

CITY OF BANGOR
MAINE

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR FISCAL YEAR JUNE 30, 2023



CITY OF BANGOR, MAINE

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

CITY OF BANGOR

Prepared by:

David Little, Finance Director

CITY OF BANGOR, MAINE
Annual Comprehensive Financial Report
Table of Contents
For the Fiscal Year Ended June 30, 2023

INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	I - 1
GFOA Certificate of Achievement	I - 6
Organizational Chart	I - 7
Elected Officials and Principal Administrative Officers	I - 8
 FINANCIAL SECTION	
Report of Independent Auditors	II - 1
Management’s Discussion and Analysis	II - 5
Basic Financial Statements:	<u>Exhibit</u>
Government-wide Financial Statements:	
Statement of Net Position	1 II - 20
Statement of Activities	2 II - 21
Fund Financial Statements:	
Balance Sheet - Governmental Funds	3 II - 22
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4 II - 23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5 II - 24
Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance - Budget and Actual - General Fund	6 II - 25
Statement of Net Position – Proprietary Funds	7 II - 26
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	8 II - 28
Statement of Cash Flows – Proprietary Funds	9 II - 29
Statement of Net Position – Fiduciary Funds	10 II - 31
Statement of Changes in Net Position – Fiduciary Funds	11 II - 32
Notes to the Financial Statements	II - 33
Required Supplementary Information	
Schedule of Changes in the Total City Health Plan OPEB Liability and Related Ratios	II - 73
Schedule of Changes in the Total School Health Plan OPEB Liability and Related Ratios	II - 74
Schedule of City’s Proportionate Share of the Net OPEB Liability	II - 75
Schedule of City’s OPEB Contributions	II - 76
Schedule of City’s Proportionate Share of the Net Pension Liability	II - 77

CITY OF BANGOR, MAINE
Table of Contents, Continued

	<u>Schedule</u>	<u>Page</u>
Required Supplementary Information (con't)		
Schedule of City's Net Pension Contributions		II - 78
Notes to Required Supplementary Information		II - 79
Combining and Individual Fund Financial Statements and Schedules:		
Balance Sheet – General Fund	A – 1	II - 81
Schedule of Revenues, Expenditures and Changes in Unassigned Fund Balance – Budget and Actual – Budgetary Basis – General Fund	A – 2	II - 82
Combining Balance Sheet – Nonmajor Governmental Funds	B – 1	II - 86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	B – 2	II - 87
Combining Balance Sheet – Nonmajor Special Revenue Funds	B – 3	II - 88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B – 4	II - 89
Combining Statement of Net Position – Nonmajor Proprietary Funds	C – 1	II - 90
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Proprietary Funds	C – 2	II - 92
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	C – 3	II - 93
Fiduciary Funds:		
Combining Statement of Net Position – Private Purpose Trusts	D – 1	II – 95
Combining Statement of Changes in Net Position – Private Purpose Trusts	D – 2	II – 96
Capital Assets Used in the Operation of Governmental Funds:		
Schedule of Changes by Function and Activity	E – 1	II - 97
Other Information:		
Assessed Valuation, Commitment and Collections	F – 1	II - 98
General Fund Unassigned Fund Balance Sufficiency Calculation	F – 2	II - 99

CITY OF BANGOR, MAINE
Table of Contents, Continued

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Financial Trends:		
Net Position by Component	1	III - 1
Changes in Net Position	2	III - 2
Governmental Activities Tax Revenues by Source	3	III - 5
Fund Balances of Governmental Funds	4	III - 6
Changes in Fund Balances of Governmental Funds	5	III - 7
Revenue Capacity:		
Assessed Value and Estimated Actual Value of Taxable Property	6	III - 8
Property Tax Rate – Direct and Overlapping Governments	7	III - 9
Principal Property Taxpayers	8	III - 10
Property Tax Levies and Collections	9	III - 11
Debt Capacity:		
Ratios of Outstanding Debt by Type	10	III - 12
Ratio of Net General Obligation Debt to Assessed Value and Net General Obligation Debt Per Capita	11	III - 13
Computation of Direct and Overlapping Debt	12	III - 14
Legal Debt Margin Information	13	III - 15
Demographic and Economic Information:		
Demographic and Economic Statistics	14	III - 16
Principal Employers	15	III - 17
Operating Information:		
Full-time Equivalent City Government Employees by Function	16	III - 18
Operating Indicators by Function	17	III - 19
Capital Asset Statistics by Function	18	III - 20

INTRODUCTORY SECTION



DEPARTMENT OF FINANCE

CITY OF BANGOR

DAVID W. LITTLE
DIRECTOR

July 22, 2024

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 annual comprehensive financial report for the fiscal year ended June 30, 2023 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.

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 approximately 2.3% of the State's population, Bangor's share of the State's retail sales is proportionally higher. In FY 2023, Bangor's retail taxable sales were \$1.8 billion, which represents 6.8% of total State retail taxable sales. Shifts in the retail market have created challenges in some of our large retail centers as the public has shifted to more online retail shopping. Some local centers have shifted and filled vacancies with non-retail tenants such as houses of worship, wellness centers or adventure playlands. With the reopening of the Canadian border and pandemic restrictions lifted, in-person retail shopping and attendance at live events appear to be returning to pre-pandemic levels. Whether those trends continue or are just a by-product reaction to the end of pandemic isolation remains to be seen.

Evidence of sustained growth can be measured by the change in 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 taxable assessed valuations had continued to show moderate increases annually, the increased demand on the housing market resulted in a 12.3% increase in Fiscal Year 2023 followed by a 11.3% increase in Fiscal Year 2024. The overall taxable valuation amount is impacted by property tax exemptions created or expanded by the State of Maine (\$280.0 million in fiscal year 2024). This growth, however, is primarily on the residential housing side as personal property enrolled in the Business Equipment Tax Exempt program (BETE)

dropped for the second straight year; \$9.8 million in Fiscal Year 2023 and \$14.6 million in Fiscal Year 2024 reflecting the business closures due to the pandemic that have failed to reopen or the inability or reluctance to invest in new equipment.

With increases in State-funded revenue sharing and aid to education, plus continued Federal pandemic relief funding the City was able to lower the property tax rate by 3.9% for Fiscal Year 2022, another 8.5% for Fiscal Year 2023, and another 6.1% in Fiscal Year 2024. Unfortunately, the disproportionate rise in residential value versus the decline in commercial value resulted in a 9.9% increase to the average residential homeowner's tax bill for Fiscal Year 2024.

While the COVID pandemic may never truly be over, the removal of restrictions, the availability of vaccines, and low community transmissions have opened the door for consumers to resume a "normal" way of life. This has been evidenced particularly at the Bangor International Airport where air travel passengers have steadily increased to pre-pandemic numbers.

One significant negative impact from the pandemic which has continued to impact the City is a labor shortage. Like other communities, the City has struggled with unfilled vacant positions and a lack of qualified applicants. The work-from-home paradigm was instrumental for businesses to survive during the pandemic but a majority of employees wish to continue this model and have no desire to return to the office work environment. For businesses like the City, which can only provide the service the public expects with front line, hands-on employees, the labor shortage has resulted in multiple long-term vacancies which continue to place a strain on the existing workforce.

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:

- \$1.9 million invested in streets, sidewalks, traffic control, and other infrastructure;
- \$10.7 million invested in upgrades to school facilities;
- \$1.1 million invested in the replacement of municipal public transportation vehicles;
- \$1.1 million invested in the construction of a new public transportation transit hub;
- \$1.5 million invested in the plant and pump station upgrades, sewer replacements and separation projects; and
- \$2.5 million invested in airport infrastructure and equipment.

The City Council has identified several goals for the coming year which includes continuation of prior year goals that due to their nature may span several years. The overarching goal being to positively impact our community by addressing quality of life issues and housing opportunities.

- Housing opportunities;
- Homelessness;

- Economic Development;
- City Comprehensive Plan; and
- American Recovery Plan Act funding.

Finally, the City continues to identify 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, 2023 was 16.84% of expenditures, net of debt service. While slightly above the maximum percentage threshold, the City’s Fiscal Year 2024 budget included using unassigned fund balance to fund certain one-time projects such as a City-Wide property tax revaluation. As such, no additional funding of assigned fund balances from unassigned fund balance occurred for Fiscal Year 2023.

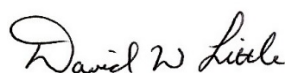
Awards and Acknowledgements. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bangor for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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,



David Little
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bangor
Maine**

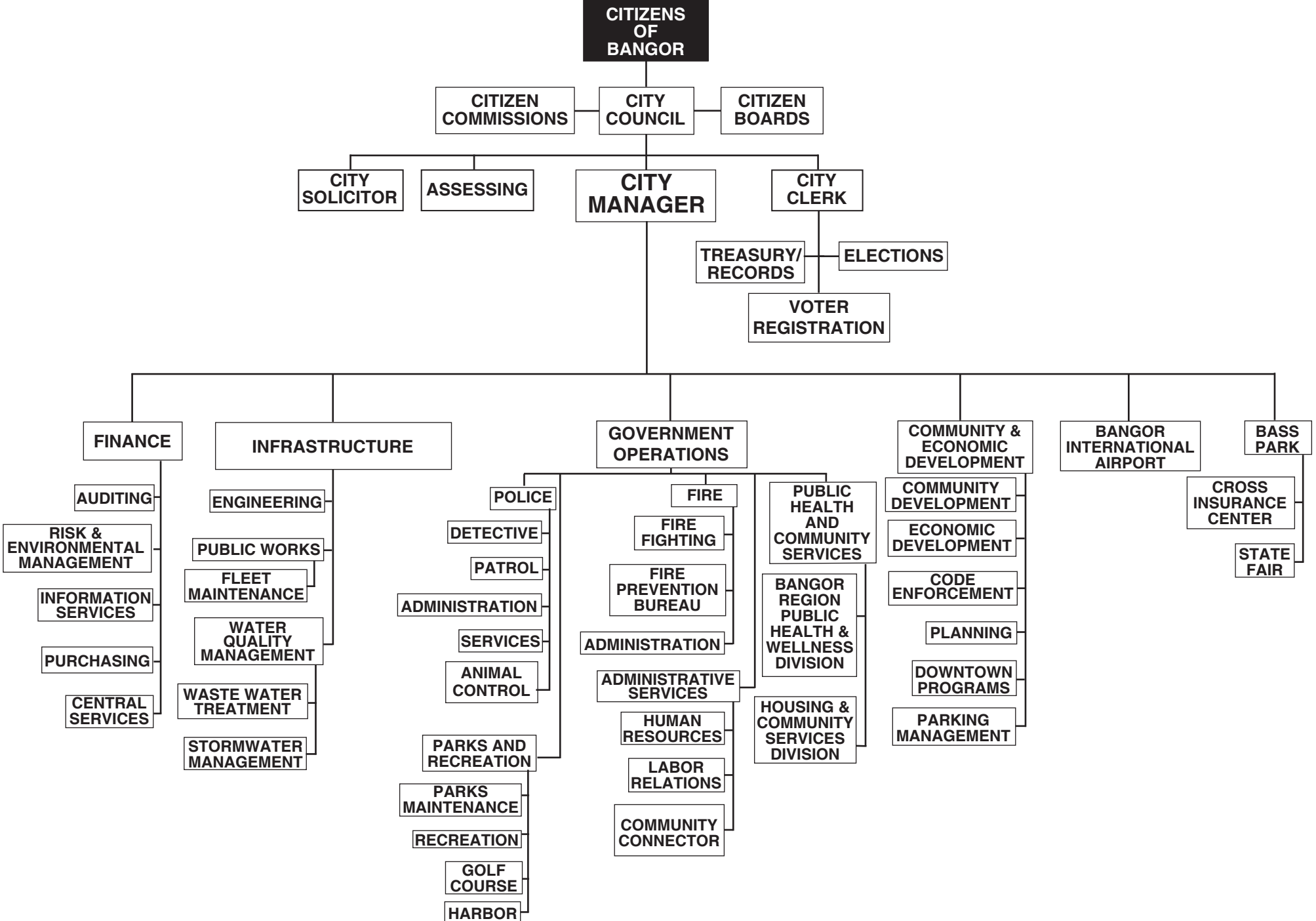
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF BANGOR ORGANIZATIONAL CHART Revised (3/2024)



**City of Bangor, Maine
Elected Officials and Principal Administrative Officers
June 30, 2023**

City Council

Richard Fournier, Chair

Clare Davitt
Joseph Leonard
Gretchen Schaefer
Daniel Tremble

Susan Hawes
Cara Pelletier
Jonathan Sprague
Dina Yacoubagha

City Staff

Deborah Laurie, City Manager
Philip Drew, City Assessor
Lisa Goodwin, City Clerk
David Szewczyk, City Solicitor

School Committee

Marwa Hassanien, Chair

Timothy Surette, Vice Chair
Sara Luciano
Susan Sorg

Imke Jandreau
Clare Mundell
Ben Sprague

School Staff

James Tager, Superintendent of Schools

FINANCIAL SECTION

Independent Auditor's Report

City Council
City of Bangor, Maine:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bangor, Maine, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison information for the General Fund thereon for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

City Council
City of Bangor, Maine

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2024, 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.



July 22, 2024
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, 2023. 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 \$295 million (net position).
- At the close of fiscal year 2023, the City of Bangor's governmental funds reported combined ending fund balances of \$55.1 million, an increase of \$2.7 million from the prior year balance of \$52.4 million. The Capital Projects Fund fund balance decreased by \$2.2 million, as projects that were previously funded were completed. The General Fund fund balance increased by \$2.3 million. Municipal General Fund actual revenues exceeded the adopted budget primarily due to an increase in revenue sharing monies due to an uptick in consumer spending and an increase in motor vehicle excise taxes. Municipal expenditures were also below estimates as federal programs continued to mitigate anticipated general assistance needs, and lower personnel related costs due to extended vacancies and less overtime. The decrease in the General Fund restricted fund balance is related to education capital projects. The increase in the Arena Fund committed fund balance is related to the number of scheduled events since reopening after closing due to the pandemic. The increase in the Arena Fund assigned fund balance is related to interest earnings. The increase in the Grant Fund restricted fund balance is related to amounts received from the National Opioid Settlement. All other governmental fund fund balances remained relatively unchanged from prior year amounts. Approximately 74.5% of the total amount, or \$41.1 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 \$19.9 million, or 16.84% of the general fund expenditure base. While slightly above the maximum percentage threshold, the City's Fiscal Year 2024 budget included using unassigned fund balance to fund certain one-time projects such as a City-Wide property tax revaluation. As such, no additional funding of assigned fund balances from unassigned fund balance occurred for Fiscal Year 2023. 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 have increased by \$8.1 million and business-type activities decreased by \$6.0 million. The increase in governmental activities is related to the receipt of the second tranche of American Rescue Plan Act funding of \$10.2 million and an increase of .4 million in workers comp liability, net of a \$3.2 million decrease in general obligation debt. For business-type activities, accounts payable and other liabilities decreased \$5.5 million due to the timing of payments to vendors and principal payments exceeding additions to debt from general obligation bonds.

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-20 to II-21 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 eleven 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, ARPA Fund, and Capital Projects Fund, all 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			
	2023	2022*	2023	2022	2023	2022
Current & other assets*	\$ 88,123,213	\$ 75,708,485	\$ 90,373,510	\$ 81,600,993	\$ 178,496,723	\$ 157,309,478
Capital assets, net of						
accumulated depreciation	106,246,488	97,819,143	233,900,906	240,243,976	340,147,394	338,063,119
Total assets	194,369,701	173,527,628	324,274,416	321,844,969	518,644,117	495,372,597
Total deferred outflows of resources	8,328,817	7,652,217	1,173,201	1,363,508	9,502,018	9,015,725
Long-term liabilities	71,505,810	66,788,888	87,945,063	93,278,961	159,450,873	160,067,849
Other liabilities	29,607,606	19,903,759	4,725,122	4,915,527	34,332,728	24,819,286
Total liabilities	101,113,416	86,692,647	92,670,185	98,194,488	193,783,601	184,887,135
Total deferred inflows of resources	3,773,870	10,133,597	35,359,727	35,860,459	39,133,597	45,994,056
Net position:						
Net investment in capital assets	88,093,083	79,528,327	155,188,758	156,732,386	243,281,841	236,260,713
Restricted*	10,928,015	13,286,057	-	-	10,928,015	13,286,057
Unrestricted	(1,209,866)	(8,460,783)	42,228,947	32,421,144	41,019,081	23,960,361
Total net position*	\$ 97,811,232	\$ 84,353,601	\$ 197,417,705	\$ 189,153,530	\$ 295,228,937	\$ 273,507,131

* Restated for 2022 - 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 \$41 million, the governmental activities deficit of \$1.2 million is offset by the business type activities balance of \$42.2 million. The governmental activities deficit is primarily due to \$8.6 million in outstanding pension obligation bonds.

Governmental activities net position increased \$13.5 million. The major components associated with the increase in governmental activities net position are due to revenue receipts in excess of estimates for state revenue sharing of \$800 thousand and federal education funding of \$5.6 million, the funding of capital asset acquisition with current year revenues in the amount of \$1.5 million, as well as expenses being below estimates in the areas of general government, public safety, health and recreation and public services, due to savings realized related to vacancies and fewer services required.

Business-type net position increased \$8.3 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

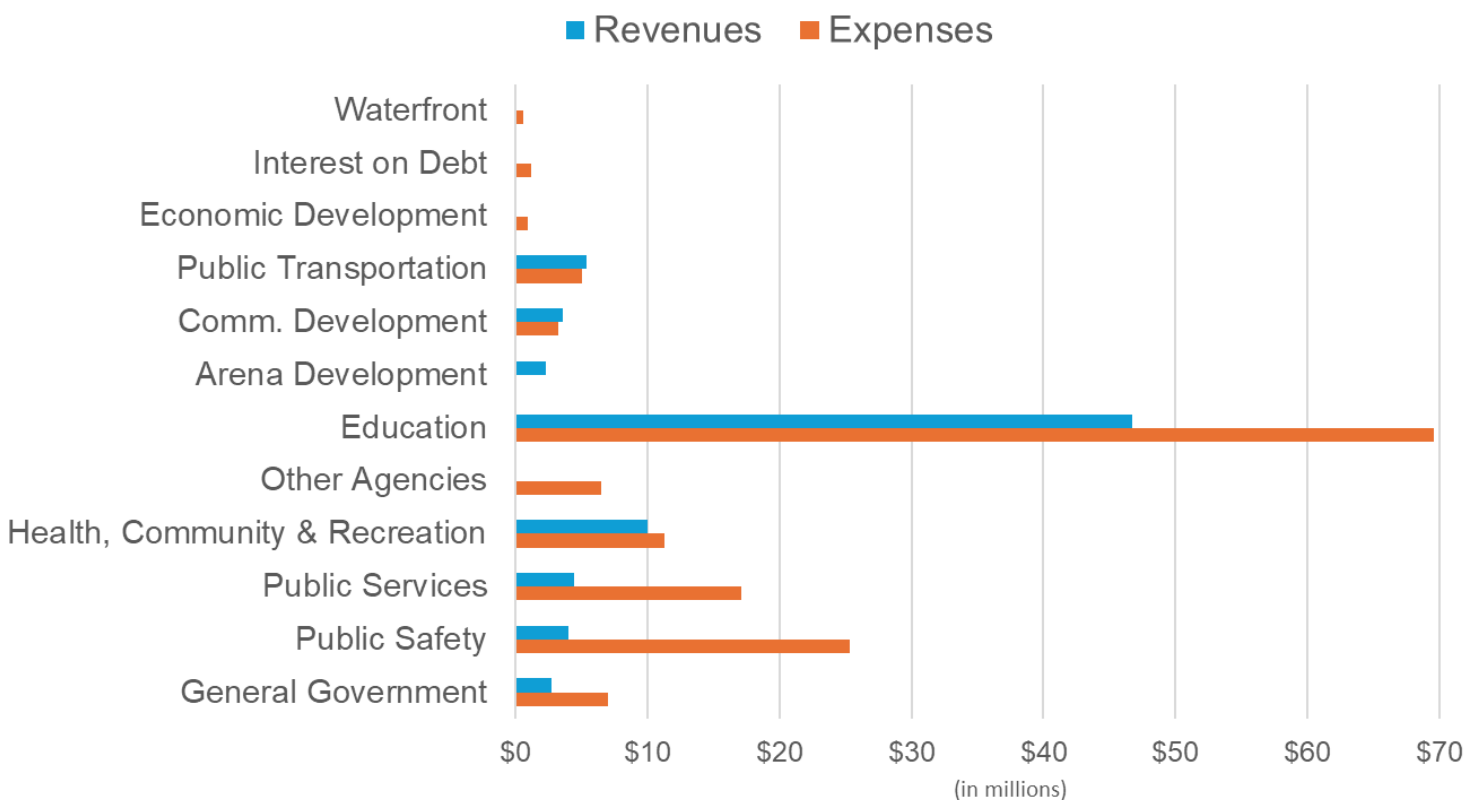
The following is a condensed version of the Statement of Activities.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for services	\$ 15,926,490	\$ 15,526,682	\$ 42,052,814	\$ 40,034,561	\$ 57,979,304	\$ 55,561,243
Operating grants & contributions	56,186,393	47,685,520	-	96,949	56,186,393	47,782,469
Capital grants & contributions	7,206,563	4,441,328	6,812,317	11,200,581	14,018,880	15,641,909
General Revenues						
Property and other taxes	68,765,943	67,096,508	1,500,000	1,500,000	70,265,943	68,596,508
Grants and contributions not restricted to specific programs	13,376,774	12,403,157	-	-	13,376,774	12,403,157
Other	567,311	630,752	2,241,652	868,944	2,808,963	1,499,696
Total Revenues	162,029,474	147,783,947	52,606,783	53,701,035	214,636,257	201,484,982
Expenses						
General government	6,968,910	7,169,318	-	-	6,968,910	7,169,318
Public safety	25,318,142	22,522,905	-	-	25,318,142	22,522,905
Health, community and recreation	11,249,414	10,399,860	-	-	11,249,414	10,399,860
Public services	16,970,966	14,751,669	-	-	16,970,966	14,751,669
Other agencies	6,471,475	5,858,590	-	-	6,471,475	5,858,590
Education	69,626,415	62,213,075	-	-	69,626,415	62,213,075
Arena development	24,561	41,392	-	-	24,561	41,392
Community development	3,201,986	1,075,622	-	-	3,201,986	1,075,622
Waterfront	637,458	365,646	-	-	637,458	365,646
Public transportation	4,968,495	4,722,571	-	-	4,968,495	4,722,571
Interest on debt	1,183,124	1,446,538	-	-	1,183,124	1,446,538
Economic development (tif)	895,441	805,709	-	-	895,441	805,709
Sewer Utility	-	-	9,397,725	6,046,487	9,397,725	6,046,487
Airport	-	-	26,575,635	27,075,053	26,575,635	27,075,053
Stormwater Utility	-	-	673,117	1,034,338	673,117	1,034,338
Parking	-	-	948,901	808,576	948,901	808,576
Bass Park	-	-	7,017,195	6,120,833	7,017,195	6,120,833
Municipal Golf Course	-	-	852,723	742,269	852,723	742,269
Economic Development	-	-	351,568	374,791	351,568	374,791
Total Expenses	147,516,387	131,372,895	45,816,864	42,202,347	193,333,251	173,575,242
Excess (deficiency) before transfers	14,513,087	16,411,052	6,789,919	11,498,688	21,303,006	27,909,740
Gain (loss) on disposition of asset	188,478	-	230,322	5,669	418,800	5,669
Transfers	(1,243,934)	(1,252,608)	1,243,934	1,252,608	-	-
Change in net position	13,457,631	15,158,444	8,264,175	12,756,965	21,721,806	27,915,409
Beginning net position	84,353,601	67,197,746	189,153,530	176,396,565	273,507,131	243,594,311
Restatement - Note G	-	1,997,411	-	-	-	1,997,411
Ending net position	\$ 97,811,232	\$ 84,353,601	\$ 197,417,705	\$ 189,153,530	\$ 295,228,937	\$ 273,507,131

Governmental Activities

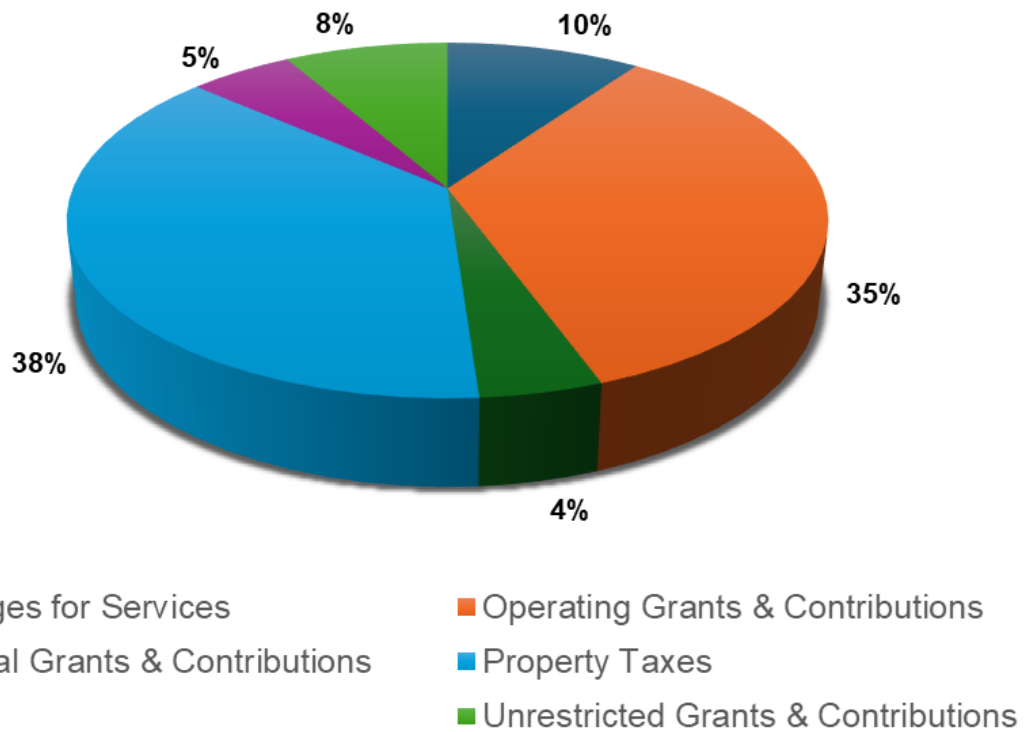
The cost of all governmental activities was \$147.5 million. As shown on the Statement of Activities, the total amount financed by the property tax was \$61.0 million, or 41.4% of expenses. Those who directly benefit from an activity provided \$15.9 million in payments. Other governments and organizations subsidized certain activities with operating grants and contributions in the amount of \$56.2 million. Capital grants and contributions accounted for \$7.2 million. The City also received \$21.9 million in other general revenues such as state revenue sharing, motor vehicle and boat excise taxes, reimbursement for homestead exemptions, and interest earnings.

Expenses and Program Revenues - Governmental Activities



Total governmental activities expenses increased \$16.1 million or 12.3% over prior year levels. The majority of the increase, \$7.4 million or 45.4% was related to increased School expenses related primarily to capital projects. Public Safety, Public Services and Community Development also has increases of \$2.8, \$2.2, and \$2.1 million respectively. Public Safety's increase was primarily related to a change in the Maine Public Employee Retirement System liability and wage increases; the increase in Public Services was primarily related to capital projects and the Community Development increase was related to an increase in federal grant funding. Wage scale adjustments for the City non-union employees resulted in a 5% wage increase.

Revenues by Source - Governmental Activities



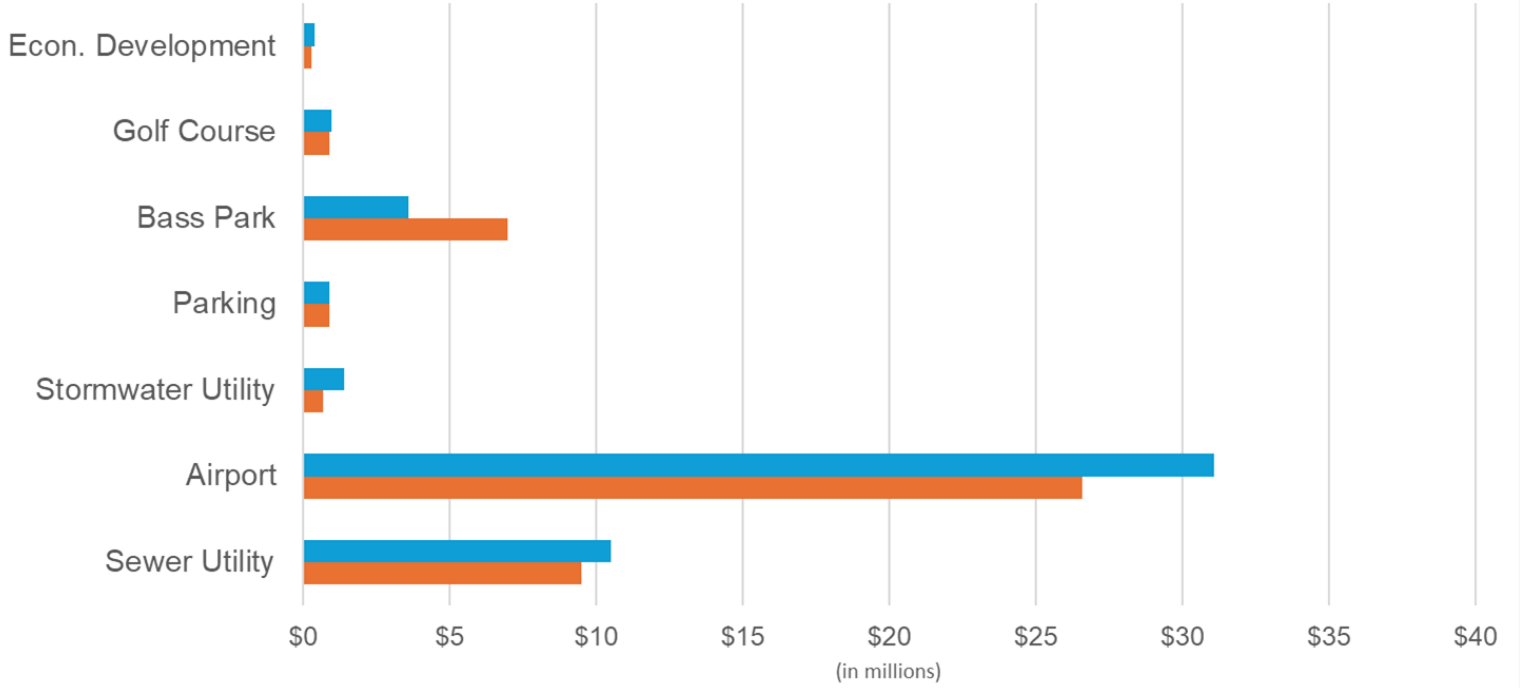
Total governmental activities' revenues increased \$14.2 million over the prior year total of \$147.8 million, excluding any gains or losses on the disposition of assets and transfers. The largest single source of revenue continues to be the property and other taxes, which increased \$1.7 million. Charges for services remained relatively unchanged. Operating grants and contributions increased \$8.5 million. Capital grants and contributions increased \$2.8 million. Unrestricted grants and contributions increased \$1 million as a result of increased revenue sharing receipts related to an increase in consumer spending.

Business-type Activities

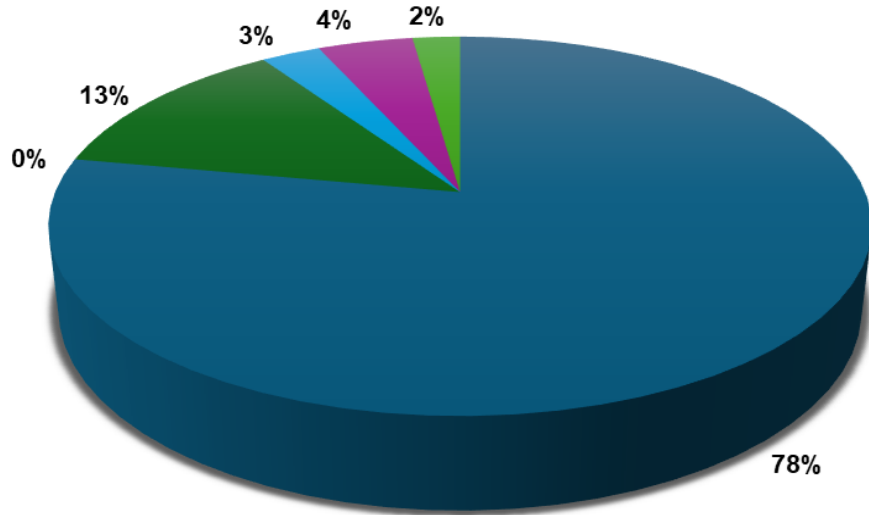
Total business-type activities expenses increased \$3.6 million or 8.6%. The increase was primarily related to increases in supply and contractual services costs and non-capitalized projects.

Expenses and Program Revenues - Business-Type Activities

■ Revenues ■ Expenses



Revenues by Source - Business-Type Activities



■ Charges for Services	■ Operating Grants & Contributions
■ Capital Grants & Contributions	■ Property Taxes
■ Other	■ Transfers

In total, business-type activities revenue decreased \$1.1 million or 2.0% compared to the prior year total of \$53.7 million, excluding gains or losses on the disposition of assets and transfers. Charges for services revenue increased \$2.0 million, split between the Sewer Utility and Bass Park, both of which realized increases in revenue due to an increase in the sewer rate and an increase in small venue events as consumer confidence increased from pandemic restrictions. This increase was supplemented by a \$1.4 million increase in investment earnings and offset by a combined \$4.5 million decrease in operating and capital grants and 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.

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 \$55.1 million, an increase of \$2.7 million over the prior year balance. During the year, the Capital Projects funds expended funding received in prior years, which resulted in a decrease in its fund balance of \$2.2 million. The General Fund fund balance increased \$2.3 million. The increase in unassigned fund balance was due to underestimating revenues specifically State revenue sharing and excise tax, as well as lower municipal expenditures due to lower personnel costs (vacancies, reduced overtime, etc). Restricted fund balance decreased \$1.4 million related to School capital project costs. Of the combined ending balance of \$55.1 million, approximately 74.5% (\$41.1 million) is either committed, assigned or unassigned and \$10.5 million, or 19.1%, 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 \$43.7 million, a \$2.3 million increase from the prior year's balance of \$41.4 million. The increase is primarily a factor of increased revenue sharing from the State of Maine and excise tax as well as reduced expenses due to vacancies and a reduction in overtime.

The Capital Projects Fund can vary significantly from year to year depending upon City Council priorities and available funding opportunities. Total expenditures increased \$886 thousand over the prior year. Significant expenditures in FY 2023 included \$6.1 million for streets/sidewalks

and other infrastructure, \$2.3 million for public transportation, and \$5.8 million in school facilities.

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 \$8.3 million to \$197.4 million. The Sewer Utility fund net position increased \$1.1 million due to annual rate increases to keep pace with inflation and in advance of the permanent financing of significant capital investments. The Airport Fund net position increased \$6.5 million mainly due to \$6.7 million in capital grant funding.

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 \$4.9 million. The net impact of additional amendments were minimal. The City's revenue budget estimates did not anticipate the State of Maine's efforts to return revenue sharing to statutory levels or the level of aid to education resulting in underestimating revenues by \$4.5 million. Municipal expenditures were under budget by 5.0%, or \$6.6 million, due to the availability of federal programs to cover certain costs, as well as lower personnel costs related to vacancies and less overtime. Education expenditures were under budget by \$2.1 million or 3.2%, which was due to the continued Federal and State support for education. By statute, education balances must be segregated from municipal balances.

Capital Asset and Debt Administration

Capital assets. As of June 30, 2023, the City of Bangor's investment in capital assets for its governmental and business-type activities amounted to \$340.1 million (net of accumulated depreciation and amortization), an increase of \$2.1 million over the prior year. This investment includes land, buildings, machinery and equipment, roads, runways, and sewer lines as well as right to use leased assets. Depreciation and amortization expense of \$17.7 million was less than the City's investment in capital assets for the current fiscal year of \$19.9 million. Governmental activities invested \$14.6 million, and business-type activities invested \$5.4 million and depreciation and amortization expense was \$6.1 million and \$11.6 million, respectively.

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

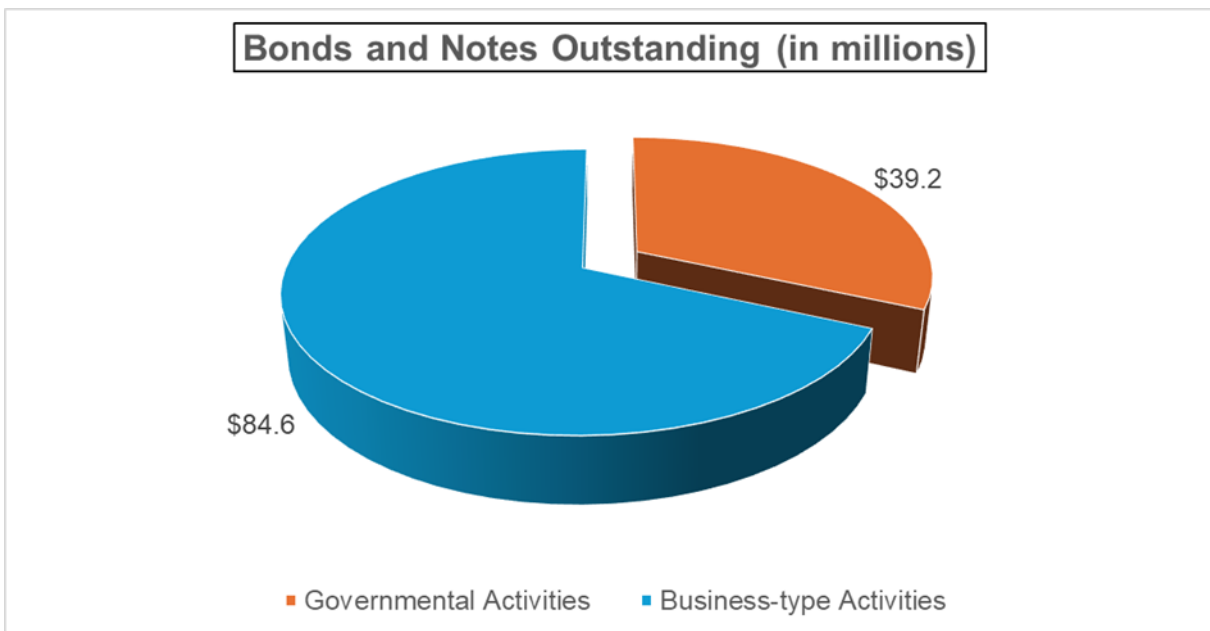
- The City continues to invest in its core functions of infrastructure, vehicles and equipment replacements. This year the City invested \$522 thousand in streets, sidewalks, traffic control and other infrastructure, as well as \$7.9 million in school facilities, and \$3.1 million in municipal equipment and vehicle replacement.
- The Airport Fund invested \$5.5 million in operational assets at Bangor International Airport. Investments included runway and building improvements as well as equipment and vehicles.
- The Sewer Fund invested \$1.6 million in plant and pump station upgrades, sewer replacement and separation projects.

Capital Assets (net of depreciation)

	Governmental Activities	Business-type Activities
Land and improvements	\$ 11,663,433	\$ 4,123,720
Buildings and improvements	48,082,911	47,206,590
Machinery and equipment	4,278,870	4,745,106
Vehicles	13,532,781	-
Infrastructure	16,462,227	57,931,898
Parking structures	-	622,914
Aircraft operational assets	-	83,657,819
Construction in process	12,226,266	35,504,937
Right to use leased assets	-	107,922
Total	\$106,246,488	\$233,900,906

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 \$123.8 million, a decrease of \$8.6 million 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 \$464.1 million, which is significantly in excess of existing general obligation debt of \$123.8 million.

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

Federal Relief Funding

Over the past three years the City has received significant amounts of federal relief funding to support operations of the public transit system, airport, convention/event center as well as Community Development Block Grant funds to support local businesses and nonprofits. These monies helped mitigate the impact of the pandemic on the local taxpayers. In addition, the City was designated as an entitlement community for the historic American Rescue Plan Act funding with the second tranche of funding being received during Fiscal Year 2023. The City Council and staff continue to work with local stakeholders to determine how these funds can be best utilized to address specific crises such as homelessness and substance abuse as well as make strategic investments in our community and operations.

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. While Fiscal Year 2022 saw several key positions such as the City Manager, Finance Director and Tax Collector be filled by shifting of existing personnel, other key positions such as the Deputy Finance Director, Purchasing Coordinator, and Assistant City Solicitor remained empty. Those positions and others continued to be difficult to fill due to a reduction in qualified candidates resulting in staff performing multiple functions to ensure completion of daily tasks. During the second half of Fiscal Year 2023 the Deputy Finance Director and Purchasing Coordinator were filled with the Assistant City Solicitor being filled in early Fiscal Year 2024. The primary goals of the City Council remain relatively unchanged, focusing on housing, homelessness, economic development including the completion of the City Comprehensive Plan and utilization of the American Rescue Plan Act funding. City Council, in conjunction with City staff will identify priorities for each agreed upon goal in early 2024.

Ongoing Initiatives

Public Transit. As a result of continued Federal and State grant funding awarded to the City, the system opened a new transit center during Fiscal Year 2023. The center operates as a hub for riders and staff. City staff and community partners also continued work on the stop project, which will transition the operation to fixed stops. That transition is expected to be complete late Fiscal Year 2024. The operation and management of the system is continually reviewed by staff and its partners to ensure the best overall service to the local and surrounding communities.

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

During this process and working with the public and community partners it became clear that affordable housing, the primary focus of most housing discussions, was not the only housing need. In addition to affordable housing for low to moderate income families, there is also a growing need for workforce housing and transitional housing for individuals experiencing homelessness or substance use disorder.

The City and its partners continually monitor the situation and look for opportunities to address the housing shortage through joint efforts, the City's comprehensive plan, and strategic use of American Rescue Plan Act funding.

Homelessness. As a service center located within a large geographically rural area, Bangor is home to a number of agencies that provide services typically needed to support individuals experiencing homelessness. 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 and resources to individuals as well as organizations assisting persons experiencing homelessness, food insecurity, and other challenges. The collective goal being to move 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.

The pandemic further exacerbated the challenges for the population experiencing homelessness, creating acute service capacity issues within the existing system. The reopened and/or available service providers are not sufficient to support the entire region. In addition, the City continues to see individuals relocated to Bangor from more rural settings which adds to the already overburdened local service providers.

The State of Maine has chosen the Built for Zero model to address homelessness within our State. The City is an active participant in this collaborative approach that leverages a coaching and convening model with a team of experts working to end chronic homelessness.

Pandemic. During the past year, pandemic restrictions were essentially fully scaled back and customer confidence returned as evidenced by sales numbers returning to pre-pandemic levels, increases in air travel and capacity entertainment shows at the City's waterfront and convention center venues.

One impact of the pandemic which has been slow to recover is the so-called "great resignation". The City continued to see throughout the year a significant labor shortage and essential, hands-on frontline workers continued to be difficult to find. The pivoting and adapting to a remote work force that many businesses were forced to by the pandemic has become the sought after position. Business that require an in-person workforce like the City are unable to find qualified individuals to fill vacancies and continue to lose current staff to the work-from-home paradigm.

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. While the State of Maine Legislature has made significant strides to increase funding of revenue sharing and aid to education to statutorily required levels, the concern is whether or not this trend is sustainable absent federal relief funding.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate remains low and on par with State rates and well below national rates.
- While Bangor represents approximately 2.3% of the State's population, businesses within the City generate 6.8% of the State's retail sales tax.
- Residential properties valuations continued to increase at a high rate due to high demand and low interest rates.
- Bangor saw a decline in businesses reinvesting in personal property. While not subject to local taxation, the value of BETE property (net of depreciation) from Fiscal Year 2022 to Fiscal Year 2023 decreased \$8.0 million, or 4.6%, for a total of \$166.1 million.

The fiscal year 2024 budget reflects the City's historical results for these revenue sources and actual results to date appear to be on track with budgetary estimates. 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 2024, the City's taxable assessed value increased 11.3%. This increase is primarily the result of market-based adjustments as real estate home sales have been increasingly higher than current assessed values. Commercial sales and reinvestment did not keep pace with residential resulting in a shift to the homeowner. While the increased value along with state revenue sharing and aid to education resulted in the City's tax rate dropping for the third straight year; the average residential homeowner saw a 9.9% increase in their tax bill.

The City continues to look for opportunities to encourage commercial development as well as monitoring key revenue areas such as: 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 had resulted in several national chain store closures (i.e. Macy's, Sears) and the inability to find replacements focusing on retail. As such, the malls have replaced retail tenants with a variety of occupants ranging from houses of worship, wellness centers and adventure playlands. With the reopening of the Canadian border and pandemic restrictions lifted, in-person retail shopping and attendance at live events appear to be returning to pre-pandemic levels. In addition, air travel has seen a steady increase in passenger numbers. The City will continue to monitor these trends and their impact on the local economy. Particularly if they appear to be a return to "normal" or just an isolated bump in reaction to the end of pandemic restrictions.

Not unlike other labor markets, the City and region continues to face a mismatch between workforce skills and available employment opportunities. As wages and fringe benefits make up over 61% of the total expenditure budget, the labor shortage and wage compression noted above will likely have a continued impact on future budgets.

This year the City completed its work on a \$31.5 million sewer infrastructure project, the Davis Brook tank installation. This project involved 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 was 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).

The City also began an estimated \$8.5 million renovation of the City Hall building. The project includes remodeling the first floor, new heating and cooling to all floors, new boilers, and a new ADA compliant elevator. The project is expected to take 18 months to complete. The new layout on the first floor combines several departments to streamline the customer experience and increase efficiency. During the project, all staff will be relocated to a temporary offsite location.

The City's Airport Fund has also begun an estimated \$13.9 million terminal expansion project to provide additional post-security passenger space, amenities and boarding bridges. The funding for the project is from a BIL (Bipartisan Infrastructure Law) grant award.

While the State of Maine's 2024-2025 Biennial budget has been adopted, it is fairly common for the Legislature to enact supplemental budget provisions to the second year of the biennial budget. City and school staff, and elected officials will continue to closely monitor legislative actions and any proposed budget amendments that may negatively impact municipalities and 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.

BASIC FINANCIAL STATEMENTS



CITY OF BANGOR

CITY OF BANGOR, MAINE
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bangor Public Library
ASSETS				
Cash and cash equivalents	\$ 53,069,560	\$ 29,706,024	\$ 82,775,584	\$ 686,499
Investments	-	15,390,984	15,390,984	13,316,752
Receivables:				
Accounts (net of allowance of \$541,963 and \$201,218, respectively)	3,558,976	46,019,593	49,578,569	490
Intergovernmental	14,789,476	2,769,849	17,559,325	-
Taxes and liens - prior years	723,414	-	723,414	-
Taxes receivable - current year	1,474,387	-	1,474,387	-
Special assessments	30,130	-	30,130	-
Loans and notes	4,095,822	-	4,095,822	-
Internal balances	4,935,000	(4,935,000)	-	-
Inventories	1,034,938	747,987	1,782,925	-
Prepaid items	165,710	420,017	585,727	-
Other assets	4,245,800	254,056	4,499,856	5,549
Non-depreciable/amortized capital assets	17,289,934	39,233,905	56,523,839	-
Depreciable/amortized capital assets, net	88,956,554	194,667,001	283,623,555	10,063,607
Total assets	\$ 194,369,701	\$ 324,274,416	\$ 518,644,117	\$ 24,072,897
DEFERRED OUTFLOWS OF RESOURCES				
Net OPEB	\$ 2,834,399	\$ -	\$ 2,834,399	\$ -
Net pension	5,494,418	176,541	5,670,959	-
Deferred charge on refunding	-	996,660	996,660	-
Total deferred outflows of resources	\$ 8,328,817	\$ 1,173,201	\$ 9,502,018	\$ -
LIABILITIES				
Accounts payable and other current liabilities	\$ 5,398,776	\$ 2,813,818	\$ 8,212,594	\$ 238,378
Accrued wages and benefits payable	4,824,342	425,386	5,249,728	-
Unearned revenues	19,384,488	1,485,918	20,870,406	-
Noncurrent liabilities:				
Due within one year	8,094,599	5,832,079	13,926,678	2,148
Due in more than one year	63,411,211	82,112,984	145,524,195	61,060
Total liabilities	\$ 101,113,416	\$ 92,670,185	\$ 193,783,601	\$ 301,586
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues - assessments	\$ 30,130	\$ -	\$ 30,130	\$ -
Leases	-	35,039,655	35,039,655	-
OPEB	1,018,639	221,927	1,240,566	-
Net pension	2,725,101	98,145	2,823,246	-
Total deferred inflows of resources	\$ 3,773,870	\$ 35,359,727	\$ 39,133,597	\$ -
NET POSITION				
Net investment in capital assets	\$ 88,093,083	\$ 155,188,758	\$ 243,281,841	\$ 10,063,607
Restricted for:				
Nonexpendable trust principal	395,797	-	395,797	-
Expendable income	485,988	-	485,988	-
Grants and other balances	10,046,230	-	10,046,230	12,894,704
Unrestricted	(1,209,866)	42,228,947	41,019,081	813,000
Total net position	\$ 97,811,232	\$ 197,417,705	\$ 295,228,937	\$ 23,771,311

See accompanying notes to financial statements.

CITY OF BANGOR, MAINE
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position			Component Unit
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total	Bangor Public Library
					Governmental activities	Business-type activities		
Primary government								
Governmental activities:								
General government	\$ 6,968,910	\$ 2,735,337	\$ 9,800	\$ -	\$ (4,223,773)	\$ -	\$ (4,223,773)	\$ -
Public safety	25,318,142	3,440,629	170,792	429,745	(21,276,976)	-	(21,276,976)	-
Health, community services, and recreation	11,249,414	2,283,422	7,678,041	-	(1,287,951)	-	(1,287,951)	-
Public services	16,970,966	1,044,108	-	3,321,049	(12,605,809)	-	(12,605,809)	-
Other agencies	6,471,475	-	-	-	(6,471,475)	-	(6,471,475)	-
Education	69,626,415	5,396,545	38,907,870	2,429,303	(22,892,697)	-	(22,892,697)	-
Arena development	24,561	-	2,344,294	-	2,319,733	-	2,319,733	-
Community development	3,201,986	430,687	3,144,019	16,903	389,623	-	389,623	-
Waterfront	637,458	-	-	141,051	(496,407)	-	(496,407)	-
Public transportation	4,968,495	595,762	3,931,577	868,512	427,356	-	427,356	-
Economic development (TIF)	895,441	-	-	-	(895,441)	-	(895,441)	-
Interest on debt	1,183,124	-	-	-	(1,183,124)	-	(1,183,124)	-
Total governmental activities	147,516,387	15,926,490	56,186,393	7,206,563	(68,196,941)	-	(68,196,941)	-
Business-type activities:								
Sewer Utility	9,397,725	10,487,891	-	-	-	1,090,166	1,090,166	-
Airport	26,575,635	24,384,495	-	6,743,959	-	4,552,819	4,552,819	-
Stormwater Utility	673,117	1,276,283	-	68,358	-	671,524	671,524	-
Parking	948,901	907,344	-	-	-	(41,557)	(41,557)	-
Bass Park	7,017,195	3,636,172	-	-	-	(3,381,023)	(3,381,023)	-
Municipal Golf Course	852,723	972,740	-	-	-	120,017	120,017	-
Economic Development	351,568	387,889	-	-	-	36,321	36,321	-
Total business-type activities	45,816,864	42,052,814	-	6,812,317	-	3,048,267	3,048,267	-
Total primary government	\$ 193,333,251	\$ 57,979,304	\$ 56,186,393	\$ 14,018,880	(68,196,941)	3,048,267	(65,148,674)	-
Component unit								
Bangor Public Library	\$ 3,376,724	\$ 17,431	\$ 2,660,868	\$ -	-	-	-	\$ (698,425)
General revenues:								
Property taxes, levied for general purposes					61,034,847	1,500,000	62,534,847	-
Payment in lieu of taxes					339,413	-	339,413	-
Excise taxes					7,051,220	-	7,051,220	-
Franchise taxes					340,463	-	340,463	-
Grants and contributions not restricted to specific programs:								
Homestead/BETE exemption					4,011,602	-	4,011,602	-
Other State aid					43,388	-	43,388	-
State Revenue Sharing					9,321,784	-	9,321,784	-
Unrestricted investment earnings					567,311	2,241,652	2,808,963	1,126,339
Gain (loss) on sale of assets					188,478	230,322	418,800	-
Transfers					(1,243,934)	1,243,934	-	-
Total general revenues and transfers					81,654,572	5,215,908	86,870,480	1,126,339
Change in net position					13,457,631	8,264,175	21,721,806	427,914
Net position, beginning of year - Restated Note G					84,353,601	189,153,530	273,507,131	23,343,397
Net position, end of year					\$ 97,811,232	\$ 197,417,705	\$ 295,228,937	\$ 23,771,311

See accompanying notes to financial statements.

CITY OF BANGOR, MAINE
Balance Sheet
Governmental Funds
June 30, 2023

	General	Capital Projects Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 26,951,346	\$ 509	\$ 19,844,580	\$ 6,273,125	\$ 53,069,560
Receivables:					
Accounts (net of allowance of \$541,963)	1,109,022	-	-	2,449,954	3,558,976
Intergovernmental	9,814,150	4,079,569	-	895,757	14,789,476
Taxes	2,197,801	-	-	-	2,197,801
Special assessments	-	30,130	-	-	30,130
Loans and notes	-	-	-	4,095,822	4,095,822
Interfund	10,881,830	-	-	-	10,881,830
Inventory, at cost	1,034,938	-	-	-	1,034,938
Due from bond trustee	-	4,245,800	-	-	4,245,800
Prepaid items	165,714	-	-	-	165,714
Total assets	\$ 52,154,801	\$ 8,356,008	\$ 19,844,580	\$ 13,714,658	\$ 94,070,047
LIABILITIES					
Accounts payable	\$ 2,152,132	\$ 2,851,943	\$ -	\$ 147,803	\$ 5,151,878
Accrued wages and benefits payable	4,783,119	-	-	41,223	4,824,342
Interfund loans payable	-	5,000,000	-	946,830	5,946,830
Unearned revenues	-	41,633	19,291,126	51,729	19,384,488
Due to rehabilitation recipients	-	-	-	14,782	14,782
Total liabilities	6,935,251	7,893,576	19,291,126	1,202,367	35,322,320
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	1,513,514	-	-	-	1,513,514
Unavailable revenues - settlement funds	-	-	-	2,107,991	2,107,991
Unavailable revenues - special assessments	-	30,130	-	-	30,130
Total deferred inflows of resources	1,513,514	30,130	-	2,107,991	3,651,635
FUND BALANCES (Note J)					
Nonspendable	3,101,152	-	-	395,797	3,496,949
Restricted	3,759,898	-	-	6,772,320	10,532,218
Committed	520,823	-	-	3,236,183	3,757,006
Assigned	16,411,702	432,302	553,454	-	17,397,458
Unassigned	19,912,461	-	-	-	19,912,461
Total fund balances	43,706,036	432,302	553,454	10,404,300	55,096,092
Total liabilities, deferred inflows of resources and fund balances	\$ 52,154,801	\$ 8,356,008	\$ 19,844,580	\$ 13,714,658	

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.	106,246,488
Unavailable revenues - property taxes are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,513,514
Unavailable revenues - settlement funds through the National Opioids Settlement Fund, are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,107,991
Long-term liabilities, including bonds and notes payable \$39,166,581, accrued interest \$232,120, accrued compensated absences \$2,556,137, self insurance liability \$3,728,384, bond premium \$861,520, financed purchases \$114,765, and net pension \$4,055,626 and OPEB \$16,437,720 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.	(67,152,853)

Net position of governmental activities

\$ 97,811,232

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, 2023

	General	Capital Projects Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 66,428,742	\$ 2,347,683	\$ -	\$ -	\$ 68,776,425
Intergovernmental	53,143,941	4,456,704	1,187,171	12,487,695	71,275,511
Licenses and permits	781,092	-	-	-	781,092
Charges for services	13,228,920	-	-	595,762	13,824,682
Program income	-	-	-	429,687	429,687
Revenue from use of money and property	1,443,395	12,370	358,536	2,377,485	4,191,786
Other	22,154	48,475	-	391,053	461,682
Total revenues	135,048,244	6,865,232	1,545,707	16,281,682	159,740,865
Expenditures					
Current:					
General government	6,289,233	-	-	-	6,289,233
Public safety	23,367,057	-	-	-	23,367,057
Health, community services, and recreation	5,203,639	-	-	-	5,203,639
Public services	10,866,310	-	-	-	10,866,310
Other agencies	6,461,475	-	-	-	6,461,475
Education	67,964,471	-	-	-	67,964,471
Tax increment financing	895,441	-	-	-	895,441
Unclassified	65,343	-	-	-	65,343
Restricted grants	-	-	1,188,431	12,432,717	13,621,148
Capital outlay	1,501,181	18,074,850	-	-	19,576,031
Debt service	5,737,162	160,375	-	147,054	6,044,591
Total expenditures	128,351,312	18,235,225	1,188,431	12,579,771	160,354,739
Excess (deficiency) of revenues over (under) expenditures	6,696,932	(11,369,993)	357,276	3,701,911	(613,874)
Other financing sources (uses)					
General obligation bonds issued	-	1,880,040	-	-	1,880,040
Debt forgiveness	-	2,365,760	-	-	2,365,760
Designated fund balance	81,930	-	-	-	81,930
Sale of assets and miscellaneous	247,620	13,450	-	-	261,070
Transfers to other funds	(4,859,432)	(206,337)	-	(1,450,104)	(6,515,873)
Transfers from other funds	114,930	5,101,481	-	55,528	5,271,939
Total other financing sources (uses)	(4,414,952)	9,154,394	-	(1,394,576)	3,344,866
Net change in fund balances	2,281,980	(2,215,599)	357,276	2,307,335	2,730,992
Fund balances, beginning of year	41,424,056	2,647,901	196,178	8,096,965	52,365,100
Fund balances, end of year	\$ 43,706,036	\$ 432,302	\$ 553,454	\$ 10,404,300	\$ 55,096,092

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, 2023

Net change in fund balances - total governmental funds (from Exhibit 4)	\$	2,730,992
<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 \$14,598,426 exceeds loss on disposal of assets of \$102,100 and depreciation expense of \$6,068,981.</p>		
		8,427,345
<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 consisting of deferred taxes of (\$187,731) and opioid settlement funds of \$110,580</p>		
		(77,151)
<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. During the year the City amortized \$121,056 of bond premiums and received \$1,880,040 in bond proceeds. Repayments of bond, note and financed purchases principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. For the year, repayments were \$5,356,901.</p>		
		3,597,917
<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: decreases in accrued interest (\$57,040), and increases in net pension liability including deferred outflows and inflows (\$185,015), and increases in accrued compensated absences (\$138,801), and OPEB liability including deferred outflows and inflows of (\$506,640) and self insurance liability (\$448,056).</p>		
		(1,221,472)
Change in net position of governmental activities (see Exhibit 2)		\$ 13,457,631

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, 2023

	Budgeted amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Taxes	\$ 65,668,080	\$ 65,668,080	\$ 66,221,384	\$ 553,304
Intergovernmental	43,448,101	43,448,101	47,659,120	4,211,019
Licenses and permits	713,725	713,725	781,092	67,367
Charges for services:				
Municipal	8,346,799	8,346,799	7,779,214	(567,585)
School	5,239,577	5,239,577	5,396,545	156,968
Fines, forfeits and penalties	22,000	22,000	22,154	154
Revenue from use of money and property				
Municipal	1,090,300	1,090,300	1,204,888	114,588
Total revenues	124,528,582	124,528,582	129,064,397	4,535,815
Expenditures				
Current:				
General government	7,112,750	7,295,022	6,426,520	868,502
Public safety	24,028,675	24,104,190	23,719,783	384,407
Health, community services, and recreation	5,808,353	5,808,353	5,210,117	598,236
Public services	13,082,679	13,089,025	10,928,932	2,160,093
Other agencies	6,410,390	6,566,073	6,461,475	104,598
Education	61,945,107	66,452,382	64,348,230	2,104,152
Unclassified	868,361	868,361	895,441	(27,080)
Debt service	6,170,557	6,170,557	5,802,505	368,052
Total expenditures	125,426,872	130,353,963	123,793,003	6,560,960
Excess (deficiency) of revenues over (under) expenditures	(898,290)	(5,825,381)	5,271,394	11,096,775
Other financing sources (uses)				
Appropriation from restricted, committed, and assigned fund balances	1,560,889	1,560,889	81,930	(1,478,959)
Appropriation from unassigned fund balance	107,000	107,000	(595,000)	(702,000)
Sale of assets	31,000	31,000	68,092	37,092
Contributions	2,500	2,500	-	(2,500)
Insurance settlements	50,000	50,000	179,528	129,528
Transfers to other funds	(950,599)	(950,599)	(1,576,299)	(625,700)
Transfers from other funds	97,500	97,500	59,230	(38,270)
Total other financing sources (uses)	898,290	898,290	(1,782,519)	(2,680,809)
Net change in fund balances	\$ -	\$ (4,927,091)	3,488,875	\$ 8,415,966
Unassigned fund balance, beginning of year			16,349,655	
Changes in fund balance classification in accordance with GAAP				
Changes in balances carried			176,586	
Inventory and prepaids (GASB 54)			(102,655)	
Unassigned fund balance - City, end of year				\$ 19,912,461

See accompanying notes to financial statements.

CITY OF BANGOR, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2023

Business-type Activities - Enterprise Funds

	Sewer Utility Fund	Airport Fund	Bass Park Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 71,400	\$ 18,948,940	\$ 4,101,588	\$ 6,584,096	\$ 29,706,024
Investments	-	7,880,959	-	-	7,880,959
Accounts receivable	3,655,731	5,420,642	255,800	381,978	9,714,151
Lease receivable	-	2,345,607	-	263,778	2,609,385
Less allowance for uncollectible accounts	(45,000)	(156,218)	-	-	(201,218)
Accounts receivable (net of allowance)	3,610,731	7,610,031	255,800	645,756	12,122,318
Due from other governments	3,344	2,766,505	-	-	2,769,849
Inventories, at cost	-	700,764	47,223	-	747,987
Prepaid items	34,608	197,427	125,842	62,140	420,017
Total current assets	3,720,083	38,104,626	4,530,453	7,291,992	53,647,154
Noncurrent assets					
Capital assets:					
Land and improvements	683,865	-	579,157	5,008,359	6,271,381
Buildings and improvements	32,536,801	-	68,887,156	4,444,364	105,868,321
Machinery and equipment	11,572,037	-	2,208,451	678,202	14,458,690
Infrastructure	76,247,661	-	-	683,189	76,930,850
Aircraft operational assets	-	316,446,684	-	-	316,446,684
Parking structures	-	-	-	11,337,000	11,337,000
Construction in process	33,397,922	1,350,626	-	756,389	35,504,937
Total capital assets	154,438,286	317,797,310	71,674,764	22,907,503	566,817,863
Less accumulated depreciation	(54,603,509)	(232,788,865)	(29,577,212)	(16,055,293)	(333,024,879)
Net capital assets	99,834,777	85,008,445	42,097,552	6,852,210	233,792,984
Right to use lease assets, net of amortization	-	-	-	107,922	107,922
Investments	-	7,510,025	-	-	7,510,025
Lease receivable	-	32,194,362	-	1,702,913	33,897,275
Due from bond trustee	254,056	-	-	-	254,056
Total noncurrent assets	100,088,833	124,712,832	42,097,552	8,663,045	275,562,262
Total assets	\$ 103,808,916	\$ 162,817,458	\$ 46,628,005	\$ 15,955,037	\$ 329,209,416
DEFERRED OUTFLOWS OF RESOURCES					
Net pension	\$ 54,284	\$ 122,257	\$ -	\$ -	\$ 176,541
Deferred charge on refunding	-	225,932	770,728	-	996,660
Total deferred outflows of resources	\$ 54,284	\$ 348,189	\$ 770,728	\$ -	\$ 1,173,201

See accompanying notes to financial statements.

Continued on next page

CITY OF BANGOR, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2023

Business-type Activities - Enterprise Funds

	Sewer Utility Fund	Airport Fund	Bass Park Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
LIABILITIES					
Current liabilities					
Accounts payable	\$ 1,365,553	\$ 591,761	\$ 209,112	\$ 59,619	\$ 2,226,045
Accrued wages and benefits payable	34,773	143,038	233,636	13,939	425,386
Accrued interest	98,263	47,219	427,557	14,734	587,773
Workers' compensation	20,000	177,717	-	5,000	202,717
Interfund loans payable	3,235,000	-	1,700,000	-	4,935,000
General obligation debt payable	1,902,322	907,209	1,999,486	343,567	5,152,584
Financed purchases obligation payable	-	-	4,538	17,452	21,990
Accrued compensated absences	52,271	338,902	-	17,903	409,076
Lease liability	-	-	-	34,538	34,538
Unearned revenue	-	-	1,485,918	-	1,485,918
Other liabilities	6,157	-	5,017	-	11,174
Total current liabilities	6,714,339	2,205,846	6,065,264	506,752	15,492,201
Long-term liabilities					
General obligation debt payable	28,886,634	6,086,133	43,507,411	1,014,018	79,494,196
Financed purchases obligation payable	-	-	5,205	37,566	42,771
Accrued compensated absences	33,207	145,140	-	-	178,347
Lease liability	-	-	-	73,274	73,274
OPEB liability	412,026	1,246,691	-	81,507	1,740,224
Net pension liability	71,903	161,941	-	-	233,844
Other long-term liabilities	255,012	-	95,316	-	350,328
Total long-term liabilities	29,658,782	7,639,905	43,607,932	1,206,365	82,112,984
Total liabilities	\$ 36,373,121	\$ 9,845,751	\$ 49,673,196	\$ 1,713,117	\$ 97,605,185
DEFERRED INFLOWS OF RESOURCES					
Leases	\$ -	\$ 33,137,600	\$ -	\$ 1,902,055	\$ 35,039,655
Net OPEB	40,908	173,529	-	7,490	221,927
Net pension	30,178	67,967	-	-	98,145
Total deferred inflows of resources	\$ 71,086	\$ 33,379,096	\$ -	\$ 1,909,545	\$ 35,359,727
NET POSITION					
Net investment in capital assets	\$ 69,647,074	\$ 79,439,378	\$ 107,608	\$ 5,994,698	\$ 155,188,758
Unrestricted	(2,228,081)	40,501,422	(2,382,071)	6,337,677	42,228,947
Total net position	\$ 67,418,993	\$ 119,940,800	\$ (2,274,463)	\$ 12,332,375	\$ 197,417,705

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, 2023

Business-type Activities - Enterprise Funds

	Sewer Utility Fund	Airport Fund	Bass Park Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
Operating revenues					
Charges for services	\$ 10,487,891	\$ 24,384,495	\$ 3,636,172	\$ 3,544,256	\$ 42,052,814
Total operating revenues	10,487,891	24,384,495	3,636,172	3,544,256	42,052,814
Operating expenses					
Operating expenses other than depreciation	7,735,033	19,236,835	3,176,765	2,422,600	32,571,233
Depreciation	1,278,339	7,083,118	2,939,474	307,153	11,608,084
Amortization	-	-	-	35,974	35,974
Total operating expenses	9,013,372	26,319,953	6,116,239	2,765,727	44,215,291
Operating income (loss)	1,474,519	(1,935,458)	(2,480,067)	778,529	(2,162,477)
Nonoperating revenue (expenses)					
Interest income	68,562	1,965,046	-	208,044	2,241,652
Interest expense	(384,353)	(255,682)	(900,956)	(60,582)	(1,601,573)
Taxes (Downtown TIF)	-	-	1,500,000	-	1,500,000
Gain (loss) on sale of assets	17,329	-	-	212,993	230,322
Total nonoperating revenue (expenses)	(298,462)	1,709,364	599,044	360,455	2,370,401
Net income (loss) before grants/contributions and transfers	1,176,057	(226,094)	(1,881,023)	1,138,984	207,924
Grants/contributions received for capital assets	-	6,743,959	-	68,358	6,812,317
Transfers to other funds	(87,500)	(1,740)	-	(81,591)	(170,831)
Transfers from other funds	-	-	1,149,436	265,329	1,414,765
Change in net position	1,088,557	6,516,125	(731,587)	1,391,080	8,264,175
Net position, beginning of year	66,330,436	113,424,675	(1,542,876)	10,941,295	189,153,530
Net position, end of year	\$ 67,418,993	\$ 119,940,800	\$ (2,274,463)	\$ 12,332,375	\$ 197,417,705

See accompanying notes to financial statements.

CITY OF BANGOR, MAINE
Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2023
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	\$ 10,125,422	\$ 26,783,408	\$ 4,022,406	\$ 3,523,272	\$ 44,454,508
Cash paid to suppliers for goods and services	(5,196,540)	(10,028,727)	(3,374,025)	(1,916,738)	(20,516,030)
Cash paid to employees for services	(2,153,105)	(9,510,782)	-	(646,787)	(12,310,674)
Net cash provided by operating activities	2,775,777	7,243,899	648,381	959,747	11,627,804
Cash flows from noncapital financing activities					
Interfund loans (repayments)	1,200,000	-	-	-	1,200,000
Taxes (Downtown TIF)	-	-	1,500,000	-	1,500,000
Transfers in	-	-	1,149,436	191,738	1,341,174
Transfers out	(87,500)	(1,740)	-	(8,000)	(97,240)
Net cash provided by (used for) noncapital financing activities	1,112,500	(1,740)	2,649,436	183,738	3,943,934
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(1,589,357)	(3,672,758)	(41,750)	(524,383)	(5,828,248)
Premium received	-	-	(5,017)	-	(5,017)
Lease receivables	-	(447,588)	-	(33,495)	(481,083)
Principal paid on general obligation bonds/notes/financed purchases	(2,041,907)	(873,234)	(1,959,956)	(463,418)	(5,338,515)
Interest paid on general obligation bonds/notes/financed purchases	(432,304)	(241,371)	(897,889)	(66,533)	(1,638,097)
Principal paid on right to use leased assets	-	-	-	(33,209)	(33,209)
Proceeds from sale of property	29,579	-	-	374,293	403,872
Grant/contribution monies received for capital assets	-	6,010,352	-	68,358	6,078,710
Net cash provided by (used for) capital and related financing activities	(4,033,989)	775,401	(2,904,612)	(678,387)	(6,841,587)
Cash flows from investing activities					
Net sales (purchases) of investments	-	(350,637)	-	-	(350,637)
Interest on investments	68,562	1,965,046	-	208,044	2,241,652
Net cash provided by investing activities	68,562	1,614,409	-	208,044	1,891,015
Net increase in cash and cash equivalents	(77,150)	9,631,969	393,205	673,142	10,621,166
Cash and cash equivalents, beginning of year	148,550	9,316,971	3,708,383	5,910,954	19,084,858
Cash and cash equivalents, end of year	\$ 71,400	\$ 18,948,940	\$ 4,101,588	\$ 6,584,096	\$ 29,706,024

Schedule of noncash investing, capital and financing activities:

During the year, the Airport Fund had an unrealized loss in investments in the amount of \$149,380 and expended \$1,169,811 in capital asset acquisition costs to be reimbursed by Federal and State grants in a subsequent year.

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, 2023

	Sewer Utility Fund	Airport Fund	Bass Park Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 1,474,519	\$ (1,935,458)	\$ (2,480,067)	\$ 778,529	\$ (2,162,477)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	1,278,339	7,083,118	2,939,474	307,153	11,608,084
Amortization	-	-	-	35,974	35,974
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(362,470)	2,401,552	14,689	(20,984)	2,032,787
(Increase) decrease in inventories	-	(157,409)	(7,790)	-	(165,199)
(Increase) decrease in prepaid items	(34,608)	23,102	88,039	32,057	108,590
Increase (decrease) in accounts payable	409,796	(159,710)	(373,941)	(176,550)	(300,405)
Increase (decrease) in unearned revenue	-	-	371,545	-	371,545
Increase (decrease) in other liabilities	10,201	(11,296)	96,432	3,568	98,905
Total adjustments	1,301,258	9,179,357	3,128,448	181,218	13,790,281
Net cash provided by operating activities	\$ 2,775,777	\$ 7,243,899	\$ 648,381	\$ 959,747	\$ 11,627,804

See accompanying notes to financial statements.

Continued from previous page

CITY OF BANGOR, MAINE
Statement of Net Position
Fiduciary Funds
June 30, 2023

		Private Purpose Trust
<hr/>		
ASSETS		
Cash and cash equivalents	\$	109,587
Investments		2,054,618
Total assets	\$	2,164,205
<hr/>		
NET POSITION		
Restricted for individuals and organizations	\$	2,164,205
Total net position	\$	2,164,205
<hr/>		

CITY OF BANGOR, MAINE
Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2023

	Private Purpose Trust
<hr/>	
Additions:	
Contributions	\$ 77,687
Investment income	137,680
Total revenues	215,367
<hr/>	
Deductions:	
Payments to beneficiaries	\$ 89,188
Other expenses	12,077
Total expenditures	101,265
<hr/>	
Net increase (decrease) in net fiduciary position	114,102
<hr/>	
Net position, beginning of year	2,050,103
<hr/>	
Net position, end of year	\$ 2,164,205

See accompanying notes to financial statements.

INDEX OF NOTES TO THE FINANCIAL STATEMENTS

<u>Note</u>		<u>Page</u>
Summary of Significant Accounting Policies		
A	Reporting Entity	II – 33
B	Government-wide and Fund Financial Statements	II – 33
C	Measurement Focus, Basis of Accounting and Basis of Presentation	II – 34
D	Assets, Liabilities, Deferred Inflows/Outflows and Equity	II – 36
Stewardship, Compliance and Accountability		
A	Budgetary Information	II – 41
B	Reconciliation of Budgetary Basis Statements	II – 41
C	Excess of Expenditures Over Appropriations	II – 42
D	Restricted Assets	II – 42
Detailed Notes on All Funds		
A	Deposits and Investments	II – 42
B	Property Tax	II – 44
C	Capital Assets	II – 44
D	Interfund Transactions	II – 46
E	Due From Other Governments	II – 47
F	Leases	II – 47
G	Other Assets	II – 48
H	Unearned Revenue	II – 48
I	Long-Term Debt	II – 48
J	Fund Balances	II – 54
K	Net Position	II – 55
Other Information		
A	Risk Management	II – 55
B	Tax Increment Financing Districts	II – 56
C	Contingent Liabilities	II – 57
D	Retirement	II – 57
E	Other Postemployment Benefits (OPEB)	II – 63
F	Subsequent Events	II – 71
G	Restatement	II – 72
H	Public-Private, Public-Public Partnerships and Availability Payment Arrangements	II – 72

CITY OF BANGOR, MAINE
Notes to the Financial Statements
June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 are contingent upon which entities are financially dependent on the City.

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 64% of the operating financial support received by the Library during the year ended June 30, 2023. The City believes that the financial statements would be incomplete without the inclusion of the Library as a discreetly 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 December 31, 2020 (most recent data available) the City of Bangor's share of the Joint Venture's net position was \$2,414,050. 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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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.

The ARPA Fund accounts for recovery funds received under the United States Rescue Plan Act of 2021 to replace lost revenues and respond to the COVID-19 pandemic.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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:

Private purpose trust funds account for contributions received and scholarships awarded for Bangor High School graduates as well as funds set up for student loans in the name of Sophia Kirstein.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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. 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. The cost of inventories and prepaid items are recognized as expenditures/expenses when consumed or used rather than when purchased. Therefore, these items are offset by nonspendable fund balance accounts in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed; right-to-use leased assets are recorded that the present value of the future lease payments. 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, and right-to-use leased equipment of the primary government is depreciated/amortized using the straight-line method over the assets' estimated useful lives.

The range of useful lives used to compute depreciation/amortization on purchased, constructed or right-to-use leased assets 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. Deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods, and as such will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds reported deferred inflow of resources includes: unavailable revenue from property taxes, special assessments, and settlement funds. These amounts are considered unavailable and recognized as an inflow of resources (revenue) in the period that the amounts become available. The governmental activities and business-type 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. The business-type activities also have deferred outflows and inflows of resources related to debt refunding and leases; the deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the debt.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 asset or 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.

11. 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.

12. 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.

13. Leases

The City is the lessor for noncancellable leases of buildings, land and usable space recorded in the Airport Fund and the Economic Development Fund which are recognized as lease receivables and deferred inflows of resources in the proprietary and government-wide financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

- The City uses the incremental borrowing rate from the latest bond issue for the discount rate for leases unless the lease identifies a discount rate.
- The lease term includes the noncancellable period of the lease plus any allowed extensions if those extensions are expected to be exercised. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lease.

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

The City is also the lessee for non-cancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes equipment leases with an initial, individual cost of more than \$10,000. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses the incremental borrowing rate from the most recent bond issue for the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and options that the City is reasonably certain to exercise.

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

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

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

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 30th. Should the Council fail to adopt an operating budget on or before June 30th, 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 \$5,484,821. 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.

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:

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

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

Excess of revenues and other financing sources over expenditures and other financing uses (Budget)	\$ 3,488,875
Activity in assigned and committed fund balances	(564,933)
2023 encumbrances	1,781,401
2022 encumbrances paid	(2,416,538)
2022 encumbrances lapsed	(6,825)
Excess of revenues and other financing sources over expenditures and other uses (GAAP)	<u>\$ 2,281,980</u>

C. Excess of Expenditures Over Appropriations

The following General Fund appropriations were over-expended by the indicated dollar amounts; City Council \$2,595, Executive \$19,966, Assessing \$12,529, Parks and recreation \$61,896, Pensions and other fringe benefits \$13,389 and Tax increment financing payments \$27,080. 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.

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, 2023, none of the City's bank balance of \$84,206,230 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.

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

At June 30, 2023, the City had the following investments and maturities:

Investment types	Rating	Fair Value	Not Applicable	Maturity (years)		
				<1	1-5	6-10
Mutual Funds		\$ 3,807,234	\$ 3,807,234	\$ -	\$ -	\$ -
Municipal Bonds	AAA to AA	450,060	-	-	240,232	209,828
US Treasuries	AA	6,222,549	-	2,749,360	3,473,189	-
Corporate Bonds	AA - BBB	4,972,198	-	1,385,423	3,586,775	-
Common Stock		1,966,337	1,966,337	-	-	-
Certificate of Deposit		27,223	-	27,223	-	-
Totals		\$ 17,445,601	\$ 5,773,571	\$ 4,162,006	\$ 7,300,196	\$ 209,828

Investment types	Fair Value	Level 1	Level 2	Level 3
		Inputs	Inputs	Inputs
Mutual Funds	\$ 3,807,234	\$ 3,807,234	\$ -	\$ -
Municipal Bonds	450,060	450,060	-	-
US Treasuries	6,222,549	6,222,549	-	-
Corporate Bonds	4,972,198	4,972,198	-	-
Common Stock	1,966,337	1,966,337	-	-
Totals	\$ 17,418,378	\$ 17,418,378	\$ -	\$ -

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.

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. Of the total investments, \$2,054,618 including \$949,596 in common stock, are related to School Scholarship accounts and Revolving Loan accounts which are not subject to the City investment policy.

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, 2023, 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.

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

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 14, 2022, on the assessed value listed as of the prior April 1st 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 15, 2022 and March 15, 2023. Interest was charged at 4.00% 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.

C. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 5,063,668	\$ -	\$ -	\$ 5,063,668
Construction in process	11,070,938	10,664,690	9,509,362	12,226,266
Total capital assets not being depreciated/amortized	<u>16,134,606</u>	<u>10,664,690</u>	<u>9,509,362</u>	<u>17,289,934</u>
Capital assets, being depreciated/amortized:				
Land improvements	16,167,396	442,917	-	16,610,313
Buildings and improvements	80,386,929	8,811,351	-	89,198,280
Machinery and equipment	17,072,156	985,543	124,445	17,933,254
Vehicles	28,819,265	2,681,479	585,068	30,915,676
Infrastructure	31,096,314	521,808	-	31,618,122
Total capital assets being depreciated/amortized	<u>173,542,060</u>	<u>13,443,098</u>	<u>709,513</u>	<u>186,275,645</u>
Less accumulated depreciation/amortization for:				
Land improvements	(9,283,721)	(726,827)	-	(10,010,548)
Buildings and improvements	(39,150,346)	(1,965,023)	-	(41,115,369)
Machinery and equipment	(13,029,361)	(674,801)	(49,778)	(13,654,384)
Vehicles	(15,740,190)	(2,200,340)	(557,635)	(17,382,895)
Infrastructure	(14,653,905)	(501,990)	-	(15,155,895)
Total accumulated depreciation/amortization	<u>(91,857,523)</u>	<u>(6,068,981)</u>	<u>(607,413)</u>	<u>(97,319,091)</u>
Total capital assets being depreciated/amortized, net	<u>81,684,537</u>	<u>7,374,117</u>	<u>102,100</u>	<u>88,956,554</u>
Governmental activities capital assets, net	<u>\$ 97,819,143</u>	<u>\$ 18,038,807</u>	<u>\$ 9,611,462</u>	<u>\$ 106,246,488</u>

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Business-type activities:				
Capital assets, not being depreciated/amortized:				
Land	\$ 3,728,968	\$ -	\$ -	\$ 3,728,968
Construction in process	42,051,028	3,669,600	10,215,691	35,504,937
Total capital assets not being depreciated/amortized	<u>45,779,996</u>	<u>3,669,600</u>	<u>10,215,691</u>	<u>39,233,905</u>
Capital assets, being depreciated/amortized:				
Land improvements	2,542,413	-	-	2,542,413
Buildings and improvements	103,624,303	2,458,784	214,766	105,868,321
Machinery and equipment	14,290,930	202,760	35,000	14,458,690
Infrastructure	73,164,881	3,765,969	-	76,930,850
Airport operational assets	311,760,654	5,496,167	810,137	316,446,684
Parking structures	11,337,000	-	-	11,337,000
Right-to-use leased asset	179,871	-	-	179,871
Total capital assets being depreciated/amortized	<u>516,900,052</u>	<u>11,923,680</u>	<u>1,059,903</u>	<u>527,763,829</u>
Less accumulated depreciation/amortization for:				
Land improvements	(2,132,630)	(15,031)	-	(2,147,661)
Buildings and improvements	(55,744,391)	(3,067,755)	(150,415)	(58,661,731)
Machinery and equipment	(9,154,458)	(581,876)	(22,750)	(9,713,584)
Infrastructure	(18,241,640)	(757,312)	-	(18,998,952)
Airport operational assets	(226,515,884)	(7,083,118)	(810,137)	(232,788,865)
Parking structures	(10,611,095)	(102,991)	-	(10,714,086)
Right-to-use leased asset	(35,974)	(35,975)	-	(71,949)
Total accumulated depreciation/amortization	<u>(322,436,072)</u>	<u>(11,644,058)</u>	<u>(983,302)</u>	<u>(333,096,828)</u>
Total capital assets being depreciated/amortized, net	<u>194,463,980</u>	<u>279,622</u>	<u>76,601</u>	<u>194,667,001</u>
Business-type activities capital assets, net	<u>\$ 240,243,976</u>	<u>\$ 3,949,222</u>	<u>\$ 10,292,292</u>	<u>\$ 233,900,906</u>

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

Governmental Activities:	
General government	\$ 1,053,860
Public safety	871,614
Health, community services and recreation	348,012
Public services	823,829
Education	1,964,189
Public transportation	1,007,477
Total depreciation/amortization expense	<u>\$ 6,068,981</u>
Business-type activities:	
Sewer Utility Fund	\$ 1,278,339
Airport Fund	7,083,118
Bass Park Fund	2,939,474
Stormwater	16,493
Economic Development Fund	148,980
Parking Fund	102,991
Municipal Golf Course	74,663
Total depreciation/amortization expense	<u>\$ 11,644,058</u>

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

Construction commitments:

At June 30, 2023, the City had entered into contracts or otherwise committed to various construction projects:

	Contract Amount	Paid To Date	Balance Remaining
Building Improvements	\$ 3,425,268	\$ 3,353,715	\$ 71,553
Infrastructure	1,616,752	1,088,504	528,248
Aircraft Operational Upgrades	13,874,604	-	13,874,604
Sewer Upgrades	30,347,340	28,376,643	1,970,697
Stormwater Upgrades	1,009,987	538,486	471,501

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, 2023, the balances were as follows:

	Receivable	Payable
General Fund	\$ 10,881,830	\$ -
Capital Fund	-	5,000,000
Nonmajor Governmental Funds	-	946,830
Sewer Fund	-	3,235,000
Bass Park Fund	-	1,700,000
	<u>\$ 10,881,830</u>	<u>\$ 10,881,830</u>

Individual fund transfers to and from other funds for the fiscal year ended June 30, 2023 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	\$ 4,859,432	\$ 114,930
Capital Projects Fund	206,337	5,101,481
Nonmajor Governmental Funds	1,450,104	55,528
Sewer Fund	87,500	-
Airport Fund	1,740	-
Bass Park Fund	-	1,149,436
Nonmajor Enterprise Funds	81,591	265,329
	<u>\$ 6,686,704</u>	<u>\$ 6,686,704</u>

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

E. Due From Other Governments

Due from other governments is comprised of the following amounts at June 30, 2023.

	Federal Government	State of Maine	Other	Total
General Fund	\$ 3,803,122	\$ 5,203,387	\$ 807,641	\$ 9,814,150
Capital Projects Fund	949,545	2,375,024	755,000	4,079,569
Nonmajor Special Revenue Funds	324,656	571,101	-	895,757
Sewer Fund	-	-	3,344	3,344
Airport Fund	2,348,855	417,650	-	2,766,505
Total	\$ 7,426,178	\$ 8,567,162	\$ 1,565,985	\$ 17,559,325

Amounts due from Federal Government are comprised of operating and capital grants for all fund types. Of the General Fund's \$5,203,387 due from State of Maine, \$4,732,304 represents school grant and State agency billings, and \$328,008 represents property tax exemption reimbursements. 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 the \$687,476 of the Due from Other in the General Fund.

F. Leases

The Airport and Economic Development Proprietary Funds are the lessors of various buildings, land parcels and useable space under leases expiring in various years through 2081 and 2041, respectively. The leases had the following balances as of June 30, 2023:

Fiscal year ending June 30,	Airport		Economic Development	
	Receivable	Deferred Inflow	Receivable	Deferred Inflow
2024	\$ 2,345,607	\$ 2,891,462	\$ 263,778	\$ 268,368
2025	2,404,476	2,735,653	233,750	254,803
2026	2,500,678	2,714,466	209,784	227,361
2027	2,532,201	2,690,651	207,158	201,445
2028	2,618,252	2,641,201	105,045	105,003
Subsequent to 2028	22,138,755	19,464,167	947,176	845,075
	\$ 34,539,969	\$ 33,137,600	\$ 1,966,691	\$ 1,902,055

For the year ended, June 30, 2023, the Airport and Economic Development Fund recognized \$2,346,570 and \$285,098 in lease revenue and \$1,311,665 and \$84,235 in interest revenue respectively, related to these leases.

The future lease payments do not include contingent rentals, which may be received as stipulated in the lease contracts. The Airport received \$6,054,414 in contingent rentals in fiscal year 2023.

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

The City is the lessee for various pieces of equipment. These leases are reported as right to use asset leases as they do not contain a bargain purchase option, nor will the City own the equipment at the end of the lease. As of June 30, 2023, the value of the lease liability was \$107,812. The City is required to make monthly principal and interest payments. The value of the right to use asset at the end of the current fiscal year was \$179,871 and had an accumulated amortization of \$71,949.

The future principal and interest lease payments as of June 30, 2023 were as follows:

Fiscal Year ending June 30,	Business-type Activities		
	Principal	Interest	Total
2024	\$ 34,538	\$ 4,312	\$ 38,850
2025	35,919	2,931	38,850
2026	37,355	1,494	38,849
Total payments	<u>\$ 107,812</u>	<u>\$ 8,737</u>	<u>\$ 116,549</u>

G. Other Assets

Other assets are comprised of the following:

	Capital Projects Fund	Sewer Utility Fund
Due from bond trustee	\$ 4,245,800	\$ 254,056
Total	<u>\$ 4,245,800</u>	<u>\$ 254,056</u>

H. Unearned Revenue

Community Development Block Grant and Capital Projects Fund unearned revenues consist of \$51,729 and \$41,633 in advance deposits, respectively. ARPA (America Rescue Plan Act) Fund unearned revenue consists of \$19,291,126, which includes all funding received and not yet expended. Bass Park Fund unearned revenues consist of \$1,485,918 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

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

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 \$251,105,800. The following is a summary of general obligation bond and note transactions of the City for the fiscal year ended June 30, 2023:

Bonds and notes payable at June 30, 2022		\$	132,395,589
Add: principal additions			1,880,040
Less: principal repayments			10,462,268
Bonds and notes payable at June 30, 2023			\$ 123,813,361

Bonds and notes payable at June 30, 2023 are comprised of the following:

Long-term debt	Fiscal year of maturity	Interest rate	Governmental Activities		Business-type Activities	Total June 30, 2023
			City	School		
Chancellor's property note	2026	5.00%	-	-	491,670	491,670
Pension obligation bonds	2026	3.06% - 6.45%	8,133,310	522,468	1,752,507	10,408,285
Qualified school construction bond	2028	4.65%	-	5,575,000	-	5,575,000
Qualified school construction bond	2035	4.05%	-	2,770,000	-	2,770,000
Combined sewer overflow	2025	1.41%	-	-	313,116	313,116
Combined sewer overflow	2027	1.64%	-	-	453,670	453,670
Combined sewer overflow	2028	1.81%	-	-	569,138	569,138
ARRA - CWSRF	2029	0.00%	-	-	290,672	290,672
ARRA - CWSRF	2030	0.00%	-	-	179,816	179,816
Refunding/public improvements	2032	2.00% - 4.00%	1,902,714	-	577,286	2,480,000
Refunding/airport improvements	2033	0.50% - 4.25%	-	-	250,000	250,000
Public improvements	2034	2.00% - 4.00%	3,465,000	660,000	165,000	4,290,000
Combined sewer overflow	2034	0.10%	-	-	1,505,993	1,505,993
Airport improvements	2035	3.00% - 3.65%	-	-	960,000	960,000
Public improvements	2030	2.00% - 2.75%	1,260,000	80,000	-	1,340,000
Refunding/public improvements	2030	2.00% - 3.00%	1,333,000	-	147,000	1,480,000
Airport improvements	2028	0.95% - 3.25%	-	-	375,000	375,000
Combined sewer overflow	2037	1.00%	-	-	2,996,000	2,996,000
Public Improvements	2037	2.50% - 3.00%	3,344,740	457,305	497,955	4,300,000
Refunding/public improvements	2034	3.00% - 5.00%	2,097,922	-	132,078	2,230,000
Combined sewer overflow	2038	1.00%	-	-	3,520,000	3,520,000
Combined sewer overflow	2038	1.00%	-	-	400,000	400,000
Public Improvements	2039	2.00% - 4.00%	3,841,882	-	2,058,118	5,900,000
Sewer Improvements	2039	1.00%	-	-	1,827,500	1,827,500
Refunded taxable	2042	0.343%-2.10%	-	-	47,450,000	47,450,000
Series A	2031	2.00%-4.00%	1,421,200	-	538,800	1,960,000
Series B	2031	2.00%-4.00%	-	-	2,120,000	2,120,000
School Renovation Revolving	2031	0.00%	-	422,000	-	422,000
Sewer Improvements	2051	1.00%	-	-	15,075,461	15,075,461
School Renovation Revolving	2033	0.00%	-	1,880,040	-	1,880,040
Total bonds and notes payable			\$ 26,799,768	\$ 12,366,813	\$ 84,646,780	\$ 123,813,361

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

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

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, 2023, the statutory limit for the City was \$464,107,500. The City's outstanding long-term debt of \$123,813,361 at June 30, 2023 was within the statutory limit.

Annual Debt Service Requirements for Bonds and Notes

Fiscal year ending June 30,	Governmental Activities		Business-type Activities			
	Bonds		Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 5,371,288	\$ 1,109,874	\$ 4,996,622	\$ 1,447,442	\$ 155,962	\$ 24,584
2025	5,660,251	851,492	5,077,288	1,360,969	163,760	16,785
2026	5,805,568	595,561	4,837,642	1,274,914	171,948	8,597
2027	2,504,335	329,733	4,207,721	1,184,638	-	-
2028	2,354,335	269,265	4,133,577	1,129,824	-	-
2029-2033	13,326,453	635,866	19,981,419	4,767,614	-	-
2034-2038	4,084,110	65,447	19,038,527	3,112,629	-	-
2039-2043	60,241	1,260	17,138,500	1,209,977	-	-
2044-2048	-	-	2,920,487	179,362	-	-
2049-2052	-	-	1,823,327	36,587	-	-
Total	\$ 39,166,581	\$ 3,858,498	\$ 84,155,110	\$ 15,703,956	\$ 491,670	\$ 49,966

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, 2023, \$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. In addition, 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, 2023, \$120,000 and \$921,500, respectively remains authorized and unissued.

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. In addition, 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, 2023, \$1,850,000 and \$6,000,000 respectively remains authorized and unissued. The City expects to issue the debt within the next 12 months.

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

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 City streets, its annual fleet/equipment replacement, and building and WWTP infrastructure improvements. As of June 30, 2023, \$558,000 remains authorized and unissued.

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. In addition, the City Council authorized the issuance of up to \$1,400,000 in general obligation bonds for a portion of the roof replacement and electrical upgrades required at Bangor High School. As of June 30, 2023, the bonds have not been issued. The City expects to issue the debt within the next 12 months.

On August 9, 2021, the City Council authorized the issuance of up to \$6,592,500 in general obligation bonds for the purpose of funding City streets, its annual fleet/equipment replacement, and building and WWTP infrastructure improvements. In addition, the City Council authorized the issuance of up to \$2,400,000 in general obligation bonds through the Maine Municipal Bond Bank State Revolving Fund to finance sewer infrastructure improvements. As of June 30, 2023, the bonds have not been issued. The City expects to issue the debt within the next 12 months.

On March 14, 2022, the City Council authorized the issuance of up to \$2,569,000 in general obligation bonds to fund the emergency replacement of the heating system at Vine Street School. As of June 30, 2023, the bonds have not been issued. The City expects to issue the debt within the next 12 months.

On August 8, 2022, the City Council authorized the issuance of up to \$3,977,500 in general obligation bonds for the purpose of funding City streets, its annual fleet/equipment replacement, and building and infrastructure improvements. In addition, the City Council authorized the issuance of up to \$2,280,000 in general obligation bonds through the Maine Municipal Bond Bank State Revolving Fund to finance sewer infrastructure improvements. As of June 30, 2023, the bonds have not been issued. The City expects to issue the debt within the next 18 months.

On November 28, 2022, the City Council authorized the issuance of up to \$2,600,000 in general obligation bonds to fund the emergency replacement of the heating system at Fruit Street School. As of June 30, 2023, the bonds have not been issued. The City expects to issue the debt within the next 12 months.

Overlapping Debt

The City is subject to an annual assessment of its proportional share of Penobscot County expenses, including debt repayment, as determined by the percentage of the City's State valuation to the County's State valuation. For the year ended June 30, 2023, the City's State valuation of \$3,094,050,000 was 21.85% of the County's State valuation of \$14,159,050,000. The City's share is 21.85% or \$99,796 of Penobscot County's \$456,690 in long-term debt outstanding as of June 30, 2023.

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

Financed Purchases

The City entered into financed purchase agreements for the acquisition of various pieces of equipment. These financed purchases qualify for accounting purposes whereas they contain a bargain purchase option or the City will own the asset at the end of the agreement. Financed purchases below the City's capitalization policy have not been capitalized. Financed purchase agreements are collateralized by the underlying assets.

The following is a schedule of the present value of the future minimum payments under the financed purchases as of June 30, 2023:

Fiscal Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 29,177	\$ 4,322	\$ 21,990	\$ 3,174
2025	30,462	3,036	23,119	2,045
2026	27,693	1,773	19,652	964
2027	27,433	689	-	-
Present value of future minimum payments	<u>\$ 114,765</u>	<u>\$ 9,820</u>	<u>\$ 64,761</u>	<u>\$ 6,183</u>

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Balance			Balance		
	June 30, 2022	Additions	Reductions	June 30, 2023	Due within one year	
Governmental activities:						
General obligation debt	\$ 42,417,507	\$ 1,880,040	\$ 5,130,966	\$ 39,166,581	\$ 5,371,288	
Accrued compensated absences*	2,417,336	1,961,713	1,822,912	2,556,137	1,603,629	
Financed purchases	340,700	-	225,935	114,765	29,177	
Bond premium	982,576	-	121,056	861,520	116,428	
OPEB liability*	16,864,191	1,389,289	-	18,253,480	-	
Net pension liability*	486,250	6,338,693	-	6,824,943	-	
Self insurance liability	3,280,328	677,309	229,253	3,728,384	974,077	
Governmental activities long-term liabilities	<u>\$ 66,788,888</u>	<u>\$ 12,247,044</u>	<u>\$ 7,530,122</u>	<u>\$ 71,505,810</u>	<u>\$ 8,094,599</u>	
Business-type activities:						
General obligation debt	\$ 89,238,434	\$ -	\$ 5,083,324	\$ 84,155,110	\$ 4,996,622	
Notes from direct borrowings	739,648	-	247,978	491,670	155,962	
Accrued compensated absences*	599,586	500,783	512,946	587,423	409,076	
Financed purchases	99,633	-	34,872	64,761	21,990	
Lease liability	141,021	-	33,209	107,812	34,538	
Bond premium	216,178	-	11,174	205,004	11,174	
OPEB liability*	1,885,246	-	145,022	1,740,224	-	
Net pension liability*	(35,431)	269,275	-	233,844	-	
Self insurance liability	202,717	-	-	202,717	202,717	
Other	156,498	-	-	156,498	-	
Business-type activities long-term liabilities	<u>\$ 93,243,530</u>	<u>\$ 770,058</u>	<u>\$ 6,068,525</u>	<u>\$ 87,945,063</u>	<u>\$ 5,832,079</u>	

* - The liquidation of compensated absences, OPEB liability and net pension liability is fully covered within the General Fund

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

J. Fund Balances

As of June 30, 2023, fund balances components consisted of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund:				
Advances to other funds	\$ 1,900,500	\$ -	\$ -	\$ -
Inventory and prepaid items	1,200,652	-	-	-
PEG capital support	-	6,760	-	-
School capital	-	83,635	-	-
Education	-	928,702	-	-
School debt sinking fund	-	2,740,801	-	-
Cultural Comm/Public Transport	-	-	256,072	-
Public Safety/General Government	-	-	169,489	-
Other agencies	-	-	95,262	-
Subsequent year expenditures	-	-	-	840,058
Pooled equipment reserve	-	-	-	1,220,973
Bus equipment reserve	-	-	-	343,126
Fire equipment reserve	-	-	-	998,430
Self insurance reserve	-	-	-	3,728,384
Improvement reserve	-	-	-	3,868,244
Cameron Stadium reserve	-	-	-	55,700
Demolition reserve	-	-	-	112,289
Community connector reserve	-	-	-	614,077
Benefit reserve	-	-	-	2,972,702
Energy efficiency reserve	-	-	-	844,815
Parks & Recreation reserve	-	-	-	812,904
Subtotal	<u>3,101,152</u>	<u>3,759,898</u>	<u>520,823</u>	<u>16,411,702</u>
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>432,302</u>
ARPA Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>553,454</u>
Other Governmental Funds:				
Nonexpendable trust principal	395,797	-	-	-
Nonmajor Special Revenue Funds				
Community development	-	3,597,843	-	-
Infrastructure	-	370,206	-	-
Public Safety	-	540,315	-	-
Transportation	-	155,691	-	-
Economic Develop	-	878,977	-	-
Parks	-	457,563	-	-
Health	-	86,571	-	-
Education	-	133,498	-	-
Arena	-	-	3,236,183	-
Other Municipal	-	65,668	-	-
Nonmajor Permanent Funds				
Missionary	-	112,591	-	-
Education	-	145,507	-	-
Other Municipal	-	227,890	-	-
Subtotal	<u>395,797</u>	<u>6,772,320</u>	<u>3,236,183</u>	<u>-</u>
Total	<u>\$ 3,496,949</u>	<u>\$ 10,532,218</u>	<u>\$ 3,757,006</u>	<u>\$ 17,397,458</u>

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

DETAILED NOTES ON ALL FUNDS, CONTINUED

Encumbrances at year end were \$1,781,401 for the General Fund, \$1,985,506 for the Capital Projects Fund, \$19,815,057 for the Airport Fund, \$3,945,854 for the Sewer Utility Fund, \$741,174 for the Stormwater Fund, and \$8,074 for the Golf 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, 2023:

	Governmental	Business-type
Capital assets	\$ 203,565,579	\$ 566,817,863
Accumulated depreciation	(97,319,091)	(333,024,879)
Right to use leased asset, net of amortization	-	107,922
Deferred charge on refunding	-	996,660
Bonds and notes payable	(39,166,581)	(84,646,780)
Financed purchases	(114,765)	(64,761)
Lease liability	-	(107,812)
Non capital related bonds payable	21,538,528	4,931,762
Premium on long term debt	(861,520)	(205,004)
Unspent bond proceeds	450,933	383,787
Net investment in capital assets	\$ 88,093,083	\$ 155,188,758

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, 2023, 2022 and 2021.

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

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

OTHER INFORMATION, CONTINUED

insurance to limit its financial risk. At June 30, 2023, the amount of self-insurance liability was \$3,931,101. This liability is the City's best estimate based on available information.

Changes in the reported liabilities since July 1, 2021 resulted from the following:

	Workers' Compensation	All other self- insured risks	Total
Unpaid claims as of July 1, 2021	\$ 2,913,435	\$ 308,853	\$ 3,222,288
Incurred claims	320,530	-	320,530
Payments	(439,174)	-	(439,174)
Changes in estimates and other adjustments	373,841	5,560	379,401
Unpaid claims as of July 1, 2022	3,168,632	314,413	3,483,045
Incurred claims	443,148	-	443,148
Payments	(324,521)	-	(324,521)
Changes in estimates and other adjustments	375,566	(46,137)	329,429
 Unpaid claims as of July 1, 2023	 \$ 3,662,825	 \$ 268,276	 \$ 3,931,101

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 2023, the City captured \$4,614,159 in incremental property taxes and dispersed \$559,119 in CEA payments to eighteen (18) developers. The remaining \$4,055,040 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 \$96,333 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 \$76,607 to Waterfront Concerts to reimburse for investments for the improvements to an existing concert venue development, which represents a 75% CEA.

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

OTHER INFORMATION, CONTINUED

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. Discussions between the City, its consultants and the DEP will determine what, if any, additional remediation is necessary.

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.

The City is currently defending three substantial tax appeals filed by the owners of the Bangor Mall seeking abatement for their FY 2020, FY 2021, and FY 2022 valuations. The owners are alleging the property was overvalued by \$22 million, \$7.8 million, and \$5.1 million, respectively. Each appeal has been denied at the local level and are presently on appeal to the State Board of Property Tax Appeals. As of June 30, 2023, the City has not received a final determination from the State Board of Appeals but anticipates all three appeals will be decided in favor of the City.

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

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

OTHER INFORMATION, CONTINUED

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.

Funding Policy – Plan members not covered by employment contracts are required to contribute 6.5%, 8.2%, or 9.7% of their annual covered salary and the City is required to contribute either 9%, 11%, or 13.4% depending upon the employee’s classification. For fiscal year 2023, covered payroll was \$21,161,829 and City contributions were \$1,987,931. For those plan members that have employment contracts, the City contributes at various rates from 10% - 13.7% of annual earnings. The covered payroll and City contributions for those employees with employment contracts were \$386,425 and \$55,982 respectively, in fiscal year 2023.

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.

As of June 30, 2023, the City had the following balances reported in the government-wide financial statements:

Plan	Net Pension Liability(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PLD	\$ 5,407,936	\$ 4,084,375	\$ 2,269,741	\$ 5,264,416
SET	1,650,851	1,586,584	553,505	6,245,741
Total	\$ 7,058,787	\$ 5,670,959	\$ 2,823,246	\$ 11,510,157

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).

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

OTHER INFORMATION, CONTINUED

Contributions – Employee contribution rates are defined by law of 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.

PLD Plan – Employees are required to contribute 7.60% - 9.7% of their annual pay. The City's contractually requirement contribution rate for the year June 30, 2023 ranged from 10.2% - 13.4% depending on the applicable benefit structure. The City's contributions to the pension plan were \$1,671,114 for the year ended June 30, 2023.

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, 2023 was 18.13% of annual payroll of which 3.84% of payroll was required from the City and 14.29% was required from the State. Contributions to the pension plan from the City were \$1,183,789 for the year ended June 30, 2023.

Pension Liabilities, Expense and Deferred Outflows and Inflows of Resources – The net pension liability was measured as of June 30, 2022, 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, 2023, the City's aggregate information for net pension liabilities is as follows:

PLD Plan – At June 30, 2023, the City's reported liability of its proportionate share of the net pension liability was \$5,407,936. At June 30, 2022, the City's proportion of the PLD plan was 2.034318%.

SET Plan – At June 30, 2023 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	\$1,650,851
State's proportionate share of the net pension liability	29,797,493
<u>Total</u>	<u>\$31,448,344</u>

At June 30, 2022, the City's proportion of the SET Plan was 0.111175%.

For the year ended June 30, 2023, the City recognized pension expense of \$5,264,416 for the PLD Plan and \$6,245,741 of pension expense and revenue of \$4,444,179 for support provided by the State for the SET Plan. At June 30, 2023, 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	\$ 1,005,030	\$ -
Changes of assumptions	1,097,624	-
Net difference between projected and actual earnings on pension plan investments	-	2,269,741
Changes in proportion and differences between City contributions and proportionate share of contributions	310,607	-
City contributions subsequent to the measurement date	1,671,114	-
	<u>\$ 4,084,375</u>	<u>\$ 2,269,741</u>

\$1,671,114 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, 2024. 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:	
2024	\$ 781,184
2025	(293,645)
2026	(1,410,089)
2027	1,066,070

At June 30, 2023, 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	\$ 82,239	\$ -
Changes of assumptions	320,556	-
Net difference between projected and actual earnings on pension plan investments	-	325,140
Changes in proportion and differences between City contributions and proportionate share of contributions	-	228,365
City contributions subsequent to the measurement date	1,183,789	-
	<u>\$ 1,586,584</u>	<u>\$ 553,505</u>

\$1,183,789 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, 2024. 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:		
2024	\$	101,768
2025		(169,869)
2026		(235,961)
2027		153,352

Actuarial assumptions - The total pension liabilities in the June 30, 2022 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% - 11.48%	2.80% - 13.03%
Investment return, per annum, compounded annually	6.50%	6.50%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates for the PLD plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table and the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table.

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, 2022 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%	7.2%
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 6.50% 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 6.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50% for PLD and SET Plans) or 1 percentage-point higher (7.50% for PLD and SET Plans) than the current rate:

	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
PLD Plan	\$ 15,976,583	\$ 5,407,936	\$ (3,327,427)
	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
SET Plan	\$ 3,232,759	\$ 1,650,654	\$ 333,748

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, 2023.

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.

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, 2023, the City had the following balances reported in the government-wide financial statements:

Plan	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB (Gain) Expense
PLD	\$ 998,341	\$ 161,744	\$ (283,022)	\$ (99,638)
SET	-	-	-	76,544
City Health	7,604,479	-	(957,544)	9,113
School Health	11,390,884	2,672,655	-	963,439
Total	\$ 19,993,704	\$ 2,834,399	\$ (1,240,566)	\$ 949,458

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, 2023, the following employees were covered by the City Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to but not yet receiving benefits	-
Active employees	518
Total	557

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 55% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 45% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	266
Inactive employees entitled to but not yet receiving benefits	-
Active employees	447
Total	713

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 \$35,705 for the year ended June 30, 2023. 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 \$76,544 for the year ended June 30, 2023. 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, 2023. 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, 2023. 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, 2022, 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, 2023, the City reported a liability of \$998,341 for its proportionate share of the net OPEB liability. At June 30, 2022, the City’s proportion was 6.8931%.

SET OPEB Plan – At June 30, 2023, 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 \$642,199 as of June 30, 2023. At June 30, 2022, the City’s proportion was 0.00%.

The City’s total City Health Plan OPEB liability of \$7,604,479 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Balance at June 30, 2022	\$ 8,230,202
Changes for the year:	
Service costs	207,084
Interest	335,809
Changes in benefit terms	-
Changes in assumptions	(32,854)
Differences between expected and actual experience	(677,556)
Benefit payments	(458,206)
Net Changes	(625,723)
Balance at June 30, 2023	\$ 7,604,479

Change in assumptions reflects a change in the discount rate from 4.09% to 4.13%.

The City School Department’s total OPEB liability of \$11,390,884 was measured as of June 30, 2022, and was determined by an actuarial valuation as that date.

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

OTHER INFORMATION, CONTINUED

	Total OPEB Liability
Balance at June 30, 2022	\$ 9,754,779
Changes for the year:	
Service costs	149,072
Interest	211,798
Changes in benefit terms	-
Changes in assumptions	484,652
Differences between expected and actual experience	988,371
Benefit payments	(197,788)
Net Changes	1,636,105
Balance at June 30, 2023	\$ 11,390,884

Change in assumptions reflects a change in the discount rate from 2.16% to 3.54%.

For the year ended June 30, 2023, the City recognized OPEB gain of \$99,638 for the PLD OPEB Plan. For the year ended June 30, 2023, the City recognized OPEB expense of \$76,544 and also revenues of \$76,544 for support provided by the State related to the SET OPEB Plan. At June 30, 2023, the City reported no deferred outflows of resources or deferred inflows of resources related to the SET OPEB Plan. At June 30, 2023, 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	\$ 39,726	\$ -
Changes of assumptions	-	228,732
Net difference between projected and actual earnings on OPEB plan investments	86,313	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	54,290
Contributions subsequent to the measurement date	35,705	-
Total	\$ 161,744	\$ 283,022

\$35,705 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, 2024. 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:	
2024	\$ (42,790)
2025	(67,645)
2026	(84,155)
2027	56,386
2028	(4,484)
Thereafter	(14,295)

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

OTHER INFORMATION, CONTINUED

For the year ended June 30, 2023, the City recognized an OPEB expense of \$9,113 related to the City Health Plan. At June 30, 2023, 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	\$ -	\$ (400,596)
Changes of assumptions or other inputs	-	(556,948)
Total	\$ -	\$ (957,544)

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:		
2024	\$	(75,574)
2025		(75,575)
2026		(191,128)
2027		(265,139)
2028		(350,128)
Thereafter		-

For the year ended June 30, 2023, The City School Department recognized an OPEB expense of \$963,439. At June 30, 2023, 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
Difference in experience	\$ 1,110,354	\$ -
Changes of assumptions	1,234,719	-
Contributions subsequent to the measurement date	327,582	-
Total	\$ 2,672,655	\$ -

\$327,582 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, 2024. 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:		
2024	\$	675,717
2025		582,676
2026		582,673
2027		258,504
2028		245,503

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

OTHER INFORMATION, CONTINUED

Actuarial Assumptions – The total OPEB liabilities in the June 30, 2022 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:

	PLD OPEB Plan	SET OPEB Plan
Inflation	2.75%	2.75%
Salary Increases	2.75%-11.48%	2.80%-13.03%
Investment rate of return	6.50%	6.50%

Mortality rates for the PLD OBEP plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. Mortality rates for the SET OBEP plan were based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2022 valuations for both the PLD and SET OPEB Plans were based on the results of an actuarial experience study conducted for the period July 1, 2015 to June 30, 2020.

The long-term expected rate of return on both 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.00%	6.00%
Real estate	5.00%	5.20%
Traditional credit	16.00%	3.00%
US Government securities	9.00%	2.30%

The total OPEB liability in the June 30, 2023 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	4.13% as of June 30, 2023
Health care cost trends	7.00%, decreasing 0.5% per year to 4.5%
Retirees' share of the benefit related costs	Retirees pay 100% of premiums

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

OTHER INFORMATION, CONTINUED

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-2021.

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-2021.

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-2021.

The actuarial assumptions used in the June 30, 2023 valuation for the City Health Plan represent a reasonable long-term expectation of future OPEB outcomes.

The total OPEB liability in the June 30, 2022 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	2.70%
Salary increases	2.80% - 13.03% per year
Discount rate	3.54% per annum
Healthcare cost trend rates - Pre-Medicare	7.96% for 2023 grading over 19 years to 4.00%
Healthcare cost trend rates - Medicare	0.00% for 2023 grading over 18 years to 4.29%
Retirees' share of the benefit related costs	45% of the blended premium rate with a State subsidy for the remaining 55% of the blended premium rate

Mortality rates were based on the 2010 Public Plan Teacher Benefits Weighted Healthy Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2015 through June 30, 2020.

Discount Rate – The rate used to measure the total OPEB liability for the PLD OPEB Plan was 6.50% which is the assumed long-term expected rate of return on plan investments. 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 members. 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.

The rate used to measure the total OPEB liability for the SET OPEB Plan was 6.50%. 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 OPEB liability for the City Health Plan was 4.13% 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 3.54% 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 6.50%, as well as what the City's proportionate share of the net PLD OPEB Plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
Net OPEB liability	\$ 1,354,983	\$ 998,341	\$ 711,992

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 4.13%, 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 (3.13%) or 1 percentage-point higher (5.13%) than the current rate:

	1% Decrease 3.13%	Discount Rate 4.13%	1% Increase 5.13%
Total OPEB liability	\$ 8,506,380	\$ 7,604,479	\$ 6,857,047

The following presents the City School Department's total OPEB liability related to the School Health Plan calculated using the discount rate of 3.54%, 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 (2.54%) or 1 percentage-point higher (4.54%) than the current rate:

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability	\$ 13,196,966	\$ 11,390,884	\$ 9,917,816

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 7.00% 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 (6.00% decreasing 0.5% per year) or 1 percentage-point higher (8.00% decreasing 0.5% per year) than the current healthcare cost trend rates:

	1% Decrease 6.00% decreasing 0.5% per year	Healthcare Cost Trend Rates 7.00% decreasing 0.5% per year	1% Increase 8.00% decreasing 0.5% per year
Total OPEB liability	\$ 7,272,912	\$ 7,604,479	\$ 7,988,001

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	\$ 9,853,790	\$ 11,390,884	\$ 13,286,121

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 21, 2023, the City Council authorized the issuance of up to \$13,339,000 in general obligation bonds for the purpose of funding street work, the City’s annual fleet/equipment replacement, and building improvements. In addition, the City Council authorized the issuance of up to \$1,000,000 in general obligation bonds through the Maine Municipal Bond Bank State Revolving Fund to finance sewer infrastructure improvements.

The City Council anticipates authorizing the issuance of up to \$4,126,902 in general obligation bonds through the State of Maine Bond Bank State School Renovation Fund for the purpose of air quality improvements, wall repair and roof repair/replacement at four schools. The debt is anticipated to be issued in FY 2024.

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

OTHER INFORMATION, CONTINUED

G. Restatement

For the fiscal year ended June 30, 2023, the City restated the beginning net position on Exhibit 2 – Statement of Activities for prior year National Opioid Settlement amounts that were settled but not yet received. The result was an increase in net position of \$1,997,411.

H. Public-Private, Public-Public Partnerships and Availability Payment Arrangements

Governmental Accounting Standards Board (GASB) Statement No. 94 defines a Public-Private and Public-Public Partnerships (PPPs) as “an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.” Underlying PPP assets include (a) existing assets of a transferor, (b) assets that are newly purchased or constructed by the operator, or (c) existing assets of a transferor that are to be improved by the operator.” Availability Payment Arrangements (APAs) are defined as “an arrangement in which a government compensates an operator for activities that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.”

The City of Bangor contracts with 3rd parties to operate the day-to-day operations of the Cross Insurance Center and various parking facilities throughout the City and at the Bangor International Airport. These arrangements do not meet the reporting requirements of GASB Statement No. 94.

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, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Costs	\$ 207,084	\$ 367,404	\$ 319,484	\$ 281,875	\$ 248,260	\$ 236,094
Interest	335,809	215,913	240,047	310,502	311,870	249,384
Changes of assumptions	(32,854)	(1,861,452)	543,903	771,835	350,297	(112,190)
Differences between expected and actual experience	(677,556)	239,338	97,042	(824,468)	241,872	1,036,629
Benefit payments	(458,206)	(442,859)	(384,370)	(413,067)	(383,617)	(276,505)
Net change in total OPEB liability	(625,723)	(1,481,656)	816,106	126,677	768,682	1,133,412
Total OPEB liability - beginning of year	8,230,202	9,711,858	8,895,752	8,769,075	8,000,393	6,866,981
Total OPEB liability - end of year	<u>\$ 7,604,479</u>	<u>\$ 8,230,202</u>	<u>\$ 9,711,858</u>	<u>\$ 8,895,752</u>	<u>\$ 8,769,075</u>	<u>\$ 8,000,393</u>
Covered employee payroll	\$ 31,207,104	\$ 28,357,451	\$ 28,367,679	\$ 26,743,256	\$ 24,032,180	\$ 23,057,983
Total OPEB liability as a percentage of covered employee payroll	<u>24.37%</u>	<u>29.02%</u>	<u>34.24%</u>	<u>33.26%</u>	<u>36.49%</u>	<u>34.70%</u>

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan

Only six 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, 2023

	2023	2022	2021	2020	2019
Total OPEB Liability					
Service Costs	\$ 149,072	\$ 146,912	\$ 46,592	\$ 37,807	\$ 41,698
Interest	211,798	211,664	297,896	307,945	294,863
Changes of benefit terms	-	-	(1,070,730)	-	-
Changes of assumptions	988,371	77,995	1,371,610	465,209	(365,749)
Differences between expected and actual experience	484,652	-	573,425	-	-
Benefit payments	(197,788)	(223,646)	(280,879)	(250,541)	(241,882)
Net change in total OPEB liability	1,636,105	212,925	937,914	560,420	(271,070)
Total OPEB liability - beginning of year	9,754,779	9,541,854	8,603,940	8,043,520	8,314,590
Total OPEB liability - end of year	<u>\$ 11,390,884</u>	<u>\$ 9,754,779</u>	<u>\$ 9,541,854</u>	<u>\$ 8,603,940</u>	<u>\$ 8,043,520</u>
Covered employee payroll	\$ 20,433,525	\$ 20,887,334	\$ 20,377,887	\$ 22,442,714	\$ 21,842,057
Total OPEB liability as a percentage of covered employee payroll	<u>55.75%</u>	<u>46.70%</u>	<u>46.82%</u>	<u>38.34%</u>	<u>36.83%</u>

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan

Only five 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, 2023

	2023	2022	2021	2020	2019	2018
PLD OPEB Plan						
City's proportion of the net OPEB liability	6.89%	7.40%	7.37%	7.12%	7.08%	7.42%
City's proportionate share of net OPEB liability	\$ 998,341	\$ 764,456	\$ 972,729	\$ 1,524,223	\$ 1,429,224	\$ 1,241,184
City's covered payroll	17,848,387	16,648,989	16,949,590	16,201,857	15,785,764	15,156,532
City's proportionate share of net OPEB liability as a percentage of covered employee payroll	5.59%	4.59%	5.74%	9.41%	9.05%	8.19%
Plan fiduciary net position as a percentage of the OPEB liability	55.88%	67.26%	55.40%	43.18%	43.92%	47.42%
SET OPEB Plan						
City's proportion of the net OPEB liability	0.00%	0.00%	0.00%	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	642,199	336,826	677,695	673,276	679,803	659,610
Total	\$ 642,199	\$ 336,826	\$ 677,695	\$ 673,276	\$ 679,803	\$ 659,610
Plan fiduciary net position as a percentage of the OPEB liability	52.39%	62.90%	49.51%	49.22%	48.04%	47.29%

Only six 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, 2023

	2023	2022	2021	2020	2019	2018
PLD OPEB Plan						
Contractually required contribution	\$ 35,705	\$ 35,957	\$ 38,586	\$ 34,341	\$ 31,989	\$ 29,765
Contributions in relation to the contractually required contribution	(35,705)	(35,957)	(38,586)	(34,341)	(31,989)	(29,765)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 18,150,619	\$ 17,848,387	\$ 16,648,989	\$ 16,949,590	\$ 16,201,857	\$ 15,785,764
Contributions as a percentage of covered employee payroll	0.20%	0.20%	0.23%	0.20%	0.20%	0.19%

Only six 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*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
PLD Plan									
Proportion of the net pension liability (asset)	2.2584%	1.9745%	1.6638%	1.4542%	1.3327%	2.0601%	1.9029%	1.8074%	2.0343%
Proportionate share of the net pension liability (asset)	3,475,288	6,299,478	8,840,254	5,954,157	3,647,271	6,297,032	7,560,374	(580,835)	5,407,936
Covered payroll	10,645,005	9,799,964	8,662,976	7,963,681	7,528,843	12,116,999	11,768,457	11,585,469	13,213,646
Proportion share of the net pension liability (asset) as a percentage of its covered payroll	32.65%	64.28%	102.05%	74.77%	48.44%	51.97%	64.24%	-5.01%	40.93%
Plan fiduciary net position as a percentage of the total pension liability	94.10%	88.27%	81.61%	86.43%	91.10%	90.62%	88.35%	100.86%	93.26%
SET Plan									
Proportion of the net pension liability	0.0936%	0.1096%	0.1200%	0.1315%	0.1393%	0.1463%	0.1329%	0.1220%	0.1112%
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	\$2,169,981	\$1,031,654	\$1,650,851
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	32,667,941	17,084,328	29,797,493
Total	23,527,624	29,857,952	37,782,339	30,918,881	29,350,189	31,931,131	34,837,922	18,115,982	31,448,344
Covered payroll	24,415,639	25,212,217	25,111,931	25,731,918	26,702,523	27,795,537	27,656,900	29,180,899	30,364,439
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%	7.85%	3.54%	5.44%
Plan fiduciary net position as a percentage of the total pension liability	83.91%	81.18%	76.21%	83.35%	82.90%	82.73%	81.03%	90.90%	85.79%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
PLD Plan										
Contractually required contributions	782,913	807,117	779,134	745,366	740,057	1,253,074	1,230,690	1,228,059	1,596,041	1,671,114
Contributions in relation to the contractually required contribution	(782,913)	(807,117)	(779,134)	(745,366)	(740,057)	(1,253,074)	(1,230,690)	(1,228,059)	(1,596,041)	(1,671,114)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	10,645,005	9,799,964	8,662,976	7,963,681	7,528,843	12,116,999	11,768,457	11,585,469	13,213,646	13,803,007
Contributions as a percentage of covered payroll	7.35%	8.24%	8.99%	9.36%	9.83%	10.34%	10.46%	10.60%	12.08%	12.11%
SET Plan*										
Contractually required contributions	647,014	668,126	843,679	865,039	1,060,090	1,103,483	1,150,353	1,206,502	1,156,486	1,183,789
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)	(1,206,502)	(1,156,486)	(1,183,789)
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	29,180,899	30,364,439	31,099,926
Contributions as a percentage of covered payroll	2.65%	2.65%	3.36%	3.36%	3.97%	3.97%	4.16%	4.13%	3.81%	3.81%

CITY OF BANGOR, MAINE
Notes to Required Supplementary Information
June 30, 2023

Net Pension Liability

Change of benefit terms - None

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

	2022	2020	2018	2016	2015	2014	2013
Discount rate - PLD	6.500%	6.750%	6.750%	6.875%	7.125%	7.250%	7.250%
Discount rate - SET	6.500%	6.750%	6.750%	6.875%	7.125%	7.125%	7.250%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases - PLD	2.75-11.48%	2.75 plus merit	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.80-13.03%	2.75 plus merit	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%	3.50-13.50%
Cost of living increases- PLD	1.91%	1.91%	1.91%	2.20%	2.55%	3.12%	3.12%
Cost of living increases- SET	2.20%	2.20%	2.20%	2.20%	2.55%	2.55%	2.55%

This schedule displays the years in which changes occurred. Additional years' information will be displayed as it becomes available.

Mortality Rates:

2015	RP2000 Combined Mortality Table projected forward to 2015 using Scale AA
2016	RP2014 Total Data Set Healthy Annuitant Mortality Table
2022 - PLD	2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table
2022 - SET	2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table

Net OPEB Liability

Change of benefit terms - None

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

	2022	2018	2016
Discount rate - PLD	6.500%	6.750%	6.875%
Discount rate - SET	6.500%	6.750%	6.875%
Inflation rate	2.75%	2.75%	2.75%
Salary increases - PLD	2.75-11.48%	2.75-9.00%	2.75-9.00%
Salary increases - SET	2.80-13.03%	2.75-14.50%	2.75-14.50%

This schedule displays the years in which changes occurred. Additional years' information will be displayed as it becomes available.

Mortality Rates:

2016	RP2014 Total Data Set Healthy Annuitant Mortality Table
2022 - PLD	2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table
2022 - SET	2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table

CITY OF BANGOR, MAINE
Notes to Required Supplementary Information (con't)
June 30, 2023

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	4.13%	4.09%	2.19%	2.66%	3.51%	3.87%	3.58%

For the 2022 valuation, 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 Rates:

2018	SOA RPH-2017 Total Dataset Fully Generational Mortality Table using Scale MP-2017
2020	Retirees - SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019
2020	Public Safety - SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019
2020	Surviving Spouses - SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019
2022	Retirees - SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
2022	Public Safety - SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021
2022	Surviving Spouses - SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

For the 2021 valuation, Health care cost trend rates have been reset to an initial trend of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5%.

Total OPEB Liability - School Health Plan

Change of benefit terms - The Plan moved from the Medicare Companion Plan to the Medicare Advantage Plan effective July 1, 2020.

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>2023</u>	<u>2022</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	3.54%	2.16%	2.21%	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, 2023

ASSETS	
Cash and cash equivalents	\$ 26,951,346
Receivables:	
Taxes	2,197,801
Accounts (net of allowance of \$541,963)	1,109,022
Interfund	10,881,830
Intergovernmental	9,814,150
Inventory, at cost	1,034,938
Prepaid items	165,714
Total assets	\$ 52,154,801
LIABILITIES	
Accounts payable	\$ 2,152,132
Accrued wages and benefits payable	4,783,119
Total liabilities	6,935,251
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues - property taxes	1,513,514
Total deferred inflows of resources	1,513,514
FUND BALANCES	
Nonspendable	3,101,152
Restricted	3,759,898
Committed	520,823
Assigned	16,411,702
Unassigned	19,912,461
Total fund balance	43,706,036
Total liabilities, deferred inflows of resources and fund balances	\$ 52,154,801

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, 2023

	Balances			Variance	
	Carried 7/1/2022	Budget	Actual	Surplus	Carried
Revenues					
Taxes					
Real and personal property	\$ -	\$ 62,187,171	\$ 62,198,581	\$ 11,410	\$ -
Change in unavailable property tax	-	-	187,731	187,731	-
Tax increment financing district	-	(3,742,708)	(3,718,775)	23,933	-
Payment in lieu of taxes	-	307,617	339,413	31,796	-
Excise	-	6,716,000	7,051,220	335,220	-
Interest on delinquent taxes	-	200,000	163,214	(36,786)	-
Total taxes	-	65,668,080	66,221,384	553,304	-
Intergovernmental					
State revenue sharing	-	8,525,000	9,321,784	796,784	-
School subsidy	-	24,081,603	24,081,603	-	-
Other -					
Municipal	-	5,354,300	4,914,287	(440,013)	-
School	-	5,487,198	9,341,446	-	3,854,248
Total intergovernmental	-	43,448,101	47,659,120	356,771	3,854,248
Other revenue					
Licenses and permits	-	713,725	781,092	67,367	-
Charges for service -					
Municipal	-	8,346,799	7,779,214	(567,585)	-
School	-	5,239,577	5,396,545	-	156,968
Fines, forfeits and penalties	-	22,000	22,154	154	-
Revenue from use of money and property					
Municipal	-	1,090,300	1,204,888	114,588	-
Total other revenue	-	15,412,401	15,183,893	(385,476)	156,968
Total revenues	-	124,528,582	129,064,397	524,599	4,011,216

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, 2023

	Balances			Variance	
	Carried	Budget	Actual	Surplus	Carried
	7/1/2022				
Expenditures					
General government					
Council	-	34,511	37,106	(2,595)	-
Executive	-	725,584	745,550	(24,966)	5,000
Public Transportation	130,915	1,182,074	1,006,791	50,126	256,072
City clerk	-	903,407	825,538	77,869	-
Assessing	6,357	448,608	467,494	(18,886)	6,357
Legal	-	306,414	250,309	56,105	-
Finance	-	1,788,407	1,578,336	210,071	-
Insurance	-	208,850	204,531	4,319	-
Planning, econ dev, code enforcement	45,000	1,514,895	1,310,865	124,030	125,000
Total general government	182,272	7,112,750	6,426,520	476,073	392,429
Public safety					
Police	70,000	12,130,516	11,921,240	259,276	20,000
Fire	5,515	11,898,159	11,798,543	98,346	6,785
Total public safety	75,515	24,028,675	23,719,783	357,622	26,785
Health, community services and recreation					
Health and community services	-	3,067,656	2,407,524	660,132	-
Parks and recreation	-	2,740,697	2,802,593	(61,896)	-
Total health, commun. serv and rec.	-	5,808,353	5,210,117	598,236	-
Public services	6,346	13,082,679	10,928,932	2,153,747	6,346

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, 2023

	Balances			Variance	
	Carried 7/1/2022	Budget	Actual	Surplus	Carried
Expenditures, continued					
Other agencies					
County tax	-	4,430,604	4,430,604	-	-
Downtown Development District	-	90,157	90,157	-	-
Public library	150,000	1,772,254	1,872,254	-	50,000
Other agencies	5,683	117,375	68,460	9,336	45,262
Total other agencies	155,683	6,410,390	6,461,475	9,336	95,262
Education					
Regular instruction	-	22,564,008	22,536,514	-	-
Special education	-	9,701,865	9,189,253	-	-
Student and staff support	-	4,593,394	4,481,749	-	-
System administration	-	1,431,683	1,402,981	-	-
CTE instruction	-	-	-	-	-
School administration	-	2,786,524	2,754,370	-	-
Facilities maintenance	-	6,541,011	6,527,163	-	-
Transportation	-	2,166,000	2,165,723	-	-
Other instruction	-	1,487,823	1,483,852	-	-
Debt service	-	1,692,000	1,244,797	-	-
Contingency & other	-	109,016	101,395	-	-
Regular	2,510,140	53,073,324	51,887,797	-	3,695,667
Adult education	330,637	740,103	395,080	-	675,660
School lunch	620,360	1,860,810	2,045,127	-	436,043
Special revenue	9,171	3,096,000	6,388,759	-	(3,283,588)
Trust and agency	1,036,967	3,174,870	3,631,467	-	580,370
Total education	4,507,275	61,945,107	64,348,230	-	2,104,152
Other appropriations					
Pensions and other fringe benefits	-	2,799,913	2,813,302	(13,389)	-
Debt service	-	3,370,644	2,989,203	381,441	-
Tax increment financing payments	-	868,361	895,441	(27,080)	-
Total other appropriations	-	7,038,918	6,697,946	340,972	-
Total expenditures	4,927,091	125,426,872	123,793,003	3,935,986	2,624,974
Excess (deficiency) of revenues over/under expenditures	(4,927,091)	(898,290)	5,271,394	4,460,585	6,636,190

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, 2023

	Balances			Variance	
	Carried 7/1/2022	Budget	Actual	Surplus	Carried
Other financing sources (uses)					
Appropriation from restricted, committed and assigned fund balances	-	1,560,889	81,930	(148,974)	(1,329,985)
Appropriation from unassigned fund balance	-	107,000	(595,000)	(702,000)	-
Sale of assets	-	31,000	68,092	37,092	-
Contributions	-	2,500	-	(2,500)	-
Insurance settlements	-	50,000	179,528	129,528	-
Transfers to other funds	-	(950,599)	(1,576,299)	(70,000)	(555,700)
Transfers from other funds	-	97,500	59,230	(38,270)	-
Total other financing sources (uses)	-	898,290	(1,782,519)	(795,124)	(1,885,685)
Net change in unassigned fund balance	\$ (4,927,091)	\$ -	\$ 3,488,875	\$ 3,665,461	\$ 4,750,505
Unassigned fund balance, beginning of year				16,349,655	
Changes in amounts required to be shown as nonspendable fund balance					
Inventory and prepaids				(102,655)	
Unassigned fund balance - end of year				\$ 19,912,461	

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.

School Activity Funds – Accounts for amounts raised or donated to benefit various school organizations.

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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 5,883,010	\$ 390,115	\$ 6,273,125
Receivables:			
Accounts	2,449,954	-	2,449,954
Loans and notes	3,604,152	491,670	4,095,822
Intergovernmental	895,757	-	895,757
Total assets	\$ 12,832,873	\$ 881,785	\$ 13,714,658
LIABILITIES			
Accounts payable	\$ 147,803	\$ -	\$ 147,803
Accrued wages and benefits payable	41,223	-	41,223
Interfund loans payable	946,830	-	946,830
Unearned revenues	51,729	-	51,729
Due to rehabilitation recipients	14,782	-	14,782
Total liabilities	1,202,367	-	1,202,367
DEFERRED INFLOWS OF RESOURCES			
Unavailable resources - settlement funds	2,107,991	-	2,107,991
Total deferred inflows of resources	2,107,991	-	2,107,991
FUND BALANCES			
Nonspendable	-	395,797	395,797
Restricted	6,286,332	485,988	6,772,320
Committed	3,236,183	-	3,236,183
Total fund balances	9,522,515	881,785	10,404,300
Total liabilities and fund balances	\$ 12,832,873	\$ 881,785	\$ 13,714,658

CITY OF BANGOR, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues			
Intergovernmental	\$ 12,487,695	\$ -	\$ 12,487,695
Charges for services	595,762	-	595,762
Program income	429,687	-	429,687
Revenue from use of money and property	2,360,798	-	2,360,798
Other revenue	387,603	3,450	391,053
Interest revenue	-	16,687	16,687
Total revenues	16,261,545	20,137	16,281,682
Expenditures			
Current:			
Personnel	1,757,985	-	1,757,985
Payments to beneficiaries	54,654	172	54,826
Other	4,739,782	-	4,739,782
Restricted grant	1,904,165	-	1,904,165
Bus operations	3,975,959	-	3,975,959
Debt service	147,054	-	147,054
Total expenditures	12,579,599	172	12,579,771
Excess of revenues over expenditures	3,681,946	19,965	3,701,911
Other financing uses			
Transfers to other funds	(1,430,104)	(20,000)	(1,450,104)
Transfers from other funds	55,528	-	55,528
Total other financing uses	(1,374,576)	(20,000)	(1,394,576)
Net change in fund balances	2,307,370	(35)	2,307,335
Fund balances, beginning of year	7,215,145	881,820	8,096,965
Fund balances, end of year	\$ 9,522,515	\$ 881,785	\$ 10,404,300

CITY OF BANGOR, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	Other HUD Funds	Community Development Block Grant	Arena Fund	Grant Fund	Dedicated Revenue Funds	School Activity Funds	Other	Totals
ASSETS								
Cash and cash equivalents	\$ 271,917	\$ 417	\$ 3,057,410	\$ 742,686	\$ 790,918	\$ 133,498	\$ 886,164	\$ 5,883,010
Receivables:								
Accounts	-	-	149,214	2,300,740	-	-	-	2,449,954
Loans and notes	-	3,604,152	-	-	-	-	-	3,604,152
Intergovernmental	-	248,975	29,559	617,223	-	-	-	895,757
Total assets	\$ 271,917	\$ 3,853,544	\$ 3,236,183	\$ 3,660,649	\$ 790,918	\$ 133,498	\$ 886,164	\$ 12,832,873
LIABILITIES								
Accounts payable	\$ -	\$ 33,973	\$ -	\$ 112,762	\$ -	\$ -	\$ 1,068	\$ 147,803
Accrued wages and benefits payable	-	6,217	-	35,006	-	-	-	41,223
Interfund loans payable	-	149,000	-	797,830	-	-	-	946,830
Unearned revenues	-	51,729	-	-	-	-	-	51,729
Due to rehabilitation recipients	-	14,782	-	-	-	-	-	14,782
Total liabilities	-	255,701	-	945,598	-	-	1,068	1,202,367
DEFERRED INFLOWS OF RESOURCES								
Unavailable resources - settlement funds	-	-	-	2,107,991	-	-	-	2,107,991
Total deferred inflows of resources	-	-	-	2,107,991	-	-	-	2,107,991
FUND BALANCES								
Restricted	271,917	3,597,843	-	607,060	790,918	133,498	885,096	6,286,332
Committed	-	-	3,236,183	-	-	-	-	3,236,183
Total fund balances	271,917	3,597,843	3,236,183	607,060	790,918	133,498	885,096	9,522,515
Total liabilities and fund balances	\$ 271,917	\$ 3,853,544	\$ 3,236,183	\$ 3,660,649	\$ 790,918	\$ 133,498	\$ 886,164	\$ 12,832,873

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, 2023

	Other HUD Funds	Community Development Block Grant	Arena Fund	Grant Fund	Dedicated Revenue Funds	School Activity Funds	Other	Totals
Revenues								
Intergovernmental	\$ -	\$ 1,843,468	\$ -	\$ 10,644,227	\$ -	\$ -	\$ -	\$ 12,487,695
Charges for services	-	-	-	595,762	-	-	-	595,762
Program income	-	429,687	-	-	-	-	-	429,687
Revenue from use of money and property	-	-	2,344,294	-	15,195	-	1,309	2,360,798
Other	-	1,000	-	49,979	1,000	63,543	272,081	387,603
Total revenues	-	2,274,155	2,344,294	11,289,968	16,195	63,543	273,390	16,261,545
Expenditures								
Current:								
Personnel	-	-	-	1,757,985	-	-	-	1,757,985
Payments to beneficiaries	-	-	-	-	21	-	54,633	54,654
Other	-	-	1,733	4,672,893	-	65,156	-	4,739,782
Restricted grant	-	1,904,165	-	-	-	-	-	1,904,165
Bus operations	-	-	-	3,975,959	-	-	-	3,975,959
Debt service	-	42,296	-	104,758	-	-	-	147,054
Total expenditures	-	1,946,461	1,733	10,511,595	21	65,156	54,633	12,579,599
Excess (deficiency) of revenues								
over (under) expenditures	-	327,694	2,342,561	778,373	16,174	(1,613)	218,757	3,681,946
Other financing uses								
Transfers to other funds	-	-	(1,107,686)	(241,418)	(30,000)	-	(51,000)	(1,430,104)
Transfers from other funds	-	-	-	-	-	-	55,528	55,528
Total other financing uses	-	-	(1,107,686)	(241,418)	(30,000)	-	4,528	(1,374,576)
Net change in fund balances	-	327,694	1,234,875	536,955	(13,826)	(1,613)	223,285	2,307,370
Fund balances, beginning of year	271,917	3,270,149	2,001,308	70,105	804,744	135,111	661,811	7,215,145
Fund balances, end of year	\$ 271,917	\$ 3,597,843	\$ 3,236,183	\$ 607,060	\$ 790,918	\$ 133,498	\$ 885,096	\$ 9,522,515

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, MAINE
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2023

Business-type Activities - Enterprise Funds					
	Stormwater Utility	Economic Development Fund	Parking Fund	Municipal Golf Course	Total Nonmajor Proprietary Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 2,636,303	\$ 2,342,095	\$ 839,871	\$ 765,827	\$ 6,584,096
Accounts receivable	362,709	2,505	16,764	-	381,978
Lease receivable	-	263,778	-	-	263,778
Prepaid items	3,455	-	48,267	10,418	62,140
Total current assets	3,002,467	2,608,378	904,902	776,245	7,291,992
Noncurrent assets					
Capital assets:					
Land and improvements	-	3,413,627	-	1,594,732	5,008,359
Buildings and improvements	-	3,531,757	-	912,607	4,444,364
Machinery and equipment	247,398	-	-	430,804	678,202
Infrastructure	-	683,189	-	-	683,189
Parking structures	-	-	11,337,000	-	11,337,000
Construction in process	585,762	101,402	-	69,225	756,389
Total capital assets	833,160	7,729,975	11,337,000	3,007,368	22,907,503
Less accumulated depreciation	(123,699)	(2,838,606)	(10,714,086)	(2,378,902)	(16,055,293)
Net capital assets	709,461	4,891,369	622,914	628,466	6,852,210
Right to use lease asset, net of amortization	-	-	-	107,922	107,922
Lease receivable	-	1,702,913	-	-	1,702,913
Total noncurrent assets	709,461	6,594,282	622,914	736,388	8,663,045
Total assets	\$ 3,711,928	\$ 9,202,660	\$ 1,527,816	\$ 1,512,633	\$ 15,955,037

Continued on next page

CITY OF BANGOR, MAINE
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2023

Business-type Activities - Enterprise Funds

	Stormwater Utility	Economic Development Fund	Parking Fund	Municipal Golf Course	Total Nonmajor Proprietary Funds
LIABILITIES					
Current liabilities					
Accounts payable	\$ 27,920	\$ 3,156	\$ 18,667	\$ 9,876	\$ 59,619
Accrued wages and benefits payable	3,471	-	-	10,468	13,939
Accrued interest	-	13,841	297	596	14,734
Workers' compensation	-	-	-	5,000	5,000
General obligation debt payable	74,133	215,574	16,681	37,179	343,567
Financed purchases obligation payable	-	-	-	17,452	17,452
Accrued compensated absences	-	-	-	17,903	17,903
Lease liability	-	-	-	34,538	34,538
Total current liabilities	105,524	232,571	35,645	133,012	506,752
Long-term liabilities					
General obligation debt payable	396,355	503,067	38,506	76,090	1,014,018
Financed purchases obligation payable	-	-	-	37,566	37,566
Lease liability	-	-	-	73,274	73,274
OPEB liability	30,744	-	-	50,763	81,507
Total long-term liabilities	427,099	503,067	38,506	237,693	1,206,365
Total liabilities	\$ 532,623	\$ 735,638	\$ 74,151	\$ 370,705	\$ 1,713,117
DEFERRED INFLOWS OF RESOURCES					
Leases	\$ -	\$ 1,902,055	\$ -	\$ -	\$ 1,902,055
Net OPEB	1,715	-	-	5,775	7,490
Total deferred inflows of resources	\$ 1,715	\$ 1,902,055	\$ -	\$ 5,775	\$ 1,909,545
NET POSITION					
Net investment in capital assets	\$ 709,461	\$ 4,172,728	\$ 622,914	\$ 489,595	\$ 5,994,698
Unrestricted	2,468,129	2,392,239	830,751	646,558	6,337,677
Total net position	\$ 3,177,590	\$ 6,564,967	\$ 1,453,665	\$ 1,136,153	\$ 12,332,375

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, 2023

Business-type Activities - Enterprise Funds					
	Stormwater Utility	Economic Development Fund	Parking Fund	Municipal Golf Course	Total Nonmajor Proprietary Funds
Operating revenues					
Charges for services	\$ 1,276,283	\$ 387,889	\$ 907,344	\$ 972,740	\$ 3,544,256
Operating expenses					
Operating expenses other than depreciation	656,624	164,308	841,456	760,212	2,422,600
Depreciation	16,493	148,980	102,991	38,689	307,153
Amortization	-	-	-	35,974	35,974
Total operating expenses	673,117	313,288	944,447	834,875	2,765,727
Operating income (loss)	603,166	74,601	(37,103)	137,865	778,529
Nonoperating revenue (expenses)					
Interest income	76,220	110,972	10,154	10,698	208,044
Interest expense	-	(38,280)	(4,454)	(17,848)	(60,582)
Gain on sale of assets	-	212,993	-	-	212,993
Total nonoperating revenue (expenses)	76,220	285,685	5,700	(7,150)	360,455
Net income (loss) before transfers	679,386	360,286	(31,403)	130,715	1,138,984
Grants/contributions received for capital assets	68,358	-	-	-	68,358
Transfers to other funds	(73,591)	-	(8,000)	-	(81,591)
Transfers from other funds	265,329	-	-	-	265,329
Change in net position	939,482	360,286	(39,403)	130,715	1,391,080
Net position, beginning of year	2,238,108	6,204,681	1,493,068	1,005,438	10,941,295
Net position, end of year	\$ 3,177,590	\$ 6,564,967	\$ 1,453,665	\$ 1,136,153	\$ 12,332,375

CITY OF BANGOR, MAINE
Combining Statement of Cash Flows - Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2023
Business-type Activities - Enterprise Funds

	Stormwater Utility	Economic Development Fund	Parking Fund	Municipal Golf Course	Total Nonmajor Proprietary Funds
Cash flows from operating activities					
Cash received from customers	\$ 1,248,987	\$ 402,558	\$ 898,987	\$ 972,740	\$ 3,523,272
Cash paid to suppliers for goods and services	(504,517)	(169,903)	(901,684)	(340,634)	(1,916,738)
Cash paid to employees for services	(209,486)	-	-	(437,301)	(646,787)
Net cash provided by (used in) operating activities	534,984	232,655	(2,697)	194,805	959,747
Cash flows from noncapital financing activities					
Transfers in	191,738	-	-	-	191,738
Transfers out	-	-	(8,000)	-	(8,000)
Net cash provided by (used for) noncapital financing activities	191,738	-	(8,000)	-	183,738
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(524,383)	-	-	-	(524,383)
Lease receivables	-	(33,495)	-	-	(33,495)
Principal paid on general obligation bonds/financed purchases	(74,134)	(307,590)	(15,116)	(66,578)	(463,418)
Interest paid on general obligation bonds/financed purchases	-	(43,941)	(4,535)	(18,057)	(66,533)
Principal paid leases	-	-	-	(33,209)	(33,209)
Grants/contributions received for capital assets	68,358	-	-	-	68,358
Proceeds from sale of property	-	374,293	-	-	374,293
Net cash used for capital and related financing activities	(530,159)	(10,733)	(19,651)	(117,844)	(678,387)
Cash flows from investing activities					
Interest on investments	76,220	110,972	10,154	10,698	208,044
Net cash provided by investing activities	76,220	110,972	10,154	10,698	208,044
Net increase (decrease) in cash and cash equivalents	272,783	332,894	(20,194)	87,659	673,142
Cash and cash equivalents, beginning of year	2,363,520	2,009,201	860,065	678,168	5,910,954
Cash and cash equivalents, end of year	\$ 2,636,303	\$ 2,342,095	\$ 839,871	\$ 765,827	\$ 6,584,096

Continued to next page

CITY OF BANGOR, MAINE
Combining Statement of Cash Flows - Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Stormwater Utility	Economic Development Fund	Parking Fund	Municipal Golf Course	Total Nonmajor Proprietary Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 603,166	\$ 74,601	\$ (37,103)	\$ 137,865	\$ 778,529
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	16,493	148,980	102,991	38,689	307,153
Amortization	-	-	-	35,974	35,974
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(27,296)	14,669	(8,357)	-	(20,984)
(Increase) decrease in prepaid items	(3,455)	-	45,930	(10,418)	32,057
Increase (decrease) in accounts payable	(54,954)	(5,595)	(106,158)	(9,843)	(176,550)
Increase (decrease) in other liabilities	1,030	-	-	2,538	3,568
Total adjustments	(68,182)	158,054	34,406	56,940	181,218
Net cash provided by operating activities	\$ 534,984	\$ 232,655	\$ (2,697)	\$ 194,805	\$ 959,747

Continued from previous page

FIDUCIARY FUNDS

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

Private Purpose Trust Funds – Private Purpose Trust Funds account for contributions received and scholarships awarded for Bangor High School graduates as well as funds set up for student loans in the name of Sophia Kirstein.



CITY OF BANGOR

CITY OF BANGOR, MAINE
Combining Statement of Net Position - Fiduciary Funds
Private Purpose Trusts
June 30, 2023

	School Scholarship Fund	Revolving Loan Fund	Total Private Purpose Trusts
ASSETS			
Cash and cash equivalents	\$ 109,587	\$ -	\$ 109,587
Investments	1,918,739	135,879	\$ 2,054,618
Total assets	\$ 2,028,326	\$ 135,879	\$ 2,164,205
NET POSITION			
Restricted for individuals and organizations	2,028,326	135,879	2,164,205
Total net position	\$ 2,028,326	\$ 135,879	\$ 2,164,205

CITY OF BANGOR, MAINE
Combining Statement of Changes in Net Position - Fiduciary Funds
Private Purpose Trusts
For the Fiscal Year Ended June 30, 2023

	School Scholarship Fund	Revolving Loan Fund	Total Private Purpose Trusts
Additions:			
Contributions	\$ 77,687	\$ -	\$ 77,687
Investment income (loss)	131,402	6,278	137,680
Total revenues	209,089	6,278	215,367
Deductions:			
Payments to beneficiaries	\$ 81,600	\$ 7,588	\$ 89,188
Other expenses	12,077	-	12,077
Total expenses	93,677	7,588	101,265
Net increase (decrease) in net fiduciary position	115,412	(1,310)	114,102
Net position, beginning of year	1,912,914	137,189	2,050,103
Net position, end of year	\$ 2,028,326	\$ 135,879	\$ 2,164,205

**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, 2023

Function and Activity	Balance 2022	Additions	Deletions	Balance 2023
General government				
Community Connector	\$ 9,850,605	\$ 2,245,228	\$ 1,021,066	\$ 11,074,767
Central service	2,811	68,650	5,443	66,018
City hall	1,209,822	487,988	32,771	1,665,039
Code Enforcement	45,018	-	10,691	34,327
Community and economic development	7,041,599	-	486,812	6,554,787
Engineering	-	43,920	2,196	41,724
Information services	389,368	56,000	84,041	361,327
Motor pool	1,503,674	672,616	445,753	1,730,537
Total general government	20,042,897	3,574,402	2,088,773	21,528,526
Public safety				
Fire	4,839,958	338,682	488,610	4,690,030
Police	7,931,598	228,415	383,004	7,777,009
Total public safety	12,771,556	567,097	871,614	12,467,039
Health, community services, and recreation				
Health & community services	34,780	45,981	6,630	74,131
Parks and recreation	5,105,694	697,161	745,641	5,057,214
Total health, community services, and recreation	5,140,474	743,142	752,271	5,131,345
Public services				
Public works	21,053,564	2,380,638	898,501	22,535,701
Total public services	21,053,564	2,380,638	898,501	22,535,701
Education	38,810,652	8,678,357	2,905,132	44,583,877
Total governmental fund capital assets	\$ 97,819,143	\$ 15,943,636	\$ 7,516,291	\$ 106,246,488

OTHER INFORMATION



CITY OF BANGOR

CITY OF BANGOR, MAINE
Assessed Valuation, Commitment and Collections
For the Fiscal Year Ended June 30, 2023

VALUATION

Land and buildings	\$ 2,870,032,000
Land and buildings - Homestead exemption	132,079,900
Personal property	192,161,100
Personal property - BETE exemption	<u>164,552,900</u>
Total valuation	<u><u>\$ 3,358,825,900</u></u>

COMMITMENT

Real estate, personal property (excludes Homestead and BETE exemptions)	\$ 3,062,193,100
Tax rate	<u>0.02040</u>
Total commitment	62,468,739

ADD

Supplemental taxes committed	<u>39,738</u>
	62,508,477

LESS

Collections 2023	60,904,816
Abatements	<u>129,274</u>
2023 taxes receivable at June 30, 2023	<u><u>\$ 1,474,387</u></u>

CITY OF BANGOR, MAINE
General Fund Unassigned Fund Balance Sufficiency Calculation
For the Fiscal Year Ended June 30, 2023

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, 2023

General Fund expenditures/uses (Schedule A-2)

General government	\$ 6,426,520
Public safety	23,719,783
Health, community services and recreation	5,210,117
Public services	10,928,932
Other agencies	6,461,475
Education	64,348,230
Other appropriations	6,697,946
Other uses, gross*	<u>1,576,299</u>
Gross expenditures and uses	125,369,302
Less General Fund debt service	<u>7,094,712</u>
Net expenditures and uses	<u><u>\$ 118,274,590</u></u>
Indicated unassigned fund balance @ 8.33%	\$ 9,852,273
Unassigned fund balance - City (Schedule A-2)	\$ 19,912,461
Actual unassigned fund balance as a percentage of net expenditures and uses	16.84%

* excludes amounts appropriated from unassigned and assigned fund balance

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
Financial Trends	III - 1
<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>	
Revenue Capacity	III - 8
<p>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</p>	
Debt Capacity	III - 12
<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>	
Demographic and Economic Information	III - 16
<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>	
Operating Information	III - 18
<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>	

Table 1

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 49,674,874	\$ 50,030,025	\$ 47,792,253	\$ 49,367,869	\$ 49,138,743	\$ 49,657,039	\$ 53,392,631	\$ 66,647,997	\$ 79,528,327	\$ 88,093,083
Restricted	4,745,034	4,494,021	4,045,808	3,547,716	7,831,587	7,162,489	7,838,489	10,218,666	11,288,646	10,928,015
Unrestricted	(29,701,463)	(25,459,136)	(16,048,402)	(15,045,713)	(11,761,575)	(12,861,886)	(9,572,219)	(9,511,539)	(8,460,783)	(1,209,866)
Total governmental activities net position	24,718,445	29,064,910	35,789,659	37,869,872	45,208,755	43,957,642	51,658,901	67,355,124	82,356,190	97,811,232
Business-type activities:										
Net investment in capital assets	159,116,820	156,544,970	159,537,793	153,328,264	146,713,851	145,420,656	149,493,021	162,260,552	156,732,386	155,188,758
Unrestricted	6,860,485	8,428,935	8,766,272	14,668,855	19,378,420	22,756,860	20,806,519	13,634,495	32,421,144	42,228,947
Total business-type activities net position	165,977,305	164,973,905	168,304,065	167,997,119	166,092,271	168,177,516	170,299,540	175,895,047	189,153,530	197,417,705
Primary government:										
Net investment in capital assets	208,791,694	206,574,995	207,330,046	202,696,133	195,852,594	195,077,695	202,885,652	228,908,549	236,260,713	243,281,841
Restricted	4,745,034	4,494,021	4,045,808	3,547,716	7,831,587	7,162,489	7,838,489	10,218,666	11,288,646	10,928,015
Unrestricted	(22,840,978)	(17,030,201)	(7,282,130)	(376,858)	7,616,845	9,894,974	11,234,300	4,122,956	23,960,361	41,019,081
Total primary government net position	\$ 190,695,750	\$ 194,038,815	\$ 204,093,724	\$ 205,866,991	\$ 211,301,026	\$ 212,135,158	\$ 221,958,441	\$ 243,250,171	\$ 271,509,720	\$ 295,228,937

Table 2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 7,110,075	\$ 6,871,396	\$ 6,588,238	\$ 6,953,399	\$ 6,916,390	\$ 7,179,064	\$ 7,848,641	\$ 7,345,261	\$ 7,169,318	\$ 6,968,910
Public safety	18,050,107	17,933,525	18,107,357	18,841,238	20,802,943	19,814,567	20,871,023	22,617,826	22,522,905	25,318,142
Health, community services and recreation	9,586,571	9,692,379	10,112,526	9,497,729	9,705,672	9,273,091	9,845,591	8,841,142	10,399,860	11,249,414
Public services*	14,249,015	12,956,599	15,409,518	15,997,665	14,427,613	14,443,215	14,968,314	13,910,879	14,751,669	16,970,966
Other agencies	6,799,934	4,638,805	4,528,591	5,049,394	4,943,064	5,208,400	5,515,165	5,394,392	5,858,590	6,471,475
Education	50,594,050	52,297,774	51,901,230	55,079,037	55,799,044	59,205,165	58,764,946	63,836,366	62,213,075	69,626,415
Arena development	500,566	-	136	801,439	62,748	14,961	86,510	4,883	41,392	24,561
Community development	2,178,972	1,316,591	1,592,047	1,335,282	1,090,372	685,926	693,641	1,448,764	1,075,622	3,201,986
Waterfront	272,857	360,004	331,622	-	1,077,972	221,839	105,163	242,681	365,646	637,458
Public transportation	2,782,968	2,784,081	3,166,692	3,273,876	3,071,020	3,447,181	4,533,716	4,201,030	4,722,571	4,968,495
Economic development (tif)	1,440,452	1,568,811	929,322	711,220	632,185	757,396	730,471	756,951	805,709	895,441
Interest on debt	2,464,804	2,604,030	2,362,899	2,142,976	1,983,492	2,001,201	1,835,219	1,715,960	1,446,538	1,183,124
Total governmental activities expenses	116,030,371	113,023,995	115,030,178	119,683,255	120,512,515	122,252,006	125,798,400	130,316,135	131,372,895	147,516,387
Business-type activities:										
Sewer Utility	6,843,975	6,603,195	7,210,861	7,725,453	6,861,750	6,760,227	6,254,740	6,726,312	6,046,487	9,397,725
Airport	20,855,066	20,893,894	20,266,935	21,217,373	21,827,174	22,478,598	23,749,179	22,645,811	27,075,053	26,575,635
Park Woods	497,833	507,210	-	-	-	-	-	-	-	-
Stormwater Utility	149,590	241,082	400,924	509,884	692,174	901,614	1,197,212	797,113	1,034,338	673,117
Parking	925,595	978,658	931,676	1,037,558	1,001,359	872,502	882,638	816,077	808,576	948,901
Bass Park	6,317,039	7,855,957	7,735,775	7,886,589	7,571,370	7,567,090	7,107,209	5,694,980	6,120,833	7,017,195
Municipal Golf Course	643,323	849,164	613,930	604,127	703,104	711,448	761,968	815,110	742,269	852,723
Economic Development	628,252	698,294	508,234	466,485	394,026	477,066	379,183	390,347	374,791	351,568
Total business-type activities expenses	36,860,673	38,627,454	37,668,335	39,447,469	39,050,957	39,768,545	40,332,129	37,885,750	42,202,347	45,816,864
Total primary government expenses	\$ 152,891,044	\$ 151,651,449	\$ 152,698,513	\$ 159,130,724	\$ 159,563,472	\$ 162,020,551	\$ 166,130,529	\$ 168,201,885	\$ 173,575,242	\$ 193,333,251

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

Continued on next page

Table 2 (con't)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 2,764,659	\$ 2,493,428	\$ 2,196,463	\$ 2,117,874	\$ 2,170,614	\$ 2,215,075	\$ 2,004,043	\$ 2,644,918	\$ 2,911,634	\$ 2,735,337
Public safety	2,682,248	3,193,528	3,383,956	3,013,577	3,464,870	3,121,187	3,105,928	3,637,747	4,025,538	3,440,629
Health, community services and recreation	1,164,090	1,118,582	1,193,185	1,266,221	1,452,453	1,529,894	1,247,814	1,007,245	1,386,341	2,283,422
Public services	3,758,666	3,904,548	3,618,373	3,637,836	3,666,013	1,688,725	1,583,305	1,282,795	1,526,408	1,044,108
Other agencies	46,882	-	-	-	19,490	20,234	-	-	-	-
Education	3,446,006	4,699,101	4,506,591	5,705,049	5,826,279	6,476,809	6,442,414	5,659,620	4,973,964	5,396,545
Arena development	1,960,876	1,952,929	1,896,633	1,838,285	1,770,957	2,212,753	563	-	-	-
Community development	994,546	273,269	313,396	442,445	31,708	25,190	298,755	510,103	190,869	430,687
Waterfront	-	-	-	-	-	21,248	-	-	-	-
Public transportation	816,819	857,013	1,048,974	774,195	790,936	751,711	634,594	536,012	511,928	595,762
Tax increment financing	-	-	-	-	-	127,666	-	-	-	-
Operating grants and contributions	34,600,320	33,541,085	34,838,496	33,872,652	35,577,981	37,158,903	40,562,677	48,744,377	47,685,520	56,186,393
Capital grants and contributions	1,720,879	1,540,614	3,064,312	2,391,680	3,499,613	2,983,206	4,410,094	4,136,063	4,441,328	7,206,563
Total governmental activities program revenues	53,955,991	53,574,097	56,060,379	55,059,814	58,270,914	58,332,601	60,290,187	68,158,880	67,653,530	79,319,446
Business-type activities:										
Charges for services										
Sewer Utility	8,426,054	8,189,623	7,975,639	8,634,449	8,715,468	9,451,741	9,448,625	9,399,493	9,880,148	10,487,891
Airport	12,220,328	12,036,215	13,576,325	15,870,081	17,073,888	19,032,646	18,233,077	16,429,970	24,569,343	24,384,495
Park Woods	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	1,277,113	1,281,716	1,276,283
Parking	1,002,164	1,022,305	1,030,872	1,008,494	967,704	947,136	872,201	698,934	782,530	907,344
Bass Park	2,683,094	3,239,457	3,346,951	3,387,105	3,237,736	3,045,740	2,165,685	663,123	2,285,510	3,636,172
Municipal Golf Course	575,020	611,132	732,016	644,303	734,578	649,698	716,166	914,169	852,006	972,740
Economic Development	515,339	589,383	674,066	503,905	395,032	402,728	399,939	423,066	383,308	387,889
Operating grants and contributions	-	193,061	-	-	-	-	-	2,244,355	96,949	-
Capital grants and contributions	4,039,968	6,947,799	8,776,331	3,776,705	1,789,607	3,327,180	5,056,332	7,988,828	11,200,581	6,812,317
Total business-type activities program revenues	30,261,291	34,376,999	37,113,064	34,878,934	34,162,975	38,146,822	38,175,218	40,039,051	51,332,091	48,865,131
Total primary government program revenues	\$ 84,217,282	\$ 87,951,096	\$ 93,173,443	\$ 89,938,748	\$ 92,433,889	\$ 96,479,423	\$ 98,465,405	\$ 108,197,931	\$ 118,985,621	\$ 128,184,577

Continued on next page

Table 2 (con't)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense)/revenue										
Governmental activities	\$ (62,074,380)	\$ (59,449,898)	\$ (58,969,799)	\$ (64,623,441)	\$ (62,241,601)	\$ (63,919,405)	\$ (65,508,213)	\$ (62,157,255)	\$ (63,719,365)	\$ (68,196,941)
Business-type activities	(6,599,382)	(4,250,455)	(555,271)	(4,568,535)	(4,887,982)	(1,621,723)	(2,156,911)	2,153,301	9,129,744	3,048,267
Total primary government expense	(68,673,762)	(63,700,353)	(59,525,070)	(69,191,976)	(67,129,583)	(65,541,128)	(67,665,124)	(60,003,954)	(54,589,621)	(65,148,674)
General revenues and other changes in net position										
Governmental activities:										
Property taxes	52,243,583	55,303,613	56,062,583	56,721,029	56,804,294	57,897,028	60,264,977	59,643,454	59,603,215	61,034,847
Payment in lieu of taxes	161,438	156,417	193,599	233,683	284,405	290,489	306,479	316,003	311,923	339,413
Excise taxes	5,400,100	5,844,800	6,272,270	6,170,792	6,427,990	6,876,000	5,789,454	7,376,295	6,832,081	7,051,220
Franchise taxes	350,014	341,605	336,979	346,303	348,512	370,278	368,470	374,812	349,289	340,463
Unrestricted grants and contributions	3,787,128	3,794,664	4,173,167	4,464,142	5,273,333	5,861,782	7,267,295	9,585,084	12,403,157	13,376,774
Unrestricted investment earnings	510,429	413,923	488,936	380,580	674,137	892,161	853,277	688,379	630,752	567,311
Gain (loss) on sale of asset	-	-	-	62,180	(6,771)	35,349	203,396	306,733	-	188,478
Miscellaneous	1,863	410,991	179,163	-	-	-	-	-	-	-
Transfers	(3,170,717)	(2,469,650)	(2,012,149)	(1,675,055)	(1,793,227)	(1,482,087)	(1,707,061)	(590,000)	(1,252,608)	(1,243,934)
Total governmental activities	59,283,838	63,796,363	65,694,548	66,703,654	68,012,673	70,741,000	73,346,287	77,700,760	78,877,809	81,654,572
Business-type activities:										
Property taxes	750,000	800,000	1,000,000	1,100,000	1,100,000	1,255,000	1,300,000	1,860,838	1,500,000	1,500,000
Unrestricted investment earnings	504,584	462,069	420,951	555,259	521,200	965,025	1,024,264	979,424	868,944	2,241,652
Gain (loss) on sale of asset	-	-	452,331	931,275	14,807	4,856	247,610	11,944	5,669	230,322
Special Item	-	(484,664)	-	-	-	-	-	-	-	-
Transfers	3,170,717	2,469,650	2,012,149	1,675,055	1,793,227	1,482,087	1,707,061	590,000	1,252,608	1,243,934
Total business-type activities	4,425,301	3,247,055	3,885,431	4,261,589	3,429,234	3,706,968	4,278,935	3,442,206	3,627,221	5,215,908
Total primary government	63,709,139	67,043,418	69,579,979	70,965,243	71,441,907	74,447,968	77,625,222	81,142,966	82,505,030	86,870,480
Change in net position										
Governmental activities	(2,790,542)	4,346,465	6,724,749	2,080,213	5,771,072	6,821,595	7,838,074	15,543,505	15,158,444	13,457,631
Business-type activities	(2,174,081)	(1,003,400)	3,330,160	(306,946)	(1,458,748)	2,085,245	2,122,024	5,595,507	12,756,965	8,264,175
Total primary government	\$ (4,964,623)	\$ 3,343,065	\$ 10,054,909	\$ 1,773,267	\$ 4,312,324	\$ 8,906,840	\$ 9,960,098	\$ 21,139,012	\$ 27,915,409	\$ 21,721,806

Continued from previous page

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Tax Revenues										
Property taxes	\$ 52,243,583	\$ 55,303,613	\$ 56,062,583	\$ 56,721,029	\$ 56,804,294	\$ 57,897,028	\$ 60,264,977	\$ 59,643,454	\$ 59,603,215	\$ 61,034,847
Excise taxes	5,400,100	5,844,800	6,272,270	6,170,792	6,427,990	6,876,000	5,789,454	7,376,295	6,832,081	7,051,220
Franchise taxes	350,014	341,605	336,979	346,303	348,512	370,278	368,470	374,812	349,289	340,463
Total tax revenues	\$ 54,887,898	\$ 61,490,018	\$ 62,671,832	\$ 63,238,124	\$ 63,580,796	\$ 65,143,306	\$ 66,422,901	\$ 67,394,561	\$ 66,784,585	\$ 68,426,530

Table 4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
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	853,265	672,248	1,238,139	1,061,973	1,108,525	1,303,883	835,540	1,077,226	1,097,997	1,200,652
Restricted										
Education purposes	974,012	889,481	1,354,267	745,039	694,202	278,635	1,210,782	3,654,108	5,186,261	3,753,138
Municipal purposes	288,857	19,803	19,830	19,883	20,210	20,617	5,715	6,611	6,728	6,760
Committed - municipal purposes	2,623	110,933	5,406	288,743	118,316	233,988	286,801	715,470	419,816	520,823
Assigned										
Encumbrances and subsequent year expenditures	31,347	15,987	244,899	72,264	60,268	60,142	68,563	144,531	499,050	840,058
Municipal purposes	3,386,444	4,626,740	5,509,947	6,367,677	8,064,027	9,236,099	8,489,091	8,662,089	15,964,049	15,571,644
Unassigned*	9,598,472	9,995,105	11,315,235	12,171,566	14,064,283	13,105,808	14,547,264	19,923,420	16,349,655	19,912,461
Total general fund	\$ 17,035,520	\$ 18,230,797	\$ 21,588,223	\$ 22,627,645	\$ 26,030,331	\$ 26,139,672	\$ 27,344,256	\$ 36,083,955	\$ 41,424,056	\$ 43,706,036
All other governmental funds:										
Nonspendable										
Permanent Fund Principal	\$ 544,200	\$ 532,758	\$ 532,338	\$ 525,249	\$ 512,633	\$ 518,144	\$ 385,512	\$ 389,245	\$ 392,372	\$ 395,797
Capital Project Fund	-	-	-	1,120,229	-	-	642,000	-	-	-
Restricted										
Community Development Block Grant	-	-	-	50,811	-	-	-	-	-	-
Nonmajor Special Revenue Funds	1,971,397	2,060,733	1,633,366	1,692,082	6,081,420	5,802,845	5,702,502	5,664,515	5,213,837	6,286,332
Nonmajor Permanent Funds	483,284	495,623	506,007	514,652	523,122	542,248	533,978	504,187	489,448	485,988
Committed										
Nonmajor Special Revenue Funds	1,051,134	871,271	587,141	613,291	397,579	811,934	479,703	915,629	2,001,308	3,236,183
Assigned										
Capital Project Fund	4,868,248	4,657,905	7,169,264	2,581,181	5,776,359	7,705,395	11,845,250	10,573,651	2,647,901	432,302
ARPA Fund	-	-	-	-	-	-	-	11,555	196,178	553,454
Unassigned										
Community Development Block Grant	(3,275)	(10,679)	(3,153)	-	-	-	-	-	-	-
Nonmajor Special Revenue Funds	-	-	-	-	-	-	(9,343)	-	-	-
Total all other governmental funds	\$ 8,914,988	\$ 8,607,611	\$ 10,424,963	\$ 7,097,495	\$ 13,291,113	\$ 15,380,566	\$ 19,579,602	\$ 18,058,782	\$ 10,941,044	\$ 11,390,056

* FY 2019 unassigned fund balance included a school department deficit.

Table 5

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes:										
Property taxes	\$ 52,748,153	\$ 55,650,209	\$ 56,626,711	\$ 57,378,981	\$ 57,881,205	\$ 58,096,284	\$ 60,791,768	\$ 60,729,030	\$ 59,759,771	\$ 61,725,205
Excise taxes	5,400,100	5,844,800	6,272,270	6,170,792	6,427,990	6,876,000	5,789,454	7,376,295	6,832,081	7,051,220
Total tax revenues	58,148,253	61,495,009	62,898,981	63,549,773	64,309,195	64,972,284	66,581,222	68,105,325	66,591,852	68,776,425
Intergovernmental	40,025,974	38,563,450	41,912,419	40,506,368	44,112,774	45,702,994	49,867,696	59,908,912	60,996,441	71,275,511
Licenses and permits	1,389,717	831,968	755,273	644,795	1,014,170	741,027	681,420	807,226	1,109,711	781,092
Charges for services	12,782,036	14,889,219	14,802,549	15,525,283	15,433,780	14,782,630	13,830,649	13,068,344	13,669,008	13,824,682
Program income	765,142	247,549	284,619	407,403	31,208	11,006	277,835	57,686	140,169	429,687
Revenue from use of money and property	3,114,817	2,883,535	2,823,151	2,693,947	3,446,219	3,650,678	2,790,672	3,018,970	3,674,100	4,191,786
Other	156,659	516,714	227,243	275,771	332,400	368,750	1,176,183	1,624,530	1,265,985	461,682
Total revenues	116,382,598	119,427,444	123,704,235	123,603,340	128,679,746	130,229,369	135,205,677	146,590,993	147,447,266	159,740,865
Expenditures:										
General government*	5,172,972	5,391,279	5,172,435	5,133,047	5,301,228	5,420,213	5,747,168	5,667,140	5,829,838	6,289,233
Public safety	16,409,651	16,994,567	17,146,674	17,330,311	18,173,695	19,594,743	20,050,145	20,203,046	22,556,426	23,367,057
Health, community services and recreation	4,826,149	5,041,486	5,117,412	4,972,166	5,066,925	4,838,006	4,812,261	4,196,154	4,041,761	5,203,639
Public services	10,052,683	10,704,017	10,387,416	10,907,018	10,521,736	9,662,829	10,004,187	9,501,145	10,333,703	10,866,310
Other agencies	4,566,380	4,684,697	4,723,022	4,886,577	4,907,267	5,159,254	5,505,165	5,384,392	5,848,590	6,461,475
Education	50,771,925	53,037,177	52,655,986	54,722,897	56,111,179	59,315,126	58,753,118	64,858,915	61,901,606	67,964,471
Tax increment financing	632,364	724,347	717,260	711,220	745,170	757,396	888,476	813,780	862,538	895,441
Unclassified	590,627	74,128	104,422	44,568	15,319	29,818	13,711	108,035	44,895	65,343
Restricted grants	10,729,492	9,691,489	9,852,311	8,799,030	8,540,312	8,609,435	9,070,191	9,867,830	10,641,561	13,621,148
Capital outlay	12,534,783	8,158,063	7,940,743	9,419,396	12,518,635	9,716,334	13,080,007	14,731,893	19,722,906	19,576,031
Debt service										
Principal	3,222,253	3,685,728	3,970,474	5,563,414	4,384,953	5,848,513	4,334,371	4,334,371	4,822,402	4,774,392
Interest	1,957,347	2,050,633	1,983,468	1,871,056	1,872,395	1,835,615	1,687,944	1,687,944	1,452,571	1,235,900
Other charges	-	-	-	-	66,255	53,752	77,146	297,782	26,695	34,298
Total expenditures	121,466,626	120,237,611	119,771,623	124,360,700	128,225,069	130,841,034	134,023,890	141,652,427	148,085,492	160,354,739
Excess (deficiency) of revenues over (under) expenditures	(5,084,028)	(810,167)	3,932,612	(757,360)	454,677	(611,665)	1,181,787	4,938,566	(638,226)	(613,874)
Other financing sources/(uses)										
General obligation bonds issued	8,369,000	3,602,000	3,014,000	-	6,060,037	1,616,124	5,000,642	2,210,500	-	1,880,040
Debt forgiveness	-	-	-	-	-	-	-	-	-	2,365,760
Refunding bonds issued	-	-	-	-	-	1,550,000	-	-	-	-
Financed purchases	-	-	61,152	-	-	617,101	548,969	-	150,849	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Premium on debt issuance	133,552	-	-	-	294,646	298,334	296,011	124,984	-	-
Financing proceeds	-	-	-	-	-	-	-	-	-	-
Designated fund balance	-	-	-	-	-	-	-	-	-	81,930
Sale of assets and miscellaneous	187,760	565,717	179,163	144,369	91,550	210,988	220,087	382,111	122,348	261,070
Transfers to other funds	(4,406,771)	(3,698,558)	(4,015,412)	(4,238,315)	(4,363,292)	(5,974,749)	(6,740,439)	(2,920,402)	(4,431,508)	(6,515,873)
Transfers from other funds	1,236,054	1,228,908	2,003,263	2,563,260	2,570,065	4,492,662	5,033,378	2,330,402	3,178,900	5,271,939
Total other financing sources	5,519,595	1,698,067	1,242,166	(1,530,686)	4,653,006	2,810,460	4,358,648	2,127,595	(979,411)	3,344,866
Net change in fund balances	\$ 435,567	\$ 887,900	\$ 5,174,778	\$ (2,288,046)	\$ 5,107,683	\$ 2,198,795	\$ 5,540,435	\$ 7,066,161	\$ (1,617,637)	\$ 2,730,992
Debt service as a percentage of noncapital expenditures	4.46%	4.97%	5.06%	6.21%	5.14%	6.09%	4.80%	4.59%	4.75%	4.12%

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

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

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Homestead Exemption¹	Business Equipment Tax Exemption²	Other Exemptions³
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
2021	\$ 2,482,815,200	185,174,200	2,667,989,400	21.66	\$ 122,888,800	159,077,200	1,142,661,700
2022	\$ 2,549,168,400	172,051,300	2,721,219,700	20.67	\$ 123,080,900	174,069,700	1,154,553,600
2023	\$ 2,870,032,000	192,161,100	3,062,193,100	18.86	\$ 132,079,900	166,062,900	1,250,766,560

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

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

² 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 2023 the rate was 60.99%.

³ 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

Fiscal Year	General City Government	General Fund Debt Service	Education	Total Direct Tax Rate	Penobscot County	Total Tax/ (Mill) Rate
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
2021	8.47	2.69	10.50	21.66	1.54	23.20
2022	7.94	2.67	10.06	20.67	1.63	22.30
2023	7.49	2.41	8.96	18.86	1.54	20.40

Table 8

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

Taxpayer	Business	2023			2014		
		Assessed Value	Rank	% of Total Tax Base	Assessed Value	Rank	% of Total Tax Base
GLP Capital L.P.	Gaming	73,972,300	1	2.42%	92,856,800	1	3.57%
Versant	Utility	42,988,000	2	1.40%	-	-	-
Bangor Savings Bank	Financial	35,340,000	3	1.15%	-	-	-
Bangor Natural Gas	Utility	23,858,700	4	0.78%	18,220,500	7	0.70%
QV Realty Trust	Real estate interests	22,359,400	5	0.73%	16,383,900	9	0.63%
GM Realty of Bangor LLC	Real estate interests	18,586,800	6	0.61%	16,511,400	8	0.63%
Wal-Mart Real Estate	Retailer	17,426,500	7	0.57%	21,741,000	6	0.84%
Winterfell Sunbury	Retirement Housing	17,340,600	8	0.57%	-	-	-
Broadway Shopping Center	Shopping mall	16,267,700	9	0.53%	-	-	-
Banres, LLC	Hotel	16,059,200	10	0.52%	-	-	-
HC Bangor LLC	Gaming	-	-	-	21,880,000	5	0.84%
General Electric	Manufacturer	-	-	-	61,780,400	2	2.37%
Bangor Mall LLC	Shopping mall	-	-	-	60,182,800	3	2.31%
Emera Maine	Utility	-	-	-	40,649,300	4	1.56%
Harvest Sunbury Village	Retirement Living	-	-	-	15,370,500	10	0.59%
Totals		<u>\$ 284,199,200</u>		<u>9.28%</u>	<u>\$ 365,576,600</u>		<u>14.04%</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			
2014	\$ 53,077,993	43,339	53,034,654	51,692,178	97.47%	\$ 1,316,982	53,009,160	99.95%
2015	\$ 55,903,061	282,782	55,620,279	53,708,753	96.56%	\$ 1,882,326	55,591,079	99.95%
2016	\$ 57,090,091	445,799	56,644,292	55,557,652	98.08%	\$ 1,039,562	56,597,214	99.92%
2017	\$ 57,781,717	116,643	57,665,074	56,513,791	98.00%	\$ 1,099,415	57,613,206	99.91%
2018	\$ 58,013,766	79,288	57,934,478	56,868,240	98.16%	\$ 1,005,302	57,873,542	99.89%
2019	\$ 59,173,223	169,404	59,003,819	57,885,246	98.10%	\$ 1,042,668	58,927,914	99.87%
2020	\$ 60,939,583	45,746	60,893,837	59,000,699	96.89%	\$ 1,819,399	60,820,098	99.88%
2021	\$ 61,954,779	139,162	61,815,617	60,932,911	98.57%	\$ 771,147	61,704,058	98.57%
2022	\$ 60,716,877	26,904	60,689,973	59,627,148	98.25%	\$ 604,315	60,231,464	99.24%
2023	\$ 62,468,739	129,274	62,339,465	60,904,816	97.70%	\$ -	60,904,816	97.70%

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	Financed Purchases	Bond Premiums	General Obligation Bonds/Notes	Financed Purchases	Lease Liability	Bond Premiums		Per Capita*	Assessed Value	Per Personal Income*
2014	\$ 67,154,638	277,728	-	82,983,011	41,699	-	-	150,457,076	4,605	5.87%	13.12%
2015	\$ 65,147,398	549,636	-	83,619,820	33,082	-	-	149,349,936	4,586	5.74%	12.64%
2016	\$ 62,635,756	408,687	-	81,041,828	29,210	-	-	144,115,481	4,449	5.62%	12.27%
2017	\$ 55,502,169	181,526	-	81,332,351	20,026	-	-	137,036,072	4,284	5.33%	12.01%
2018	\$ 55,917,971	24,306	-	77,867,785	61,903	-	-	133,871,965	4,196	5.19%	11.05%
2019	\$ 52,328,779	484,747	-	78,989,062	42,175	-	-	131,844,763	4,121	5.12%	10.28%
2020	\$ 51,912,434	759,336	-	79,353,077	61,215	-	-	132,086,062	4,115	4.99%	9.77%
2021	\$ 48,944,482	483,188	1,103,632	79,500,995	44,794	179,871	227,352	130,484,314	4,109	4.89%	8.81%
2022	\$ 42,417,507	340,700	982,576	89,978,082	99,633	141,021	216,178	134,175,697	4,226	4.93%	8.51%
2023	\$ 39,166,581	114,765	861,520	84,646,780	64,761	107,812	205,004	125,167,223	3,942	4.09%	7.52%

* 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
2014	32,673	\$ 2,561,274,600	150,137,649	5.86%	4,595
2015	32,568	\$ 2,600,202,500	148,767,218	5.72%	4,568
2016	32,391	\$ 2,566,222,000	143,677,584	5.60%	4,436
2017	31,985	\$ 2,571,894,300	136,834,520	5.32%	4,278
2018	31,903	\$ 2,577,440,500	133,785,756	5.19%	4,194
2019	31,997	\$ 2,577,440,500	131,317,841	5.09%	4,104
2020	32,098	\$ 2,648,893,300	131,265,511	4.96%	4,090
2021	31,753	\$ 2,667,989,400	128,445,477	4.81%	4,045
2022	31,753	\$ 2,721,219,700	132,395,589	4.87%	4,170
2023	31,753	\$ 3,062,193,100	123,813,361	4.04%	3,899

* Source: U.S. Census Bureau.

CITY OF BANGOR, MAINE
Computation of Direct and Overlapping Debt
June 30, 2023

	Total Debt Outstanding	Percentage Applicable to Bangor	Amount Applicable to Bangor
Direct Debt			
City of Bangor			
General Obligation Bonds	\$ 39,166,581	100.00%	\$ 39,166,581
Financed purchases	114,765	100.00%	114,765
Total direct debt	<u>39,281,346</u>		<u>39,281,346</u>
Overlapping Debt			
Penobscot County*	\$ 456,690	21.85%	\$ 99,796
Total overlapping debt	<u>\$ 456,690</u>		<u>\$ 99,796</u>
Total Debt	<u>\$ 39,738,036</u>		<u>\$ 39,381,142</u>

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

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

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Net Debt to Debt Limit
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%
2021	\$ 411,697,500	128,445,477	283,252,023	31.20%
2022	\$ 436,042,500	132,395,589	303,646,911	30.36%
2023	\$ 464,107,500	123,813,361	340,294,139	26.68%

Legal Debt Margin Calculation for Fiscal Year 2023

Total State Valuation	\$ 3,094,050,000
Debt Limitation: 15 % of State Valuation	464,107,500
Debt Applicable to Debt Limitation:	
General Obligation Bonds:	
Municipal	80,657,594
School	12,366,813
Sewer	30,788,954
Total debt applicable to limit	<u>123,813,361</u>
Legal Debt margin	<u><u>\$ 340,294,139</u></u>

Table 14

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

Fiscal Year	Population *	Median Household Income*	Per Capita Income*	Median Age*	Public School Enrollment**	Unemployment Rate ***
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%
2021	31,753	46,625	30,245	37.9	3,505	4.60%
2022	31,753	49,652	32,433	39.0	3,457	3.00%
2023	31,753	52,438	35,785	40.6	3,526	2.30%

* 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

2022*				2013 ¹			
Employees	Employer	Location	Percentage of Total Employment ²	Employees	Employer	Location	Percentage of Total Employment ²
2501-3000	Eastern Maine Medical Center	Throughout	7.64%	1000-4000	Eastern Maine Medical Center	Bangor	6.72%
1501 to 2000	Northern Light Health	Throughout	4.86%	1000-4000	Bangor Mall	Bangor	6.72%
1001 to 1500	St. Joseph Hospital Inc	Bangor	3.47%	1000-4000	University of Maine	Orono	6.72%
501 to 1000	Northern Light Acadia Hospital	Bangor	2.09%	1000-4000	City of Bangor	Bangor	6.72%
501 to 1000	Husson University	Bangor	2.09%	1000-4000	Hannaford Supermarkets	Throughout	6.72%
1 to 500	Wal-Mart Associates Inc.	Throughout	0.70%	1000-4000	Cianbro Corporation	Throughout	6.72%
1 to 500	Bangor Savings Bank	Throughout	0.70%	1000-4000	Walmart	Throughout	6.72%
1 to 500	United Parcel Service	Throughout	0.70%	500-999	Bangor Savings Bank	Bangor	2.01%
1 to 500	Production Services of Maine LLC	Throughout	0.70%	500-999	LL Bean	Bangor	2.01%
1 to 500	Sargent Corporation	Throughout	0.70%	500-999	Microdyne	Orono	2.01%
				500-999	Acadia Hospital	Bangor	2.01%
				500-999	Verso Corp Paper Mill	Bucksport	2.01%
				500-999	St. Joseph Hospital	Bangor	2.01%
				500-999	Community Health & Counseling	Bangor	2.01%
			23.63%				61.12%

* Source - State of Maine, Department of Labor.

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

² 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

Function	2014*	2015*	2016*	2017*	2018*	2019*	2020*	2021+	2022*	2023*
General government	92	103	104	107	103	102	93	112	113	113
Public safety										
Police	96	93	91	94	95	93	98	103	94	95
Fire	91	87	90	89	88	94	95	95	97	90
Health, community services and recreation	46	41	34	36	47	40	38	37	57	51
Public building and services	76	63	62	61	71	72	70	64	65	60
Education	568	578	570	580	590	590	595	595	581	581
Sewer utility	24	24	27	27	26	26	22	27	23	25
Airport	77	85	106	107	109	95	92	114	116	119
Park woods	1	-	-	-	-	-	-	-	-	-
Parking	3	3	2	2	3	-	-	-	-	-
Bass park	-	-	-	-	-	-	-	-	-	-
Municipal golf course	8	8	8	8	8	3	3	4	3	3
Totals	1,082	1,085	1,094	1,111	1,140	1,115	1,106	1,151	1,149	1,137

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

+ Source - City of Bangor Departmental Budget Documents.

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Code enforcement										
Building permits	433	454	517	571	676	675	516	486	490	418
Certificates of occupancy	395	452	630	609	729	750	594	545	545	487
Sign permits	82	83	86	89	90	70	94	81	72	55
Electrical**	-	-	607	739	770	781	745	778	741	774
Police										
Calls for service	36,153	36,967	38,347	38,505	35,768	35,363	34,650	33,238	35,269	35,520
Fire										
Calls for service	9,031	9,292	10,048	10,110	9,832	9,903	9,108	8,317	9,730	18,508
Sewer										
Treated flow (billions of gallons)	2.69	3.20	2.57	2.44	2.76	3.21	3.48	2.74	2.81	3.30
Biosolids (tons)	6,309	5,821	6,230	6,101	5,569	6,036	6,250	5,566	5,331	5,706

* 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	43	50	57	57	60	55	55	56	56	57
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles	26	26	24	25	22	27	27	28	28	28
Public works										
Streets (miles)	431	431	432	432	432	432	360	360	360	360
Sidewalks (miles)	101.4	101.4	101.4	101.4	101.9	109.6	110.2	110.1	110.3	130.2
Parks and recreation										
Parks	29	29	29	29	29	29	29	31	31	31
Parks acreage	950	950	950	950	950	1227	1227	1227	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	101	101	101	101	102
Miles of combined sewers	49	49	49	49	49	43	44	43	44	44

* Source - City of Bangor Departmental records.