1,482,043</u>	<u>\$ 302,714</u>

\$1,150,353 is reported as deferred outflows of resources related to the SET Plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

pension liabilities in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SET Plan will be recognized in pension expense as follows:

Year ended June 30:		
2021	\$	168,728
2022		(72,645)
2023		(68,027)
2024		920

Actuarial assumptions - The total pension liabilities in the June 30, 2019 actuarial valuation were 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% to 9.0%	2.75% to 14.5%
Investment return, per annum, compounded annually	6.75%	6.75%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates were based on the RP2014 Total Data Set for Healthy Annuitant Mortality Table for males and females.

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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real Assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

Discount rate - The discount rate used to measure the total pension liability was 6.75% for both the PLD and SET Plans. 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 6.75%, 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 (5.75% for PLD and SET Plans) or 1 percentage-point higher (7.75% for PLD and SET Plans) than the current rate:

	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
PLD Plan	\$14,344,234	\$ 6,297,032	\$(1,230,355)
	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
SET Plan	\$ 3,877,288	\$ 2,144,547	\$ 700,623

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the pension plan - None as of June 30, 2020.

**Deferred Compensation Plan**

The City offers 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.

**Social Security**

The City does not have a section 218 agreement to provide full social security coverage to its employees. The City does provide full social security coverage to part-time, seasonal and temporary municipal employees and to all part-time, seasonal, temporary and full-time school employees, not otherwise covered under the Teacher Plan detailed above, under the Omnibus Budget Reconciliation Act of 1990, and Internal Revenue Service regulations, which became effective July 1, 1991.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

**E. Other Postemployment Benefits (OPEB)**

Description of the Plan – 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 contributes to the Group Life Insurance Plan for Participating Local District (PLD) (hereafter referred to as the PLD OPEB Plan). Teachers also participate in the Group Term Life Insurance Plan for State Employees and Teachers (SET) (hereafter referred to as the SET OPEB Plan). 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 financial reports that are publicly available at [www.maineopers.org](http://www.maineopers.org).

The City sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the City Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the City. 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.

The City School Department sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the School Health Plan). 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.

As of June 30, 2020, the City had the following balances reported in the government-wide financial statements:

<b>Plan</b>	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB (Gain) Expense
PLD	\$ 1,524,222	\$ 131,488	\$ (222,875)	\$ 8,375
SET	-	-	-	61,972
City Health	8,895,752	975,848	-	362,306
School Health	8,603,940	433,597	-	365,644
<b>Total</b>	<b>\$ 19,023,914</b>	<b>\$ 1,540,933</b>	<b>\$ (222,875)</b>	<b>\$ 798,297</b>

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 retiree’s 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.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

Under the City Health Plan, CIGNA provides healthcare benefits for retirees and their dependents. Full-time City employees age 55 or older, with 5 years of service, and covered under the active medical plan are eligible to participate in the plan. Retirees that are designated in a plan pay 100% of the coverage premium. A Medicare Supplement plan is available for eligible retirees. For retirees without Medicare, coverage is available without a Medicare offset.

Employees Covered by Benefit Terms – At June 30, 2020, the following employees were covered by the City Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	-
Active employees	413
Total	466

Under the School Health Plan, MEABT provides healthcare insurance benefits for 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 45% 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. The retiree pays 55% 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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	271
Inactive employees entitled to but not yet receiving benefits	-
Active employees	455
Total	726

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 - The City is required to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB Plan from the City were \$34,341 for the year ended June 30, 2020. Employees are not required to contribute to the PLD OPEB Plan.

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 SET OPEB Plan by the State of Maine on-behalf of the City were \$61,972 for the year ended June 30, 2020. Employers and employees are not required to contribute to the SET OPEB Plan.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

City Health Plan – Contributions to the City Health Plan from the City were \$0.00 for the year ended June 30, 2020. Retirees are required to pay 100% of the premiums.

School Health Plan – Contributions to the School Health Plan from the City were \$0.00 for the year ended June 30, 2020. Premiums are paid 100% by the State and the retiree and or spouse.

OPEB Liabilities, Expense and Deferred Outflows and Inflows of Resources Related to OPEB – The net OPEB liabilities for both the PLD and SET OPEB Plans were measured as of June 30, 2019, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of that date. The City’s proportion of the net OPEB liabilities was 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, 2020, the City reported a liability of \$1,524,222 for its proportionate share of the net OPEB liability. At June 30, 2019, the City’s proportion was 7.1234%.

SET OPEB Plan – At June 30, 2020, 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 \$673,276 as of June 30, 2020. At June 30, 2019, the City’s proportion was 0.00%.

The City’s total City Health Plan OPEB liability of \$8,895,752 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Balance at June 30, 2019	\$ 8,769,075
Changes for the year:	
Service costs	281,875
Interest	310,502
Changes in benefit terms	-
Changes in assumptions	771,835
Differences between expected and actual experience	(824,468)
Benefit payments	(413,067)
Net Changes	126,677
Balance at June 30, 2020	\$ 8,895,752

Change in assumptions reflects a change in the discount rate from 3.51% to 2.66%.

The City School Department’s total OPEB liability of \$8,603,940 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

	Total OPEB Liability
Balance at June 30, 2019	\$ 8,043,520
Changes for the year:	
Service costs	37,807
Interest	307,945
Changes in assumptions	465,209
Benefit payments	(250,541)
Net Changes	560,420
Balance at June 30, 2020	\$ 8,603,940

Change in assumptions reflects a change in the discount rate from 3.87% to 3.50%.

For the year ended June 30, 2020, the City recognized OPEB expense of \$8,375 for the PLD OPEB Plan. For the year ended June 30, 2020, the City recognized OPEB expense of \$61,972 and also revenues of \$61,972 for support provided by the State related to the SET OPEB Plan. At June 30, 2020, the City reported no deferred outflows of resources or deferred inflows of resources related to the SET OPEB Plan. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,147	\$ -
Changes of assumptions	-	72,280
Net difference between projected and actual earnings on OPEB plan investments	-	68,152
Changes in proportion and differences between City contributions and proportionate share of contributions	-	82,443
Contributions subsequent to the measurement date	34,341	-
Total	\$ 131,488	\$ 222,875

\$34,341 is reported as deferred outflows of resources related to the PLD OPEB Plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. 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:	
2021	\$ (63,622)
2020	(63,622)
2023	(49,366)
2024	38,498
2025	12,384



**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

For the year ended June 30, 2020, the City recognized an OPEB expense of \$362,306 related to the City Health Plan. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the City Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 107,887	\$ -
Changes of assumptions or other inputs	867,961	-
Total	\$ 975,848	\$ -

Deferred outflows of resources and deferred inflows of resources related to the City Health Plan will be recognized in OPEB expense as follows:

Year ended June 30:		
2021	\$	182,996
2022		182,996
2023		182,996
2024		182,996
2025		182,995
Thereafter		60,869

For the year ended June 30, 2020, The City School Department recognized an OPEB expense of \$365,644. At June 30, 2020, The City School Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 152,718	\$ -
Contributions subsequent to the measurement date	280,879	-
Total	\$ 433,597	\$ -

\$280,879 is reported as deferred outflows of resources related to the School Health Plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the School Health Plan will be recognized in OPEB expense as follows:

Year ended June 30:		
2021	\$	19,892
2022		19,892
2023		19,893
2024		93,041

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

Actuarial Assumptions – The total OPEB liabilities in the June 30, 2019 actuarial valuations for both the PLD and SET OPEB Plans 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%-9.00%	2.75%-14.50%
Investment rate of return	6.75%	6.75%

Mortality rates for each plan were based on the RP-2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, with adjustments ranging 104% to 120% based on actuarially determined demographic differences.

The actuarial assumptions used in the June 30, 2019 valuations for both the PLD and SET OPEB Plans were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

The long-term expected rate of return on both the 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) which 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>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	70.00%	6.00%
Real estate	5.00%	5.20%
Traditional credit	15.00%	3.00%
US Government securities	10.00%	2.30%

The total OPEB liability in the June 30, 2020 actuarial valuation for the City Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75% per year
Payroll growth	2.75% plus merit and productivity increases
Discount rate	2.66% as of June 30, 2020
Health care cost trends	8.00%, decreasing 0.5% per year
Retirees' share of the benefit related costs	Retirees pay 100% of premiums

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**OTHER INFORMATION, CONTINUED**

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Mortality rates for the City Health Plan for Retirees and General Active Employees were based on the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019.

Mortality rates for the City Health Plan for Public Safety Employees were based on the SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019.

Mortality rates for the City Health Plan for Surviving Spouses were based on the SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019.

The actuarial assumptions used in the June 30, 2019 valuation for the City Health Plan represent a reasonable long-term expectation of future OPEB outcomes.

The total OPEB liability in the June 30, 2019 actuarial valuation for the School Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Not reported
Salary increases	2.75% - 14.50% per year
Discount rate	3.50% per annum
Healthcare cost trend rates - Pre-Medicare	5.55% for 2018 grading over 15 years to 3.73%
Healthcare cost trend rates - Medicare	3.72% for 2018 grading over 15 years to 2.81%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

Discount Rate – The rate used to measure the total OPEB liability for the PLD OPEB Plan was 4.98% which is a blend of the assumed long-term expected rate of return of 6.75% and a municipal bond index rate of 3.50%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2019. Projections of the plan's fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2050. Therefore, the portion of the future projected benefit payments after 2050 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The rate used to measure the total OPEB liability for the SET OPEB Plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

The rate used to measure the net OPEB liability for the City Health Plan was 2.66% as of the end of the year based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

The rate used to measure the total OPEB liability for the School Health Plan was 3.50% 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 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 4.98%, 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 (3.98%) or 1 percentage-point higher (5.98%) than the current rate:

	1% Decrease 3.98%	Discount Rate 4.98%	1% Increase 5.98%
Net OPEB liability	\$ 2,012,882	\$ 1,524,222	\$ 1,138,986

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.

Sensitivity of the Total City Health Plan OPEB Liability and Total School Health Plan OPEB Liability to Changes in the Discount Rate – The following presents the City's total OPEB liability related to the City Health Plan calculated using the discount rate of 2.66%, 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 (1.66%) or 1 percentage-point higher (3.66%) than the current rate:

	1% Decrease 1.66%	Discount Rate 2.66%	1% Increase 3.66%
Total OPEB liability	\$ 10,103,894	\$ 8,895,752	\$ 7,908,181

The following presents the City School Department's total OPEB liability related to the School Health Plan calculated using the discount rate of 3.50%, as well as what the Department's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.50%) or 1 percentage-point higher (4.50%) than the current rate:

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total OPEB liability	\$ 10,075,766	\$ 8,603,940	\$ 7,428,820

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

**OTHER INFORMATION, CONTINUED**

Sensitivity of the Total City Health Plan OPEB Liability and Total School Health Plan Liability to Changes in the Healthcare Cost Trend Rates – The following presents the City’s total OPEB liability related to the City Health Plan calculated using the healthcare cost trend rates of 8.00% decreasing 0.5% per year, 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 (7.00% decreasing 0.5% per year) or 1 percentage-point higher (9.00% decreasing 0.5% per year) than the current healthcare cost trend rates:

	1% Decrease 7.00% decreasing 0.5% per year	Healthcare Cost Trend Rates 8.00% decreasing 0.5% per year	1% Increase 9.00% decreasing 0.5% per year
Total OPEB liability	\$ 8,505,918	\$ 8,895,752	\$ 9,350,536

The following presents the City School Department’s total OPEB liability related to the School Health Plan calculated using the healthcare cost trend rates, as well as what the Department’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	\$ 7,304,307	\$ 8,603,940	\$ 10,237,917

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.

**F. Subsequent Events**

On August 10, 2020, the City Council authorized the issuance of up to \$2,853,000 in general obligation bonds for the purpose of funding street work, the City’s annual fleet/equipment replacement, building improvements and WWTP infrastructure. In addition, the City Council authorized the issuance of up to \$16,925,000 in general obligation bonds through the Maine Municipal Bond Bank State Revolving Fund to finance sewer infrastructure improvements.

On August 18, 2020, the City issued \$48,455,000 in taxable refunding general obligation bonds to defease \$44,860,000 of certain tax-exempt and taxable general obligation bonds. The proceeds have been placed in an irrevocable trust account to provide for future debt service payments on the old bonds. This advance refunding will result in \$4,786,935 in interest savings and will not extend the final maturity dates of the original bonds.

On August 24, 2020, the City Council authorized the issuance of up to \$2,730,000 in general obligation bonds to fund improvements at Cameron Stadium, which includes the replacement of the track and the installation of a multi-sport turf field. Under Article VIII. Section 19(a)(1) of the City Charter, this

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements, Continued**

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**OTHER INFORMATION, CONTINUED**

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authorization must be ratified by the voters of the City of Bangor. The item appeared on the November 3, 2020 City referendum ballot and was passed by the voters.

Also on August 24, 2020, the City Council authorized the issuance of up to \$1,400,000 in general obligation bonds for a portion of phase I of the reconstruction of the roof structure and electrical system upgrades at Bangor High School. In addition, the City Council authorized the issuance of up to \$1,000,000 in general obligation bonds through the Maine Municipal Bond Bank School Revolving Renovation Fund (SRRF). Under the terms of the SRRF 47.25% of the principal will be forgiven. In addition, the City Council authorized the issuance of up to \$2,305,000 in general obligation funds to fund certain improvements related to the expansion of an aircraft maintenance facility.

**G. Restatement**

For the fiscal year ended June 30, 2020, the City reclassified the Revolving Loan Funds beginning fund balance of \$136,815 from Nonmajor Permanent Governmental Funds to the proper classification of a Fiduciary Private Purpose Trust Fund. As a result the City has restated the beginning net position in Exhibit 2 – Statement of Activities, Exhibit 4 – Statement of Revenues, Expenditures and Changes in Fund Balances and Exhibit 11 – Statement of Changes in Fiduciary Net Position – Fiduciary Funds; as well as beginning fund balance in Schedule B-2 – Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds, Schedule B-6 – Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Permanent Funds and beginning net position in Schedule D-3 – Combining Statement of Changes in Net Position – Fiduciary Funds.

For the fiscal year ended June 30, 2020, the City was made aware of a School scholarship fund which had not been properly classified as a Private Purpose Trust in the Fiduciary Fund disclosures. As a result, the City has restated beginning net position in Exhibit 11 – Statement of Changes in Fiduciary Net Position and in Schedule D-3 – Combining Statement of Changes in Net Position – Fiduciary Funds to account for the scholarship fund by \$1,824,931.

**CITY OF BANGOR, MAINE**  
**Required Supplementary Information**  
**Schedule of Changes in the Total City Health Plan OPEB Liability and Related Ratios**  
**For the Fiscal Year Ended June 30, 2020**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>			
Service Costs	\$ 281,875	\$ 248,260	\$ 236,094
Interest	310,502	311,870	249,384
Changes of benefit terms	-	-	-
Changes of assumptions	771,835	350,297	(112,190)
Differences between expected and actual experience	(824,468)	241,872	1,036,629
Benefit payments	(413,067)	(383,617)	(276,505)
<b>Net change in total OPEB liability</b>	<b>126,677</b>	<b>768,682</b>	<b>1,133,412</b>
Total OPEB liability - beginning of year	8,769,075	8,000,393	6,866,981
Total OPEB liability - end of year	<b>\$ 8,895,752</b>	<b>\$ 8,769,075</b>	<b>\$ 8,000,393</b>
Covered payroll	\$ 26,743,256	\$ 24,032,180	\$ 23,057,983
Total OPEB liability as a percentage of covered employee payroll	33.26%	36.49%	34.70%

Only three years have been presented because 2018 was the year GASB Statement 75 was implemented.

**CITY OF BANGOR, MAINE**  
**Required Supplementary Information**  
**Schedule of Changes in the Total School Health Plan OPEB Liability and Related Ratios**  
**For the Fiscal Year Ended June 30, 2020**

	<b>2020</b>	<b>2019</b>
<b>Total OPEB Liability</b>		
Service Costs	\$ 37,807	\$ 41,698
Interest	307,945	294,863
Changes of benefit terms	-	-
Changes of assumptions	465,209	(365,749)
Differences between expected and actual experience	-	-
Benefit payments	(250,541)	(241,882)
<b>Net change in total OPEB liability</b>	<u>560,420</u>	<u>(271,070)</u>
Total OPEB liability - beginning of year	8,043,520	8,314,590
Total OPEB liability - end of year	<u>\$ 8,603,940</u>	<u>\$ 8,043,520</u>
Covered payroll	<u>\$ 22,442,714</u>	<u>\$ 21,842,057</u>
Total OPEB liability as a percentage of covered employee payroll	<u>38.34%</u>	<u>36.83%</u>

Only two years have been presented because 2019 was the year GASB Statement 75 was implemented for the School Health Plan.



**CITY OF BANGOR, MAINE**  
**Required Supplementary Information**  
**Schedule of City's Proportionate Share of the Net OPEB Liability**  
**For the Fiscal Year Ended June 30, 2020**

	<u>2020</u>		<u>2019</u>		<u>2018</u>
<b>PLD OPEB Plan</b>					
City's proportion of the net OPEB liability	7.12%		7.08%		7.42%
City's proportionate share of net OPEB liability	\$ 1,524,223	\$	1,429,224	\$	1,241,184
City's covered payroll	16,201,857		15,785,764		15,156,532
City's proportionate share of net OPEB liability as a percentage of covered employee payroll	9.41%		9.05%		8.19%
Plan fiduciary net position as a percentage of the OPEB liability	43.18%		43.92%		47.42%
<b>SET OPEB Plan</b>					
City's proportion of the net OPEB liability	0.00%		0.00%		0.00%
City's proportionate share of net OPEB liability	-	\$	-	\$	-
State's proportionate share of net OPEB liability associated with the City	673,276		679,803		659,610
Total	<u>\$ 673,276</u>	<u>\$</u>	<u>679,803</u>	<u>\$</u>	<u>659,610</u>
Plan fiduciary net position as a percentage of the OPEB liability	49.22%		48.04%		47.29%

Only three years have been presented because 2018 was the year GASB Statement 75 was implemented.

**CITY OF BANGOR, MAINE**  
**Required Supplementary Information**  
**Schedule of City's OPEB Contributions**  
**For the Fiscal Year Ended June 30, 2020**

	<u>2020</u>		<u>2019</u>		<u>2018</u>
<b>PLD OPEB Plan</b>					
Contractually required contribution	\$ 34,341	\$	31,989	\$	29,765
Contributions in relation to the contractually required contribution	(34,341)		(31,989)		(29,765)
Contribution deficiency (excess)	\$ -	\$	-	\$	-
City's covered payroll	\$ 16,949,590	\$	16,201,857	\$	15,785,764
Contributions as a percentage of covered employee payroll	0.20%		0.20%		0.19%

Only three years have been presented because 2018 was the year GASB Statement 75 was implemented.

**CITY OF BANGOR, MAINE**  
**Required Supplementary Information**  
**Schedule of City's Proportionate Share of the Net Pension Liability**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)**  
**Last 10 Fiscal Years\***

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>PLD Plan</b>						
Proportion of the net pension liability	2.2584%	1.9745%	1.6638%	1.4542%	1.3327%	2.0601%
Proportionate share of the net pension liability	3,475,288	6,299,478	8,840,254	5,954,157	3,647,271	6,297,032
Covered payroll	10,645,005	9,799,964	8,662,976	7,963,681	7,528,843	12,116,999
Proportion share of the net pension liability as a percentage of its covered payroll	32.65%	64.28%	102.05%	74.77%	48.44%	51.97%
Plan fiduciary net position as a percentage of the total pension liability	94.10%	88.27%	81.61%	86.43%	91.10%	90.62%
<b>SET Plan</b>						
Proportion of the net pension liability	0.0936%	0.1096%	0.1200%	0.1315%	0.1393%	0.1463%
City's proportionate share of the net pension liability	\$ 1,011,232	\$ 1,479,608	\$ 2,120,647	\$ 1,909,853	\$ 1,879,396	\$ 2,144,547
State's proportionate share of the net pension liability	22,516,392	28,378,344	35,661,692	29,009,028	27,470,793	29,786,584
Total	<u>23,527,624</u>	<u>29,857,952</u>	<u>37,782,339</u>	<u>30,918,881</u>	<u>29,350,189</u>	<u>31,931,131</u>
Covered payroll	24,415,639	25,212,217	25,111,931	25,731,918	26,702,523	27,795,537
Proportion share of the net pension liability as a percentage of its covered payroll	4.14%	5.87%	8.44%	7.42%	7.04%	7.72%
Plan fiduciary net position as a percentage of the total pension liability	83.91%	81.18%	76.21%	83.35%	82.90%	82.73%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year. Only six years have been presented as 2015 was the first year of implementation.

**CITY OF BANGOR, MAINE**  
**Required Supplementary Information**  
**Schedule of City's Net Pension Contributions**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)**  
**Last 10 Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>PLD Plan</b>										
Contractually required contributions	584,306	724,134	769,519	782,913	807,117	779,134	745,366	740,057	1,253,074	1,230,690
Contributions in relation to the contractually required contribution	(584,306)	(724,134)	(769,519)	(782,913)	(807,117)	(779,134)	(745,366)	(740,057)	(1,253,074)	(1,230,690)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	14,777,273	13,201,233	11,867,248	10,645,005	9,799,964	8,662,976	7,963,681	7,528,843	12,116,999	11,768,457
Contributions as a percentage of covered payroll	3.95%	5.49%	6.48%	7.35%	8.24%	8.99%	9.36%	9.83%	10.34%	10.46%
<b>SET Plan*</b>										
Contractually required contributions	-	-	-	647,014	668,126	843,679	865,039	1,060,090	1,103,483	1,150,353
Contributions in relation to the contractually required contribution	-	-	-	(647,014)	(668,126)	(843,679)	(865,039)	(1,060,090)	(1,103,483)	(1,150,353)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	-	-	-	24,415,639	25,212,217	25,111,931	25,731,918	26,702,523	27,795,537	27,656,900
Contributions as a percentage of covered payroll	-	-	-	2.65%	2.65%	3.36%	3.36%	3.97%	3.97%	4.16%

\* - Until FY 2014, all employer contributions for the SET Plan were paid by the State of Maine.

**CITY OF BANGOR, MAINE**  
**Notes to Required Supplementary Information**  
**June 30, 2020**

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**Net Pension Liability**

**Change of benefit terms** - None

**Changes of assumptions** -

The PLD and SET net pension changed the discount rate from 6.875% in the 2016 valuation to 6.75% in the 2018 valuation. The discount remains at 6.75% for the 2019 valuation.

The PLD Plan decreased the COLA assumption from 2.20% in the 2016 valuation to 1.91% in the 2018 valuation. The COLA assumption remains 1.91% for the 2019 valuation.

The PLD and SET OPEB Plans changed the discount rate from 7.125%, the inflation rate of 3.5% and the cost of living increase of 2.55% in the 2015 valuation to 6.875%, 2.75% and 2.20%, respectively in the 2016 valuation. The PLD OPEB Plan changed the salary increases in the 2015 valuation from 3.5% - 9.5% to 2.75% - 9.0% in the 2016 valuation. The SET OPEB plan changed the salary increases in the 2015 valuation from 3.5% - 13.5% to 2.75% - 14.5% in the 2016 valuation. In addition, the mortality rates were previously based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA, which, in the 2016 valuation was changed to mortality rates that were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table.

The PLD OPEB Plan changed the discount rate from 7.25% in the 2014 valuation to 7.125% in the 2015 valuation. The PLD OPEB Plan also changed the cost of living benefits increase from 3.12% in the 2014 valuation to 2.55% in the 2015 valuation.

The SET OPEB Plan changed the discount rate from 7.25% in the 2013 valuation to 7.125% in the 2014 valuation.

**Net OPEB Liability**

**Change of benefit terms** - None

**Changes of assumptions** -

The PLD plan reduced the blended discount rate from 5.13% in the 2018 valuation to 4.98% in the 2019 valuation.

**CITY OF BANGOR, MAINE**  
**Notes to Required Supplementary Information (con't)**  
**June 30, 2020**

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**Total OPEB Liability - City Health Plan**

**Change of benefit terms** - None

**Changes of assumptions** -

Under the Health Plan, numerous assumptions and other inputs reflect the changes in the discount rate each period. The following are the discount rates used each period:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	2.66%	3.51%	3.87%	3.58%

Turnover rates have been updated based on the rates used in the Consolidated Plan for Participating Local Districts June 30, 2019 actuarial valuation, adjusted for the actual City's turnover experience for fiscal years 2010 through 2013.

Mortality table has been updated from the SOA RPH-2017 Total Dataset Fully Generational Mortality Table using Scale MP-2017 to:

- a. All Current Retirees and General Active Employees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019
- b. Public Safety Active Employees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019
- c. Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019

For the 2019 valuation, Health care cost trend rates have been reset to an initial trend of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%

**Total OPEB Liability - School Health Plan**

**Changes of assumptions** -

Under the Health Plan, numerous assumptions and other inputs reflect the changes in the discount rate each period. The following are the discount rates used each period:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	3.50%	3.87%	3.58%

## **GENERAL FUND**

The General Fund is used to account for resources traditionally associated with the government which are not required legally, or by sound financial management, to be accounted for in another fund.



CITY OF BANGOR

**CITY OF BANGOR, MAINE**  
**Balance Sheet**  
**General Fund**  
**June 30, 2020**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 26,438,260
Investments	50,000
Receivables:	
Taxes	2,886,984
Accounts (net of allowance of \$541,963)	413,007
Interfund	1,945,655
Intergovernmental	5,375,890
Inventory, at cost	741,727
Prepaid items	93,813
<b>Total assets</b>	<b>\$ 37,945,336</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 1,947,932
Accrued wages and benefits payable	6,808,077
<b>Total liabilities</b>	<b>8,756,009</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenues - property taxes	1,845,071
<b>Total deferred inflows of resources</b>	<b>1,845,071</b>
<b>FUND BALANCES</b>	
Nonspendable	2,736,040
Restricted	1,216,497
Committed	286,801
Assigned	8,557,654
Unassigned - City	14,547,264
<b>Total fund balance</b>	<b>27,344,256</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 37,945,336</b>



**CITY OF BANGOR, MAINE**  
**Schedule of Revenues, Expenditures and Changes in Unassigned**  
**Fund Balance - Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

	Balances			Variance	
	Carried 7/1/2019	Budget	Actual	Surplus	Carried
Revenues					
Taxes					
Real and personal property	\$ -	\$ 60,672,861	\$ 60,671,153	\$ (1,708)	\$ -
Change in unavailable property tax	-	-	65,538	65,538	-
Tax increment financing district	-	(3,378,881)	(3,371,552)	7,329	-
Payment in lieu of taxes	-	300,740	306,479	5,739	-
Excise	-	6,415,500	5,789,454	(626,046)	-
Interest on delinquent taxes	-	200,000	154,774	(45,226)	-
<b>Total taxes</b>	<b>-</b>	<b>64,210,220</b>	<b>63,615,846</b>	<b>(594,374)</b>	<b>-</b>
Intergovernmental					
State revenue sharing	-	3,570,000	3,802,415	232,415	-
School subsidy	-	19,124,044	19,350,634	-	226,590
Other -					
Municipal	-	4,979,060	4,824,499	(154,561)	-
School	-	4,568,384	5,375,107	-	806,723
<b>Total intergovernmental</b>	<b>-</b>	<b>32,241,488</b>	<b>33,352,655</b>	<b>77,854</b>	<b>1,033,313</b>
Other revenue					
Licenses and permits	-	611,743	681,420	69,677	-
Charges for service -					
Municipal	-	8,364,345	6,741,554	(1,622,791)	-
School	-	5,543,447	6,407,696	-	864,249
Fines, forfeits and penalties	-	22,000	31,315	9,315	-
Revenue from use of money and property					
Municipal	-	908,800	1,042,935	134,135	-
<b>Total other revenue</b>	<b>-</b>	<b>15,450,335</b>	<b>14,904,920</b>	<b>(1,409,664)</b>	<b>864,249</b>
<b>Total revenues</b>	<b>-</b>	<b>111,902,043</b>	<b>111,873,421</b>	<b>(1,926,184)</b>	<b>1,897,562</b>

**CITY OF BANGOR, MAINE**  
**Schedule of Revenues, Expenditures and Changes in Unassigned**  
**Fund Balance - Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

	Balances			Variance	
	Carried 7/1/2019	Budget	Actual	Surplus	Carried
Expenditures					
General government					
Council	-	34,551	28,645	5,906	-
Executive	-	658,756	697,505	(38,749)	-
Public Transportation	95,000	727,355	432,329	295,026	95,000
City clerk	-	441,125	408,010	10,748	22,367
Assessing	28,600	398,515	357,858	37,900	31,357
Legal	-	278,665	292,710	(14,045)	-
Finance	-	1,921,330	1,802,256	119,074	-
Insurance	-	156,826	195,144	(38,318)	-
Planning, econ dev, code enforcement	-	1,366,389	1,220,322	138,067	8,000
Total general government	123,600	5,983,512	5,434,779	515,609	156,724
Public safety					
Police	70,000	10,101,646	9,727,282	374,364	70,000
Fire	4,628	10,709,562	10,355,041	351,582	7,567
Total public safety	74,628	20,811,208	20,082,323	725,946	77,567
Health, community services and recreation					
Health and community services	-	2,874,260	2,684,168	190,092	-
Parks and recreation	32,000	2,257,699	2,150,050	107,649	32,000
Total health, commun. serv and rec.	32,000	5,131,959	4,834,218	297,741	32,000
Public services					
Public services	-	11,479,583	9,984,731	1,494,852	-

**CITY OF BANGOR, MAINE**  
**Schedule of Revenues, Expenditures and Changes in Unassigned**  
**Fund Balance - Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

	Balances			Variance	
	Carried 7/1/2019	Budget	Actual	Surplus	Carried
Expenditures, continued					
Other agencies					
County tax	-	3,789,778	3,789,778	-	-
Downtown Development District	-	74,762	74,762	-	-
Public library	-	1,441,249	1,441,249	-	-
Other agencies	3,760	218,644	199,326	2,568	20,510
<b>Total other agencies</b>	<b>3,760</b>	<b>5,524,433</b>	<b>5,505,115</b>	<b>2,568</b>	<b>20,510</b>
Education					
Regular instruction	-	20,910,087	19,952,367	-	-
Special education	-	8,491,679	8,244,852	-	-
Instructional support	-	4,280,048	3,904,055	-	-
System administration	-	1,334,370	1,303,579	-	-
CTE instruction	-	-	17,668	-	-
School administration	-	2,646,796	2,540,333	-	-
Facilities maintenance	-	5,682,988	5,680,722	-	-
Transportation	-	1,980,000	1,764,569	-	-
Other instruction	-	1,415,916	1,068,846	-	-
Debt service	-	1,410,000	1,405,150	-	-
Contingency & other	-	117,377	109,045	-	-
<b>Regular</b>	<b>1,908,754</b>	<b>48,269,261</b>	<b>45,991,186</b>	<b>-</b>	<b>4,186,829</b>
Adult education	267,062	659,271	540,226	-	386,107
School lunch	131,017	1,452,136	1,379,244	-	203,909
Special revenue	85,660	3,211,213	3,726,805	-	(429,932)
Trust and agency	703,205	3,015,582	3,087,643	-	631,144
Capital Funding	-	-	2,200,000	-	(2,200,000)
<b>Total education</b>	<b>3,095,698</b>	<b>56,607,463</b>	<b>56,925,104</b>	<b>-</b>	<b>2,778,057</b>
Other appropriations					
Pensions and other fringe benefits	-	2,582,130	2,528,190	53,940	-
Debt service	-	3,213,234	3,203,521	9,713	-
Tax increment financing payments	-	892,381	888,476	3,905	-
<b>Total other appropriations</b>	<b>-</b>	<b>6,687,745</b>	<b>6,620,187</b>	<b>67,558</b>	<b>-</b>
<b>Total expenditures</b>	<b>3,329,686</b>	<b>112,225,903</b>	<b>109,386,457</b>	<b>3,104,274</b>	<b>3,064,858</b>
Excess (deficiency) of revenues over/under expenditures	(3,329,686)	(323,860)	2,486,964	1,178,090	4,962,420

**CITY OF BANGOR, MAINE**  
**Schedule of Revenues, Expenditures and Changes in Unassigned**  
**Fund Balance - Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**

	Balances			Variance	
	Carried 7/1/2019	Budget	Actual	Surplus	Carried
Other financing sources (uses)					
Appropriation from restricted, committed and assigned fund balances	-	1,318,183	42,197	-	(1,275,986)
Appropriation from unassigned fund balance	-	216,994	-	(216,994)	-
Appropriation to assigned fund balances	-	-	(359,000)	(359,000)	-
Sale of assets	-	30,000	22,651	(7,349)	-
Contributions	-	27,500	25,361	(2,139)	-
Insurance settlements	-	27,500	76,855	49,355	-
Transfers to other funds	-	(1,323,317)	(1,323,317)	-	-
Transfers from other funds	-	27,000	60,000	33,000	-
Total other financing sources (uses)	-	323,860	(1,455,253)	(503,127)	(1,275,986)
Net change in unassigned fund balance	\$ (3,329,686)	\$ -	\$ 1,031,711	\$ 674,963	\$ 3,686,434
Unassigned fund balance, beginning of year				13,403,958	
Changes in amounts required to be shown as nonspendable fund balance					
Inventory and prepaids				468,343	
<b>Unassigned fund balance - City, end of year</b>				<b>\$ 14,547,264</b>	

# **NONMAJOR GOVERNMENTAL FUNDS**

## **Special Revenue Funds**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Other HUD Funds – This is used to account for 1) federal grants obtained and expended under the Housing and Community Development Act of 1974, as amended, for the redevelopment of the downtown commercial core of the City and 2) low interest loans to businesses within the City of Bangor for establishment, expansion or redevelopment purposes.

Community Development Block Grant Fund – Accounts for federal grants obtained and expended under the Housing and Community Development Act of 1974, as amended, for the development of viable urban communities.

Arena Fund – Accounts for the percentage of casino revenues received by the City. Said funds will be used to fund a portion of the debt service related to the construction of the Cross Insurance Center.

Grant Fund – Accounts for federal and state grants that are legally restricted to expenditures allowable by the grantor agency.

Dedicated Revenue Funds - Accounts for amounts raised or donated to benefit various governmental programs such as; the Dental Clinic, local parks, and City forest.

Other Funds – Accounts for funds held to be used in future periods such as tax financing district repayments and other community funds for capital expenditures relating to the operation of the area transportation system.

## **Permanent Funds**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

**CITY OF BANGOR, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,113,539	\$ 3,095	\$ 2,116,634
Receivables:			
Accounts	250,386	-	250,386
Loans and notes	4,147,359	916,395	5,063,754
Intergovernmental	231,583	-	231,583
<b>Total assets</b>	<b>\$ 6,742,867</b>	<b>\$ 919,490</b>	<b>\$ 7,662,357</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 199,509	\$ -	\$ 199,509
Accrued wages and benefits payable	5,157	-	5,157
Interfund loans payable	245,655	-	245,655
Unearned revenues	109,115	-	109,115
Due to rehabilitation recipients	10,569	-	10,569
<b>Total liabilities</b>	<b>570,005</b>	<b>-</b>	<b>570,005</b>
<b>FUND BALANCES</b>			
Nonspendable	-	385,512	385,512
Restricted	5,702,502	533,978	6,236,480
Committed	479,703	-	479,703
Unassigned	(9,343)	-	(9,343)
<b>Total fund balances</b>	<b>6,172,862</b>	<b>919,490</b>	<b>7,092,352</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,742,867</b>	<b>\$ 919,490</b>	<b>\$ 7,662,357</b>

**CITY OF BANGOR, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$ 7,870,901	\$ -	7,870,901
Charges for services	566,623	-	566,623
Program income	277,835	-	277,835
Revenue from use of money and property	1,416,937	-	1,416,937
Other revenue	537,441	4,200	541,641
Interest revenue	-	26,844	26,844
Total revenues	10,669,737	31,044	10,700,781
<b>Expenditures</b>			
Current:			
Personnel	1,498,101	-	1,498,101
Payments to beneficiaries	68,138	131	68,269
Other	3,260,778	-	3,260,778
Restricted grant	661,149	-	661,149
Bus operations	3,647,278	-	3,647,278
Debt service	69,176	-	69,176
Total expenditures	9,204,620	131	9,204,751
Excess of revenues over expenditures	1,465,117	30,913	1,496,030
<b>Other financing uses</b>			
Transfers to other funds	(1,907,034)	(35,000)	(1,942,034)
Total other financing uses	(1,907,034)	(35,000)	(1,942,034)
Net change in fund balances	(441,917)	(4,087)	(446,004)
Fund balances, beginning of year - Restated Note G	6,614,779	923,577	7,538,356
<b>Fund balances, end of year</b>	<b>\$ 6,172,862</b>	<b>\$ 919,490</b>	<b>\$ 7,092,352</b>

**CITY OF BANGOR, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2020**

	Other HUD Funds	Community Development Block Grant	Arena Fund	Grant Fund	Dedicated Revenue Funds	Other	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 271,917	\$ 15,403	\$ 538,874	\$ 3	811,103	\$ 476,239	\$ 2,113,539
Receivables:							
Accounts	-	-	-	240,386	-	10,000	250,386
Loans and notes	160,000	3,987,359	-	-	-	-	4,147,359
Intergovernmental	-	46,137	-	185,446	-	-	231,583
<b>Total assets</b>	<b>\$ 431,917</b>	<b>\$ 4,048,899</b>	<b>\$ 538,874</b>	<b>\$ 425,835</b>	<b>\$ 811,103</b>	<b>\$ 486,239</b>	<b>\$ 6,742,867</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 1,118	\$ -	\$ 189,523	\$ -	\$ 8,868	\$ 199,509
Accrued wages and benefits payable	-	5,157	-	-	-	-	5,157
Interfund loans payable	-	-	-	245,655	-	-	245,655
Unearned revenues	-	49,944	59,171	-	-	-	109,115
Due to rehabilitation recipients	-	10,569	-	-	-	-	10,569
<b>Total liabilities</b>	<b>-</b>	<b>66,788</b>	<b>59,171</b>	<b>435,178</b>	<b>-</b>	<b>8,868</b>	<b>570,005</b>
<b>FUND BALANCES</b>							
Restricted	431,917	3,982,111	-	-	811,103	477,371	5,702,502
Committed	-	-	479,703	-	-	-	479,703
Unassigned	-	-	-	(9,343)	-	-	(9,343)
<b>Total fund balances (deficits)</b>	<b>431,917</b>	<b>3,982,111</b>	<b>479,703</b>	<b>(9,343)</b>	<b>811,103</b>	<b>477,371</b>	<b>6,172,862</b>
<b>Total liabilities and fund balances</b>	<b>\$ 431,917</b>	<b>\$ 4,048,899</b>	<b>\$ 538,874</b>	<b>\$ 425,835</b>	<b>\$ 811,103</b>	<b>\$ 486,239</b>	<b>\$ 6,742,867</b>



**CITY OF BANGOR, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2020**

	Other HUD Funds	Community Development Block Grant	Arena Fund	Grant Fund	Dedicated Revenue Funds	Other	Totals
<b>Revenues</b>							
Intergovernmental	\$ -	\$ 417,136	\$ -	\$ 7,453,765	\$ -	\$ -	7,870,901
Charges for services	-	-	-	566,623	-	-	566,623
Program income	-	277,835	-	-	-	-	277,835
Revenue from use of money and property	-	-	1,390,119	-	24,601	2,217	1,416,937
Other	-	7,805	-	374,019	1,673	153,944	537,441
<b>Total revenues</b>	<b>-</b>	<b>702,776</b>	<b>1,390,119</b>	<b>8,394,407</b>	<b>26,274</b>	<b>156,161</b>	<b>10,669,737</b>
<b>Expenditures</b>							
<b>Current:</b>							
Personnel	-	-	-	1,498,101	-	-	1,498,101
Payments to beneficiaries	-	-	-	-	1,729	66,409	68,138
Other	247	-	5,678	3,254,853	-	-	3,260,778
Restricted grant	-	661,149	-	-	-	-	661,149
Bus operations	-	-	-	3,647,278	-	-	3,647,278
Debt service	-	38,702	-	30,474	-	-	69,176
<b>Total expenditures</b>	<b>247</b>	<b>699,851</b>	<b>5,678</b>	<b>8,430,706</b>	<b>1,729</b>	<b>66,409</b>	<b>9,204,620</b>
Excess (deficiency) of revenues over (under) expenditures	(247)	2,925	1,384,441	(36,299)	24,545	89,752	1,465,117
<b>Other financing uses</b>							
Transfers to other funds	-	-	(1,716,672)	-	(83,000)	(107,362)	(1,907,034)
<b>Total other financing uses</b>	<b>-</b>	<b>-</b>	<b>(1,716,672)</b>	<b>-</b>	<b>(83,000)</b>	<b>(107,362)</b>	<b>(1,907,034)</b>
Net change in fund balances	(247)	2,925	(332,231)	(36,299)	(58,455)	(17,610)	(441,917)
Fund balances, beginning of year	432,164	3,979,186	811,934	26,956	869,558	494,981	6,614,779
<b>Fund balances (deficits), end of year</b>	<b>\$ 431,917</b>	<b>\$ 3,982,111</b>	<b>\$ 479,703</b>	<b>\$ (9,343)</b>	<b>\$ 811,103</b>	<b>\$ 477,371</b>	<b>\$ 6,172,862</b>

**CITY OF BANGOR, MAINE**  
**Balance Sheet**  
**Nonmajor Permanent Funds**  
**June 30, 2020**

	<b>Other Funds</b>	<b>Totals</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,095	\$ 3,095
Loans receivable	916,395	916,395
<b>Total assets</b>	<b>\$ 919,490</b>	<b>\$ 919,490</b>
<b>FUND BALANCES</b>		
Nonspendable	\$ 385,512	\$ 385,512
Restricted	533,978	533,978
Total fund balances	919,490	919,490
<b>Total fund balances</b>	<b>\$ 919,490</b>	<b>\$ 919,490</b>

**CITY OF BANGOR, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Other Funds</b>	<b>Totals</b>
<b>Revenues</b>		
Investment income	\$ 26,844	\$ 26,844
Lot sales	4,200	4,200
Total revenues	31,044	31,044
<b>Expenditures</b>		
Current:		
Payments to beneficiaries	131	131
Total expenditures	131	131
Excess of revenues over expenditures	30,913	30,913
<b>Other financing uses</b>		
Transfer to other funds	(35,000)	(35,000)
Total other financing uses	(35,000)	(35,000)
Net change in fund balances	(4,087)	(4,087)
Fund balances, beginning of year - Restated Note G	923,577	923,577
<b>Fund balances, end of year</b>	<b>\$ 919,490</b>	<b>\$ 919,490</b>

## **ENTERPRISE FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the government is to have the costs of providing goods or services to the general public financed or recovered primarily through user charges. The government has decided that periodic determination of net income is appropriate for accountability purposes.

In addition to the major funds reported in the Summary of Significant Accounting Policies - Note C, the City has the following nonmajor enterprise funds:

Stormwater Utility – This fund assesses property owners a fee based on the amount of impervious surface to fund the costs associated with stormwater management.

Economic Development Fund – This fund accounts for the operation and development of properties acquired by the City. Its purpose is to promote economic growth within the City. The principal source of revenue is rental income.

Parking Fund – This fund accounts for the operation of the City-owned parking lots and the Pickering Square garage. Revenue sources include monthly lease payments for parking spaces, hourly/daily parking fees, and fines and waiver fees for parking violations. Certain of these facilities are operated under a private management contract.

Municipal Golf Course – This fund accounts for the operation of a 27 hole municipal golf course. Principal revenue sources are season memberships and daily green fees.

CITY OF BANGOR

**CITY OF BANGOR, MAINE**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**June 30, 2020**

**Business-type Activities - Enterprise Funds**

	Stormwater Utility	Economic Development Fund	Parking Fund	Municipal Golf Course	Total Nonmajor Proprietary Funds
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 1,926,808	\$ 820,903	\$ 842,199	\$ 527,253	\$ 4,117,163
Accounts receivable	308,621	43,441	-	-	352,062
Prepaid items	-	4,112	93,515	-	97,627
<b>Total current assets</b>	<b>2,235,429</b>	<b>868,456</b>	<b>935,714</b>	<b>527,253</b>	<b>4,566,852</b>
Noncurrent assets					
Capital assets:					
Land and improvements	-	3,413,627	-	1,594,732	5,008,359
Buildings and improvements	-	3,674,723	-	912,607	4,587,330
Machinery and equipment	247,398	-	-	408,187	655,585
Infrastructure	-	683,189	-	-	683,189
Parking structures	-	-	11,337,000	-	11,337,000
Construction in process	-	170,350	-	-	170,350
<b>Total capital assets</b>	<b>247,398</b>	<b>7,941,889</b>	<b>11,337,000</b>	<b>2,915,526</b>	<b>22,441,813</b>
Less accumulated depreciation	(74,219)	(2,530,123)	(10,184,351)	(2,250,663)	(15,039,356)
<b>Net capital assets</b>	<b>173,179</b>	<b>5,411,766</b>	<b>1,152,649</b>	<b>664,863</b>	<b>7,402,457</b>
Loans receivable	-	1,298,604	-	-	1,298,604
<b>Total noncurrent assets</b>	<b>173,179</b>	<b>6,710,370</b>	<b>1,152,649</b>	<b>664,863</b>	<b>8,701,061</b>
<b>Total assets</b>	<b>\$ 2,408,608</b>	<b>\$ 7,578,826</b>	<b>\$ 2,088,363</b>	<b>\$ 1,192,116</b>	<b>\$ 13,267,913</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Net OPEB	\$ 6,102	\$ -	\$ -	\$ 5,832	\$ 11,934
<b>Total deferred outflows of resources</b>	<b>\$ 6,102</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,832</b>	<b>\$ 11,934</b>

Continued on next page

**CITY OF BANGOR, MAINE**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**June 30, 2020**

**Business-type Activities - Enterprise Funds**

	Stormwater Utility	Economic Development Fund	Parking Fund	Municipal Golf Course	Total Nonmajor Proprietary Funds
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 40,209	\$ 22,007	\$ 118,821	\$ 35,290	\$ 216,327
Accrued wages and benefits payable	5,401	-	-	18,426	23,827
Accrued interest	-	29,740	2,486	1,203	33,429
Workers' compensation	-	-	-	7,210	7,210
General obligation debt payable	74,133	285,512	250,612	35,866	646,123
Capital lease obligation payable	-	-	-	12,576	12,576
Accrued compensated absences	-	-	-	17,865	17,865
<b>Total current liabilities</b>	<b>119,743</b>	<b>337,259</b>	<b>371,919</b>	<b>128,436</b>	<b>957,357</b>
Long-term liabilities					
Workers' compensation	-	-	-	12,790	12,790
General obligation debt payable	618,756	1,293,912	96,991	185,192	2,194,851
Capital lease obligation payable	-	-	-	26,688	26,688
Accrued compensated absences	-	-	-	9,573	9,573
OPEB liability	33,725	-	-	58,434	92,159
<b>Total long-term liabilities</b>	<b>652,481</b>	<b>1,293,912</b>	<b>96,991</b>	<b>292,677</b>	<b>2,336,061</b>
<b>Total liabilities</b>	<b>\$ 772,224</b>	<b>\$ 1,631,171</b>	<b>\$ 468,910</b>	<b>\$ 421,113</b>	<b>\$ 3,293,418</b>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 173,179	\$ 3,832,342	\$ 901,313	\$ 455,661	\$ 5,362,495
Unrestricted	1,469,307	2,115,313	718,140	321,174	4,623,934
<b>Total net position</b>	<b>\$ 1,642,486</b>	<b>\$ 5,947,655</b>	<b>\$ 1,619,453</b>	<b>\$ 776,835</b>	<b>\$ 9,986,429</b>

Continued from previous page

**CITY OF BANGOR, MAINE**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Business-type Activities - Enterprise Funds</b>				
	<b>Stormwater Utility</b>	<b>Economic Development Fund</b>	<b>Parking Fund</b>	<b>Municipal Golf Course</b>	<b>Total Nonmajor Proprietary Funds</b>
Operating revenues					
Charges for services	\$ 1,283,193	\$ 399,939	\$ 872,201	\$ 716,166	\$ 3,271,499
Operating expenses					
Operating expenses other than depreciation	1,180,719	147,459	601,353	681,115	2,610,646
Depreciation	16,493	157,193	261,531	71,321	506,538
<b>Total operating expenses</b>	<b>1,197,212</b>	<b>304,652</b>	<b>862,884</b>	<b>752,436</b>	<b>3,117,184</b>
<b>Operating income (loss)</b>	<b>85,981</b>	<b>95,287</b>	<b>9,317</b>	<b>(36,270)</b>	<b>154,315</b>
Nonoperating revenue (expenses)					
Interest income	83,289	67,037	16,556	7,694	174,576
Interest expense	-	(74,531)	(19,754)	(9,532)	(103,817)
Loss on sale of assets	-	-	(23,155)	-	(23,155)
<b>Total nonoperating revenue (expenses)</b>	<b>83,289</b>	<b>(7,494)</b>	<b>(26,353)</b>	<b>(1,838)</b>	<b>47,604</b>
<b>Net income (loss) before transfers</b>	<b>169,270</b>	<b>87,793</b>	<b>(17,036)</b>	<b>(38,108)</b>	<b>201,919</b>
Grants/contributions received for capital assets	-	-	41,347	-	41,347
Transfers to other funds	(99,033)	-	(85,500)	-	(184,533)
Transfers from other funds	118,815	-	-	-	118,815
<b>Change in net position</b>	<b>189,052</b>	<b>87,793</b>	<b>(61,189)</b>	<b>(38,108)</b>	<b>177,548</b>
<b>Net position, beginning of year</b>	<b>1,453,434</b>	<b>5,859,862</b>	<b>1,680,642</b>	<b>814,943</b>	<b>9,808,881</b>
<b>Net position, end of year</b>	<b>\$ 1,642,486</b>	<b>\$ 5,947,655</b>	<b>\$ 1,619,453</b>	<b>\$ 776,835</b>	<b>\$ 9,986,429</b>

**CITY OF BANGOR, MAINE**  
**Combining Statement of Cash Flows - Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

<b>Business-type Activities - Enterprise Funds</b>					
	<b>Economic</b>		<b>Municipal</b>		<b>Total</b>
	<b>Stormwater</b>	<b>Development</b>	<b>Parking</b>	<b>Golf</b>	<b>Nonmajor</b>
	<b>Utility</b>	<b>Fund</b>	<b>Fund</b>	<b>Course</b>	<b>Proprietary Funds</b>
Cash flows from operating activities					
Cash received from customers	\$ 1,382,416	\$ 405,434	\$ 872,201	\$ 716,166	\$ 3,376,217
Cash paid to suppliers for goods and services	(1,017,530)	(126,998)	(543,147)	(247,899)	(1,935,574)
Cash paid to employees for services	(240,018)	-	(28,298)	(366,617)	(634,933)
Net cash provided by operating activities	124,868	278,436	300,756	101,650	805,710
Cash flows from noncapital financing activities					
Transfers in	118,815	-	-	-	118,815
Transfers out	(99,033)	-	(85,500)	-	(184,533)
Net cash provided by (used for) noncapital financing activities	19,782	-	(85,500)	-	(65,718)
Cash flows from capital and related financing activities					
Proceeds from general obligation bonds	-	142,500	-	-	142,500
Acquisition and construction of capital assets	-	(170,146)	(41,347)	-	(211,493)
Principal paid on general obligation bonds/capital leases	(74,133)	(263,659)	(238,643)	(35,205)	(611,640)
Interest paid on general obligation bonds/capital leases	-	(78,193)	(21,486)	(9,722)	(109,401)
Grants/contributions received for capital assets	-	-	41,347	-	41,347
Net cash used for capital and related financing activities	(74,133)	(369,498)	(260,129)	(44,927)	(748,687)
Cash flows from investing activities					
Interest on investments	83,289	67,037	16,556	7,694	174,576
Loan repayments	-	23,279	-	-	23,279
Net cash provided by investing activities	83,289	90,316	16,556	7,694	197,855
Net increase (decrease) in cash and cash equivalents	153,806	(746)	(28,317)	64,417	189,160
Cash and cash equivalents, beginning of year	1,773,002	821,649	870,516	462,836	3,928,003
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,926,808</b>	<b>\$ 820,903</b>	<b>\$ 842,199</b>	<b>\$ 527,253</b>	<b>\$ 4,117,163</b>

Schedule of noncash investing, capital and financing activities:

During the year, the Parking Fund disposed of assets resulting in a loss of \$23,155.

Continued on next page



**CITY OF BANGOR, MAINE**  
**Combining Statement of Cash Flows - Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

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**Business-type Activities - Enterprise Funds**

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	<b>Stormwater Utility</b>	<b>Economic Development Fund</b>	<b>Parking Fund</b>	<b>Municipal Golf Course</b>	<b>Total Nonmajor Proprietary Funds</b>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 85,981	\$ 95,287	\$ 9,317	\$ (36,270)	\$ 154,315
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	16,493	157,193	261,531	71,321	506,538
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	99,223	(10,954)	-	-	88,269
(Increase) decrease in prepaid items	4,315	16,449	(1,073)	10,358	30,049
Increase (decrease) in accounts payable	(84,253)	20,461	59,279	26,491	21,978
Increase (decrease) in other liabilities	3,109	-	(28,298)	29,750	4,561
Total adjustments	38,887	183,149	291,439	137,920	651,395
<b>Net cash provided by operating activities</b>	<b>\$ 124,868</b>	<b>\$ 278,436</b>	<b>\$ 300,756</b>	<b>\$ 101,650</b>	<b>\$ 805,710</b>

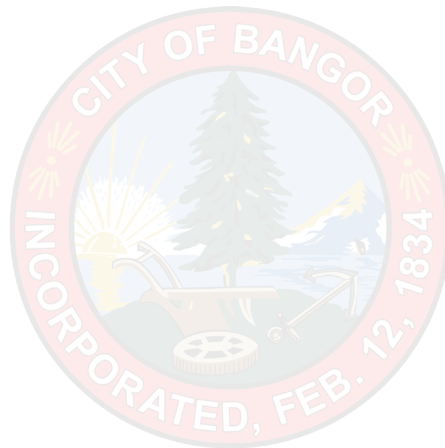
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## **FIDUCIARY FUNDS**

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others.

Agency Funds – Agency Funds are used to account for situations where the City’s role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Private Purpose Trust Funds – Private Purpose Trust Funds account for contributions received and scholarships awarded for Bangor High School graduates.



CITY OF BANGOR

**CITY OF BANGOR, MAINE**  
**Statement of Changes in Assets and Liabilities - Fiduciary Funds**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>ASSETS</b>				
Cash and cash equivalents:				
School Activity Funds	\$ 137,666	\$ 102,257	\$ 87,205	\$ 152,718
<b>Total assets</b>	<b>137,666</b>	<b>102,257</b>	<b>87,205</b>	<b>152,718</b>
<b>LIABILITIES</b>				
Amounts held for others:				
School Activity Funds	137,666	102,257	87,205	152,718
<b>Total liabilities</b>	<b>\$ 137,666</b>	<b>\$ 102,257</b>	<b>\$ 87,205</b>	<b>\$ 152,718</b>

**CITY OF BANGOR, MAINE**  
**Combining Statement of Net Position - Fiduciary Funds**  
**Private Purpose Trusts**  
**For the Fiscal Year Ended June 30, 2020**

	<b>School Scholarship Fund</b>	<b>Revolving Loan Fund</b>	<b>Total Private Purpose Trusts</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 77,045	\$ -	\$ 77,045
Investments	1,740,827	141,611	\$ 1,882,438
<b>Total assets</b>	<b>\$ 1,817,872</b>	<b>\$ 141,611</b>	<b>\$ 1,959,483</b>
<b>LIABILITIES</b>			
Amounts held for others	1,817,872	141,611	1,959,483
<b>Total liabilities</b>	<b>\$ 1,817,872</b>	<b>\$ 141,611</b>	<b>\$ 1,959,483</b>

**CITY OF BANGOR, MAINE**  
**Combining Statement of Changes in Net Position - Fiduciary Funds**  
**Private Purpose Trusts**  
**For the Fiscal Year Ended June 30, 2020**

	<b>School Scholarship Fund</b>	<b>Revolving Loan Fund</b>	<b>Total Private Purpose Trusts</b>
<b>Additions:</b>			
Contributions	\$ 29,863	\$ -	\$ 29,863
Investment income	61,628	6,506	68,134
<b>Total revenues</b>	<b>91,491</b>	<b>6,506</b>	<b>97,997</b>
<b>Deductions:</b>			
Payments to beneficiaries	\$ 60,950	\$ 1,710	\$ 62,660
Other expenses	37,600	-	37,600
<b>Total expenditures</b>	<b>98,550</b>	<b>1,710</b>	<b>100,260</b>
<b>Net increase (decrease) in net position</b>	<b>(7,059)</b>	<b>4,796</b>	<b>(2,263)</b>
<b>Net position, beginning of year - Restated Note G</b>	<b>1,824,931</b>	<b>136,815</b>	<b>1,961,746</b>
<b>Net position, end of year</b>	<b>\$ 1,817,872</b>	<b>\$ 141,611</b>	<b>\$ 1,959,483</b>

*See accompanying notes to financial statements.*

**CAPITAL ASSETS USED  
IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

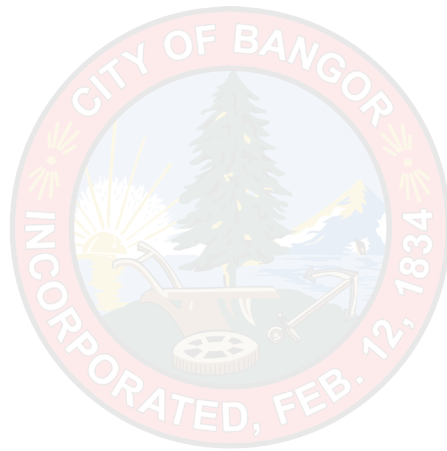


CITY OF BANGOR

**CITY OF BANGOR, MAINE**  
**Capital Assets Used in the Operation of Governmental Funds**  
**(net of accumulated depreciation)**  
**Schedule of Changes by Function and Activity**  
**For the Fiscal Year Ended June 30, 2020**

Function and Activity	Balance 2019	Additions	Deletions	Balance 2020
General government				
Community Connector	\$ 3,617,084	\$ 3,188,716	\$ 657,406	\$ 6,148,394
Central service	10,071	-	2,421	7,650
City hall	680,387	943,494	486,021	1,137,860
Code Enforcement	29,479	-	6,551	22,928
Community and economic development	8,502,034	-	486,812	8,015,222
Information services	214,470	103,420	55,076	262,814
Motor pool	2,762,623	199,747	555,467	2,406,903
Total general government	15,816,148	4,435,377	2,249,754	18,001,771
Public safety				
Fire	5,070,585	849,310	406,435	5,513,460
Police	8,101,714	430,304	330,088	8,201,930
Total public safety	13,172,299	1,279,614	736,523	13,715,390
Health, community services, and recreation				
Health & community services	-	20,595	1,030	19,565
Parks and recreation	3,631,116	1,015,180	688,648	3,957,648
Total health, community services, and recreation	3,631,116	1,035,775	689,678	3,977,213
Public services				
Public works	16,648,159	2,244,283	985,121	17,907,321
Total public services	16,648,159	2,244,283	985,121	17,907,321
Education	29,133,442	924,454	1,345,173	28,712,723
<b>Total governmental fund capital assets</b>	<b>\$ 78,401,164</b>	<b>\$ 9,919,503</b>	<b>\$ 6,006,249</b>	<b>\$ 82,314,418</b>

## **OTHER INFORMATION**



CITY OF BANGOR



**CITY OF BANGOR, MAINE**  
**Assessed Valuation, Commitment and Collections**  
**For the Fiscal Year Ended June 30, 2020**

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**VALUATION**

Land and buildings	\$ 2,454,109,500
Land and buildings - Homestead exemption	97,368,900
Personal property	194,783,800
Personal property - BETE exemption	<u>149,003,100</u>
Total valuation	<u><u>\$ 2,895,265,300</u></u>

**COMMITMENT**

Real estate, personal property (excludes Homestead and BETE exemptions)	\$ 2,648,893,300
Tax rate	<u>0.02300</u>
Total commitment	60,924,546

**ADD**

Supplemental taxes committed	<u>15,037</u>
	60,939,583

**LESS**

Collections 2020	59,000,699
Abatements	<u>45,746</u>
2020 taxes receivable at June 30, 2020	<u><u>\$ 1,893,138</u></u>

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**CITY OF BANGOR, MAINE**  
**General Fund Unassigned Fund Balance Sufficiency Calculation**  
**For the Fiscal Year Ended June 30, 2020**

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The City Charter states that the City Council shall target a General Fund unassigned fund balance of no more than 16.66% of operating expenditures. The target balance is established at 8.33% of the last year's General Fund operating expenditures. The following table sets forth the calculation as of June 30, 2020

General Fund expenditures/uses (Schedule A-2)

General government	\$ 5,434,779
Public safety	20,082,323
Health, community services and recreation	4,834,218
Public services	9,984,731
Other agencies	5,505,115
Education	56,925,104
Other appropriations	6,620,187
Other uses, gross*	<u>1,323,317</u>
Gross expenditures and uses	110,709,774
Less General Fund debt service	<u>7,322,179</u>
Net expenditures and uses	<u><u>\$ 103,387,595</u></u>
Indicated unassigned fund balance @ 8.33%	\$ 8,612,187
Unassigned fund balance - City (Schedule A-2)	\$ 14,547,264
Actual unassigned fund balance as a percentage of net expenditures and uses	14.07%

\* excludes amounts appropriated from unassigned and assigned fund balance

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# STATISTICAL SECTION

This part of the City of Bangor's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

	Page
<b>Financial Trends</b>	<b>III - 1</b>
<p>The schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
<b>Revenue Capacity</b>	<b>III - 8</b>
<p>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</p>	
<b>Debt Capacity</b>	<b>III - 12</b>
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the ability to issue additional debt in the future.</p>	
<b>Demographic and Economic Information</b>	<b>III - 16</b>
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	
<b>Operating Information</b>	<b>III - 18</b>
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</p>	

**CITY OF BANGOR, MAINE**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 40,176,260	\$ 67,253,588	\$ 54,540,288	\$ 49,674,874	\$ 50,030,025	\$ 47,792,253	\$ 49,367,869	\$ 49,138,743	\$ 49,657,039	\$ 53,392,631
Restricted	5,033,496	5,054,449	3,966,494	4,745,034	4,494,021	4,045,808	3,547,716	7,831,587	7,162,489	7,838,489
Unrestricted	(3,751,473)	(28,635,920)	(24,261,524)	(29,701,463)	(25,459,136)	(16,048,402)	(15,045,713)	(11,761,575)	(12,861,886)	(9,572,219)
Total governmental activities net position	41,458,283	43,672,117	34,245,258	24,718,445	29,064,910	35,789,659	37,869,872	45,208,755	43,957,642	51,658,901
Business-type activities:										
Net investment in capital assets	155,344,528	152,749,709	165,548,784	159,116,820	156,544,970	159,537,793	153,328,264	146,713,851	145,420,656	149,493,021
Unrestricted	15,549,352	12,823,198	4,879,657	6,860,485	8,428,935	8,766,272	14,668,855	19,378,420	22,756,860	20,806,519
Total business-type activities net position	170,893,880	165,572,907	170,428,441	165,977,305	164,973,905	168,304,065	167,997,119	166,092,271	168,177,516	170,299,540
Primary government:										
Net investment in capital assets	195,520,788	220,003,297	220,089,072	208,791,694	206,574,995	207,330,046	202,696,133	195,852,594	195,077,695	202,885,652
Restricted	5,033,496	5,054,449	3,966,494	4,745,034	4,494,021	4,045,808	3,547,716	7,831,587	7,162,489	7,838,489
Unrestricted	11,797,879	(15,812,722)	(19,381,867)	(22,840,978)	(17,030,201)	(7,282,130)	(376,858)	7,616,845	9,894,974	11,234,300
Total primary government net position	\$ 212,352,163	\$ 209,245,024	\$ 204,673,699	\$ 190,695,750	\$ 194,038,815	\$ 204,093,724	\$ 205,866,991	\$ 211,301,026	\$ 212,135,158	\$ 221,958,441

Table 2

**CITY OF BANGOR, MAINE**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
General government	\$ 9,223,718	\$ 4,490,599	\$ 4,733,021	\$ 7,110,075	\$ 6,871,396	\$ 6,588,238	\$ 6,953,399	\$ 6,916,390	\$ 7,179,064	\$ 7,848,641
Public safety	17,018,427	18,016,430	17,864,294	18,050,107	17,933,525	18,107,357	18,841,238	20,802,943	19,814,567	20,871,023
Health, community services and recreation	9,523,225	8,455,977	9,298,196	9,586,571	9,692,379	10,112,526	9,497,729	9,705,672	9,273,091	9,845,591
Public services*	12,413,601	15,399,933	14,408,500	14,249,015	12,956,599	15,409,518	15,997,665	14,427,613	14,443,215	14,968,314
Other agencies	4,479,888	4,209,428	4,630,915	6,799,934	4,638,805	4,528,591	5,049,394	4,943,064	5,208,400	5,515,165
Education	50,986,350	51,223,806	50,145,937	50,594,050	52,297,774	51,901,230	55,079,037	55,799,044	59,205,165	58,764,946
Arena development	61,334	536,251	2,201,200	500,566	-	136	801,439	62,748	14,961	86,510
Community development	1,542,975	1,152,289	1,356,184	2,178,972	1,316,591	1,592,047	1,335,282	1,090,372	685,926	693,641
Waterfront	1,439,065	606,249	381,437	272,857	360,004	331,622	-	1,077,972	221,839	105,163
Public transportation	1,701,112	3,276,780	3,250,752	2,782,968	2,784,081	3,166,692	3,273,876	3,071,020	3,447,181	4,533,716
Economic development (tif)	1,383,662	1,502,503	1,334,470	1,440,452	1,568,811	929,322	711,220	632,185	757,396	730,471
Interest on debt	2,151,172	2,710,135	3,343,590	2,464,804	2,604,030	2,362,899	2,142,976	1,983,492	2,001,201	1,835,219
Total governmental activities expenses	111,924,529	111,580,380	112,948,496	116,030,371	113,023,995	115,030,178	119,683,255	120,512,515	122,252,006	125,798,400
Business-type activities:										
Sewer Utility	6,202,202	6,758,495	6,827,790	6,843,975	6,603,195	7,210,861	7,725,453	6,861,750	6,760,227	6,254,740
Airport	20,458,552	20,752,350	20,722,960	20,855,066	20,893,894	20,266,935	21,217,373	21,827,174	22,478,598	23,749,179
Park Woods	496,478	533,671	473,289	497,833	507,210	-	-	-	-	-
Stormwater Utility	-	-	-	149,590	241,082	400,924	509,884	692,174	901,614	1,197,212
Parking	1,206,989	995,631	972,327	925,595	978,658	931,676	1,037,558	1,001,359	872,502	882,638
Bass Park	2,075,644	1,919,301	3,314,865	6,317,039	7,855,957	7,735,775	7,886,589	7,571,370	7,567,090	7,107,209
Municipal Golf Course	664,311	671,113	687,317	643,323	849,164	613,930	604,127	703,104	711,448	761,968
Economic Development	618,980	615,816	586,140	628,252	698,294	508,234	466,485	394,026	477,066	379,183
Total business-type activities expenses	31,723,156	32,246,377	33,584,688	36,860,673	38,627,454	37,668,335	39,447,469	39,050,957	39,768,545	40,332,129
Total primary government expenses	\$ 143,647,685	\$ 143,826,757	\$ 146,533,184	\$ 152,891,044	\$ 151,651,449	\$ 152,698,513	\$ 159,130,724	\$ 159,563,472	\$ 162,020,551	\$ 166,130,529

\* - Amounts previously reported as infrastructure have been reclassified as public services to conform with current year presentation.

Continued on next page

**CITY OF BANGOR, MAINE**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 2,070,189	\$ 2,501,326	\$ 2,214,675	\$ 2,764,659	\$ 2,493,428	\$ 2,196,463	\$ 2,117,874	\$ 2,170,614	\$ 2,215,075	\$ 2,004,043
Public safety	3,289,153	2,681,152	3,418,686	2,682,248	3,193,528	3,383,956	3,013,577	3,464,870	3,121,187	3,105,928
Health, community services and recreation	928,307	1,048,707	1,139,382	1,164,090	1,118,582	1,193,185	1,266,221	1,452,453	1,529,894	1,247,814
Public services	3,922,847	4,002,973	3,520,517	3,758,666	3,904,548	3,618,373	3,637,836	3,666,013	1,688,725	1,583,305
Other agencies	20,248	103,560	-	46,882	-	-	-	19,490.00	20,234.00	-
Education	5,165,261	3,806,614	3,835,409	3,446,006	4,699,101	4,506,591	5,705,049	5,826,279	6,476,809	6,442,414
Arena development	2,331,584	2,434,915	2,079,869	1,960,876	1,952,929	1,896,633	1,838,285	1,770,957	2,212,753	563
Community development	323,494	588,587	474,013	994,546	273,269	313,396	442,445	31,708	25,190	298,755
Waterfront	-	-	-	-	-	-	-	-	21,248.00	-
Public transportation	1,025,080	1,023,717	1,045,793	816,819	857,013	1,048,974	774,195	790,936	751,711	634,594
Tax increment financing	-	-	-	-	-	-	-	-	127,666.00	-
Operating grants and contributions	35,604,940	33,137,275	31,901,386	34,600,320	33,541,085	34,838,496	33,872,652	35,577,981	37,158,903	40,562,677
Capital grants and contributions	4,935,614	3,725,432	2,345,794	1,720,879	1,540,614	3,064,312	2,391,680	3,499,613	2,983,206	4,410,094
Total governmental activities program revenues	59,616,717	55,054,258	51,975,524	53,955,991	53,574,097	56,060,379	55,059,814	58,270,914	58,332,601	60,290,187
Business-type activities:										
Charges for services										
Sewer Utility	7,340,935	7,320,469	7,708,101	8,426,054	8,189,623	7,975,639	8,634,449	8,715,468	9,451,741	9,448,625
Airport	13,080,217	12,540,347	12,069,935	12,220,328	12,036,215	13,576,325	15,870,081	17,073,888	19,032,646	18,233,077
Park Woods	372,715	397,426	417,407	440,295	459,905	-	-	-	-	-
Stormwater Utility	-	-	-	359,029	1,088,119	1,000,864	1,053,892	1,248,962	1,289,953	1,283,193
Parking	1,057,710	1,012,109	960,947	1,002,164	1,022,305	1,030,872	1,008,494	967,704	947,136	872,201
Bass Park	1,276,869	1,304,384	1,249,595	2,683,094	3,239,457	3,346,951	3,387,105	3,237,736	3,045,740	2,165,685
Municipal Golf Course	643,501	628,869	592,825	575,020	611,132	732,016	644,303	734,578	649,698	716,166
Economic Development	585,785	409,486	462,033	515,339	589,383	674,066	503,905	395,032	402,728	399,939
Operating grants and contributions	-	-	-	-	193,061	-	-	-	-	-
Capital grants and contributions	3,717,755	2,351,779	6,121,523	4,039,968	6,947,799	8,776,331	3,776,705	1,789,607	3,327,180	5,056,332
Total business-type activities program revenues	28,075,487	25,964,869	29,582,366	30,261,291	34,376,999	37,113,064	34,878,934	34,162,975	38,146,822	38,175,218
Total primary government program revenues	\$ 87,692,204	\$ 81,019,127	\$ 81,557,890	\$ 84,217,282	\$ 87,951,096	\$ 93,173,443	\$ 89,938,748	\$ 92,433,889	\$ 96,479,423	\$ 98,465,405

Continued on next page

Table 2 (con't)

**CITY OF BANGOR, MAINE**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (52,307,812)	\$ (56,526,122)	\$ (60,972,972)	\$ (62,074,380)	\$ (59,449,898)	\$ (58,969,799)	\$ (64,623,441)	\$ (62,241,601)	\$ (63,919,405)	\$ (65,508,213)
Business-type activities	(3,647,669)	(6,281,508)	(4,002,322)	(6,599,382)	(4,250,455)	(555,271)	(4,568,535)	(4,887,982)	(1,621,723)	(2,156,911)
Total primary government expense	(55,955,481)	(62,807,630)	(64,975,294)	(68,673,762)	(63,700,353)	(59,525,070)	(69,191,976)	(67,129,583)	(65,541,128)	(67,665,124)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Property taxes	48,027,330	48,520,390	49,930,989	52,243,583	55,303,613	56,062,583	56,721,029	56,804,294	57,897,028	60,264,977
Payment in lieu of taxes	161,879	156,629	95,620	161,438	156,417	193,599	233,683	284,405	290,489	306,479
Excise taxes	4,515,752	4,596,947	4,594,821	5,400,100	5,844,800	6,272,270	6,170,792	6,427,990	6,876,000	5,789,454
Franchise taxes	367,672	372,542	362,088	350,014	341,605	336,979	346,303	348,512	370,278	368,470
Unrestricted grants and contributions	4,859,811	4,963,161	4,857,030	3,787,128	3,794,664	4,173,167	4,464,142	5,273,333	5,861,782	7,267,295
Unrestricted investment earnings	565,326	530,631	57,620	510,429	413,923	488,936	380,580	674,137	892,161	853,277
Gain (loss) on sale of asset	-	-	-	-	-	-	62,180	(6,771)	35,349	203,396
Miscellaneous	92,379	16,698	112,060	1,863	410,991	179,163	-	-	-	-
Transfers	(637,898)	(417,042)	(8,772,781)	(3,170,717)	(2,469,650)	(2,012,149)	(1,675,055)	(1,793,227)	(1,482,087)	(1,707,061)
Total governmental activities	57,952,251	58,739,956	51,237,447	59,283,838	63,796,363	65,694,548	66,703,654	68,012,673	70,741,000	73,346,287
Business-type activities:										
Property taxes	-	-	-	750,000	800,000	1,000,000	1,100,000	1,100,000	1,255,000	1,300,000
Unrestricted investment earnings	752,891	543,493	345,932	504,584	462,069	420,951	555,259	521,200	965,025	1,024,264
Gain (loss) on sale of asset	-	-	(260,857)	-	-	452,331	931,275	14,807	4,856	247,610
Special Item	-	-	-	-	(484,664)	-	-	-	-	-
Transfers	637,898	417,042	8,772,781	3,170,717	2,469,650	2,012,149	1,675,055	1,793,227	1,482,087	1,707,061
Total business-type activities	1,390,789	960,535	8,857,856	4,425,301	3,247,055	3,885,431	4,261,589	3,429,234	3,706,968	4,278,935
Total primary government	59,343,040	59,700,491	60,095,303	63,709,139	67,043,418	69,579,979	70,965,243	71,441,907	74,447,968	77,625,222
<b>Change in net position</b>										
Governmental activities	5,644,439	2,213,834	(9,735,525)	(2,790,542)	4,346,465	6,724,749	2,080,213	5,771,072	6,821,595	7,838,074
Business-type activities	(2,256,880)	(5,320,973)	4,855,534	(2,174,081)	(1,003,400)	3,330,160	(306,946)	(1,458,748)	2,085,245	2,122,024
Total primary government	\$ 3,387,559	\$ (3,107,139)	\$ (4,879,991)	\$ (4,964,623)	\$ 3,343,065	\$ 10,054,909	\$ 1,773,267	\$ 4,312,324	\$ 8,906,840	\$ 9,960,098

**CITY OF BANGOR, MAINE**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Tax Revenues</b>										
Property taxes	\$ 48,027,330	\$ 48,520,390	\$ 49,930,989	\$ 52,243,583	\$ 55,303,613	\$ 56,062,583	\$ 56,721,029	\$ 56,804,294	\$ 57,897,028	\$ 60,264,977
Excise taxes	4,515,752	4,596,947	4,594,821	5,400,100	5,844,800	6,272,270	6,170,792	6,427,990	6,876,000	5,789,454
Franchise taxes	367,672	372,542	362,088	350,014	341,605	336,979	346,303	348,512	370,278	368,470
Total tax revenues	\$ 52,910,754	\$ 53,489,879	\$ 54,887,898	\$ 54,887,898	\$ 61,490,018	\$ 62,671,832	\$ 63,238,124	\$ 63,580,796	\$ 65,143,306	\$ 66,422,901



Table 4

**CITY OF BANGOR, MAINE**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund:</b>										
Nonspendable										
Advances to other funds	\$ 1,900,500	\$ 1,900,500	\$ 1,900,500	\$ 1,900,500	\$ 1,900,500	\$ 1,900,500	\$ 1,900,500	\$ 1,900,500	\$ 1,900,500	\$ 1,900,500
Inventory and prepaid items	963,770	860,187	873,714	853,265	672,248	1,238,139	1,061,973	1,108,525	1,303,883	835,540
Restricted										
Education purposes	1,213,508	936,158	186,871	974,012	889,481	1,354,267	745,039	694,202	278,635	1,210,782
Municipal purposes	405,119	349,362	288,519	288,857	19,803	19,830	19,883	20,210	20,617	5,715
Committed - municipal purposes	19,033	373,753	10,583	2,623	110,933	5,406	288,743	118,316	233,988	286,801
Assigned										
Encumbrances	1,389,501	1,548,268	777,788	31,347	15,987	244,899	72,264	60,268	60,142	68,563
Municipal purposes	3,115,199	3,240,838	3,415,627	3,386,444	4,626,740	5,509,947	6,367,677	8,064,027	9,236,099	8,489,091
Unassigned - City & School	8,017,940	7,563,658	7,727,014	9,598,472	9,995,105	11,315,235	12,171,566	14,064,283	13,105,808	14,547,264
Total general fund	\$ 17,024,570	\$ 16,772,724	\$ 15,180,616	\$ 17,035,520	\$ 18,230,797	\$ 21,588,223	\$ 22,627,645	\$ 26,030,331	\$ 26,139,672	\$ 27,344,256
<b>All other governmental funds:</b>										
Nonspendable										
Permanent Fund Principal	\$ 608,710	\$ 588,515	\$ 574,492	\$ 544,200	\$ 532,758	\$ 532,338	\$ 525,249	\$ 512,633	\$ 518,144	\$ 385,512
Capital Project Fund	-	-	-	-	-	-	1,120,229	-	-	642,000
Restricted										
Community Development Block Grant	346,605	415,956	252,479	-	-	-	50,811	-	-	-
Penobscot River	759	759	-	-	-	-	-	-	-	-
Nonmajor Special Revenue Funds	1,637,362	1,862,992	1,730,231	1,971,397	2,060,733	1,633,366	1,692,082	6,081,420	5,802,845	5,702,502
Nonmajor Permanent Funds	410,337	449,974	466,951	483,284	495,623	506,007	514,652	523,122	542,248	533,978
Committed										
Nonmajor Special Revenue Funds	6,690,287	-	2,761,541	1,051,134	871,271	587,141	613,291	397,579	811,934	479,703
Assigned										
Capital Project Fund	826,179	-	4,426,655	4,868,248	4,657,905	7,169,264	2,581,181	5,776,359	7,705,395	11,845,250
Capital Project Fund Encumbrances	-	1,853,043	127,712	-	-	-	-	-	-	-
Unassigned										
Community Development Block Grant	-	-	-	(3,275)	(10,679)	(3,153)	-	-	-	-
Arena Fund	-	(4,603,950)	-	-	-	-	-	-	-	-
Capital Project Fund	(537)	-	-	-	-	-	-	-	-	-
Nonmajor Special Revenue Funds	(12,257)	(4,584)	(5,736)	-	-	-	-	-	-	(9,343)
Total all other governmental funds	\$ 10,507,445	\$ 562,705	\$ 10,334,325	\$ 8,914,988	\$ 8,607,611	\$ 10,424,963	\$ 7,097,495	\$ 13,291,113	\$ 15,380,566	\$ 19,579,602

Table 5

**CITY OF BANGOR, MAINE**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Taxes:										
Property taxes	\$ 48,371,202	\$ 48,688,270	\$ 50,004,619	\$ 52,748,153	\$ 55,650,209	\$ 56,626,711	\$ 57,378,981	\$ 57,881,205	\$ 58,096,284	\$ 60,791,768
Excise taxes	4,515,752	4,596,947	4,594,821	5,400,100	5,844,800	6,272,270	6,170,792	6,427,990	6,876,000	5,789,454
Total tax revenues	52,886,954	53,285,217	54,599,440	58,148,253	61,495,009	62,898,981	63,549,773	64,309,195	64,972,284	66,581,222
Intergovernmental	45,304,160	40,536,525	39,029,824	40,025,974	38,563,450	41,912,419	40,506,368	44,112,774	45,702,994	49,867,696
Licenses and permits	601,202	948,267	576,559	1,389,717	831,968	755,273	644,795	1,014,170	741,027	681,420
Charges for services	15,226,575	13,594,482	14,079,514	12,782,036	14,889,219	14,802,549	15,525,283	15,433,780	14,782,630	13,830,649
Program income	314,203	575,460	462,380	765,142	247,549	284,619	407,403	31,208	11,006	277,835
Revenue from use of money and property	3,473,975	4,042,881	3,067,949	3,114,817	2,883,535	2,823,151	2,693,947	3,446,219	3,650,678	2,790,672
Other	279,426	561,118	165,686	156,659	516,714	227,243	275,771	332,400	368,750	1,176,183
Total revenues	118,086,495	113,543,950	111,981,352	116,382,598	119,427,444	123,704,235	123,603,340	128,679,746	130,229,369	135,205,677
<b>Expenditures:</b>										
General government*	4,858,721	5,390,049	5,612,408	5,172,972	5,391,279	5,172,435	5,133,047	5,301,228	5,420,213	5,747,168
Public safety	15,800,938	16,028,180	16,209,402	16,409,651	16,994,567	17,146,674	17,330,311	18,173,695	19,594,743	20,050,145
Health, community services and recreation	5,584,184	5,383,295	4,945,994	4,826,149	5,041,486	5,117,412	4,972,166	5,066,925	4,838,006	4,812,261
Public services	10,196,576	9,842,829	9,835,549	10,052,683	10,704,017	10,387,416	10,907,018	10,521,736	9,662,829	10,004,187
Other agencies	4,747,617	4,409,545	4,382,776	4,566,380	4,684,697	4,723,022	4,886,577	4,907,267	5,159,254	5,505,165
Education	51,391,657	50,159,407	49,880,770	50,771,925	53,037,177	52,655,986	54,722,897	56,111,179	59,315,126	58,753,118
Tax increment financing	165,133	524,013	550,308	632,364	724,347	717,260	711,220	745,170	757,396	888,476
Unclassified	118,216	260,685	2,323,972	590,627	74,128	104,422	44,568	15,319	29,818	13,711
Restricted grants	8,232,148	7,414,001	9,202,815	10,729,492	9,691,489	9,852,311	8,799,030	8,540,312	8,609,435	9,070,191
Capital outlay	12,799,978	45,478,235	10,213,552	12,534,783	8,158,063	7,940,743	9,419,396	12,518,635	9,716,334	13,080,007
Debt service										
Principal	3,862,188	6,996,892	22,907,595	3,222,253	3,685,728	3,970,474	5,563,414	4,384,953	5,848,513	4,334,371
Interest	2,375,397	2,180,013	2,923,060	1,957,347	2,050,633	1,983,468	1,871,056	1,872,395	1,835,615	1,687,944
Other charges	45,988	-	-	-	-	-	-	66,255	53,752	77,146
Total expenditures	120,178,741	154,067,144	138,988,201	121,466,626	120,237,611	119,771,623	124,360,700	128,225,069	130,841,034	134,023,890
Excess (deficiency) of revenues over (under) expenditures	(2,092,246)	(40,523,194)	(27,006,849)	(5,084,028)	(810,167)	3,932,612	(757,360)	454,677	(611,665)	1,181,787
<b>Other financing sources/(uses)</b>										
General obligation bonds issued	2,086,100	30,659,143	10,378,985	8,369,000	3,602,000	3,014,000	-	6,060,037	1,616,124	5,000,642
Refunding bonds issued	-	-	-	-	-	-	-	-	1,550,000	-
Capital leases	-	-	456,581	-	-	61,152	-	-	617,101	548,969
Payment to escrow agent	-	-	(4,233,486)	-	-	-	-	-	-	-
Premium on debt issuance	-	-	748,121	133,552	-	-	-	294,646	298,334	296,011
Financing proceeds	-	-	-	-	-	-	-	-	-	-
Sale of assets	117,558	84,507	186,709	187,760	565,717	179,163	144,369	91,550	210,988	220,087
Transfers to other funds	(2,015,003)	(1,861,301)	(9,783,007)	(4,406,771)	(3,698,558)	(4,015,412)	(4,238,315)	(4,363,292)	(5,974,749)	(6,740,439)
Transfers from other funds	1,377,105	1,444,259	1,010,226	1,236,054	1,228,908	2,003,263	2,563,260	2,570,065	4,492,662	5,033,378
Total other financing sources	1,565,760	30,326,608	(1,235,871)	5,519,595	1,698,067	1,242,166	(1,530,686)	4,653,006	2,810,460	4,358,648
Net change in fund balances	\$ (526,486)	\$ (10,196,586)	\$ (28,242,720)	\$ 435,567	\$ 887,900	\$ 5,174,778	\$ (2,288,046)	\$ 5,107,683	\$ 2,198,795	\$ 5,540,435
Debt service as a percentage of noncapital expenditures	5.52%	7.97%	19.34%	4.46%	4.97%	5.06%	6.21%	5.14%	6.09%	4.80%

\* - Beginning with 2014, certain departmental costs are reflected in General government expenditures instead of other functional areas.

Table 6

**CITY OF BANGOR, MAINE**  
**Assessed Value and Estimated Actual Value of Taxable Property\***  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Homestead Exemption<sup>1</sup></b>	<b>Business Equipment Tax Exemption<sup>2</sup></b>	<b>Other Exemptions<sup>3</sup></b>
2011	\$ 2,261,383,800	256,321,000	2,517,704,800	18.09	\$ 53,990,200	41,980,400	788,121,900
2012	\$ 2,274,528,200	248,183,200	2,522,711,400	18.00	\$ 54,283,600	57,635,300	795,735,300
2013	\$ 2,282,480,900	245,768,300	2,528,249,200	18.47	\$ 53,981,600	66,043,600	801,351,000
2014	\$ 2,306,517,400	244,302,800	2,550,820,200	19.56	\$ 52,765,500	72,600,700	894,525,200
2015	\$ 2,322,253,300	239,021,300	2,561,274,600	20.54	\$ 51,753,000	86,984,900	914,815,400
2016	\$ 2,370,220,600	229,981,900	2,600,202,500	20.69	\$ 50,758,900	101,258,300	918,968,900
2017	\$ 2,344,351,100	221,870,900	2,566,222,000	21.16	\$ 74,491,300	105,332,700	1,017,482,300
2018	\$ 2,361,755,500	210,138,800	2,571,894,300	21.17	\$ 98,423,700	125,109,400	1,099,865,370
2019	\$ 2,381,432,800	196,007,700	2,577,440,500	21.49	\$ 96,736,800	138,318,300	1,120,296,000
2020	\$ 2,454,109,500	194,783,800	2,648,893,300	21.49	\$ 97,368,900	149,003,100	1,131,953,400

\* Source - City of Bangor Commitment Report. It is City policy to assess at 100% of estimated actual value.

<sup>1</sup> The City receives reimbursement from the State of Maine for 50% of the tax loss related to the Homestead Exemption.

<sup>2</sup> The Business Equipment Tax Exemption began in 2009. Upon implementation, the City received reimbursement from the State of Maine for 100% of the tax loss; the reimbursement percentage is now calculated annually; for 2020 the rate was 59.4%.

<sup>3</sup> Other exemptions consists of property owned by federal, state and local governments, various fully exempt organizations and non-reimbursable personal exemptions.

Table 7

**CITY OF BANGOR, MAINE**  
**Property Tax Rate - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General City Government</b>	<b>General Fund Debt Service</b>	<b>Education</b>	<b>Total Direct Tax Rate</b>	<b>Penobscot County</b>	<b>Total Tax/ (Mill) Rate</b>
2011	7.94	1.40	8.75	18.09	1.11	19.20
2012	7.75	1.42	8.83	18.00	1.20	19.20
2013	8.08	1.41	8.98	18.47	1.18	19.65
2014	8.67	1.48	9.41	19.56	1.24	20.80
2015	8.89	1.65	10.00	20.54	1.26	21.80
2016	8.20	2.61	9.88	20.69	1.26	21.95
2017	8.33	2.64	10.19	21.16	1.34	22.50
2018	8.29	2.75	10.13	21.17	1.38	22.55
2019	8.53	2.75	10.21	21.49	1.46	22.95
2020	8.30	2.77	10.42	21.49	1.51	23.00

Table 8

**CITY OF BANGOR, MAINE**  
**Principal Property Taxpayers \***  
**Current Year and Nine Years Ago**

Taxpayer	Business	2020			2011		
		Assessed Value	Rank	% of Total Tax Base	Assessed Value	Rank	% of Total Tax Base
GLP Capital L.P.	Gaming	\$ 75,565,400	1	2.85%	-	-	-
Emera Maine	Utility	43,887,500	2	1.66%	-	-	-
Bangor Savings Bank	Financial	36,471,800	3	1.38%	-	-	-
Bangor Mall LLC	Shopping mall	34,573,800	4	1.31%	\$ 57,608,500	3	2.24%
General Electric	Manufacturer	24,158,700	5	0.91%	64,318,500	2	2.50%
Bangor Gas Company LLC	Utility	21,929,000	6	0.83%	-	-	-
QV Realty Trust	Real estate interests	21,363,100	7	0.81%	15,859,900	6	0.62%
HC Bangor LLC	Gaming	20,231,400	8	0.76%	-	-	-
Walmart Stores	Retailer	19,591,300	9	0.74%	21,249,800	5	0.83%
GM Realty of Bangor LLC	Real estate interests	17,230,900	10	0.65%	-	-	-
Bangor Historic Track	Racino	-	-	-	117,846,300	1	4.58%
Bangor Hydro Electric	Utility	-	-	-	38,377,400	4	1.49%
Home Depot U.S.A. Inc	Retailer	-	-	-	14,249,400	9	0.55%
Inland Western Parkade	Shopping mall	-	-	-	15,396,100	7	0.60%
Harvest Sunbury Village	Retirement Living	-	-	-	14,106,400	10	0.55%
Grant Trailer Sales	Real estate interests	-	-	-	15,335,600	8	0.60%
Totals		<u>\$ 315,002,900</u>		<u>11.89%</u>	<u>\$ 374,347,900</u>		<u>14.56%</u>

\* Source - City of Bangor Tax Commitment.

**Table 9**

**CITY OF BANGOR, MAINE  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Gross Tax Levy	Abate-ments	Net Tax Levy	Collected within the Fiscal Year of the Levy		Subsequent Year Collections	Total Tax Collections	% of Total Tax Collection to Net Levy
				Amount	% of Net Levy			
2011	\$ 48,362,646	168,932	48,193,714	46,857,606	97.23%	\$ 1,306,784	48,164,390	99.94%
2012	\$ 48,529,834	175,844	48,353,990	47,025,587	97.25%	\$ 1,296,058	48,321,645	99.93%
2013	\$ 49,713,855	134,598	49,579,257	48,276,445	97.37%	\$ 1,265,016	49,541,461	99.92%
2014	\$ 53,077,993	43,339	53,034,654	51,692,178	97.47%	\$ 1,289,344	52,981,522	99.90%
2015	\$ 55,903,061	282,782	55,620,279	53,708,753	96.56%	\$ 1,847,164	55,555,917	99.88%
2016	\$ 57,090,091	445,799	56,644,292	55,557,652	98.08%	\$ 1,004,785	56,562,437	99.86%
2017	\$ 57,781,717	116,643	57,665,074	56,513,791	98.00%	\$ 1,060,934	57,574,725	99.84%
2018	\$ 58,013,766	79,288	57,934,478	56,868,240	98.16%	\$ 933,597	57,801,837	99.77%
2019	\$ 59,173,223	169,404	59,003,819	57,885,246	98.10%	\$ 588,072	58,473,318	99.10%
2020	\$ 60,939,583	45,746	60,893,837	59,000,699	96.89%	\$ -	59,000,699	96.89%

Table 10

**CITY OF BANGOR, MAINE**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Ratio of Net Bonded Debt		
	General Obligation Bonds/Notes	Capital Leases	General Obligation Bonds	Capital Leases		Per Capita*	Assessed Value	Per Personal Income*
2011	\$ 58,455,666	-	31,985,337	-	90,441,003	2,737.40	3.59%	7.06%
2012	\$ 80,674,158	-	28,707,990	-	109,382,148	3,314.61	4.34%	9.47%
2013	\$ 62,727,567	361,009	82,492,223	-	145,580,799	4,416.49	5.76%	11.71%
2014	\$ 67,154,638	277,728	82,983,011	41,699	150,457,076	4,604.94	5.90%	13.12%
2015	\$ 65,147,398	549,636	83,619,820	33,082	149,349,936	4,585.79	5.83%	12.64%
2016	\$ 62,635,756	408,687	81,041,828	29,210	144,115,481	4,449.24	5.54%	12.27%
2017	\$ 55,502,169	181,526	81,332,351	20,026	137,036,072	4,284.39	5.34%	12.01%
2018	\$ 55,917,971	24,306	77,867,785	61,903	133,871,965	4,196.22	5.21%	11.05%
2019	\$ 52,328,779	484,747	78,989,062	42,175	131,844,763	4,132.68	5.13%	10.88%
2020	\$ 51,912,434	759,336	79,353,077	61,215	132,086,062	4,115.09	5.12%	9.77%

\* Source: U.S. Census Bureau.

Table 11

**CITY OF BANGOR, MAINE**  
**Ratio of Net General Obligation Debt to Assessed Value and**  
**Net General Obligation Debt Per Capita**  
**Last Ten Fiscal Years**

Fiscal Year	Population*	Assessed Value	Net Bonded GO Debt	Ratio of Net Bonded Debt	
				Assessed Value	Per Capita
2011	33,039	\$ 2,522,711,400	90,441,003	3.59%	2,737.40
2012	33,000	\$ 2,528,249,200	109,382,148	4.33%	3,314.61
2013	32,963	\$ 2,550,820,200	145,219,790	5.69%	4,405.54
2014	32,673	\$ 2,561,274,600	150,137,649	5.86%	4,595.16
2015	32,568	\$ 2,600,202,500	148,767,218	5.72%	4,567.90
2016	32,391	\$ 2,566,222,000	143,677,584	5.60%	4,435.73
2017	31,985	\$ 2,571,894,300	136,834,520	5.32%	4,278.08
2018	31,903	\$ 2,577,440,500	133,785,756	5.19%	4,193.52
2019	31,997	\$ 2,577,440,500	131,317,841	5.09%	4,104.07
2020	32,098	\$ 2,648,893,300	131,265,511	4.96%	4,089.52

\* Source: U.S. Census Bureau.



**CITY OF BANGOR, MAINE**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2020**

	<b>Total Debt Outstanding</b>	<b>Percentage Applicable to Bangor</b>	<b>Amount Applicable to Bangor</b>
Direct Debt			
City of Bangor			
General Obligation Bonds	\$ 51,912,434	100.00%	\$ 51,912,434
Capital Leases	759,336	100.00%	759,336
Overlapping Debt			
Penobscot County*	\$ 3,550,000	23.02%	\$ 817,350
Total Debt	<u>\$ 56,221,770</u>		<u>\$ 53,489,120</u>

\* The percentage of overlapping Penobscot County debt is calculated based on the overall percent of Bangor valuation of total county valuation.

Table 13

**CITY OF BANGOR, MAINE**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total Net Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Percentage of Net Debt to Debt Limit</b>
2011	\$ 369,997,500	90,441,003	279,556,497	24.44%
2012	\$ 368,467,500	109,382,148	259,085,352	29.69%
2013	\$ 369,300,000	145,219,790	224,080,210	39.32%
2014	\$ 369,637,500	146,954,498	222,683,002	39.76%
2015	\$ 381,555,000	145,681,059	235,873,941	38.18%
2016	\$ 383,182,500	140,744,237	242,438,263	36.73%
2017	\$ 381,555,000	134,045,613	247,509,387	35.13%
2018	\$ 386,265,000	130,885,863	255,379,137	33.88%
2019	\$ 392,497,500	128,290,800	264,206,700	32.69%
2020	\$ 400,072,500	131,265,511	268,806,989	32.81%

**Legal Debt Margin Calculation for Fiscal Year 2020**

Total State Valuation	\$ 2,667,150,000
Debt Limitation: 15 % of State Valuation	400,072,500
Debt Applicable to Debt Limitation:	
General Obligation Bonds:	
Municipal	96,483,073
School	11,304,621
Sewer	20,223,960
Total debt applicable to limit	<u>128,011,654</u>
Legal Debt margin	<u>\$ 272,060,846</u>

Table 14

**CITY OF BANGOR, MAINE**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population *</b>	<b>Median Household Income*</b>	<b>Per Capita Income*</b>	<b>Median Age*</b>	<b>Public School Enrollment**</b>	<b>Unemployment Rate ***</b>
2011	33,039	38,775	25,344	36.7	3,830	7.30%
2012	33,000	34,993	25,344	37.5	3,819	7.50%
2013	32,963	37,707	24,945	36.8	3,875	6.30%
2014	32,673	35,107	23,791	36.5	3,810	5.20%
2015	32,568	36,272	23,977	35.9	3,765	4.00%
2016	32,391	36,272	23,977	35.9	3,780	3.80%
2017	31,985	35,674	23,928	35.4	3,759	3.60%
2018	31,903	37,987	25,318	35.7	3,715	3.30%
2019	31,997	40,071	27,115	37.0	3,707	2.80%
2020	32,098	42,115	30,245	37.6	3,701	7.00%

\* Source: U.S. Census.

\*\* Source: Bangor School Department.

\*\*\* Source: Maine Bureau of Labor Statistics.

**CITY OF BANGOR, MAINE**  
**Principal Employers**  
**Calendar Year and Nine Years Ago**

2020*				2011 <sup>1</sup>			
Employees	Employer	Location	Percentage of Total Employment <sup>2</sup>	Employees	Employer	Location	Percentage of Total Employment <sup>2</sup>
4001-4500	Eastern Maine Medical Center	Bangor	11.54%	1000-4000	Eastern Maine Medical Center	Bangor	6.93%
1501-2000	Northern Light Health	Throughout	4.75%	1000-4000	Bangor Mall	Bangor	6.93%
1001-1500	Hannaford Bros Co	Throughout	3.39%	1000-4000	University of Maine	Orono	6.93%
501-1000	City of Bangor	Bangor	3.00%	1000-4000	City of Bangor	Bangor	6.93%
501-1000	St. Joseph Hospital Inc	Bangor	2.04%	1000-4000	Hannaford Supermarkets	Throughout	6.93%
501-1000	Walmart/Sam's Club	Throughout	2.04%	500-999	Bangor Savings Bank	Bangor	2.08%
501-1000	Penobscot Community Health Care	Throughout	2.04%	500-999	Walmart	Bangor	2.08%
501-1000	Acadia Hospital	Bangor	2.04%	500-999	Microdyne	Orono	2.08%
501-1000	Husson University	Bangor	2.04%	500-999	Acadia Hospital	Bangor	2.08%
501-1000	Bangor Savings Bank	Throughout	2.04%	500-999	Verso Corp Paper Mill	Bucksport	2.08%
				500-999	St. Joseph Hospital	Bangor	2.08%
				500-999	Community Health & Counseling	Bangor	2.08%
				500-999	General Electric	Bangor	2.08%
			34.91%				51.28%

\* Source - State of Maine, Department of Labor.

<sup>1</sup> Source - Bangor, Maine Community & Economic Profile Report, Published by City of Bangor Community & Economic Development.

<sup>2</sup> Exact employee numbers are not available, percentage of total employment is based on median of employee range unless other information is available.

**CITY OF BANGOR, MAINE**  
**Full-time Equivalent City Government Employees by Function\***  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General government	100	99	97	92	103	104	107	103	102	93
Public safety										
Police	97	96	96	96	93	91	94	95	93	98
Fire	95	95	95	91	87	90	89	88	94	95
Health, community services and recreation	47	49	48	46	41	34	36	47	40	38
Public building and services	81	78	78	76	63	62	61	71	72	70
Education	610	580	580	568	578	570	580	590	590	595
Sewer utility	21	24	24	24	24	27	27	26	26	22
Airport	87	88	93	77	85	106	107	109	95	92
Park woods	2	2	2	1	-	-	-	-	-	-
Parking	3	3	3	3	3	2	2	3	-	-
Bass park	7	6	5	-	-	-	-	-	-	-
Municipal golf course	8	8	8	8	8	8	8	8	3	3
<b>Totals</b>	<b>1,158</b>	<b>1,128</b>	<b>1,129</b>	<b>1,082</b>	<b>1,085</b>	<b>1,094</b>	<b>1,111</b>	<b>1,140</b>	<b>1,115</b>	<b>1,106</b>

\* Source - City of Bangor Human Resource Department, excludes temporary, seasonal and on-call employees.

Table 17

**CITY OF BANGOR, MAINE**  
**Operating Indicators by Function\***  
**Last Ten Calendar Years**

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Code enforcement										
Building permits	518	405	453	433	454	517	571	676	675	516
Certificates of occupancy	448	350	361	395	452	630	609	729	750	594
Sign permits	96	70	69	82	83	86	89	90	70	94
Electrical**	-	-	-	-	-	607	739	770	781	745
Police										
Calls for service	30,167	31,640	33,740	36,153	36,967	38,347	38,505	35,768	35,363	34,650
Fire										
Calls for service	8,000	9,020	9,044	9,031	9,292	10,048	10,110	9,832	9,903	9,108
Sewer										
Treated flow (billions of gallons)	2.81	3.10	2.68	2.69	3.20	2.57	2.44	2.76	3.21	3.48
Biosolids (tons)	6,518	6,789	5,832	6,309	5,821	6,230	6,101	5,569	6,036	6,250

\* Source - City of Bangor Departmental records.

\*\* 2015 was the first year Electrical Permits started being tracked.

Table 18

**CITY OF BANGOR, MAINE**  
**Capital Asset Statistics by Function\***  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	54	50	48	43	50	57	57	60	55	55
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles	25	26	26	26	26	24	25	22	27	27
Public works										
Streets (miles)	429	431	431	431	431	432	432	432	432	360
Sidewalks (miles)	101.4	101.4	101.4	101.4	101.4	101.4	101.4	101.9	109.6	110.2
Parks and recreation										
Parks	29	29	29	29	29	29	29	29	29	29
Parks acreage	950	950	950	950	950	950	950	950	1227	1227
Public swimming pools	2	2	2	2	2	2	2	2	2	2
Public golf courses	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Indoor ice arena	1	1	1	1	1	1	1	1	1	1
Semi-pro baseball stadium	1	1	1	1	1	1	1	1	1	1
Sewer										
Treatment plants	1	1	1	1	1	1	1	1	1	1
Pump stations	5	5	5	5	5	5	5	5	5	5
Miles of sanitary sewers	103	103	103	103	103	103	103	103	101	101
Miles of combined sewers	44	44	47	49	49	49	49	49	43	44

\* Source - City of Bangor Departmental records.