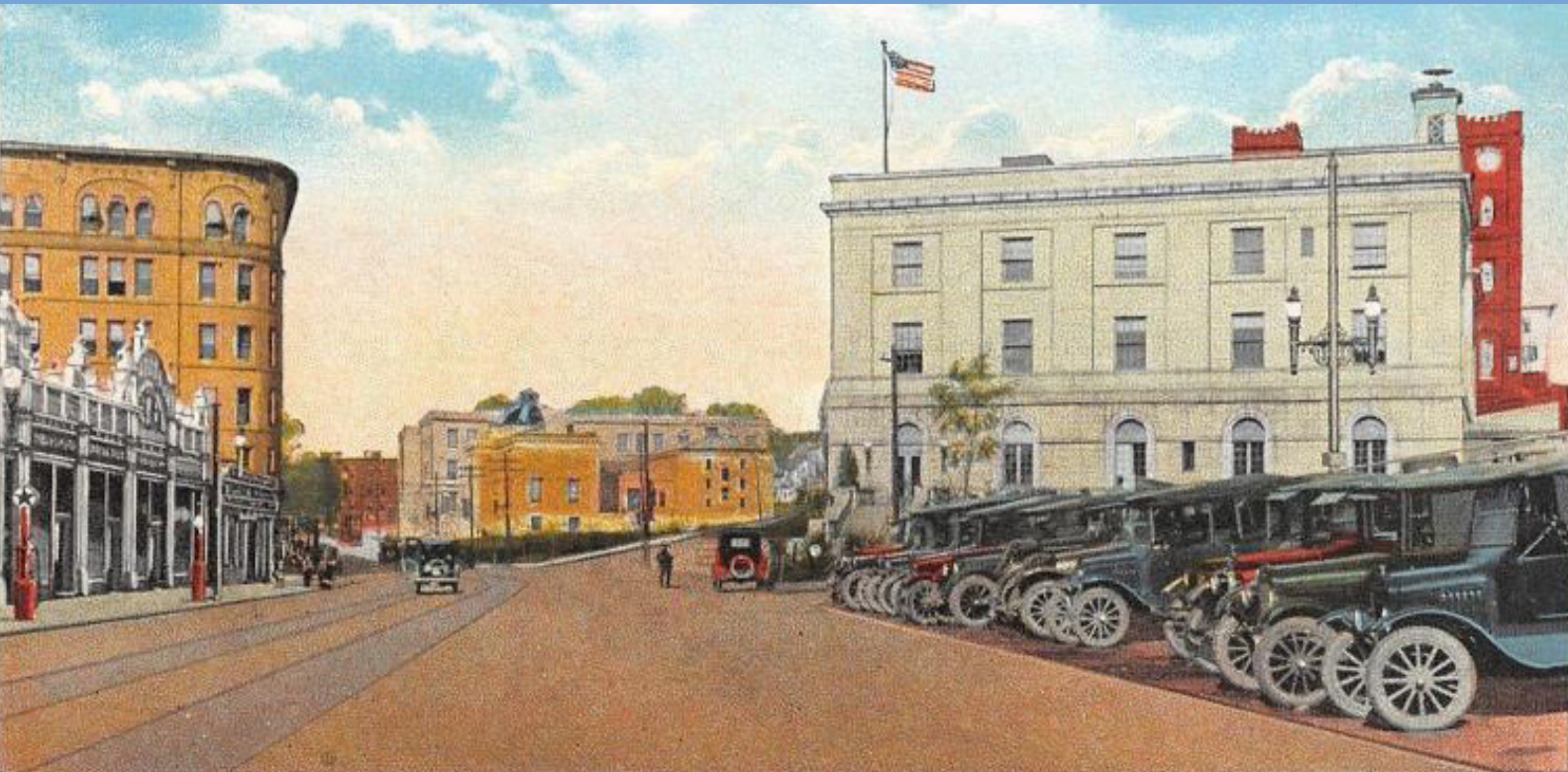


CITY OF BANGOR  
MAINE

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR JUNE 30, 2019



# CELEBRATING 50 YEARS OF BANGOR CITY HALL



**CITY OF BANGOR, MAINE**

**Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2019**

CITY OF BANGOR

Prepared by:

Debbie Laurie, Finance Director

David Little, Deputy Finance Director

**CITY OF BANGOR, MAINE**  
**Comprehensive Annual Financial Report**  
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**For the Fiscal Year Ended June 30, 2019**

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# **INTRODUCTORY SECTION**



# DEPARTMENT OF FINANCE

## CITY OF BANGOR

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DEBBIE A. LAURIE  
DIRECTOR

December 27, 2019

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

In accordance with the City Charter and state statutes, the City of Bangor's comprehensive annual financial report for the fiscal year ended June 30, 2019 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 with the Superintendent responsible for the day to day operations of the schools. Members of the school committee are elected at large to staggered three-year terms. By Charter, the School Committee has all the powers and responsibility for the care and management of the public schools of the City. By Charter, the Committee annually furnishes to the City Council an estimate of sums 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.

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's 2018 unemployment rate of 3.2% was on par with the state rate of 3.2% and lower than the national of 3.7%.

Bangor serves as one of the largest retail markets in Maine. The Bangor Mall, Airport Mall, Broadway commercial center, Union Street commercial corridor, and the Bangor Center Development District (downtown) have long established Bangor as the hub of the six county eastern Maine retail market. Bangor's retail sector serves an extensive geographic area ranging from eastern Maine to the Canadian Maritimes, with a population exceeding 3.1 million. With less than three percent of the State's population, Bangor's share of the State's retail sales is proportionally higher. In FY 2019, Bangor's retail taxable sales were \$1.82 billion and represent 7.82% of total State retail taxable sales. Shifts in the retail market have created challenges in some of our large retail centers. Specifically, the Bangor Mall is facing the same challenges that are being faced by retail centers around the country. The implications of this challenge are being monitored closely and the city will be working proactively with mall owners to seek new uses for important retail properties.

The City is committed to preserving its viable economic base while creating new opportunities for future residential and commercial growth. The City is proactive in supporting economic activity through planned capital improvements, innovative financing, and aggressive marketing as well as enhancing our citizens' quality of life. Bangor is experiencing significant growth in the downtown area including retail, dining, residential, and office space. New mixed-use redevelopment projects completed over the past 5 years has led to low vacancy rates. Public and private developments

along Main Street including development of the Cross Insurance Center, Marriot Residence Inn and the relocation of corporate headquarters for Cross Insurance and Bangor Savings Bank have contributed to the growth. In addition, over the past year, other developments including the opening of Soft Tissue and the relocation of Getchell Ice, and CES, has resulted in low levels of office space vacancies as well as the depletion of available industrial space.

Further evidence of continuing sustained growth is the change that can be measured by the City's assessed value of real and personal property. The annual increase in assessed value is a combination of three factors: 1) market adjustments to existing property, 2) new construction/additions, and 3) personal property depreciation. Assessed valuations have remained relatively flat since the FY 2011 economic downturn. However, personal property enrolled in the Business Equipment Tax Exempt program (BETE) continues to increase annually, an indication of continued commercial investment within the City. As the City's assessed valuation has remained flat, the City continues to be impacted by reductions in State-funded revenue sharing, aid to education and has absorbed additional tax shifts related to general assistance and Medicare/Medicaid. The reductions in revenues and cost shifts are the major contributing factor in the overall increase of 20.47% in the tax rate from 2009 to 2019.

**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:

- \$3.0 million invested in streets, sidewalks, traffic control, and other infrastructure;
- \$1.3 million invested in upgrades to Community Connector vehicles;
- \$5.6 million invested in the plant and pump station upgrades, sewer replacements and separation projects;
- \$4.9 million invested in airport equipment and infrastructure; and
- \$600 thousand invested in school facilities.

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

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

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

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

By Charter, the City is to maintain an unassigned fund balance of no more than 16.66% and no less than 8.33% of prior year expenditures and the Council has determined that a reasonable target is 8.33%. Unassigned fund balance – City in the General Fund as of June 30, 2019 was 13.26% of expenditures, net of debt service.

**Awards and Acknowledgements.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bangor for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Debbie Laurie  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Bangor  
Maine**

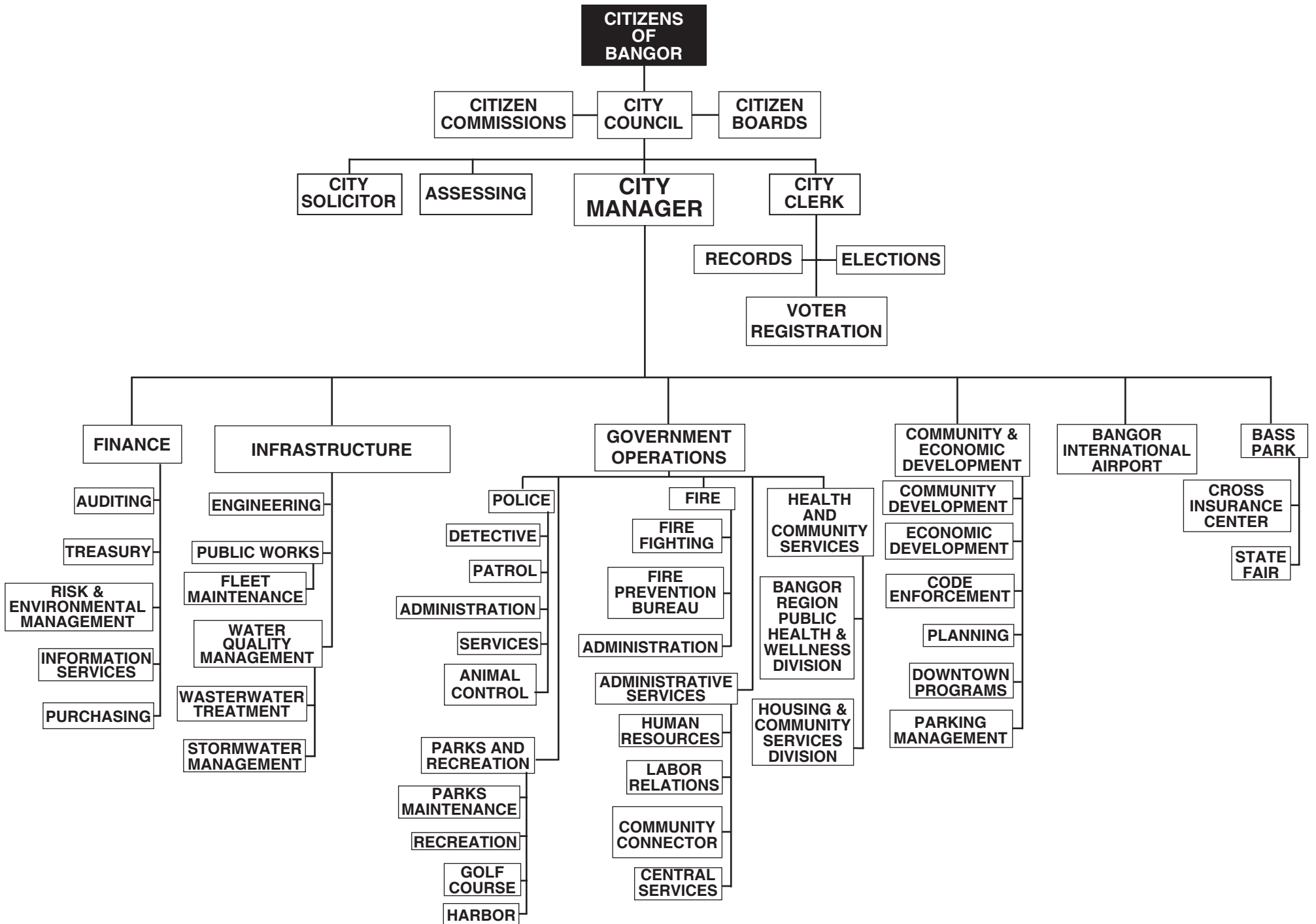
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

CITY OF BANGOR ORGANIZATIONAL CHART Revised (10-15)



**City of Bangor, Maine  
Elected Officials and Principal Administrative Officers  
June 30, 2019**

**City Council**

Sarah Nichols, Chair

Clare Davitt  
David Nealley  
Benjamin Sprague  
Daniel Tremble

Gibran Graham  
Gretchen Schaefer  
Laura Supica  
Cary Weston

**City Staff**

Catherine M. Conlow, City Manager  
Philip Drew, City Assessor  
Lisa Goodwin, City Clerk  
Norman Heitmann, City Solicitor

**School Committee**

Susan Hawes, Chair

Warren Caruso  
Susan Sorg, Vice Chair  
Marlene Susi

John Hiatt  
Timothy Surette  
Carin Sychterz

**School Staff**

Betsy Webb, Superintendent of Schools

# **FINANCIAL SECTION**

## Independent Auditor's Report

City Council  
City of Bangor, Maine:

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bangor, Maine, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bangor, Maine, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison information for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

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

City Council  
City of Bangor, Maine

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of the City of Bangor, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bangor, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bangor, Maine's internal control over financial reporting and compliance.



December 23, 2019  
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, 2019. 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 \$212.1 million (net position).
- At the close of fiscal year 2019, the City of Bangor's governmental funds reported combined ending fund balances of \$41.5 million, an increase of \$2.2 million over the prior year balance of \$39.3 million. The Capital Projects Fund fund balance increased by \$1.9 million, as projects that have been funded were not completed at year end. The General Fund fund balance increased by \$100 thousand. General Fund revenues exceeded estimates by \$2.2 million as follows; excise taxes \$950 thousand and intergovernmental revenues \$1.36. During fiscal year 2019, \$1.86 million of the General Fund unassigned fund balance was transferred to various assigned fund balances to fund future capital improvements in accordance with the City's Fund Balance policy. All other governmental fund fund balances remained relatively unchanged from prior year amounts. Approximately 75% of the total amount, or \$31.2 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 for the General Fund was \$13.4 million, or 13.26% of the general fund expenditure base. The annual calculation is included within the financial statements as Schedule F-2.
- The total liabilities and deferred inflows of resources of the City's governmental activities as restated decreased by \$1.7 million and business-type activities increased \$1.6 million. The decrease in governmental activities is related to the \$1.4 million decrease in net pension liability. For business-type activities, general obligation bonds increased as proceeds from newly issued bonds exceed principal payments, but this increase was offset by a decrease in liabilities related to pension and OPEB. The overall increase is a result of an increase in accounts payable, which is due to significant capital investments undertaken this year.

### Overview of the Financial Statements

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

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

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

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

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

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

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

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bangor, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

The City of Bangor maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital

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

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

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

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

- Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Fiduciary Statement of Net Position is included in this report as Exhibit 10.

## Government-wide Financial Analysis

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018*	2019	2018	2019	2018*
Current & other assets	\$ 51,172,202	\$ 47,629,450	\$ 40,411,930	\$ 35,896,965	\$ 91,584,132	\$ 83,526,415
Capital assets, net of						
accumulated depreciation	78,401,164	78,401,733	216,045,967	216,888,151	294,447,131	295,289,884
Total assets	129,573,366	126,031,183	256,457,897	252,785,116	386,031,263	378,816,299
Total deferred outflows of resources	4,338,264	2,714,002	520,446	499,792	4,858,710	3,213,794
Long-term debt outstanding*	79,420,529	83,143,552	82,564,279	82,217,040	161,984,808	165,360,592
Other liabilities	8,041,717	7,000,338	6,018,952	4,552,595	14,060,669	11,552,933
Total liabilities	87,462,246	90,143,890	88,583,231	86,769,635	176,045,477	176,913,525
Total deferred inflows of resources*	2,491,742	1,465,248	217,596	423,002	2,709,338	1,888,250
Net position:						
Net investment in capital assets	49,657,039	49,138,743	145,420,656	146,713,851	195,077,695	195,852,594
Restricted	7,162,489	7,831,587	-	-	7,162,489	7,831,587
Unrestricted*	(12,861,886)	(19,834,283)	22,756,860	19,378,420	9,894,974	(455,863)
Total net position	\$ 43,957,642	\$ 37,136,047	\$ 168,177,516	\$ 166,092,271	\$ 212,135,158	\$ 203,228,318

\* Restated for 2018 - 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 \$9.9 million, the governmental activities deficit of \$12.9 million is offset by the business type activities balance of \$22.8 million. The governmental activities deficit is primarily due to \$16.8 million in outstanding pension obligation bonds.

Governmental activities net position increased \$6.8 million. The major components associated with the increase in governmental activities net position are due to expenses being below estimates in the areas of public services, health and recreation, and debt service, due to savings realized related to vacancies, fewer services required and the timing of the debt issuance. There were also a couple specific areas where revenues exceeded estimates, including excise taxes of \$950 thousand, and an increase in interest earnings of \$218 thousand.

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

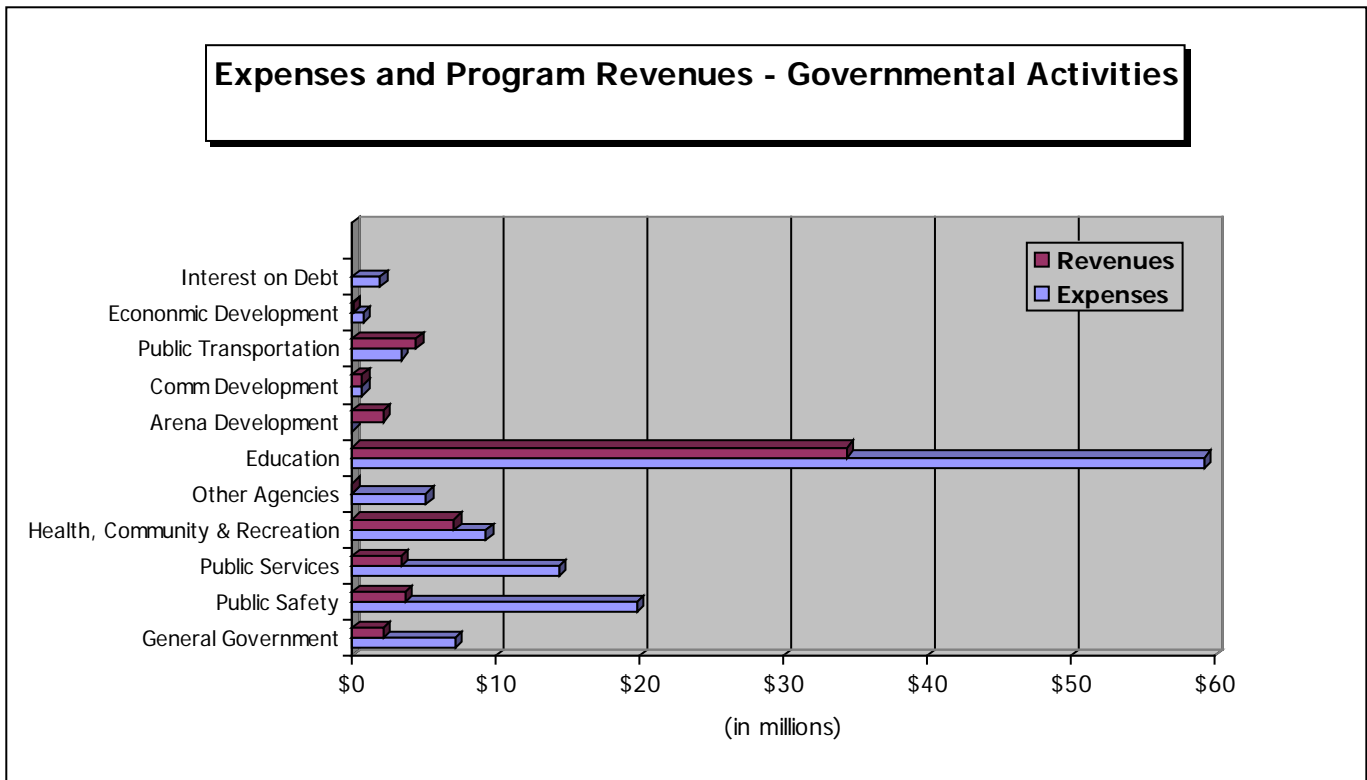
## Changes in Net Position

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 18,190,492	\$ 19,193,320	\$ 34,819,642	\$ 32,373,368	\$ 53,010,134	\$ 51,566,688
Operating grants & contributions	37,158,903	35,577,981	-	-	37,158,903	35,577,981
Capital grants & contributions	2,983,206	3,499,613	3,327,180	1,789,607	6,310,386	5,289,220
General Revenues						
Property and other taxes	65,433,795	63,865,201	1,255,000	1,100,000	66,688,795	64,965,201
Grants and contributions not restricted to specific programs	5,861,782	5,273,333	-	-	5,861,782	5,273,333
Other	892,161	674,137	965,025	521,200	1,857,186	1,195,337
<b>Total Revenues</b>	<b>130,520,339</b>	<b>128,083,585</b>	<b>40,366,847</b>	<b>35,784,175</b>	<b>170,887,186</b>	<b>163,867,760</b>
<b>Expenses</b>						
General government	7,179,064	6,916,390	-	-	7,179,064	6,916,390
Public safety	19,814,567	20,802,943	-	-	19,814,567	20,802,943
Health, community and recreation	9,273,091	9,705,672	-	-	9,273,091	9,705,672
Public services	14,443,215	14,427,613	-	-	14,443,215	14,427,613
Other agencies	5,208,400	4,943,064	-	-	5,208,400	4,943,064
Education	59,205,165	55,799,044	-	-	59,205,165	55,799,044
Arena development	14,961	62,748	-	-	14,961	62,748
Community development	685,926	1,090,372	-	-	685,926	1,090,372
Waterfront	221,839	1,077,972	-	-	221,839	1,077,972
Public transportation	3,447,181	3,071,020	-	-	3,447,181	3,071,020
Interest on debt	2,001,201	1,983,492	-	-	2,001,201	1,983,492
Economic development (tif)	757,396	632,185	-	-	757,396	632,185
Sewer Utility	-	-	6,760,227	6,861,750	6,760,227	6,861,750
Airport	-	-	22,478,598	21,827,174	22,478,598	21,827,174
Stormwater Utility	-	-	901,614	692,174	901,614	692,174
Parking	-	-	872,502	1,001,359	872,502	1,001,359
Bass Park	-	-	7,567,090	7,571,370	7,567,090	7,571,370
Municipal Golf Course	-	-	711,448	703,104	711,448	703,104
Economic Development	-	-	477,066	394,026	477,066	394,026
<b>Total Expenses</b>	<b>122,252,006</b>	<b>120,512,515</b>	<b>39,768,545</b>	<b>39,050,957</b>	<b>162,020,551</b>	<b>159,563,472</b>
Excess (deficiency) before transfers	8,268,333	7,571,070	598,302	(3,266,782)	8,866,635	4,304,288
Gain (loss) on disposition of asset	35,349	(6,771)	4,856	14,807	40,205	8,036
Transfers	(1,482,087)	(1,793,227)	1,482,087	1,793,227	-	-
Change in net position	6,821,595	5,771,072	2,085,245	(1,458,748)	8,906,840	4,312,324
<b>Beginning net position</b>	<b>37,136,047</b>	<b>39,437,683</b>	<b>166,092,271</b>	<b>167,551,019</b>	<b>203,228,318</b>	<b>206,988,702</b>
<b>Restatement - Note G</b>	<b>-</b>	<b>(8,072,708)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,072,708)</b>
<b>Ending net position</b>	<b>\$ 43,957,642</b>	<b>\$ 37,136,047</b>	<b>\$ 168,177,516</b>	<b>\$ 166,092,271</b>	<b>\$ 212,135,158</b>	<b>\$ 203,228,318</b>

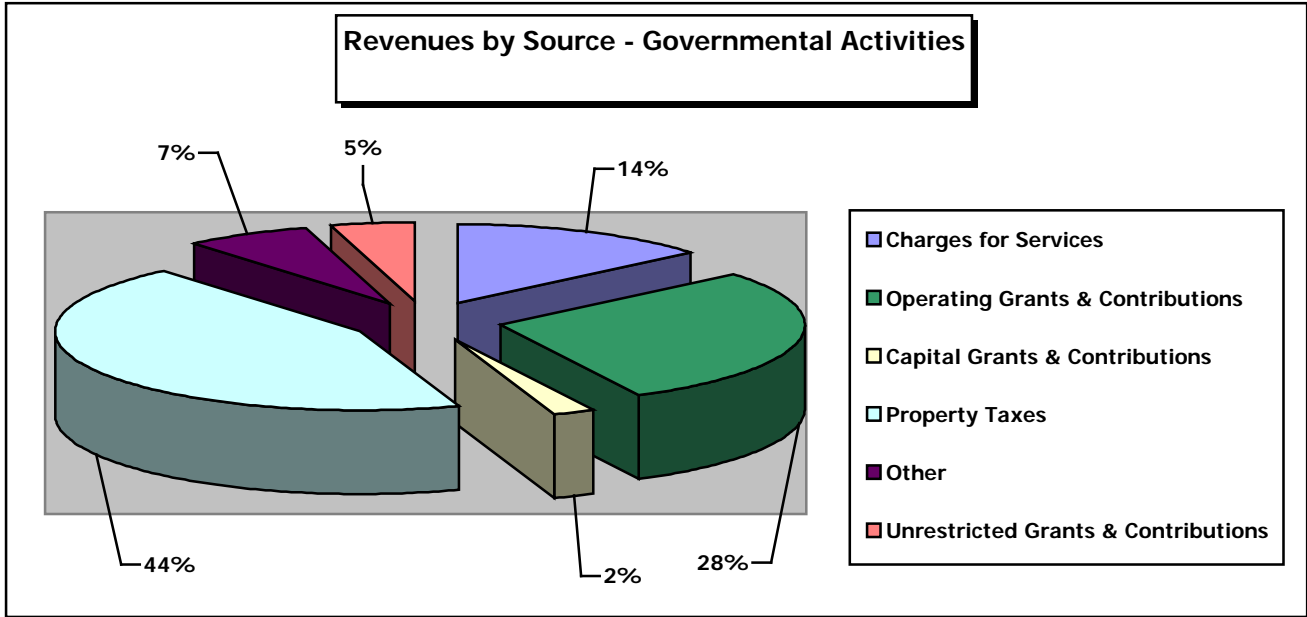
## Governmental Activities

The cost of all governmental activities was \$122.3 million. As shown on the Statement of Activities, the total amount financed by the property tax was \$57.9 million, or 47% of expenses. Those who directly benefit from an activity provided \$18.2 million in payments. Other governments and organizations subsidized certain activities with operating grants and contributions in the amount of \$37.2 million. Capital grants and contributions accounted for \$3.0 million. The City also received \$14.3 million in other general revenues such as state revenue sharing, motor vehicle and boat excise taxes, reimbursement for homestead exemptions, and interest earnings.



Total governmental activities expenses increased \$1.8 million or 1.4% over prior year levels. The majority of the increase is related to increased wage and benefits costs. Employees were provided with a 1% cost of living increase for fiscal year 2019, and health insurance rates increased 12.5% effective January 1, 2019.



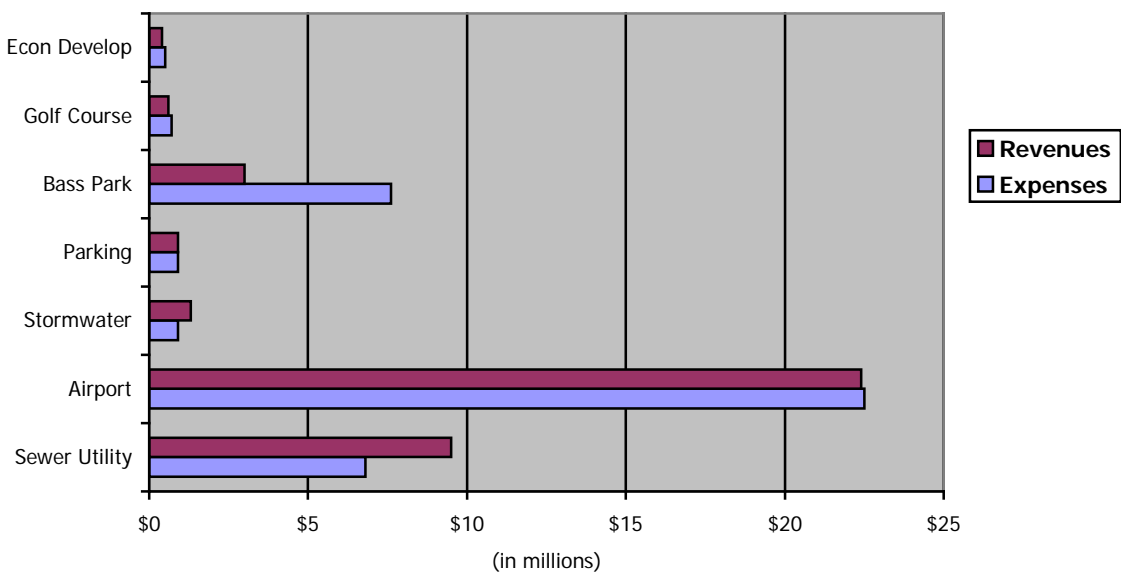


Total governmental activities' revenues increased \$2.4 million over prior year total of \$128.1 million. The largest single source of revenue continues to be the property and other taxes, which increased \$1.6 million. Capital grants and contributions decreased \$516 thousand due to decrease in grant funded capital investment. Operating grants and contributions increased \$1.6 million due to increased education funding from the State of Maine. Charges for services decreased \$1.0 million, due to a hiatus in the billing of third party trash haulers. This reduction is offset by a similar decrease in expenses.

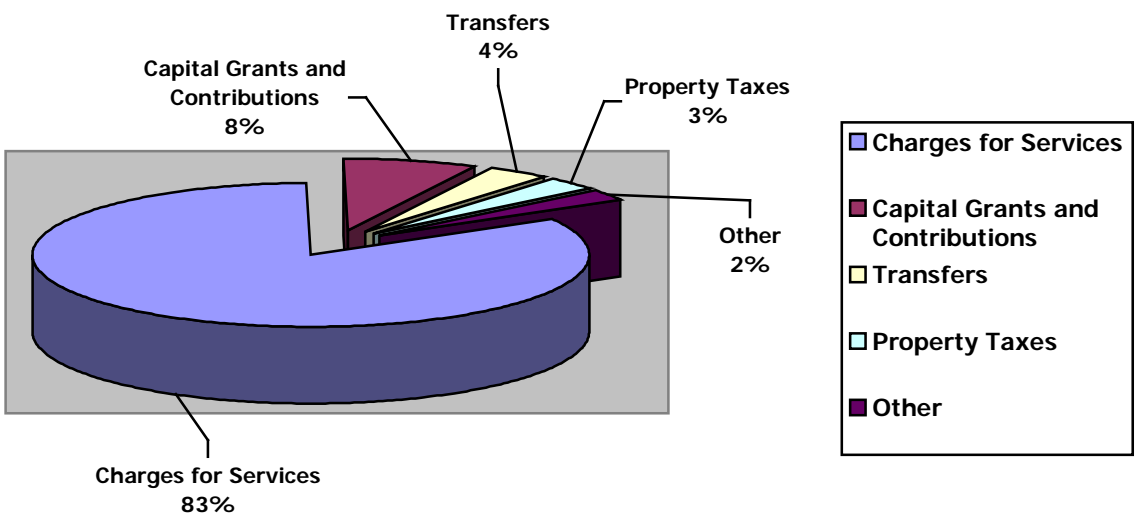
**Business-type Activities**

Total business-type activities expenses remained relatively flat over prior year levels, with an increase of \$717 thousand or 1.8%. Similar to governmental activities, the majority of the increase is related to increased wage and benefits costs. Employees were provided with a 1% cost of living increase for fiscal year 2019, and health insurance rates increased 12.5% effective January 1, 2019.

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



### Revenues by Source - Business-type Activities



In total, business-type activities revenue increased \$4.6 million or 12.8%. This increase is due in part to a \$1.5 million increase in grant contributions received for capital assets. 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. Sewer user fees increased \$736 thousand due to the annual rate increase to keep pace with the rate of inflation in build resources in advance of an upcoming significant capital investment. In addition, Airport operating revenues increased \$2.0 million, due to increased fuel sales and rental associated with airport operations.

## 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 \$41.5 million, an increase of \$2.2 million over the prior year balance. During the year, the Capital Projects funds received funding for projects that would be completed after the fiscal year end, which resulted in an increase in its fund balance of \$1.9 million. All other governmental fund fund balances remained relatively unchanged from prior year amounts. Of the combined ending balance of \$41.5 million, approximately 75% (\$31.2 million) is either committed, assigned or unassigned and \$6.6 million, or 16%, is restricted. Committed, assigned and unassigned fund balances are available for spending by formal action of the City Council. The remainder is nonspendable, indicating that it is in the form of nonspendable assets such as inventory, prepaid expenditures, nonexpendable trust principal balances and allowance for advances made to other funds.

The General Fund is the chief operating fund of the City and is comprised of two major functions; education and municipal services. At the end of the fiscal year, the General Fund's total fund balance was \$26.1 million, a \$100 thousand increase from the prior year's balance of \$26.0 million.

The Capital Projects Fund varies significantly from year to year depending upon City Council priorities and available funding opportunities. While total expenditures decreased \$696 thousand over the prior year capital expenditures decreased \$2.24 million but debt service increased by \$1.55 million due to a debt refunding. Significant expenditures in FY 2019 included; \$4.8 million for streets/sidewalks and other infrastructure, \$1.6 million for equipment and vehicles, and \$1.4 in Community Connector vehicles.

**Proprietary funds.** Information on the City of Bangor's proprietary funds is similar to that found in the government-wide financial statements, but in more detail. The net position of the seven enterprise funds increased by \$2.1 million to \$168.2 million. The Sewer Utility fund net position increased \$2.9 million due to annual rate increases to keep pace with inflation and in advance of significant capital investments. The Airport Fund net position increased \$600 thousand due to higher capital contributions received. The Bass Park Fund net position decreased \$1.5 million, as operating income is not sufficient to offset depreciation expense.

## General Fund Budgetary Highlights

For budgetary financial statement purposes, all balances carried from the prior year are added to the subsequent year's total appropriation. This resulted in an overall budgetary increase of \$2.9 million. The net impact of additional amendments were minimal. The City's commitment to budgetary integrity continues, actual operating revenues ended the year over budget estimates 2.0%, or \$2.2 million, municipal expenditures were under budget by 4.9%, or \$2.6 million. Education expenditures were under budget by \$2.4 million or 4.1% and by statute, education balances must be segregated from municipal balances.

## Capital Asset and Debt Administration

**Capital assets.** As of June 30, 2019, the City of Bangor's investment in capital assets for its governmental and business-type activities amounted to \$294.4 million (net of accumulated depreciation), a decrease of \$900 thousand over the prior year. This investment includes land, buildings, machinery and equipment, roads, runways, and sewer lines. Depreciation expense of \$16.0 million exceeded the City's investment in capital assets for the current fiscal year of \$15.3 million. Governmental activities invested \$4.6 million, and business-type activities invested \$10.7 million and depreciation expense was \$4.4 million and \$11.6 million, respectively.

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

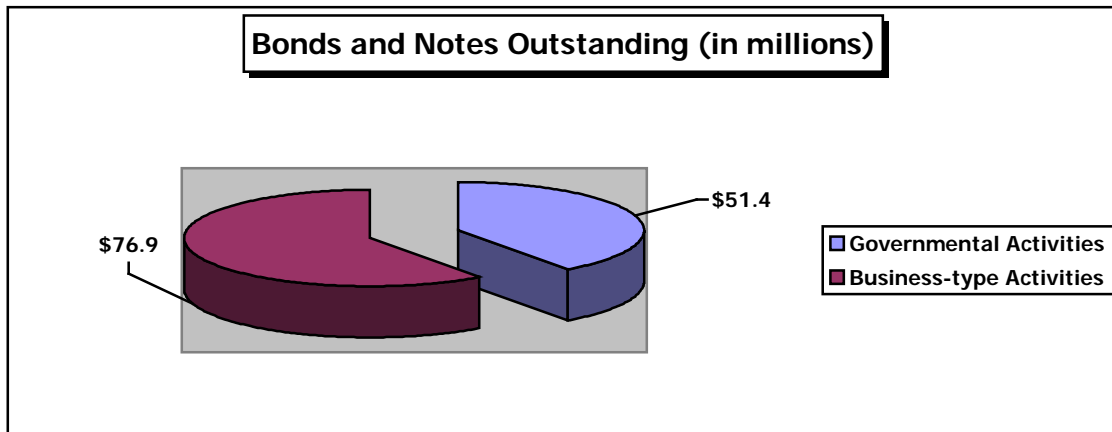
- The City continues to invest in its core functions of infrastructure, vehicles and equipment replacements. This year the City invested \$3.0 million in streets, sidewalks, traffic control and other infrastructure, as well as \$1.39 million in upgrades to Community Connector vehicles and \$373 thousand to replace public safety and services vehicles.
- During FY 2019, the School department invested \$616 thousand in school facilities, which included roofs, boiler replacement, generator installations and electrical and auditorium improvements. In addition, the department completed a facility assessment to determine physical plant needs into the future.
- The Airport Fund invested \$4.9 million in operational assets at Bangor International Airport. Investments included runway and building improvements as well as airfield operational equipment such as a baggage loader, belt loader, ground power units, and vehicles.
- The Sewer Fund invested \$5.6 million in plant and pump station upgrades, sewer replacement and separation projects. Of the total invested, \$2.6 million was expended as part of the Davis Brook improvements associated with the future construction of a 3.8 million gallon holding tank along the Penobscot River.

## Capital Assets (net of depreciation)

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Land and improvements	\$13,753,935	\$4,253,560
Buildings and improvements	40,137,344	55,645,578
Machinery and equipment	1,898,802	4,291,123
Vehicles	9,605,384	-
Infrastructure	12,346,022	50,425,169
Parking structures	-	1,395,989
Aircraft operational assets	-	89,385,566
Construction in process	659,677	10,648,982
Total	\$78,401,164	\$216,045,967

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

## Debt Administration



At fiscal year end, the City had a total outstanding bonds and notes of \$128.3 million, a decrease of \$2.6 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 \$392.5 million, which is significantly in excess of existing general obligation debt of \$128.3 million.

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

## Goals and Accomplishments

On an annual basis, the City Council in conjunction with management develop a list of goals for the coming year and review accomplishments achieved in the prior year. For the 2019-2020 year, the following goals have been identified:

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

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

**Improve public transit, connection, and ridership.** The City of Bangor, in collaboration with local partners, has been operating a fixed route public transit system and paratransit service within the communities of the Greater Bangor Urbanized Area (Bangor, Brewer, Veazie, Old Town, Orono, University of Maine and Hampden) since 1972. In July 2012, the State of Maine ceased being the lead agency for Federal Transit Administration (FTA) funding and the responsibility was shifted to each fixed route operator, including the Community Connector. This shift created the need for additional resources to ensure compliance with the myriad of FTA requirements.

For the past several years, there was a lack of resources to invest in the rolling stock and transit facilities. Public transit buses are a significant investment for the Community partners, in excess of \$400,000 per vehicle, to bear in light of reduced State and Federal funding. But the cost to operate an aging fleet is also significant. Since 2015, the City has aggressively pursued any and all grant opportunities and to date the transit system has been awarded 5 grants totaling in excess of \$7.9 million to fund the replacement of buses, transit facilities, and to implement transit technology. By the end of calendar 2019, the system will have taken delivery of 12 buses since 2016.

The current transit system design concept, routes, schedules, operating days and times, and flag stop configuration has been generally unchanged since the inception of the transit system. As a result of becoming a direct FTA recipient, a stagnation in ridership, and the changing employment, demographic and lifestyle needs of the communities served, a Transit Study was undertaken. The study was to evaluate the current system design and operations, and identify opportunities for improvements and/or system design changes to create a framework for short-range and long range strategies aimed at managing and operating the system in the most efficient and effective manner (a copy of the completed study is available on the City's website [www.bangormaine.gov](http://www.bangormaine.gov)).

In the coming months, the City and community partners will focus on the immediate needs of the transit system that deliver the greatest impact on service. This includes the development and implementation of a capital plan, design of a new hub, identification of technology investments, and the establishment of a designated stop system.

**Improve quality and quantity of housing to meet demand for workforce, life cycle and supportive housing.** In FY 2019, the City convened a work group to focus on the issue of quality, affordable housing in the City and the region. The work group included representatives from the public and private sector, including individuals, landlords, renters, housing developers and nonprofit agencies. The work group presented recommendations for local programs and/or policy to the City Council to address the shortage of quality and affordable housing in the region.

The City is developing of a variety of policy and ordinance changes that will facilitate redevelopment and housing density that will encourage affordable housing in walkable, transit-served neighborhoods. In addition, options are being evaluated for a potential rental registration and inspection program, ensuring quality in the units available for income production. Lastly, the City is also looking at partnerships with several other organizations such as banks, non-profits, and the real estate community to help address the vacant, abandoned, or placarded properties that still remain.

Over the past few years, Bangor's homeless population has been growing and creating service capacity issues within the existing system. Many of the folks that are homeless are difficult to shelter due to severe mental illness, substance use disorder, and physical health complications. Up until FY2020, the police department provided outreach to this population but their efforts were limited due to a lack of time and resources.

The City applied for and received a \$25,000 grant from the John T. Gorman Foundation for the purpose of partially funding a homeless outreach caseworker. This position locates and engages homeless individuals and works to address the individual's barriers to housing and other services. The end goal being to move these individuals into permanent housing and collaborate with other organizations to ensure the individual has the support required including case management, mental health care, substance abuse treatment, daily living support; and health care. Within the first two months of work, this position was able to assist ten individuals find housing. Once housed, the caseworker continues to monitor their progress and act as liaison with landlords, to support each individual's reentry into permanent housing.

## **Tax Shift**

One of the largest challenges faced by the City of Bangor is the incremental nature of Federal and State budget decisions. While individual changes implemented over a number of sessions seem tolerable, the totality of these actions has resulted in a significant tax shift to municipalities. These actions include State legislative mandates to municipalities with no State funding such as; transfer of normal costs of teacher retirement, shifts in general assistance and MaineCare changes. Additionally, statutory funding not upheld by the Legislature including; funding of revenue sharing, promised funding for increases to the homestead exemption program and aid to education. In a previous session, the Legislature took action to shift jail costs to County government, which in turn is shifted to municipalities via the county tax mechanism.

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

- The unemployment rate for the City of Bangor in FY 2019 was 3.2%, which continues to be on par or below both the national and State rates of 3.7% and 3.2%, respectively.
- While Bangor represents less than 3% of the State's population, businesses within the City generate 7.82% of the State's retail sales tax.
- Residential and commercial valuations continue to remain relatively flat in the coming year.
- Bangor businesses continue to reinvest in personal property. While not subject to local taxation, the value of BETE property (net of depreciation) in FY 2019 increased \$13.2 million, or 10.6%, for a total of \$138.3 million.

The fiscal year 2020 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 2020, the City's taxable assessed value increased 2.0%. The impact of the increase in taxable value was not sufficient to offset increased operating costs. The primary area of increased expense were wages and benefits, healthcare costs continue to increase at a double digit pace. State mandated increases in minimum wages, wages are increasing \$1 per hour per year for temporary and on-call part time positions, creating compression within regular full time pay rates. The budget allowed the City Council to provide at least a 1.50% increase to employees, maintain increased levels of investment in infrastructure, as well as fund assigned fund balances for future capital purchases on a current basis.

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

Bangor serves as one of the largest retail markets in Maine. The Bangor Mall, Airport Mall, Broadway commercial center, Union Street commercial corridor, and the Bangor Center Development District (downtown) have long established Bangor as the hub of the six county eastern Maine retail market. Unfortunately, properties at the Bangor Mall are facing the same challenges that are facing retail centers around the country. Changes in retail markets due to the effects of on-line retail and the growth of experiential shopping trends has resulted in several stores, such as Macy's and Sears closing their doors. The City is committed to working with owners of retail properties to identify opportunities for redevelopment. Recently, the city entered into a contract with a consumer analytics company that works with communities and retailers to attract, retain and expand business. Additional resources to support retail markets may include investment of infrastructure and/or review of zoning requirements. The rest of the City's commercial real estate vacancy rates are in-line and industrial properties are quite low.

Like most of the country, the City and region face extremely low unemployment rates, but there is a mismatch between workforce skills and available employment opportunities.



Beginning in the spring of 2020, the City will begin an estimated \$31 million sewer infrastructure project, the Davis Brook tank installation. This project is expected to span twenty-four months and involves the installation of a large 3.8 million gallon holding tank along the Penobscot River. This additional capacity is required to further reduce the number of discharges to the river of combined sewer overflows that occur within the City's system during high flow events (i.e. rain, snow melt). This investment is being made to ensure continued compliance with the City's consent decree with the Federal Environmental Protection Agency (a copy of which is available at the Wastewater Treatment Plant page of the City's website [www.bangormaine.gov](http://www.bangormaine.gov)).

While the State of Maine's 2020-2021 Biennial budget has been adopted, it is fairly common for the Legislature to enact supplemental budget provisions to the second year. The 2020 budget includes additional funding to municipalities beyond the 2019 level. If a supplemental budget is adopted at the State level, it is likely that Legislative actions could negatively impact municipalities. Accordingly, city and school staff and elected officials will closely monitor legislative actions and continue to work collaboratively with other municipalities and professional organizations and actively participate in any upcoming legislative hearings.

### **Requests for Information**

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

# **BASIC FINANCIAL STATEMENTS**



CITY OF BANGOR

**CITY OF BANGOR, MAINE**  
**Statement of Net Position**  
**June 30, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bangor Public Library
<b>ASSETS</b>				
Cash and cash equivalents	\$ 31,134,706	\$ 12,135,471	\$ 43,270,177	\$ 152,184
Investments	186,815	14,841,961	15,028,776	12,601,515
Receivables:				
Accounts (net of allowance of \$533,530 and \$183,110, respectively)	1,493,271	10,405,586	11,898,857	8,239
Intergovernmental	7,942,405	1,188,604	9,131,009	-
Taxes and liens - prior years	968,892	-	968,892	-
Taxes receivable - current year	1,118,573	-	1,118,573	-
Special assessments	30,130	-	30,130	-
Loans and notes	5,293,527	1,478,283	6,771,810	-
Internal balances	1,700,000	(1,700,000)	-	-
Inventories	658,707	284,474	943,181	-
Prepaid items	645,176	596,251	1,241,427	-
Other assets	-	1,181,300	1,181,300	-
Non-depreciable capital assets	5,723,345	14,377,950	20,101,295	-
Depreciable capital assets, net	72,677,819	201,668,017	274,345,836	12,006,579
Total assets	\$ 129,573,366	\$ 256,457,897	\$ 386,031,263	\$ 24,768,517
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Net OPEB	\$ 1,319,946	\$ 294,671	\$ 1,614,617	\$ -
Net pension	3,018,318	225,775	3,244,093	-
Total deferred outflows of resources	\$ 4,338,264	\$ 520,446	\$ 4,858,710	\$ -
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 3,143,100	\$ 5,025,619	\$ 8,168,719	\$ 159,751
Accrued wages and benefits payable	4,806,278	325,154	5,131,432	-
Unearned revenues	92,339	668,179	760,518	-
Noncurrent liabilities:				
Due within one year	8,082,702	4,936,822	13,019,524	-
Due in more than one year	71,337,827	77,627,457	148,965,284	59,235
Total liabilities	\$ 87,462,246	\$ 88,583,231	\$ 176,045,477	\$ 218,986
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenues - assessments	\$ 30,130	\$ -	\$ 30,130	\$ -
Net OPEB	657,150	-	657,150	-
Net pension	1,804,462	217,596	2,022,058	-
Total deferred inflows of resources	\$ 2,491,742	\$ 217,596	\$ 2,709,338	\$ -
<b>NET POSITION</b>				
Net investment in capital assets	\$ 49,657,039	\$ 145,420,656	\$ 195,077,695	\$ 12,006,579
Restricted for:				
Nonexpendable trust principal	518,144	-	518,144	-
Expendable income	542,248	-	542,248	-
Grants and other balances	6,102,097	-	6,102,097	11,971,763
Unrestricted	(12,861,886)	22,756,860	9,894,974	571,189
<b>Total net position</b>	<b>\$ 43,957,642</b>	<b>\$ 168,177,516</b>	<b>\$ 212,135,158</b>	<b>\$ 24,549,531</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2019**

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position			Component Unit Bangor Public Library
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total	
					Governmental activities	Business-type activities		
<b>Primary government</b>								
Governmental activities:								
General government	\$ 7,179,064	\$ 2,215,075	\$ -	\$ -	\$ (4,963,989)	\$ -	\$ (4,963,989)	\$ -
Public safety	19,814,567	3,121,187	250,023	345,258	(16,098,099)	-	(16,098,099)	-
Health, community services, and recreation	9,273,091	1,529,894	5,560,020	8,780	(2,174,397)	-	(2,174,397)	-
Public services	14,443,215	1,688,725	82,006	1,585,185	(11,087,299)	-	(11,087,299)	-
Other agencies	5,208,400	20,234	-	-	(5,188,166)	-	(5,188,166)	-
Education	59,205,165	6,476,809	27,907,516	-	(24,820,840)	-	(24,820,840)	-
Arena development	14,961	2,212,753	-	-	2,197,792	-	2,197,792	-
Community development	685,926	25,190	673,106	-	12,370	-	12,370	-
Waterfront	221,839	21,248	-	-	(200,591)	-	(200,591)	-
Public transportation	3,447,181	751,711	2,686,232	1,043,983	1,034,745	-	1,034,745	-
Economic development (TIF)	757,396	127,666	-	-	(629,730)	-	(629,730)	-
Interest on debt	2,001,201	-	-	-	(2,001,201)	-	(2,001,201)	-
Total governmental activities	122,252,006	18,190,492	37,158,903	2,983,206	(63,919,405)	-	(63,919,405)	-
Business-type activities:								
Sewer Utility	6,760,227	9,451,741	-	-	-	2,691,514	2,691,514	-
Airport	22,478,598	19,032,646	-	3,327,180	-	(118,772)	(118,772)	-
Stormwater Utility	901,614	1,289,953	-	-	-	388,339	388,339	-
Parking	872,502	947,136	-	-	-	74,634	74,634	-
Bass Park	7,567,090	3,045,740	-	-	-	(4,521,350)	(4,521,350)	-
Municipal Golf Course	711,448	649,698	-	-	-	(61,750)	(61,750)	-
Economic Development	477,066	402,728	-	-	-	(74,338)	(74,338)	-
Total business-type activities	39,768,545	34,819,642	-	3,327,180	-	(1,621,723)	(1,621,723)	-
<b>Total primary government</b>	<b>\$ 162,020,551</b>	<b>\$ 53,010,134</b>	<b>\$ 37,158,903</b>	<b>\$ 6,310,386</b>	<b>(63,919,405)</b>	<b>(1,621,723)</b>	<b>(65,541,128)</b>	<b>-</b>
<b>Component unit</b>								
<b>Bangor Public Library</b>	<b>\$ 2,947,119</b>	<b>\$ 64,712</b>	<b>\$ 1,702,549</b>	<b>\$ -</b>				<b>\$ (1,179,858)</b>
General revenues:								
Property taxes, levied for general purposes					57,897,028	1,255,000	59,152,028	-
Payment in lieu of taxes					290,489	-	290,489	-
Excise taxes					6,876,000	-	6,876,000	-
Franchise taxes					370,278	-	370,278	-
Grants and contributions not restricted to specific programs:								
Homestead/BETE exemption					3,273,316	-	3,273,316	-
Other State aid					34,134	-	34,134	-
State Revenue Sharing					2,554,332	-	2,554,332	-
Unrestricted investment earnings					892,161	965,025	1,857,186	514,586
Gain (loss) on sale of assets					35,349	4,856	40,205	-
Transfers					(1,482,087)	1,482,087	-	-
Total general revenues and transfers					70,741,000	3,706,968	74,447,968	514,586
Change in net position					6,821,595	2,085,245	8,906,840	(665,272)
Net position, beginning of year - Restated Note G					37,136,047	166,092,271	203,228,318	25,214,803
<b>Net position, end of year</b>					<b>\$ 43,957,642</b>	<b>\$ 168,177,516</b>	<b>\$ 212,135,158</b>	<b>\$ 24,549,531</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 22,269,687	\$ 7,200,566	\$ 1,664,453	\$ 31,134,706
Investments	50,000	-	136,815	186,815
Receivables:				
Accounts (net of allowance of \$533,530)	715,331	93,664	684,276	1,493,271
Intergovernmental	6,083,214	1,672,017	187,174	7,942,405
Taxes	2,087,465	-	-	2,087,465
Special assessments	-	30,130	-	30,130
Loans and notes	-	-	5,293,527	5,293,527
Interfund	1,877,830	-	1,000	1,878,830
Inventory, at cost	658,707	-	-	658,707
Prepaid items	645,176	-	-	645,176
<b>Total assets</b>	<b>\$ 34,387,410</b>	<b>\$ 8,996,377</b>	<b>\$ 7,967,245</b>	<b>\$ 51,351,032</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,535,401	\$ 1,218,329	\$ 56,859	\$ 2,810,589
Accrued wages and benefits payable	4,801,728	-	4,550	4,806,278
Interfund loans payable	-	-	178,830	178,830
Unearned revenues	-	42,523	49,816	92,339
Due to rehabilitation recipients	-	-	2,019	2,019
<b>Total liabilities</b>	<b>6,337,129</b>	<b>1,260,852</b>	<b>292,074</b>	<b>7,890,055</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - property taxes	1,910,609	-	-	1,910,609
Unavailable revenues - special assessments	-	30,130	-	30,130
<b>Total deferred inflows of resources</b>	<b>1,910,609</b>	<b>30,130</b>	<b>-</b>	<b>1,940,739</b>
<b>FUND BALANCES (Note J)</b>				
Nonspendable	3,204,383	-	518,144	3,722,527
Restricted	299,252	-	6,345,093	6,644,345
Committed	233,988	-	811,934	1,045,922
Assigned	9,296,241	7,705,395	-	17,001,636
Unassigned - City & School	13,105,808	-	-	13,105,808
<b>Total fund balances</b>	<b>26,139,672</b>	<b>7,705,395</b>	<b>7,675,171</b>	<b>41,520,238</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 34,387,410</b>	<b>\$ 8,996,377</b>	<b>\$ 7,967,245</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	78,401,164
Unavailable revenues - property taxes are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,910,609
Long-term liabilities, including bonds and notes payable \$51,395,666, accrued interest \$330,492, accrued compensated absences \$2,140,081, self insurance liability \$3,184,942, bond premium \$933,113, capital leases \$484,747, and net pension \$3,866,385 and OPEB \$15,538,943 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.	(77,874,369)
Net position of governmental activities	<u><b>\$ 43,957,642</b></u>

*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, 2019**

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 63,144,634	\$ 1,827,650	\$ -	\$ 64,972,284
Intergovernmental	35,142,361	2,983,206	7,577,427	45,702,994
Licenses and permits	741,027	-	-	741,027
Charges for services	14,024,323	-	758,307	14,782,630
Program income	-	-	11,006	11,006
Revenue from use of money and property	1,236,818	94,008	2,319,852	3,650,678
Other	63,520	21,151	284,079	368,750
Total revenues	114,352,683	4,926,015	10,950,671	130,229,369
<b>Expenditures</b>				
Current:				
General government	5,420,213	-	-	5,420,213
Public safety	19,594,743	-	-	19,594,743
Health, community services, and recreation	4,838,006	-	-	4,838,006
Public services	9,662,829	-	-	9,662,829
Other agencies	5,159,254	-	-	5,159,254
Education	59,315,126	-	-	59,315,126
Tax increment financing	757,396	-	-	757,396
Unclassified	29,818	-	-	29,818
Restricted grants	-	-	8,609,435	8,609,435
Capital outlay	545,177	9,171,157	-	9,716,334
Debt service	5,814,719	1,792,623	130,538	7,737,880
Total expenditures	111,137,281	10,963,780	8,739,973	130,841,034
Excess (deficiency) of revenues over (under) expenditures	3,215,402	(6,037,765)	2,210,698	(611,665)
<b>Other financing sources (uses)</b>				
General obligation bonds issued	-	1,616,124	-	1,616,124
Refunding bonds issued	-	1,550,000	-	1,550,000
Capital leases	617,101	-	-	617,101
Premium on debt issuance	-	298,334	-	298,334
Sale of assets	76,732	134,256	-	210,988
Transfers to other funds	(3,818,238)	(106,230)	(2,050,281)	(5,974,749)
Transfers from other funds	18,344	4,474,318	-	4,492,662
Total other financing sources (uses)	(3,106,061)	7,966,802	(2,050,281)	2,810,460
Net change in fund balances	109,341	1,929,037	160,417	2,198,795
Fund balances, beginning of year	26,030,331	5,776,358	7,514,754	39,321,443
<b>Fund balances, end of year</b>	<b>\$ 26,139,672</b>	<b>\$ 7,705,395</b>	<b>\$ 7,675,171</b>	<b>\$ 41,520,238</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2019**

Net change in fund balances - total governmental funds (from Exhibit 4)	\$	2,198,795
<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 \$4,580,411 exceeds loss on disposal of assets of \$175,639 and depreciation expense of \$4,405,341.</p>		
		(569)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the change in unavailable revenues.</p>		
		290,970
<p>Financing proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Governmental funds report the effects of premiums and discounts when debt is issued, but these amounts are deferred and amortized in the statement of activities. The City received \$298,334 in bond premiums and amortized \$80,473 of bond premiums. During the year, \$3,166,124 in bond proceeds were received and capital lease's increased \$617,101. Repayments of bond, note, and capital lease principal are expenditures in the governmental funds, but the repayment reduces long--term liabilities in the statement of net postion. For the year, repayments were \$7,129,837.</p>		
		3,128,751
<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 net pension liability including deferred outflows and inflows of (\$1,769,507), accrued interest, (\$11,609) and accrued compensated absences (\$135,858) and increases in OPEB liability including deferred outflows and inflows of (\$254,323) and self insurance liability (\$459,003).</p>		
		1,203,648
<b>Change in net position of governmental activities (see Exhibit 2)</b>		<b>\$ 6,821,595</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Revenues, Expenditures and Changes in**  
**Unassigned Fund Balance - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 62,410,493	\$ 62,410,493	\$ 63,144,634	\$ 734,141
Intergovernmental	29,923,224	29,923,224	31,281,637	1,358,413
Licenses and permits	622,143	622,143	741,027	118,884
Charges for services:				
Municipal	8,396,146	8,396,146	7,313,905	(1,082,241)
School	5,740,195	5,740,195	6,476,809	736,614
Fines, forfeits and penalties	23,000	23,000	22,364	(636)
Revenue from use of money and property				
Municipal	815,640	815,640	1,121,704	306,064
Total revenues	107,930,841	107,930,841	110,102,080	2,171,239
<b>Expenditures</b>				
Current:				
General government	5,895,405	5,990,405	5,658,148	332,257
Public safety	19,303,120	19,311,703	19,294,797	16,906
Health, community services, and recreation	5,434,047	5,434,047	4,850,596	583,451
Public services	11,183,346	11,183,346	9,679,490	1,503,856
Other agencies	5,146,932	5,163,665	5,159,254	4,411
Education	54,817,212	57,603,341	55,252,104	2,351,237
Unclassified	810,323	810,323	787,214	23,109
Debt service	5,989,961	5,989,961	5,814,719	175,242
Total expenditures	108,580,346	111,486,791	106,496,322	4,990,469
Excess (deficiency) of revenues over (under) expenditures	(649,505)	(3,555,950)	3,605,758	7,161,708
<b>Other financing sources (uses)</b>				
Appropriation from restricted, committed, and assigned fund balances	1,344,504	1,344,504	7,480	(1,337,024)
Appropriation to assigned fund balance	-	-	(1,855,700)	(1,855,700)
Appropriation from unassigned fund balance	86,992	86,992	-	(86,992)
Sale of assets	60,000	60,000	53,761	(6,239)
Contributions	5,500	7,500	3,610	(3,890)
Insurance settlements	27,500	27,500	45,242	17,742
Transfers to other funds	(901,991)	(901,991)	(1,901,991)	(1,000,000)
Transfers from other funds	27,000	27,000	2,114	(24,886)
Total other financing sources (uses)	649,505	651,505	(3,645,484)	(4,296,989)
Net change in fund balances	\$ -	\$ (2,904,445)	(39,726)	\$ 2,864,719
Unassigned fund balance, beginning of year			14,064,283	
Changes in fund balance classification in accordance with GAAP				
Changes in balances carried			(425,241)	
Inventory and prepaids (GASB 54)			(195,358)	
<b>Unassigned fund balance - City, end of year</b>			<b>\$ 13,403,958</b>	

*See accompanying notes to financial statements.*



**CITY OF BANGOR, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

<b>Business-type Activities - Enterprise Funds</b>					
	<b>Sewer Utility Fund</b>	<b>Airport Fund</b>	<b>Bass Park Fund</b>	<b>Nonmajor Proprietary Funds</b>	<b>Total Proprietary Funds</b>
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 5,305,543	\$ 1,990,562	\$ 911,363	\$ 3,928,003	\$ 12,135,471
Investments	-	8,924,882	-	-	8,924,882
Accounts receivable	3,094,471	6,485,602	568,292	440,331	10,588,696
Less allowance for uncollectible accounts	(45,000)	(138,110)	-	-	(183,110)
Accounts receivable (net of allowance)	3,049,471	6,347,492	568,292	440,331	10,405,586
Due from other governments	206,702	981,902	-	-	1,188,604
Inventories, at cost	-	245,843	38,631	-	284,474
Prepaid items	43,002	364,684	60,889	127,676	596,251
<b>Total current assets</b>	<b>8,604,718</b>	<b>18,855,365</b>	<b>1,579,175</b>	<b>4,496,010</b>	<b>33,535,268</b>
Noncurrent assets					
Capital assets:					
Land and improvements	683,865	-	579,157	5,008,359	6,271,381
Buildings and improvements	29,052,578	-	68,845,407	4,587,330	102,485,315
Machinery and equipment	9,113,274	-	2,132,902	655,585	11,901,761
Infrastructure	65,834,124	-	-	683,189	66,517,313
Aircraft operational assets	-	297,155,601	-	-	297,155,601
Parking structures	-	-	-	11,372,837	11,372,837
Construction in process	6,797,762	3,851,016	-	204	10,648,982
<b>Total capital assets</b>	<b>111,481,603</b>	<b>301,006,617</b>	<b>71,557,466</b>	<b>22,307,504</b>	<b>506,353,190</b>
Less accumulated depreciation	(50,162,482)	(207,770,035)	(17,787,858)	(14,586,848)	(290,307,223)
<b>Net capital assets</b>	<b>61,319,121</b>	<b>93,236,582</b>	<b>53,769,608</b>	<b>7,720,656</b>	<b>216,045,967</b>
Investments	-	5,917,079	-	-	5,917,079
Loans receivable	-	156,400	-	1,321,883	1,478,283
Due from bond trustee	1,181,300	-	-	-	1,181,300
<b>Total noncurrent assets</b>	<b>62,500,421</b>	<b>99,310,061</b>	<b>53,769,608</b>	<b>9,042,539</b>	<b>224,622,629</b>
<b>Total assets</b>	<b>\$ 71,105,139</b>	<b>\$ 118,165,426</b>	<b>\$ 55,348,783</b>	<b>\$ 13,538,549</b>	<b>\$ 258,157,897</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Net OPEB	\$ 71,394	\$ 206,576	\$ -	\$ 16,701	\$ 294,671
Net pension	65,531	158,438	-	1,806	225,775
<b>Total deferred outflows of resources</b>	<b>\$ 136,925</b>	<b>\$ 365,014</b>	<b>\$ -</b>	<b>\$ 18,507</b>	<b>\$ 520,446</b>

*See accompanying notes to financial statements.*

Continued on next page

**CITY OF BANGOR, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

**Business-type Activities - Enterprise Funds**

	Sewer Utility Fund	Airport Fund	Bass Park Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 857,527	\$ 2,820,508	\$ 113,803	\$ 194,349	\$ 3,986,187
Accrued wages and benefits payable	53,058	173,949	80,042	18,105	325,154
Accrued interest	65,674	47,174	887,572	39,012	1,039,432
Workers' compensation	20,000	175,012	-	-	195,012
Interfund loans payable	-	-	1,700,000	-	1,700,000
General obligation debt payable	1,698,513	650,129	1,284,492	611,640	4,244,774
Capital lease obligation payable	-	-	2,910	12,576	15,486
Accrued compensated absences	69,424	304,749	-	16,666	390,839
Unearned revenue	-	-	668,179	-	668,179
Other liabilities	-	-	90,711	-	90,711
<b>Total current liabilities</b>	<b>2,764,196</b>	<b>4,171,521</b>	<b>4,827,709</b>	<b>892,348</b>	<b>12,655,774</b>
Long-term liabilities					
Workers' compensation	-	86,203	-	-	86,203
General obligation debt payable	15,790,102	6,770,334	47,391,450	2,698,474	72,650,360
Capital lease obligation payable	-	-	-	26,688	26,688
Accrued compensated absences	58,409	150,148	-	9,428	217,985
Net OPEB obligation	464,242	1,460,025	-	115,812	2,040,079
Net pension liability	129,478	313,301	-	3,647	446,426
Other long-term liabilities	156,498	-	2,003,218	-	2,159,716
<b>Total long-term liabilities</b>	<b>16,598,729</b>	<b>8,780,011</b>	<b>49,394,668</b>	<b>2,854,049</b>	<b>77,627,457</b>
<b>Total liabilities</b>	<b>\$ 19,362,925</b>	<b>\$ 12,951,532</b>	<b>\$ 54,222,377</b>	<b>\$ 3,746,397</b>	<b>\$ 90,283,231</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Net pension	\$ 63,110	\$ 152,708	\$ -	\$ 1,778	\$ 217,596
<b>Total deferred inflows of resources</b>	<b>\$ 63,110</b>	<b>\$ 152,708</b>	<b>\$ -</b>	<b>\$ 1,778</b>	<b>\$ 217,596</b>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 45,638,278	\$ 88,146,582	\$ 6,333,177	\$ 5,302,619	\$ 145,420,656
Unrestricted	6,177,751	17,279,618	(5,206,771)	4,506,262	22,756,860
<b>Total net position</b>	<b>\$ 51,816,029</b>	<b>\$ 105,426,200</b>	<b>\$ 1,126,406</b>	<b>\$ 9,808,881</b>	<b>\$ 168,177,516</b>

*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, 2019**

<b>Business-type Activities - Enterprise Funds</b>					
	<b>Sewer Utility Fund</b>	<b>Airport Fund</b>	<b>Bass Park Fund</b>	<b>Nonmajor Proprietary Funds</b>	<b>Total Proprietary Funds</b>
Operating revenues					
Charges for services	\$ 9,451,741	\$ 19,032,646	\$ 3,045,740	\$ 3,289,515	\$ 34,819,642
<b>Total operating revenues</b>	<b>9,451,741</b>	<b>19,032,646</b>	<b>3,045,740</b>	<b>3,289,515</b>	<b>34,819,642</b>
Operating expenses					
Operating expenses other than depreciation	5,295,271	15,246,390	2,913,339	2,314,095	25,769,095
Depreciation	1,174,035	6,895,333	2,952,372	526,165	11,547,905
<b>Total operating expenses</b>	<b>6,469,306</b>	<b>22,141,723</b>	<b>5,865,711</b>	<b>2,840,260</b>	<b>37,317,000</b>
<b>Operating income (loss)</b>	<b>2,982,435</b>	<b>(3,109,077)</b>	<b>(2,819,971)</b>	<b>449,255</b>	<b>(2,497,358)</b>
Nonoperating revenue (expenses)					
Interest income	184,188	623,695	-	157,142	965,025
Interest expense	(290,921)	(336,875)	(1,701,379)	(122,370)	(2,451,545)
Taxes (Downtown TIF)	-	-	1,255,000	-	1,255,000
Gain on sale of assets	4,856	-	-	-	4,856
<b>Total nonoperating revenue (expenses)</b>	<b>(101,877)</b>	<b>286,820</b>	<b>(446,379)</b>	<b>34,772</b>	<b>(226,664)</b>
<b>Net income (loss) before grants/contributions and transfers</b>	<b>2,880,558</b>	<b>(2,822,257)</b>	<b>(3,266,350)</b>	<b>484,027</b>	<b>(2,724,022)</b>
Grants/contributions received for capital assets	-	3,327,180	-	-	3,327,180
Transfers to other funds	(29,062)	-	-	(460,724)	(489,786)
Transfers from other funds	-	75,000	1,783,437	113,436	1,971,873
<b>Change in net position</b>	<b>2,851,496</b>	<b>579,923</b>	<b>(1,482,913)</b>	<b>136,739</b>	<b>2,085,245</b>
<b>Net position, beginning of year</b>	<b>48,964,533</b>	<b>104,846,277</b>	<b>2,609,319</b>	<b>9,672,142</b>	<b>166,092,271</b>
<b>Net position, end of year</b>	<b>\$ 51,816,029</b>	<b>\$ 105,426,200</b>	<b>\$ 1,126,406</b>	<b>\$ 9,808,881</b>	<b>\$ 168,177,516</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2019**  
**Business-type Activities - Enterprise Funds**

	Sewer Utility Fund	Airport Fund	Bass Park Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
Cash flows from operating activities					
Cash received from customers	\$ 9,364,469	\$ 16,596,143	\$ 2,659,880	\$ 3,316,239	\$ 31,936,731
Cash paid to suppliers for goods and services	(3,468,290)	(6,181,797)	(3,023,343)	(1,411,564)	(14,084,994)
Cash paid to employees for services	(2,121,258)	(8,549,377)	-	(867,835)	(11,538,470)
Net cash provided by (used for) operating activities	3,774,921	1,864,969	(363,463)	1,036,840	6,313,267
Cash flows from noncapital financing activities					
Interfund loans (repayments)	(206,702)	-	-	-	(206,702)
Taxes (Downtown TIF)	-	-	1,255,000	-	1,255,000
Transfers in	-	75,000	1,783,437	113,436	1,971,873
Transfers out	(29,062)	-	-	(460,724)	(489,786)
Net cash provided by (used for) noncapital financing activities	(235,764)	75,000	3,038,437	(347,288)	2,530,385
Cash flows from capital and related financing activities					
Proceeds from general obligation bonds	5,088,876	-	-	-	5,088,876
Acquisition and construction of capital assets	(5,810,524)	(4,620,777)	-	307,963	(10,123,338)
Principal paid on general obligation bonds/notes/capital leases	(1,436,417)	(624,792)	(1,224,019)	(611,388)	(3,896,616)
Interest paid on general obligation bonds/notes/capital leases	(281,582)	(338,989)	(1,821,981)	(128,880)	(2,571,432)
Proceeds from sale of property	4,856	-	-	-	4,856
Grant/contribution monies received for capital assets	-	3,110,808	-	-	3,110,808
Net cash (used for) capital and related financing activities	(2,434,791)	(2,473,750)	(3,046,000)	(432,305)	(8,386,846)
Cash flows from investing activities					
Net sales (purchases) of investments	-	(573,043)	-	-	(573,043)
Investment of unexpended bond proceeds	(1,113,737)	-	-	-	(1,113,737)
Interest on investments	184,188	623,695	-	157,142	965,025
Loan repayments	-	47,654	-	22,368	70,022
Net cash provided by (used for) investing activities	(929,549)	98,306	-	179,510	(651,733)
Net increase (decrease) in cash and cash equivalents	174,817	(435,475)	(371,026)	436,757	(194,927)
Cash and cash equivalents, beginning of year	5,130,726	2,426,037	1,282,389	3,491,246	12,330,398
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,305,543</b>	<b>\$ 1,990,562</b>	<b>\$ 911,363</b>	<b>\$ 3,928,003</b>	<b>\$ 12,135,471</b>

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

During the year, the Airport Fund had an unrealized gain on investments in the amount of \$455,319 and expended \$697,634 in capital asset acquisition costs to be reimbursed by Federal and State grants in a subsequent year.

During the year, the Golf Course entered into a capital lease in the amount of \$62,975 to partially finance the acquisition of capital assets.

*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, 2019**

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**Business-type Activities - Enterprise Funds**

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	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)	\$ 2,982,435	\$ (3,109,077)	\$ (2,819,971)	\$ 449,255	\$ (2,497,358)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	1,174,035	6,895,333	2,952,372	526,165	11,547,905
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(87,272)	(2,483,390)	(107,065)	10,275	(2,667,452)
(Increase) decrease in inventories	-	(31,580)	1,291	-	(30,289)
(Increase) decrease in prepaid items	5,289	24,887	9,716	(12,211)	27,681
Increase (decrease) in accounts payable	(27,227)	1,198,246	(55,692)	111,190	1,226,517
Increase (decrease) in unearned revenue	-	-	(278,795)	-	(278,795)
Increase (decrease) in other liabilities	(272,339)	(629,450)	(65,319)	(47,834)	(1,014,942)
Total adjustments	792,486	4,974,046	2,456,508	587,585	8,810,625
<b>Net cash provided by operating activities</b>	<b>\$ 3,774,921</b>	<b>\$ 1,864,969</b>	<b>\$ (363,463)</b>	<b>\$ 1,036,840</b>	<b>\$ 6,313,267</b>

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 137,666
<b>Total assets</b>	<b>137,666</b>
<b>LIABILITIES</b>	
Amounts held for others	137,666
<b>Total liabilities</b>	<b>\$ 137,666</b>

*See accompanying notes to financial statements.*

## INDEX OF NOTES TO THE FINANCIAL STATEMENTS

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**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**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 include how the budget is adopted, whether debt is secured by general obligation of the City, the City's duty to cover any deficits that may occur, and supervision over the accounting functions.

The Bangor Public Library is a nonprofit organization, which operates under the control of a nine-member Board of Trustees. The Bangor City Council appoints all members of the Library Board in accordance with the City of Bangor Charter. The Board has the power to hire officers, approve the budget and direct the operations of the Library. However, the Library is financially dependent upon the City in that the City provides approximately 60% of the operating financial support received by the Library during the year ended June 30, 2019. The City believes that the financial statements would be incomplete without the inclusion of the Library as a discretely presented component unit. Complete financial statements may be obtained from the Bangor Public Library, 145 Harlow Street, Bangor, ME 04401.

The City of Bangor is a member of the Joint Venture of the Equity Charter Municipalities of Municipal Review Committee, Inc (Joint Venture). The Joint Venture was formed to pool resources of the Equity Charter Municipalities for the long-term goal of handling the disposal of their present and projected volumes of non-hazardous municipal solid waste. As of June 30, 2019 (most recent data available) the City of Bangor's share of the Joint Venture's net position was \$4,874,037. Complete financial statements may be obtained from Municipal Review Committee, 395 State Street, Ellsworth, ME 04605.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support, as well as from legally separate component units for which the City is financially accountable.

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



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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

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

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

The City reports the following major governmental funds:

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

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund type:

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

**1. Deposits and Investments**

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

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

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

**2. Interfund Receivables and Payables**

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

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

**3. Inventories and Prepaid Items**

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

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

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, sewer mains and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 for machinery/equipment/vehicles, \$25,000 for land/buildings and improvements and \$100,000 for infrastructure and an estimated useful life in excess of

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. If material, interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

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

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

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows and inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds report deferred inflow of resources includes: unavailable revenue from property taxes and special assessments. These amounts are considered unavailable and recognized as an inflow of resources (revenue) in the period that the amounts become available. The governmental activities have deferred outflows and inflows that relate to the net pension and OPEB liabilities, which include the City's contribution subsequent to the measurement date, which is recognized as a reduction of the net pension and OPEB liabilities in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, changes in proportion and differences between the City's contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**6. Compensated Absences**

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

**7. Long-term Obligations**

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

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

**8. Fund Equity**

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

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

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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

**10. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined based on actuary reports prepared by the OPEB Plan's actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**11. Use of Estimates**

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

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

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**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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**A. Budgetary Information**

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

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

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

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

Maine Public Employees Retirement contributions are made by the State of Maine on behalf of the School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$3,860,724. These amounts have been included as intergovernmental revenue and education expenditures in the general fund on the Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit 4) and in the entity-wide Statement of Activities (Exhibit 2). There is no effect on fund balance or net position at the end of the year.

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

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**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED**

---

**B. Reconciliation of Budgetary Basis Statements**

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

Excess of revenues and other financing sources over expenditures and other financing uses (Budget)	\$ (39,726)
Activity in assigned and committed fund balances	703,374
2019 encumbrances	541,222
2018 encumbrances paid	(1,092,065)
2018 encumbrances lapsed	<u>(3,464)</u>
Excess of revenues and other financing sources over expenditures and other uses (GAAP)	<u>\$ 109,341</u>

**C. Excess of Expenditures Over Appropriations**

The following General Fund departments were over-expended by the indicated dollar amounts; Public transportation \$59,471, Fire \$184,780, Parks and Recreation \$7,290 and School special revenue accounts \$941,297. 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. As these amounts are invested in a note receivable, there was no change in market value for fiscal year 2019.



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

**DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a policy with respect to custodial credit risk for deposit accounts. The City maintained certain accounts whose balances were fully covered, for other accounts in which the balance exceeded the \$250,000 provided by the Federal Deposit Insurance Corporation (FDIC), pledged collateral securities were held in the City's name. As of June 30, 2019, none of the City's bank balance of \$47,336,161 was exposed to custodial credit.

Fair Value – Investments

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

At June 30, 2019, the City had the following investments and maturities:

Investment types	Rating	Fair Value	Not Applicable	Maturity (years)		
				<1	1-5	6-10
Mutual Funds		\$ 3,815,041	\$ 3,815,041	\$ -	\$ -	\$ -
US Treasuries	AA+	8,266,051	-	2,348,972	5,917,079	-
Corporate Bonds	A/AA-/BBB	2,487,504	-	149,919	1,515,393	822,192
Common Stock		410,180	410,180	-	-	-
Certificate of Deposit		50,000	-	50,000	-	-
<b>Totals</b>		<b>\$ 15,028,776</b>	<b>\$ 4,225,221</b>	<b>\$ 2,548,891</b>	<b>\$ 7,432,472</b>	<b>\$ 822,192</b>

Investment types	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Mutual Funds	\$ 3,815,041	\$ 3,815,041	\$ -	\$ -
US Treasuries	8,266,051	8,266,051	-	-
Corporate Bonds	2,487,504	2,487,504	-	-
Common Stock	410,180	410,180	-	-
<b>Totals</b>	<b>\$ 14,978,776</b>	<b>\$ 14,978,776</b>	<b>\$ -</b>	<b>\$ -</b>

Interest Rate Risk

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

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

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**DETAILED NOTES ON ALL FUNDS, CONTINUED**

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Credit Risk

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

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. As of June 30, 2019, the City had no investments that were subject to custodial risk. The City's investment policy states that all security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a "delivery vs. payment" basis.

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

Concentration of Credit Risk

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

**B. Property Tax**

Property taxes for the current year were levied July 31, 2018, on the assessed value listed as of the prior April 1<sup>st</sup> for all real and personal property located in the City. Assessed values are periodically established by the City's Assessor at 100% of assumed market value. Taxes were due in two installments: September 17, 2018 and March 15, 2019. Interest was charged at 8.00% on all taxes unpaid as of the due date.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred inflows of resources. Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid.

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

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,092,368	\$ -	\$ 28,700	\$ 5,063,668
Construction in process	863,858	1,157,534	1,361,715	659,677
Total capital assets not being depreciated	<u>5,956,226</u>	<u>1,157,534</u>	<u>1,390,415</u>	<u>5,723,345</u>
Capital assets, being depreciated:				
Land improvements	15,404,031	471,634	-	15,875,665
Buildings and improvements	73,607,274	697,889	-	74,305,163
Machinery and equipment	12,969,329	662,194	-	13,631,523
Vehicles	19,143,825	2,306,338	267,161	21,183,002
Infrastructure	25,063,227	646,537	370	25,709,394
Total capital assets being depreciated	<u>146,187,686</u>	<u>4,784,592</u>	<u>267,531</u>	<u>150,704,747</u>
Less accumulated depreciation for:				
Land improvements	(6,506,802)	(678,596)	-	(7,185,398)
Buildings and improvements	(32,587,918)	(1,579,901)	-	(34,167,819)
Machinery and equipment	(11,400,994)	(331,727)	-	(11,732,721)
Vehicles	(10,266,127)	(1,431,713)	(120,222)	(11,577,618)
Infrastructure	(12,980,338)	(383,404)	(370)	(13,363,372)
Total accumulated depreciation	<u>(73,742,179)</u>	<u>(4,405,341)</u>	<u>(120,592)</u>	<u>(78,026,928)</u>
Total capital assets being depreciated, net	<u>72,445,507</u>	<u>379,251</u>	<u>146,939</u>	<u>72,677,819</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 78,401,733</u></b>	<b><u>\$ 1,536,785</u></b>	<b><u>\$ 1,537,354</u></b>	<b><u>\$ 78,401,164</u></b>

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,728,968	\$ -	\$ -	\$ 3,728,968
Construction in process	2,128,237	8,867,360	346,615	10,648,982
Total capital assets not being depreciated	<u>5,857,205</u>	<u>8,867,360</u>	<u>346,615</u>	<u>14,377,950</u>
Capital assets, being depreciated:				
Land improvements	2,542,413	-	-	2,542,413
Buildings and improvements	102,459,315	26,000	-	102,485,315
Machinery and equipment	11,820,136	81,625	-	11,901,761
Infrastructure	66,101,061	416,252	-	66,517,313
Airport operational assets	295,522,499	1,661,099	27,997	297,155,601
Parking structures	11,372,837	-	-	11,372,837
Total capital assets being depreciated	<u>489,818,261</u>	<u>2,184,976</u>	<u>27,997</u>	<u>491,975,240</u>
Less accumulated depreciation for:				
Land improvements	(1,961,545)	(56,276)	-	(2,017,821)
Buildings and improvements	(43,743,855)	(3,095,882)	-	(46,839,737)
Machinery and equipment	(7,056,763)	(553,875)	-	(7,610,638)
Infrastructure	(15,420,684)	(671,460)	-	(16,092,144)
Airport operational assets	(200,902,699)	(6,895,333)	(27,997)	(207,770,035)
Parking structures	(9,701,769)	(275,079)	-	(9,976,848)
Total accumulated depreciation	<u>(278,787,315)</u>	<u>(11,547,905)</u>	<u>(27,997)</u>	<u>(290,307,223)</u>
Total capital assets being depreciated, net	<u>211,030,946</u>	<u>(9,362,929)</u>	<u>-</u>	<u>201,668,017</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 216,888,151</u></b>	<b><u>\$ (495,569)</u></b>	<b><u>\$ 346,615</u></b>	<b><u>\$ 216,045,967</u></b>

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

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

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

Governmental Activities:	
General government	\$ 1,533,861
Public safety	747,082
Health, community services and recreation	197,441
Public services	592,913
Education	<u>1,334,044</u>
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 4,405,341</u></b>
Business-type activities:	
Sewer Utility Fund	\$ 1,174,035
Airport Fund	6,895,333
Bass Park Fund	2,952,372
Stormwater	16,493
Economic Development Fund	157,195
Parking Fund	275,079
Municipal Golf Course	<u>77,398</u>
<b>Total depreciation expense - business-type activities</b>	<b><u>\$ 11,547,905</u></b>

Construction commitments:

At June 30, 2019, the City had entered into contracts or otherwise committed to various construction projects:

	Contract Amount	Paid To Date	Balance Remaining
Building Improvements	\$ 1,780,089	\$ 1,277,975	\$ 502,114
Land Improvements	1,187,301	672,029	515,272
Infrastructure	404,298	340,890	63,408
Aircraft Operational Upgrades	2,412,945	494,693	1,918,252
Sewer Upgrades	4,895,991	4,196,187	699,804

**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, 2019, the balances were as follows:

	Receivable	Payable
General Fund	\$ 1,877,830	\$ -
Nonmajor Governmental Funds	1,000	178,830
Bass Park Fund	-	1,700,000
	<u>\$ 1,878,830</u>	<u>\$ 1,878,830</u>

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

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**DETAILED NOTES ON ALL FUNDS, CONTINUED**

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Individual fund transfers to and from other funds for the fiscal year ended June 30, 2019 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	\$ 3,818,238	\$ 18,344
Capital Projects Fund	106,230	4,474,318
Nonmajor Governmental Funds	2,050,281	-
Sewer Fund	29,062	-
Airport Fund	-	75,000
Bass Park Fund	-	1,783,437
Nonmajor Enterprise Funds	460,724	113,436
	\$ 6,464,535	\$ 6,464,535

**E. Due From Other Governments**

Due from other governments is comprised of the following amounts at June 30, 2019:

	Federal Government	State of Maine	Other	Total
General Fund	\$ 2,594,286	\$ 2,446,854	\$ 1,042,074	\$ 6,083,214
Capital Projects Fund	-	1,672,017	-	1,672,017
Nonmajor Special Revenue Funds	166,142	21,032	-	187,174
Sewer Fund	-	-	206,702	206,702
Airport Fund	765,614	216,288	-	981,902
Total	\$ 3,526,042	\$ 4,356,191	\$ 1,248,776	\$ 9,131,009

Amounts due from Federal Government are comprised of operating and capital grants for all fund types. Of the General Fund's \$2,446,854 due from State of Maine, \$2,143,407 represents school grant and State agency billings, and \$201,561 represents general assistance claims. Amounts owed to the Capital Projects and the Airport Funds by the State of Maine are for capital grant purposes. Amounts due from other communities for tuition reimbursement to Bangor account for \$502,845 of the Due from Other in the General Fund.

**F. Leases**

Operating Leases

The Airport and Economic Development Proprietary Funds are the lessors of various buildings and land parcels under operating leases expiring in various years through 2069 and 2041, respectively. Minimum future rentals to be received on noncancelable leases as of June 30, 2019 are:

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

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

Fiscal year ending June 30,	Airport	Economic Development
2020	\$ 3,806,097	\$ 466,339
2021	2,730,940	375,678
2022	1,422,771	336,092
2023	1,345,867	302,726
2024	1,166,950	289,305
Subsequent to 2025	12,726,338	2,142,161
	<u>\$ 23,198,963</u>	<u>\$ 3,912,301</u>

Minimum future rentals do not include contingent rentals, which may be received as stipulated in the lease contracts. The Airport received \$3,480,658 in contingent rentals in fiscal year 2019.

The carrying amounts of the leased assets are as follows:

	Airport	Economic Development
Land	\$ 565,532	\$ 2,515,911
Buildings	22,688,118	3,674,723
Less accumulated depreciation	(15,879,889)	(1,792,842)
Total	<u>\$ 7,373,761</u>	<u>\$ 4,397,792</u>

**Capital Leases**

The City entered into several leases for financing the acquisition of heavy equipment and landscaping equipment. These lease agreements qualify as capital leases for accounting purposes whereas they contain a bargain purchase option. Leased equipment below the City's capitalization policy has not been capitalized. The following is an analysis of the carrying value of the leased capitalized equipment as of June 30, 2019:

	Business-type Activities
Machinery and equipment	\$ 165,812
Less accumulated depreciation	(61,232)
Carrying value	<u>\$ 104,580</u>

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2019:

Fiscal Year ending June 30,	Governmental Activities	Business-type Activities
2020	\$ 132,354	\$ 17,093
2021	132,354	14,155
2022	132,354	14,154
2023	132,353	-
Total minimum lease payments	529,415	45,402
Less: amount representing interest	(44,668)	(3,228)
Present value of future minimum lease payments	<u>\$ 484,747</u>	<u>\$ 42,174</u>

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

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

**G. Other Assets**

Other assets are comprised of the following:

	Sewer Utility	
	Fund	
Due from bond trustee	\$ 1,181,300	
Total	\$ 1,181,300	

**H. Unearned Revenue**

Community Development Block Grant and Capital Projects Fund unearned revenues consist of \$49,816 and \$42,523 in advance deposits, respectively. Bass Park Fund unearned revenues consist of \$668,179 in advance sales.

**I. Long-term Debt**

**General Obligation Bonds and Notes**

The City issues general obligation bonds or notes to provide funds for the acquisition and construction of major capital additions. General obligation bonds and notes have been issued for both governmental and business-type activities. These bonds and notes are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund general obligation bonds and extinguish an existing retirement liability. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds.

The original amount of general obligation bonds and notes issued is \$193,040,915. The following is a summary of general obligation bond and note transactions of the City for the fiscal year ended June 30, 2019:

Bonds and notes payable at June 30, 2018	\$ 130,885,863	
Add: principal additions	8,255,000	
Less: principal repayments	10,850,063	
Bonds and notes payable at June 30, 2019	\$ 128,290,800	

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

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

Bonds and notes payable at June 30, 2019 are comprised of the following:

Long-term debt	Fiscal year of maturity	Interest rate	Governmental Activities		Business-type Activities	Total June 30, 2019
			City	School		
Public improvements note*	2020	4.50%	156,220	-	-	156,220
Pension obligation bonds	2026	3.06% - 6.45%	15,814,736	1,016,071	3,407,479	20,238,286
Combined sewer overflow	2023	1.94%	-	-	673,806	673,806
Briggs building note*	2023	4.50%	-	-	372,542	372,542
Combined sewer overflow	2025	1.41%	-	-	904,380	904,380
Chancellor's property note*	2026	5.00%	-	-	1,044,705	1,044,705
Combined sewer overflow	2027	1.64%	-	-	878,761	878,761
Combined sewer overflow	2028	1.81%	-	-	989,088	989,088
ARRA - CWSRF	2029	0.00%	-	-	484,454	484,454
ARRA - CWSRF	2030	0.00%	-	-	282,568	282,568
Public improvements/refunding	2020	2.00% - 3.25%	252,001	662,999	-	915,000
Public improvements/refunding	2021	2.00% - 3.25%	348,730	-	906,270	1,255,000
Qualified school construction bond	2028	4.65%	-	5,595,000	-	5,595,000
Refunding/public improvements	2022	2.00% - 2.25%	716,821	641,584	426,595	1,785,000
Arena	2043	3.25% - 5.00%	-	-	48,390,000	48,390,000
Qualified school construction bond	2035	4.05%	-	2,790,000	-	2,790,000
Refunding/public improvements	2032	2.00% - 4.00%	4,398,579	-	1,011,421	5,410,000
Refunding/airport improvements	2033	.50% - 4.25%	-	-	3,130,000	3,130,000
Public improvements	2034	2.00% - 4.00%	5,095,000	900,000	225,000	6,220,000
Combined sewer overflow	2034	0.10%	-	-	2,003,990	2,003,990
Public improvements	2030	2.00% - 2.75%	1,980,000	240,000	-	2,220,000
Airport improvements	2035	3.00% - 3.65%	-	-	1,280,000	1,280,000
Refunding/public improvements	2030	2.00% - 3.00%	2,317,000	-	223,000	2,540,000
Airport improvements	2027	0.95% - 3.25%	-	-	680,000	680,000
Combined sewer overflow	2036	1.00%	-	-	3,852,000	3,852,000
Public improvements	2036	1.00%	4,716,863	587,938	640,199	5,945,000
Refunding/public improvements	2033	3.00% - 5.00%	3,166,124	-	188,876	3,355,000
Combined sewer overflow	2038	1.00%	-	-	4,400,000	4,400,000
Combined sewer overflow	2038	1.00%	-	-	500,000	500,000
<b>Total bonds and notes payable</b>			<b>\$ 38,962,074</b>	<b>\$ 12,433,592</b>	<b>\$ 76,895,134</b>	<b>\$ 128,290,800</b>

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

**Legal Debt Margin**

The City is subject to the laws of the State of Maine, which limits the amount of long-term debt to 15% of the state's assessed valuation of the City. At June 30, 2019, the statutory limit for the City was \$392,497,500. The City's outstanding long-term debt of \$128,290,800 at June 30, 2019 was within the statutory limit.



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

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

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

Fiscal year ending June 30,	Governmental Activities				Business-type Activities			
	Bonds		Notes from Direct Borrowings		Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 5,561,573	\$ 1,836,613	\$ 49,799	\$ 7,030	\$ 4,029,449	\$ 2,395,293	\$ 215,325	\$ 69,188
2021	4,725,524	1,627,167	52,039	4,789	4,024,763	2,270,489	225,699	58,813
2022	4,792,182	1,470,455	54,382	2,447	3,747,610	2,129,584	236,575	47,936
2023	4,557,183	1,206,018	-	-	3,732,358	1,992,595	247,978	36,535
2024	4,797,509	987,460	-	-	3,680,935	1,860,474	155,962	24,584
2025-2029	20,164,788	1,902,388	-	-	16,340,516	7,501,713	335,709	25,382
2030-2034	3,567,492	354,493	-	-	14,882,260	5,374,946	-	-
2035-2039	3,073,195	21,492	-	-	13,964,995	3,295,040	-	-
2040-2043	-	-	-	-	11,075,000	901,175	-	-
<b>Total</b>	<b>\$ 51,239,446</b>	<b>\$ 9,406,086</b>	<b>\$ 156,220</b>	<b>\$ 14,266</b>	<b>\$ 75,477,886</b>	<b>\$ 27,721,309</b>	<b>\$ 1,417,248</b>	<b>\$ 262,438</b>

**Authorized and Unissued**

On August 8, 2011, the City Council authorized the issuance of up to \$2,000,000 in general obligation bonds to provide funding for remediation of the Penobscot River. As of June 30, 2019, \$1,590,000 remains authorized and unissued. The City will continue to monitor when and if the debt will be issued.

On February 22, 2016, the City Council authorized the issuance of up to \$2,145,000 in general obligation bonds through the Maine Municipal Bond Bank State Revolving Fund to finance sewer infrastructure improvements. As of June 30, 2019, \$1,735,000 remains authorized and unissued. The City does not expect to issue the debt as the project cost was less than anticipated.

On August 28, 2017, the City Council authorized the issuance of up to \$3,068,000 in general obligation bonds for the purpose of funding street and sidewalk work, the City's annual fleet/equipment replacement and WWTP infrastructure improvements. As of June 30, 2019, \$1,016,700 remains authorized and unissued. The majority of the unissued bonds are expected to be issued in the next fiscal year.

On August 27, 2018, the City Council authorized the issuance of up to \$3,300,000 in general obligations bonds through the Maine Municipal Bond Bank State Revolving Fund to finance sewer infrastructure improvements. As of June 30, 2019, the bonds had not been issued. The City expects to issue the debt within the next eighteen months.

On August 27, 2018, the City Council authorized the issuance of up to \$4,506,000 in general obligation bonds for the purpose of funding City streets, its annual fleet/equipment replacement, building improvements and WWTP infrastructure improvements. As of June 30, 2019, the bonds had not been issued. The City expects to issue the debt in the next fiscal year.

**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, 2019, was as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due within one year
Governmental activities:					
General obligation debt	\$ 54,998,844	\$ 3,166,124	\$ 6,925,522	\$ 51,239,446	\$ 5,561,573
Notes from direct borrowings	203,875	-	47,655	156,220	49,799
Accrued compensated absences*	2,275,939	1,462,397	1,598,255	2,140,081	1,393,008
Capital leases	24,306	617,101	156,660	484,747	114,977
Bond premium	715,252	298,334	80,473	933,113	101,627
OPEB obligation* - Restated, Note G	15,703,056	498,683	-	16,201,739	-
Net pension liability*	6,496,341	-	1,416,100	5,080,241	-
Self insurance liability	2,725,939	744,987	285,984	3,184,942	861,718
Governmental activities long-term liabilities	<u>\$ 83,143,552</u>	<u>\$ 6,787,626</u>	<u>\$ 10,510,649</u>	<u>\$ 79,420,529</u>	<u>\$ 8,082,702</u>
Business-type activities:					
General obligation debt	\$ 74,060,470	\$ 5,088,876	\$ 3,671,460	\$ 75,477,886	\$ 4,029,449
Notes from direct borrowings	1,622,674	-	205,426	1,417,248	215,325
Accrued compensated absences*	598,859	483,219	473,254	608,824	390,839
Capital leases	61,903	-	19,729	42,174	15,486
Bond premium	2,184,641	-	90,712	2,093,929	90,711
Net OPEB obligation	1,853,111	186,968	-	2,040,079	-
Net pension liability*	1,367,669	-	921,243	446,426	-
Self insurance liability	311,215	108,972	138,972	281,215	195,012
Other	156,498	-	-	156,498	-
Business-type activities long-term liabilities	<u>\$ 82,217,040</u>	<u>\$ 5,868,035</u>	<u>\$ 5,520,796</u>	<u>\$ 82,564,279</u>	<u>\$ 4,936,822</u>

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

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

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**DETAILED NOTES ON ALL FUNDS, CONTINUED**

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**J. Fund Balances**

As of June 30, 2019, fund balances components consisted of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund:				
Advances to other funds	\$ 1,900,500	\$ -	\$ -	\$ -
Inventory and prepaid items	1,303,883	-	-	-
PEG capital support	-	20,617	-	-
School capital	-	83,635	-	-
School debt sinking fund	-	195,000	-	-
Cultural Comm/Public Transport	-	-	233,988	-
Subsequent year expenditures	-	-	-	60,142
Pooled equipment reserve	-	-	-	502,932
Bus equipment reserve	-	-	-	799,727
Fire equipment reserve	-	-	-	688,884
Self insurance reserve	-	-	-	3,184,942
Improvement reserve	-	-	-	1,705,656
Demolition reserve	-	-	-	105,107
Benefit reserve	-	-	-	1,331,031
Energy efficiency reserve	-	-	-	494,121
Parks & Recreation reserve	-	-	-	423,699
Subtotal	<u>3,204,383</u>	<u>299,252</u>	<u>233,988</u>	<u>9,296,241</u>
Capital Projects Fund	-	-	-	<u>7,705,395</u>
Other Governmental Funds:				
Nonexpendable trust principal	518,144	-	-	-
Nonmajor Special Revenue Funds				
Community development	-	3,979,186	-	-
Infrastructure	-	335,406	-	-
Public Safety	-	229,908	-	-
Transportation	-	121,582	-	-
Economic Develop	-	432,164	-	-
Parks	-	576,339	-	-
Health	-	67,403	-	-
Arena	-	-	811,934	-
Other Municipal	-	60,857	-	-
Nonmajor Permanent Funds				
Cemetery	-	90,887	-	-
Missionary	-	100,643	-	-
Education	-	127,957	-	-
Other Municipal	-	222,761	-	-
Subtotal	<u>518,144</u>	<u>6,345,093</u>	<u>811,934</u>	<u>-</u>
Total	<u>\$ 3,722,527</u>	<u>\$ 6,644,345</u>	<u>\$ 1,045,922</u>	<u>\$ 17,001,636</u>

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

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

Encumbrances at year end were \$541,222 for the General Fund, \$4,653,198 for the Capital Projects Fund, \$5,547,112 for the Airport Fund, \$2,575,979 for the Sewer Utility Fund, \$234,072 for the Stormwater Fund, \$25,000 for the Parking Fund, \$1,335 for the Golf Fund and \$72,760 for the Economic Development Fund.

**K. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2019:

	Governmental	Business-type
Capital assets	\$ 156,428,092	\$ 506,353,190
Accumulated depreciation	(78,026,928)	(290,307,223)
Bonds and notes payable	(51,395,666)	(76,895,134)
Capital leases	(484,747)	(42,174)
Non capital related bonds payable	23,721,271	7,224,626
Premium on long term debt	(933,113)	(2,093,929)
Unspent bond proceeds	348,130	1,181,300
Net investment in capital assets	\$ 49,657,039	\$ 145,420,656

**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, 2019, 2018 and 2017.

The City is self-insured for its workers' compensation liability. Reserves are actuarially determined each year to assure funding adequacy. In addition, the City purchases excess workers' compensation insurance to limit its financial risk. At June 30, 2019, the amount of self-insurance liability was \$3,466,157. This liability is the City's best estimate based on available information.

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

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**OTHER INFORMATION, CONTINUED**

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Changes in the reported liabilities since July 1, 2017 resulted from the following:

	Workers' Compensation	All other self- insured risks	Total
Unpaid claims as of July 1, 2017	\$ 2,589,898	\$ 293,462	\$ 2,883,360
Incurred claims	256,514	-	256,514
Payments	(453,330)	-	(453,330)
Changes in estimates and other adjustments	347,130	3,480	350,610
Unpaid claims as of July 1, 2018	2,740,212	296,942	3,037,154
Incurred claims	290,235	-	290,235
Payments	(432,435)	-	(432,435)
Changes in estimates and other adjustments	566,610	4,593	571,203
 Unpaid claims as of July 1, 2019	 \$ 3,164,622	 \$ 301,535	 \$ 3,466,157

**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 2019, the City captured \$3,720,594 in incremental property taxes and dispersed \$354,583 in CEA payments to fourteen (14) developers. The remaining \$3,366,011 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 \$93,665 to Volunteers of America Northern New England to reimburse for investments for affordable elderly housing funded through the HUD 202 Program, which represents a 100% TIF.

The City dispersed \$50,947 to Peoples United Bank to reimburse for investments for the rehabilitation and conversion of a historic building into office space, which represents a 100% CEA.

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

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**OTHER INFORMATION, CONTINUED**

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**C. Contingent Liabilities**

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

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

There now are discussions between the City, its consultants and the DEP to determine what, if any, additional remediation is necessary. It is anticipated that those discussions will be concluded in 2020.

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

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

**D. Retirement**

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

**Defined Contribution Plan**

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

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

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**OTHER INFORMATION, CONTINUED**

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Funding Policy – Plan members not covered by employment contracts are required to contribute 6.5% of their annual covered salary and the City is required to contribute either 8% or 10.5% depending upon the employee’s classification. For fiscal year 2019, covered payroll was \$21,122,263 and City contributions were \$1,531,355. For those plan members that have employment contracts, the City contributes at various rates from 10% - 15% of annual earnings. The covered payroll and City contributions for those employees with employment contracts were \$248,184 and \$34,657 respectively, in fiscal year 2019.

**Defined Benefit Pension Plan**

Description of the Plan – For certain employees the City contributes to the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan) and Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), cost sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employers Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at [www.maineopers.org](http://www.maineopers.org).

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

Contributions – Employee contribution rates are defined by law 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 8.0% of their annual pay. The City’s contractually required contribution rate for the year June 30, 2019 ranged from 10.0% - 16.3% depending on the applicable benefit structure. The City’s contributions to the pension plan were \$1,253,074 for the year ended June 30, 2019.

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, 2019 was 15.05% of annual payroll of which 3.97% of payroll was required from the City and 11.08% was required from the State. Contributions to the pension plan from the City were \$1,103,483 for the year ended June 30, 2019.

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

**OTHER INFORMATION, CONTINUED**

Pension Liabilities, Expense and Deferred Outflows and Inflows of Resources – The net pension liabilities were measured as of June 30, 2018, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The City’s proportion of the net pension liabilities were based on projections of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

PLD Plan – At June 30, 2019, the City’s reported liability of its proportionate share of the net pension liability was \$3,647,271. At June 30, 2018, the City’s proportion of the PLD plan was 1.33269%.

SET Plan – At June 30, 2019, 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	\$1,879,396
State’s proportionate share of the net pension liability	<u>27,470,793</u>
Total	<u>\$29,350,189</u>

At June 30, 2018, the City’s proportion of the SET Plan was .13927%.

For the year ended June 30, 2019, the City recognized pension expense of \$4,404,632 for the PLD Plan and \$4,898,056 of pension expense and revenue of \$3,079,745 for support provided by the State for the SET Plan. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to PLD Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 28,640
Changes of assumptions	582,129	-
Net difference between projected and actual earnings on pension plan investments	-	880,672
Changes in proportion and differences between City contributions and proportionate share of contributions	-	868,424
City contributions subsequent to the measurement date	1,253,074	-
	<u>\$ 1,835,203</u>	<u>\$ 1,777,736</u>

\$1,253,074 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, 2020. 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:



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

**OTHER INFORMATION, CONTINUED**

Year ended June 30:		
2020	\$	(225,587)
2021		(143,291)
2022		(599,116)
2023		(227,613)

At June 30, 2019, 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	\$ 57,400	\$ -
Changes of assumptions	118,218	-
Net difference between projected and actual earnings on pension plan investments	-	244,322
Changes in proportion and differences between City contributions and proportionate share of contributions	129,789	-
City contributions subsequent to the measurement date	1,103,483	-
	\$ 1,408,890	\$ 244,322

\$1,103,483 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 pension liabilities in the year ended June 30, 2020. 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:		
2020	\$	243,011
2021		57,640
2022		(173,930)
2023		(65,636)

Actuarial assumptions - The total pension liabilities in the June 30, 2018 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75% to 9.0%	2.75% to 14.5%
Investment return, per annum, compounded annually	6.750%	6.750%
Cost of living benefit increases, per annum	1.91%	2.20%

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

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**OTHER INFORMATION, CONTINUED**

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real Assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	4.2%
Diversifiers	10.0%	5.9%
	<u>100.0%</u>	

Discount rate - The discount rate used to measure the total pension liability was 6.750% 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 6.750%, 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 (5.750% for PLD and SET Plans) or 1 percentage-point higher (7.750% for PLD and SET Plans) than the current rate:

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

**OTHER INFORMATION, CONTINUED**

	1% Decrease (5.750%)	Current Discount Rate (6.750%)	1% Increase (7.750%)
PLD Plan	\$ 8,596,133	\$ 3,647,271	\$(978,558)
	1% Decrease (5.750%)	Current Discount Rate (6.750%)	1% Increase (7.750%)
SET Plan	\$ 3,473,122	\$ 1,879,396	\$ 552,078

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, 2019.

**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.

**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.maineipers.org](http://www.maineipers.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

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

**OTHER INFORMATION, CONTINUED**

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.

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

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, 2019, the following employees were covered by the City Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	-
Active employees	416
Total	469

Under the School Health Plan, MEABT provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

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

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**OTHER INFORMATION, CONTINUED**

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Employees Covered by Benefit Terms – At June 30, 2018, the following employees were covered by the benefit terms:

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

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 \$31,989 for the year ended June 30, 2019. 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 \$62,031 for the year ended June 30, 2019. Employers and employees are not required to contribute to the SET OPEB Plan.

City Health Plan – Contributions to the City Health Plan from the City were \$0.00 for the year ended June 30, 2019. 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, 2019. 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, 2018, 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, 2019, the City reported a liability of \$1,429,224 for its proportionate share of the net OPEB liability. At June 30, 2018, the City's proportion was 7.0750%.

SET OPEB Plan – At June 30, 2019, 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 \$679,803 as of June 30, 2019. At June 30, 2018, the City's proportion was 0.00%.

The City's total City Health Plan OPEB liability of \$8,769,075 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

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

**OTHER INFORMATION, CONTINUED**

	Total OPEB Liability
Balance at June 30, 2018	\$ 8,000,393
Changes for the year:	
Service costs	248,260
Interest	311,870
Changes in benefit terms	-
Changes in assumptions	350,297
Differences between expected and actual experience	241,872
Benefit payments	(383,617)
Net Changes	768,682
Balance at June 30, 2019	\$ 8,769,075

Change in assumptions reflects a change in the discount rate from 3.87% to 3.51%.

The City School Department's total OPEB liability of \$8,043,520 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Balance at June 30, 2018	\$ 8,314,590
Changes for the year:	
Service costs	41,698
Interest	294,863
Changes in assumptions	(365,749)
Benefit payments	(241,882)
Net Changes	(271,070)
Balance at June 30, 2019	\$ 8,043,520

Change in assumptions reflects a change in the discount rate from 3.58% to 3.87%.

For the year ended June 30, 2019, the City recognized OPEB gain of \$42,002 for the PLD OPEB Plan. For the year ended June 30, 2019, the City recognized OPEB expense of \$62,031 and also revenues of \$62,031 for support provided by the State related to the SET OPEB Plan. At June 30, 2019, the City reported no deferred outflows of resources or deferred inflows of resources related to the SET OPEB Plan. At June 30, 2019, 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	\$ 120,610	\$ -
Changes of assumptions	-	172,095
Net difference between projected and actual earnings on OPEB plan investments	-	75,003
Changes in proportion and differences between City contributions and proportionate share of contributions	-	117,453
Contributions subsequent to the measurement date	31,989	-
Total	\$ 152,599	\$ 364,551

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

**OTHER INFORMATION, CONTINUED**

\$31,989 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, 2020. 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:		
2020	\$	(71,924)
2021		(71,924)
2022		(71,924)
2023		(57,764)
2024		29,595

For the year ended June 30, 2019, the City recognized an OPEB expense of \$366,089 related to the City Health Plan. At June 30, 2019, 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	\$ 989,109	\$ -
Changes of assumptions or other inputs	222,368	-
Total	\$ 1,211,477	\$ -

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:		
2020	\$	189,576
2021		189,576
2022		189,576
2023		189,576
2024		189,576
Thereafter		263,597

For the year ended June 30, 2019, The City School Department recognized an OPEB expense of \$12,870. At June 30, 2019, 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
Differences between expected and actual experience	\$ -	\$ 292,599
Contributions subsequent to the measurement date	250,541	-
Total	\$ 250,541	\$ 292,599

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

**OTHER INFORMATION, CONTINUED**

\$250,541 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, 2020. 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:		
2020	\$	(73,150)
2021		(73,150)
2022		(73,150)
2023		(73,149)

Actuarial Assumptions – The total OPEB liabilities in the June 30, 2018 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%-9.00%	2.75%-14.50%
Investment rate of return	6.750%	6.750%

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

The actuarial assumptions used in the June 30, 2018 valuations for both the PLD and SET OPEB Plans were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

The long-term expected rate of return on both the PLD and SET OPEB Plan investments was determined using a building-block method which best estimates ranges of expected future real rates of return (expected returns, net of investment expense and inflation) which are developed for each major class of assets. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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	15.00%	3.00%
US Government securities	10.00%	2.30%
	100.00%	



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

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**OTHER INFORMATION, CONTINUED**

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The total OPEB liability in the June 30, 2019 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	3.51% as of June 30, 2019
Health care cost trends	8.50%, decreasing 0.5% per year
Retirees' share of the benefit related costs	Retirees pay 100% of premiums

Mortality rates for the City Health Plan were based on the SOA RPH-2017 Total Dataset Headcount-weighted Mortality fully generational using Scale MP-2017.

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

The total OPEB liability in the June 30, 2018 actuarial valuation for the School Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Not reported
Salary increases	2.75% - 14.50% per year
Discount rate	3.87% per annum
Healthcare cost trend rates - Pre-Medicare	5.55% for 2018 grading over 15 years to 3.73%
Healthcare cost trend rates - Medicare	3.72% for 2018 grading over 15 years to 2.81%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

Discount Rate – The rate used to measure the total OPEB liability for the PLD OPEB Plan was 5.13% which is a blend of the assumed long-term expected rate of return of 6.75% and a municipal bond index rate of 3.87%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2018. Projections of the plan's fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2047. Therefore, the portion of the future projected benefit payments after 2047 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

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

**OTHER INFORMATION, CONTINUED**

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

The rate used to measure the net OPEB liability for the City Health Plan was 3.51% 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 3.87% 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 5.13%, 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 (4.13%) or 1 percentage-point higher (6.13%) than the current rate:

	1% Decrease 4.13%	Discount Rate 5.13%	1% Increase 6.13%
Net OPEB liability	\$ 1,888,220	\$ 1,429,224	\$ 1,067,338

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 3.51%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.51%) or 1 percentage-point higher (4.51%) than the current rate:

	1% Decrease 2.51%	Discount Rate 3.51%	1% Increase 4.51%
Total OPEB liability	\$ 9,876,044	\$ 8,769,075	\$ 7,849,527

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

**OTHER INFORMATION, CONTINUED**

The following presents the City School Department's total OPEB liability related to the School Health Plan calculated using the discount rate of 3.87%, 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 (2.87%) or 1 percentage-point higher (4.87%) than the current rate:

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Total OPEB liability	\$ 9,413,853	\$ 8,043,520	\$ 6,948,030

Sensitivity of the Total City Health Plan OPEB Liability and Total School Health Plan Liability to Changes in the Healthcare Cost Trend Rates – The following presents the City's total OPEB liability related to the City Health Plan calculated using the healthcare cost trend rates of 8.50% decreasing 0.5% per year, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (7.50% decreasing 0.5% per year) or 1 percentage-point higher (9.50% decreasing 0.5% per year) than the current healthcare cost trend rates:

	1% Decrease 7.50% decreasing 0.5% per year	Healthcare Cost Trend Rates 8.50% decreasing 0.5% per year	1% Increase 9.50% decreasing 0.5% per year
Total OPEB liability	\$ 8,250,220	\$ 8,769,075	\$ 9,380,690

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	\$ 6,897,454	\$ 8,043,520	\$ 9,475,317

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.

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

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**OTHER INFORMATION, CONTINUED**

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**F. Subsequent Events**

On August 12, 2019, the City Council authorized the issuance of up to \$3,913,000 in general obligation bonds for the purpose of funding street work, the City's annual fleet/equipment replacement, building improvements and WWTP infrastructure. In addition, the City Council authorized the issuance of up to \$15,775,000 in general obligation bonds through the Maine Municipal Bond Bank State Revolving Fund to finance sewer infrastructure improvements.

On August 12, 2019, the City Council authorized the issuance of up to \$6,000,000 in general obligation bonds to rehabilitate City Hall and replace/upgrade building-wide systems. Under Article VIII. Section 19(a)(1) of the City Charter, this authorization must be ratified by the voters of the City of Bangor. The item appeared on the November 5, 2019 City referendum ballot and was passed by the voters.

**G. Restatement**

For the fiscal year ended June 30, 2019, the City implemented *Statement No. 75 of the Governmental Accounting Standards Board – Accounting and Financial Reporting for Post-employment Benefits Other than Pensions* in regards to the School Department's single-employer defined benefit health plan for retirees administered by the Maine Education Association Benefits Trust (MEABT). As a result of implementing GASB Statement No. 75, the City has restated beginning net position in Exhibit 2 – Statement of Activities to account for the additional OPEB liability calculated under the pronouncement, which effectively decreased the City's net position for Governmental Activities as of June 30, 2018 by \$8,072,708.

**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, 2019**

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

Only two 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, 2019**

	<b>2019</b>
<b>Total OPEB Liability</b>	
Service Costs	\$ 41,698
Interest	294,863
Changes of benefit terms	-
Changes of assumptions	(365,749)
Differences between expected and actual experience	-
Benefit payments	(241,882)
<b>Net change in total OPEB liability</b>	<b>(271,070)</b>
Total OPEB liability - beginning of year	8,314,590
Total OPEB liability - end of year	\$ 8,043,520
Covered payroll	\$ 21,842,057
Total OPEB liability as a percentage of covered employee payroll	36.83%

Only one year has 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, 2019**

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

Only two 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, 2019**

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

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



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

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

\* The amounts presented for each fiscal year were determined as of the prior fiscal year. As 2015 is the first year of implementation, prior years data is not available.

**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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>PLD Plan</b>										
Contractually required contributions	474,008	584,306	724,134	769,519	782,913	807,117	779,134	745,366	740,057	1,253,074
Contributions in relation to the contractually required contribution	474,008	584,306	724,134	769,519	782,913	807,117	779,134	745,366	740,057	1,253,074
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	14,731,041	14,777,273	13,201,233	11,867,248	10,645,005	9,799,964	8,662,976	7,963,681	7,528,843	12,116,999
Contributions as a percentage of covered payroll	3.22%	3.95%	5.49%	6.48%	7.35%	8.24%	8.99%	9.36%	9.83%	10.34%
<b>SET Plan*</b>										
Contractually required contributions	-	-	-	-	647,014	668,126	843,679	865,039	1,060,090	1,103,483
Contributions in relation to the contractually required contribution	-	-	-	-	647,014	668,126	843,679	865,039	1,060,090	1,103,483
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	-	-	-	-	24,415,639	25,212,217	25,111,931	25,731,918	26,702,523	27,795,537
Contributions as a percentage of covered payroll	-	-	-	-	2.65%	2.65%	3.36%	3.36%	3.97%	3.97%

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

**CITY OF BANGOR, MAINE**  
**Notes to Required Supplementary Information**  
**June 30, 2019**

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**Net Pension Liability**

**Change of benefit terms** - None

**Changes of assumptions** -

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

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

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

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

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

**Net OPEB Liability**

**Change of benefit terms** - None

**Changes of assumptions** -

The PLD plan reduced the blended discount rate from 5.41% in the 2017 valuation to 5.13% in the 2018 valuation.

The SET plan reduced the discount rate from 6.875% in the 2017 valuation to 6.75% in the 2018 valuation.

**CITY OF BANGOR, MAINE**  
**Notes to Required Supplementary Information (con't)**  
**June 30, 2019**

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**Total OPEB Liability - City Health Plan**

**Change of benefit terms** - None

**Changes of assumptions** -

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

	2019	2018	2017
Discount rate	0.0351	0.0387	0.0358

The valuation method was changed from Projected Unit Credit with linear proration to decrement in the 2017 valuation to Entry Age Normal Level % of Salary in the 2018 valuation.

Mortality assumptions have been updated from RPH-2015 Total Dataset Mortality Table fully generational using scale MP-2015 in the 2017 valuation to RPH-2017 Total Dataset Mortality Table generational using scale MP-2017 in the 2018 valuation.

For the 2018 valuation, Health care cost trend rates have been reset to an initial trend of 9.0% decreasing by 0.5% annually to an ultimate rate of 5.0%

**Total OPEB Liability - School 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:

	2018	2017
Discount rate	0.0387	0.0358

## **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, 2019**

<b>ASSETS</b>		
Cash and cash equivalents	\$	22,269,687
Investments		50,000
Receivables:		
Taxes		2,087,465
Accounts (net of allowance of \$533,530)		715,331
Interfund		1,877,830
Intergovernmental		6,083,214
Inventory, at cost		658,707
Prepaid items		645,176
<b>Total assets</b>	<b>\$</b>	<b>34,387,410</b>
<b>LIABILITIES</b>		
Accounts payable	\$	1,535,401
Accrued wages and benefits payable		4,801,728
<b>Total liabilities</b>		<b>6,337,129</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenues - property taxes		1,910,609
<b>Total deferred inflows of resources</b>		<b>1,910,609</b>
<b>FUND BALANCES</b>		
Nonspendable		3,204,383
Restricted		299,252
Committed		233,988
Assigned		9,296,241
Unassigned - City		13,403,958
Unassigned - School		(298,150)
<b>Total fund balance</b>		<b>26,139,672</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$</b>	<b>34,387,410</b>

**CITY OF BANGOR, MAINE**  
**Schedule of Revenues, Expenditures and Changes in Unassigned**  
**Fund Balance - Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Balances			Variance	
	Carried 7/1/2018	Budget	Actual	Surplus	Carried
Revenues					
Taxes					
Real and personal property	\$ -	\$ 58,827,355	\$ 58,876,881	\$ 49,526	\$ -
Change in unavailable property tax	-	-	(290,970)	(290,970)	-
Tax increment financing district	-	(2,816,512)	(2,807,503)	9,009	-
Payment in lieu of taxes	-	249,150	290,489	41,339	-
Excise	-	5,925,500	6,876,000	950,500	-
Interest on delinquent taxes	-	225,000	199,737	(25,263)	-
<b>Total taxes</b>	-	<b>62,410,493</b>	<b>63,144,634</b>	<b>734,141</b>	-
Intergovernmental					
State revenue sharing	-	2,480,000	2,554,332	74,332	-
School subsidy	-	18,180,865	18,257,329	-	76,464
Other -					
Municipal	-	4,741,303	4,680,513	(92,790)	32,000
School	-	4,521,056	5,789,463	-	1,268,407
<b>Total intergovernmental</b>	-	<b>29,923,224</b>	<b>31,281,637</b>	<b>(18,458)</b>	<b>1,376,871</b>
Other revenue					
Licenses and permits	-	622,143	741,027	118,884	-
Charges for service -					
Municipal	-	8,396,146	7,313,905	(1,082,241)	-
School	-	5,740,195	6,476,809	-	736,614
Fines, forfeits and penalties	-	23,000	22,364	(636)	-
Revenue from use of money and property					
Municipal	-	815,640	1,121,704	306,064	-
<b>Total other revenue</b>	-	<b>15,597,124</b>	<b>15,675,809</b>	<b>(657,929)</b>	<b>736,614</b>
<b>Total revenues</b>	-	<b>107,930,841</b>	<b>110,102,080</b>	<b>57,754</b>	<b>2,113,485</b>

**CITY OF BANGOR, MAINE**  
**Schedule of Revenues, Expenditures and Changes in Unassigned**  
**Fund Balance - Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Balances			Variance	
	Carried 7/1/2018	Budget	Actual	Surplus	Carried
Expenditures					
General government					
Council	-	34,051	32,531	1,520	-
Executive	-	662,047	659,745	2,302	-
Public Transportation	95,000	651,669	711,140	(59,471)	95,000
City clerk	-	401,462	384,253	17,209	-
Assessing	-	415,088	386,068	420	28,600
Legal	-	284,335	264,174	20,161	-
Finance	-	1,871,734	1,769,174	102,560	-
Insurance	-	225,000	177,746	47,254	-
Planning, econ dev, code enforcement	-	1,350,019	1,273,317	76,702	-
Total general government	95,000	5,895,405	5,658,148	208,657	123,600
Public safety					
Police	-	9,500,157	9,303,099	127,058	70,000
Fire	6,583	9,804,963	9,991,698	(184,780)	4,628
Total public safety	6,583	19,305,120	19,294,797	(57,722)	74,628
Health, community services and recreation					
Health and community services	-	3,265,713	2,674,972	590,741	-
Parks and recreation	-	2,168,334	2,175,624	(7,290)	-
Total health, commun. serv and rec.	-	5,434,047	4,850,596	583,451	-
Public services					
Public services	-	11,183,346	9,679,490	1,503,856	-



**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, 2019**

	Balances			Variance	
	Carried 7/1/2018	Budget	Actual	Surplus	Carried
Expenditures, continued					
Other agencies					
County tax	-	3,587,935	3,587,935	-	-
Downtown Development District	-	63,438	63,438	-	-
Public library	-	1,380,189	1,380,189	-	-
Other agencies	16,733	115,370	127,692	651	3,760
Total other agencies	16,733	5,146,932	5,159,254	651	3,760
Education					
Regular instruction	-	20,654,111	20,327,834	-	-
Special education	-	7,733,949	7,670,038	-	-
Instructional support	-	4,170,092	3,997,989	-	-
System administration	-	1,194,877	1,194,200	-	-
CTE instruction	-	20,000	17,259	-	-
School administration	-	2,581,911	2,488,234	-	-
Facilities maintenance	-	5,110,858	5,090,309	-	-
Transportation	-	2,040,000	2,018,388	-	-
Other instruction	-	1,431,384	1,353,917	-	-
Debt service	-	1,506,948	1,476,380	-	-
Contingency & other	-	116,807	114,302	-	-
Regular	1,920,176	46,560,937	45,748,850	-	2,732,263
Adult education	223,003	657,759	549,965	-	330,797
School lunch	154,844	1,470,150	1,515,468	-	109,526
Special revenue	112,922	3,037,366	4,091,585	-	(941,297)
Trust and agency	375,184	3,091,000	3,346,236	-	119,948
Total education	2,786,129	54,817,212	55,252,104	-	2,351,237
Other appropriations					
Pensions and other fringe benefits	-	2,489,417	2,470,347	19,070	-
Debt service	-	3,394,359	3,218,495	175,864	-
Tax increment financing payments	-	916,508	913,091	3,417	-
Total other appropriations	-	6,800,284	6,601,933	198,351	-
Total expenditures	2,904,445	108,582,346	106,496,322	2,437,244	2,553,225
Excess (deficiency) of revenues over/under expenditures	(2,904,445)	(651,505)	3,605,758	2,494,998	4,666,710

**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, 2019**

	Balances			Variance	
	Carried 7/1/2018	Budget	Actual	Surplus	Carried
Other financing sources (uses)					
Appropriation from restricted, committed and assigned fund balances	-	1,344,504	7,480	-	(1,337,024)
Appropriation from unassigned fund balance	-	86,992	-	(86,992)	-
Appropriation to assigned fund balances	-	-	(1,855,700)	(1,855,700)	-
Sale of assets	-	60,000	53,761	(6,239)	-
Contributions	-	7,500	3,610	(3,890)	-
Insurance settlements	-	27,500	45,242	17,742	-
Transfers to other funds	-	(901,991)	(1,901,991)	(1,000,000)	-
Transfers from other funds	-	27,000	2,114	(24,886)	-
Total other financing sources (uses)	-	651,505	(3,645,484)	(2,959,965)	(1,337,024)
Net change in unassigned fund balance	\$ (2,904,445)	\$ -	\$ (39,726)	\$ (464,967)	\$ 3,329,686
Unassigned fund balance, beginning of year				14,064,283	
Changes in amounts required to be shown as nonspendable fund balance					
Inventory and prepaids				(195,358)	
<b>Unassigned fund balance - City, end of year</b>				<b>\$ 13,403,958</b>	

# **NONMAJOR GOVERNMENTAL FUNDS**

## **Special Revenue Funds**

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

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

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

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

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

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

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

## **Permanent Funds**

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

**CITY OF BANGOR, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,664,453	\$ -	\$ 1,664,453
Investments	-	136,815	136,815
Receivables:			
Accounts	684,276	-	684,276
Interfund	1,000	-	1,000
Loans and notes	4,369,950	923,577	5,293,527
Intergovernmental	187,174	-	187,174
<b>Total assets</b>	<b>\$ 6,906,853</b>	<b>\$ 1,060,392</b>	<b>\$ 7,967,245</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 56,859	\$ -	\$ 56,859
Accrued wages and benefits payable	4,550	-	4,550
Interfund loans payable	178,830	-	178,830
Unearned revenues	49,816	-	49,816
Due to rehabilitation recipients	2,019	-	2,019
<b>Total liabilities</b>	<b>292,074</b>	<b>-</b>	<b>292,074</b>
<b>FUND BALANCES</b>			
Nonspendable	-	518,144	518,144
Restricted	5,802,845	542,248	6,345,093
Committed	811,934	-	811,934
<b>Total fund balances</b>	<b>6,614,779</b>	<b>1,060,392</b>	<b>7,675,171</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,906,853</b>	<b>\$ 1,060,392</b>	<b>\$ 7,967,245</b>

**CITY OF BANGOR, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$ 7,577,427	\$ -	7,577,427
Charges for services	758,307	-	758,307
Program income	11,006	-	11,006
Revenue from use of money and property	2,275,882	-	2,275,882
Other revenue	283,779	300	284,079
Interest revenue	-	43,970	43,970
<b>Total revenues</b>	<b>10,906,401</b>	<b>44,270</b>	<b>10,950,671</b>
<b>Expenditures</b>			
Current:			
Personnel	1,437,193	-	1,437,193
Payments to beneficiaries	53,523	4,633	58,156
Other	3,065,623	-	3,065,623
Restricted grant	684,043	-	684,043
Bus operations	3,364,420	-	3,364,420
Debt service	130,538	-	130,538
<b>Total expenditures</b>	<b>8,735,340</b>	<b>4,633</b>	<b>8,739,973</b>
<b>Excess of revenues over expenditures</b>	<b>2,171,061</b>	<b>39,637</b>	<b>2,210,698</b>
<b>Other financing (uses)</b>			
Transfers to other funds	(2,035,281)	(15,000)	(2,050,281)
<b>Total other financing uses</b>	<b>(2,035,281)</b>	<b>(15,000)</b>	<b>(2,050,281)</b>
<b>Net change in fund balances</b>	<b>135,780</b>	<b>24,637</b>	<b>160,417</b>
<b>Fund balances, beginning of year</b>	<b>6,478,999</b>	<b>1,035,755</b>	<b>7,514,754</b>
<b>Fund balances, end of year</b>	<b>\$ 6,614,779</b>	<b>\$ 1,060,392</b>	<b>\$ 7,675,171</b>

**CITY OF BANGOR, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2019**

	Other HUD Funds	Community Development Block Grant	Arena Fund	Grant Fund	Dedicated Revenue Funds	Other	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 271,164	\$ 568	\$ 228,076	\$ 2,811	748,429	\$ 413,405	\$ 1,664,453
Receivables:							
Accounts	-	-	562,970	121,306	-	-	684,276
Interfund loans	1,000	-	-	-	-	-	1,000
Loans and notes	160,000	3,983,828	-	-	121,129	104,993	4,369,950
Intergovernmental	-	66,575	21,032	99,567	-	-	187,174
<b>Total assets</b>	<b>\$ 432,164</b>	<b>\$ 4,050,971</b>	<b>\$ 812,078</b>	<b>\$ 223,684</b>	<b>\$ 869,558</b>	<b>\$ 518,398</b>	<b>\$ 6,906,853</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 14,400	\$ 144	\$ 18,898	\$ -	\$ 23,417	\$ 56,859
Accrued wages and benefits payable	-	4,550	-	-	-	-	4,550
Interfund loans payable	-	1,000	-	177,830	-	-	178,830
Unearned revenues	-	49,816	-	-	-	-	49,816
Due to rehabilitation recipients	-	2,019	-	-	-	-	2,019
<b>Total liabilities</b>	<b>-</b>	<b>71,785</b>	<b>144</b>	<b>196,728</b>	<b>-</b>	<b>23,417</b>	<b>292,074</b>
<b>FUND BALANCES</b>							
Restricted	432,164	3,979,186	-	26,956	869,558	494,981	5,802,845
Committed	-	-	811,934	-	-	-	811,934
<b>Total fund balances</b>	<b>432,164</b>	<b>3,979,186</b>	<b>811,934</b>	<b>26,956</b>	<b>869,558</b>	<b>494,981</b>	<b>6,614,779</b>
<b>Total liabilities and fund balances</b>	<b>\$ 432,164</b>	<b>\$ 4,050,971</b>	<b>\$ 812,078</b>	<b>\$ 223,684</b>	<b>\$ 869,558</b>	<b>\$ 518,398</b>	<b>\$ 6,906,853</b>

**CITY OF BANGOR, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2019**

	Other HUD Funds	Community Development Block Grant	Arena Fund	Grant Fund	Dedicated Revenue Funds	Other	Totals
<b>Revenues</b>							
Intergovernmental	\$ -	\$ 543,137	\$ -	\$ 7,034,290	\$ -	\$ -	7,577,427
Charges for services	-	-	-	758,307	-	-	758,307
Program income	-	11,006	-	-	-	-	11,006
Revenue from use of money and property	-	-	2,212,753	-	60,804	2,325	2,275,882
Other	-	12,200	-	161,619	1,645	108,315	283,779
<b>Total revenues</b>	<b>-</b>	<b>566,343</b>	<b>2,212,753</b>	<b>7,954,216</b>	<b>62,449</b>	<b>110,640</b>	<b>10,906,401</b>
<b>Expenditures</b>							
<b>Current:</b>							
Personnel	-	-	-	1,437,193	-	-	1,437,193
Payments to beneficiaries	-	-	-	-	14	53,509	53,523
Other	2,374	-	14,961	3,048,288	-	-	3,065,623
Restricted grant	-	684,043	-	-	-	-	684,043
Bus operations	-	-	-	3,364,420	-	-	3,364,420
Debt service	-	37,503	-	93,035	-	-	130,538
<b>Total expenditures</b>	<b>2,374</b>	<b>721,546</b>	<b>14,961</b>	<b>7,942,936</b>	<b>14</b>	<b>53,509</b>	<b>8,735,340</b>
Excess (deficiency) of revenues over (under) expenditures	(2,374)	(155,203)	2,197,792	11,280	62,435	57,131	2,171,061
<b>Other financing (uses)</b>							
Transfers to other funds	-	-	(1,783,437)	-	(2,114)	(249,730)	(2,035,281)
<b>Total other financing uses</b>	<b>-</b>	<b>-</b>	<b>(1,783,437)</b>	<b>-</b>	<b>(2,114)</b>	<b>(249,730)</b>	<b>(2,035,281)</b>
Net change in fund balances	(2,374)	(155,203)	414,355	11,280	60,321	(192,599)	135,780
Fund balances, beginning of year	434,538	4,134,389	397,579	15,676	809,237	687,580	6,478,999
<b>Fund balances, end of year</b>	<b>\$ 432,164</b>	<b>\$ 3,979,186</b>	<b>\$ 811,934</b>	<b>\$ 26,956</b>	<b>\$ 869,558</b>	<b>\$ 494,981</b>	<b>\$ 6,614,779</b>

**CITY OF BANGOR, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**June 30, 2019**

	Other Funds	Revolving Loan Funds	Totals
<b>ASSETS</b>			
Investments	\$ -	\$ 136,815	\$ 136,815
Loans receivable	923,577	-	923,577
<b>Total assets</b>	<b>\$ 923,577</b>	<b>\$ 136,815</b>	<b>\$ 1,060,392</b>
<b>FUND BALANCES</b>			
Nonspendable	\$ 381,329	\$ 136,815	\$ 518,144
Restricted	542,248	-	542,248
Total fund balances	923,577	136,815	1,060,392
<b>Total fund balances</b>	<b>\$ 923,577</b>	<b>\$ 136,815</b>	<b>\$ 1,060,392</b>



**CITY OF BANGOR, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Other Funds</b>	<b>Revolving Loan Funds</b>	<b>Totals</b>
<b>Revenues</b>			
Investment income	\$ 34,236	\$ 9,734	\$ 43,970
Lot sales	300	-	300
Total revenues	34,536	9,734	44,270
<b>Expenditures</b>			
Current:			
Payments to beneficiaries	124	4,509	4,633
Total expenditures	124	4,509	4,633
Excess of revenues over expenditures	34,412	5,225	39,637
<b>Other financing uses</b>			
Transfer to other funds	(15,000)	-	(15,000)
Total other financing uses	(15,000)	-	(15,000)
Net change in fund balances	19,412	5,225	24,637
Fund balances, beginning of year	904,165	131,590	1,035,755
<b>Fund balances, end of year</b>	<b>\$ 923,577</b>	<b>\$ 136,815</b>	<b>\$ 1,060,392</b>

## **ENTERPRISE FUNDS**

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

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

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

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

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

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

**CITY OF BANGOR, MAINE**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**June 30, 2019**

**Business-type Activities - Enterprise Funds**

	Stormwater Utility	Economic Development Fund	Parking Fund	Municipal Golf Course	Total Nonmajor Proprietary Funds
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 1,773,002	\$ 821,649	\$ 870,516	\$ 462,836	\$ 3,928,003
Accounts receivable	407,844	32,487	-	-	440,331
Prepaid items	4,315	20,561	92,442	10,358	127,676
<b>Total current assets</b>	<b>2,185,161</b>	<b>874,697</b>	<b>962,958</b>	<b>473,194</b>	<b>4,496,010</b>
Noncurrent assets					
Capital assets:					
Land and improvements	-	3,413,627	-	1,594,732	5,008,359
Buildings and improvements	-	3,674,723	-	912,607	4,587,330
Machinery and equipment	247,398	-	-	408,187	655,585
Infrastructure	-	683,189	-	-	683,189
Parking structures	-	-	11,372,837	-	11,372,837
Construction in process	-	204	-	-	204
<b>Total capital assets</b>	<b>247,398</b>	<b>7,771,743</b>	<b>11,372,837</b>	<b>2,915,526</b>	<b>22,307,504</b>
Less accumulated depreciation	(57,726)	(2,372,931)	(9,976,849)	(2,179,342)	(14,586,848)
<b>Net capital assets</b>	<b>189,672</b>	<b>5,398,812</b>	<b>1,395,988</b>	<b>736,184</b>	<b>7,720,656</b>
Loans receivable	-	1,321,883	-	-	1,321,883
<b>Total noncurrent assets</b>	<b>189,672</b>	<b>6,720,695</b>	<b>1,395,988</b>	<b>736,184</b>	<b>9,042,539</b>
<b>Total assets</b>	<b>\$ 2,374,833</b>	<b>\$ 7,595,392</b>	<b>\$ 2,358,946</b>	<b>\$ 1,209,378</b>	<b>\$ 13,538,549</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Net OPEB	\$ 8,343	\$ -	\$ 523	\$ 7,835	\$ 16,701
Net pension	-	-	1,806	-	1,806
<b>Total deferred outflows of resources</b>	<b>\$ 8,343</b>	<b>\$ -</b>	<b>\$ 2,329</b>	<b>\$ 7,835</b>	<b>\$ 18,507</b>

Continued on next page

**CITY OF BANGOR, MAINE**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**June 30, 2019**

**Business-type Activities - Enterprise Funds**

	Stormwater Utility	Economic Development Fund	Parking Fund	Municipal Golf Course	Total Nonmajor Proprietary Funds
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 124,462	\$ 1,546	\$ 59,542	\$ 8,799	\$ 194,349
Accrued wages and benefits payable	5,325	-	-	12,780	18,105
Accrued interest	-	33,401	4,218	1,393	39,012
General obligation debt payable	74,133	263,659	238,643	35,205	611,640
Capital lease obligation payable	-	-	-	12,576	12,576
Accrued compensated absences	-	-	-	16,666	16,666
<b>Total current liabilities</b>	<b>203,920</b>	<b>298,606</b>	<b>302,403</b>	<b>87,419</b>	<b>892,348</b>
Long-term liabilities					
General obligation debt payable	692,889	1,436,924	347,603	221,058	2,698,474
Capital lease obligation payable	-	-	-	26,688	26,688
Accrued compensated absences	-	-	-	9,428	9,428
Net OPEB obligation	32,933	-	25,202	57,677	115,812
Net pension liability	-	-	3,647	-	3,647
<b>Total long-term liabilities</b>	<b>725,822</b>	<b>1,436,924</b>	<b>376,452</b>	<b>314,851</b>	<b>2,854,049</b>
<b>Total liabilities</b>	<b>\$ 929,742</b>	<b>\$ 1,735,530</b>	<b>\$ 678,855</b>	<b>\$ 402,270</b>	<b>\$ 3,746,397</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Net pension	\$ -	\$ -	\$ 1,778	\$ -	\$ 1,778
<b>Total deferred inflows of resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,778</b>	<b>\$ -</b>	<b>\$ 1,778</b>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 189,672	\$ 3,698,229	\$ 917,068	\$ 497,650	\$ 5,302,619
Unrestricted	1,263,762	2,161,633	763,574	317,293	4,506,262
<b>Total net position</b>	<b>\$ 1,453,434</b>	<b>\$ 5,859,862</b>	<b>\$ 1,680,642</b>	<b>\$ 814,943</b>	<b>\$ 9,808,881</b>

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**CITY OF BANGOR, MAINE**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>				
	<b>Stormwater Utility</b>	<b>Economic Development Fund</b>	<b>Parking Fund</b>	<b>Municipal Golf Course</b>	<b>Total Nonmajor Proprietary Funds</b>
Operating revenues					
Charges for services	\$ 1,289,953	\$ 402,728	\$ 947,136	\$ 649,698	\$ 3,289,515
Operating expenses					
Operating expenses other than depreciation	885,121	234,787	570,509	623,678	2,314,095
Depreciation	16,493	157,195	275,079	77,398	526,165
Total operating expenses	901,614	391,982	845,588	701,076	2,840,260
Operating income (loss)	388,339	10,746	101,548	(51,378)	449,255
Nonoperating revenue (expenses)					
Interest income	74,953	62,717	12,856	6,616	157,142
Interest expense	-	(85,084)	(26,914)	(10,372)	(122,370)
Total nonoperating revenue (expenses)	74,953	(22,367)	(14,058)	(3,756)	34,772
Net income (loss) before transfers	463,292	(11,621)	87,490	(55,134)	484,027
Transfers to other funds	(401,974)	-	(58,750)	-	(460,724)
Transfers from other funds	90,000	23,436	-	-	113,436
Change in net position	151,318	11,815	28,740	(55,134)	136,739
Net position, beginning of year	1,302,116	5,848,047	1,651,902	870,077	9,672,142
<b>Net position, end of year</b>	<b>\$ 1,453,434</b>	<b>\$ 5,859,862</b>	<b>\$ 1,680,642</b>	<b>\$ 814,943</b>	<b>\$ 9,808,881</b>

**CITY OF BANGOR, MAINE**  
**Combining Statement of Cash Flows - Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2019**

<b>Business-type Activities - Enterprise Funds</b>					
	<b>Stormwater Utility</b>	<b>Economic Development Fund</b>	<b>Parking Fund</b>	<b>Municipal Golf Course</b>	<b>Total Nonmajor Proprietary Funds</b>
Cash flows from operating activities					
Cash received from customers	\$ 1,295,243	\$ 424,162	\$ 947,136	\$ 649,698	\$ 3,316,239
Cash paid to suppliers for goods and services	(542,353)	(236,399)	(354,600)	(278,212)	(1,411,564)
Cash paid to employees for services	(245,539)	-	(271,053)	(351,243)	(867,835)
Net cash provided by operating activities	507,351	187,763	321,483	20,243	1,036,840
Cash flows from noncapital financing activities					
Transfers in	90,000	23,436	-	-	113,436
Transfers out	(401,974)	-	(58,750)	-	(460,724)
Net cash provided by (used for) noncapital financing activities	(311,974)	23,436	(58,750)	-	(347,288)
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	308,167	(204)	-	-	307,963
Principal paid on general obligation bonds/capital leases	(74,133)	(253,760)	(235,818)	(47,677)	(611,388)
Interest paid on general obligation bonds/capital leases	-	(89,663)	(28,653)	(10,564)	(128,880)
Net cash provided by (used for) capital and related financing activities	234,034	(343,627)	(264,471)	(58,241)	(432,305)
Cash flows from investing activities					
Interest on investments	74,953	62,717	12,856	6,616	157,142
Loan repayments	-	22,368	-	-	22,368
Net cash provided by investing activities	74,953	85,085	12,856	6,616	179,510
Net increase (decrease) in cash and cash equivalents	504,364	(47,343)	11,118	(31,382)	436,757
Cash and cash equivalents, beginning of year	1,268,638	868,992	859,398	494,218	3,491,246
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,773,002</b>	<b>\$ 821,649</b>	<b>\$ 870,516</b>	<b>\$ 462,836</b>	<b>\$ 3,928,003</b>

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

During the year, the Golf Course entered into a capital lease in the amount of \$62,975 to partially finance the acquisition of capital assets.

Continued on next page

**CITY OF BANGOR, MAINE**  
**Combining Statement of Cash Flows - Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2019**

**Business-type Activities - Enterprise Funds**

	<b>Stormwater Utility</b>	<b>Economic Development Fund</b>	<b>Parking Fund</b>	<b>Municipal Golf Course</b>	<b>Total Nonmajor Proprietary Funds</b>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 388,339	\$ 10,746	\$ 101,548	\$ (51,378)	\$ 449,255
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	16,493	157,195	275,079	77,398	526,165
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	5,290	4,985	-	-	10,275
(Increase) decrease in prepaid items	(812)	16,449	(25,434)	(2,414)	(12,211)
Increase (decrease) in accounts payable	95,240	(1,612)	27,693	(10,131)	111,190
Increase (decrease) in other liabilities	2,801	-	(57,403)	6,768	(47,834)
Total adjustments	119,012	177,017	219,935	71,621	587,585
<b>Net cash provided by operating activities</b>	<b>\$ 507,351</b>	<b>\$ 187,763</b>	<b>\$ 321,483</b>	<b>\$ 20,243</b>	<b>\$ 1,036,840</b>

Continued from previous page

## **FIDUCIARY FUNDS**

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

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



CITY OF BANGOR



**CITY OF BANGOR, MAINE**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>ASSETS</b>				
Cash and cash equivalents:				
School Activity Funds	\$ 132,803	\$ 183,439	\$ 178,576	\$ 137,666
<b>Total assets</b>	<b>132,803</b>	<b>183,439</b>	<b>178,576</b>	<b>137,666</b>
<b>LIABILITIES</b>				
Amounts held for others:				
School Activity Funds	132,803	183,439	178,576	137,666
<b>Total liabilities</b>	<b>\$ 132,803</b>	<b>\$ 183,439</b>	<b>\$ 178,576</b>	<b>\$ 137,666</b>

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

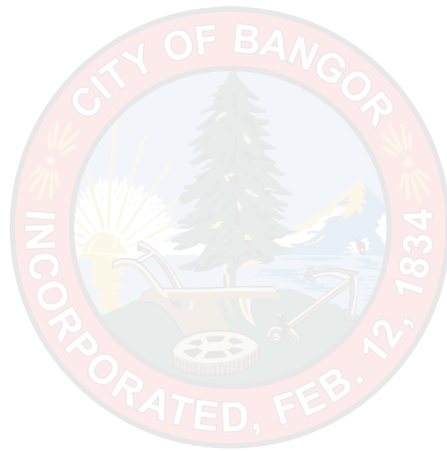


CITY OF BANGOR

**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, 2019**

<b>Function and Activity</b>	<b>Balance 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 2019</b>
General government				
Community Connector	\$ 2,641,068	\$ 1,425,284	\$ 419,790	\$ 3,646,562
Central service	12,492	-	2,421	10,071
City hall	516,896	340,297	176,806	680,387
Community and economic development	8,595,621	573,334	916,855	8,252,100
Engineering	631	-	631	-
Information services	261,004	-	46,534	214,470
Motor pool	3,757,200	339,392	562,009	3,534,583
Total general government	15,784,912	2,678,307	2,125,046	16,338,173
Public safety				
Fire	5,248,868	259,125	437,408	5,070,585
Police	8,308,630	114,160	309,674	8,113,116
Total public safety	13,557,498	373,285	747,082	13,183,701
Health, community services, and recreation				
Parks and recreation	3,317,684	775,258	461,826	3,631,116
Total health, community services, and recreation	3,317,684	775,258	461,826	3,631,116
Public services				
Public works	15,889,726	1,499,703	1,274,697	16,114,732
Total public services	15,889,726	1,499,703	1,274,697	16,114,732
Education	29,851,913	615,573	1,334,044	29,133,442
<b>Total governmental fund capital assets</b>	<b>\$ 78,401,733</b>	<b>\$ 5,942,126</b>	<b>\$ 5,942,695</b>	<b>\$ 78,401,164</b>

## **OTHER INFORMATION**



CITY OF BANGOR

**CITY OF BANGOR, MAINE**  
**Assessed Valuation, Commitment and Collections**  
**For the Fiscal Year Ended June 30, 2019**

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**VALUATION**

Land and buildings	\$ 2,381,432,800
Land and buildings - Homestead exemption	96,736,800
Personal property	196,007,700
Personal property - BETE exemption	<u>138,318,300</u>
Total valuation	<u><u>\$ 2,812,495,600</u></u>

**COMMITMENT**

Real estate, personal property (excludes Homestead and BETE exemptions)	\$ 2,577,440,500
Tax rate	<u>0.02295</u>
Total commitment	59,152,259

**ADD**

Supplemental taxes committed	<u>20,964</u>
	59,173,223

**LESS**

Collections 2019	57,885,246
Abatements	<u>169,404</u>
2019 taxes receivable at June 30, 2019	<u><u>\$ 1,118,573</u></u>

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**CITY OF BANGOR, MAINE**  
**General Fund Unassigned Fund Balance Sufficiency Calculation**  
**For the Fiscal Year Ended June 30, 2019**

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The City Charter states that the City Council shall target a General Fund unassigned fund balance of no more than 16.66% of operating expenditures. The target balance is established at 8.33% of the last year's General Fund operating expenditures. The following table sets forth the calculation as of June 30, 2019.

General Fund expenditures/uses (Schedule A-2)

General government	\$ 5,658,148
Public safety	19,294,797
Health, community services and recreation	4,850,596
Public services	9,679,490
Other agencies	5,159,254
Education	55,252,104
Other appropriations	6,601,933
Other uses, gross*	<u>1,901,991</u>
Gross expenditures and uses	108,398,313
Less General Fund debt service	<u>7,322,119</u>
Net expenditures and uses	<u>\$ 101,076,194</u>
Indicated unassigned fund balance @ 8.33%	\$ 8,419,647
Unassigned fund balance - City (Schedule A-2)	\$ 13,403,958
Actual unassigned fund balance as a percentage of net expenditures and uses	13.26%

\* excludes amounts appropriated from unassigned and assigned fund balance

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# STATISTICAL SECTION

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

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

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

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

Only nine years have been presented because 2011 was the year GASB Statement No. 54 was implemented.



Table 2

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General government	\$ 8,279,943	\$ 9,223,718	\$ 4,490,599	\$ 4,733,021	\$ 7,110,075	\$ 6,871,396	\$ 6,588,238	\$ 6,953,399	\$ 6,916,390	\$ 7,179,064
Public safety	16,898,374	17,018,427	18,016,430	17,864,294	18,050,107	17,933,525	18,107,357	18,841,238	20,802,943	19,814,567
Health, community services and recreation	9,331,784	9,523,225	8,455,977	9,298,196	9,586,571	9,692,379	10,112,526	9,497,729	9,705,672	9,273,091
Public services*	16,380,337	12,413,601	15,399,933	14,408,500	14,249,015	12,956,599	15,409,518	15,997,665	14,427,613	14,443,215
Other agencies	4,658,904	4,479,888	4,209,428	4,630,915	6,799,934	4,638,805	4,528,591	5,049,394	4,943,064	5,208,400
Education	52,763,860	50,986,350	51,223,806	50,145,937	50,594,050	52,297,774	51,901,230	55,079,037	55,799,044	59,205,165
Arena development	39,075	61,334	536,251	2,201,200	500,566	-	136	801,439	62,748	14,961
Community development	1,506,038	1,542,975	1,152,289	1,356,184	2,178,972	1,316,591	1,592,047	1,335,282	1,090,372	685,926
Waterfront	79,911	1,439,065	606,249	381,437	272,857	360,004	331,622	-	1,077,972	221,839
Public transportation	2,792,904	1,701,112	3,276,780	3,250,752	2,782,968	2,784,081	3,166,692	3,273,876	3,071,020	3,447,181
Economic development (tif)	1,630,081	1,383,662	1,502,503	1,334,470	1,440,452	1,568,811	929,322	711,220	632,185	757,396
Interest on debt	2,555,839	2,151,172	2,710,135	3,343,590	2,464,804	2,604,030	2,362,899	2,142,976	1,983,492	2,001,201
Total governmental activities expenses	116,917,050	111,924,529	111,580,380	112,948,496	116,030,371	113,023,995	115,030,178	119,683,255	120,512,515	122,252,006
Business-type activities:										
Sewer Utility	6,253,436	6,202,202	6,758,495	6,827,790	6,843,975	6,603,195	7,210,861	7,725,453	6,861,750	6,760,227
Airport	20,532,553	20,458,552	20,752,350	20,722,960	20,855,066	20,893,894	20,266,935	21,217,373	21,827,174	22,478,598
Park Woods	529,610	496,478	533,671	473,289	497,833	507,210	-	-	-	-
Stormwater Utility	-	-	-	-	149,590	241,082	400,924	509,884	692,174	901,614
Parking	1,402,922	1,206,989	995,631	972,327	925,595	978,658	931,676	1,037,558	1,001,359	872,502
Bass Park	1,923,073	2,075,644	1,919,301	3,314,865	6,317,039	7,855,957	7,735,775	7,886,589	7,571,370	7,567,090
Municipal Golf Course	733,380	664,311	671,113	687,317	643,323	849,164	613,930	604,127	703,104	711,448
Economic Development	634,764	618,980	615,816	586,140	628,252	698,294	508,234	466,485	394,026	477,066
Total business-type activities expenses	32,009,738	31,723,156	32,246,377	33,584,688	36,860,673	38,627,454	37,668,335	39,447,469	39,050,957	39,768,545
Total primary government expenses	\$ 148,926,788	\$ 143,647,685	\$ 143,826,757	\$ 146,533,184	\$ 152,891,044	\$ 151,651,449	\$ 152,698,513	\$ 159,130,724	\$ 159,563,472	\$ 162,020,551

\* - 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)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 2,386,637	\$ 2,070,189	\$ 2,501,326	\$ 2,214,675	\$ 2,764,659	\$ 2,493,428	\$ 2,196,463	\$ 2,117,874	\$ 2,170,614	\$ 2,215,075
Public safety	2,401,930	3,289,153	2,681,152	3,418,686	2,682,248	3,193,528	3,383,956	3,013,577	3,464,870	3,121,187
Health, community services and recreation	836,689	928,307	1,048,707	1,139,382	1,164,090	1,118,582	1,193,185	1,266,221	1,452,453	1,529,894
Public services	3,954,116	3,922,847	4,002,973	3,520,517	3,758,666	3,904,548	3,618,373	3,637,836	3,666,013	1,688,725
Other agencies	-	20,248	103,560	-	46,882	-	-	-	19,490.00	20,234
Education	4,533,041	5,165,261	3,806,614	3,835,409	3,446,006	4,699,101	4,506,591	5,705,049	5,826,279	6,476,809
Arena development	2,380,158	2,331,584	2,434,915	2,079,869	1,960,876	1,952,929	1,896,633	1,838,285	1,770,957	2,212,753
Community development	332,295	323,494	588,587	474,013	994,546	273,269	313,396	442,445	31,708	25,190
Waterfront	-	-	-	-	-	-	-	-	-	21,248
Public transportation	923,433	1,025,080	1,023,717	1,045,793	816,819	857,013	1,048,974	774,195	790,936	751,711
Tax increment financing	-	-	-	-	-	-	-	-	-	127,666
Operating grants and contributions	35,683,710	35,604,940	33,137,275	31,901,386	34,600,320	33,541,085	34,838,496	33,872,652	35,577,981	37,158,903
Capital grants and contributions	6,578,917	4,935,614	3,725,432	2,345,794	1,720,879	1,540,614	3,064,312	2,391,680	3,499,613	2,983,206
Total governmental activities program revenues	60,010,926	59,616,717	55,054,258	51,975,524	53,955,991	53,574,097	56,060,379	55,059,814	58,270,914	58,332,601
Business-type activities:										
Charges for services										
Sewer Utility	7,288,499	7,340,935	7,320,469	7,708,101	8,426,054	8,189,623	7,975,639	8,634,449	8,715,468	9,451,741
Airport	13,767,394	13,080,217	12,540,347	12,069,935	12,220,328	12,036,215	13,576,325	15,870,081	17,073,888	19,032,646
Park Woods	371,832	372,715	397,426	417,407	440,295	459,905	-	-	-	-
Stormwater Utility	-	-	-	-	359,029	1,088,119	1,000,864	1,053,892	1,248,962	1,289,953
Parking	1,050,579	1,057,710	1,012,109	960,947	1,002,164	1,022,305	1,030,872	1,008,494	967,704	947,136
Bass Park	1,382,947	1,276,869	1,304,384	1,249,595	2,683,094	3,239,457	3,346,951	3,387,105	3,237,736	3,045,740
Municipal Golf Course	658,053	643,501	628,869	592,825	575,020	611,132	732,016	644,303	734,578	649,698
Economic Development	507,867	585,785	409,486	462,033	515,339	589,383	674,066	503,905	395,032	402,728
Operating grants and contributions	-	-	-	-	-	193,061	-	-	-	-
Capital grants and contributions	8,684,860	3,717,755	2,351,779	6,121,523	4,039,968	6,947,799	8,776,331	3,776,705	1,789,607	3,327,180
Total business-type activities program revenues	33,712,031	28,075,487	25,964,869	29,582,366	30,261,291	34,376,999	37,113,064	34,878,934	34,162,975	38,146,822
Total primary government program revenues	\$ 93,722,957	\$ 87,692,204	\$ 81,019,127	\$ 81,557,890	\$ 84,217,282	\$ 87,951,096	\$ 93,173,443	\$ 89,938,748	\$ 92,433,889	\$ 96,479,423

Continued on next page

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (56,906,124)	\$ (52,307,812)	\$ (56,526,122)	\$ (60,972,972)	\$ (62,074,380)	\$ (59,449,898)	\$ (58,969,799)	\$ (64,623,441)	\$ (62,241,601)	\$ (63,919,405)
Business-type activities	1,702,293	(3,647,669)	(6,281,508)	(4,002,322)	(6,599,382)	(4,250,455)	(555,271)	(4,568,535)	(4,887,982)	(1,621,723)
Total primary government expense	(55,203,831)	(55,955,481)	(62,807,630)	(64,975,294)	(68,673,762)	(63,700,353)	(59,525,070)	(69,191,976)	(67,129,583)	(65,541,128)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Property taxes	48,182,455	48,027,330	48,520,390	49,930,989	52,243,583	55,303,613	56,062,583	56,721,029	56,804,294	57,897,028
Payment in lieu of taxes	117,770	161,879	156,629	95,620	161,438	156,417	193,599	233,683	284,405	290,489
Excise taxes	4,694,936	4,515,752	4,596,947	4,594,821	5,400,100	5,844,800	6,272,270	6,170,792	6,427,990	6,876,000
Franchise taxes	348,163	367,672	372,542	362,088	350,014	341,605	336,979	346,303	348,512	370,278
Unrestricted grants and contributions	4,999,567	4,859,811	4,963,161	4,857,030	3,787,128	3,794,664	4,173,167	4,464,142	5,273,333	5,861,782
Unrestricted investment earnings	673,295	565,326	530,631	57,620	510,429	413,923	488,936	380,580	674,137	892,161
Gain (loss) on sale of asset	-	-	-	-	-	-	-	62,180	(6,771)	35,349
Miscellaneous	135,849	92,379	16,698	112,060	1,863	410,991	179,163	-	-	-
Transfers	761,103	(637,898)	(417,042)	(8,772,781)	(3,170,717)	(2,469,650)	(2,012,149)	(1,675,055)	(1,793,227)	(1,482,087)
Total governmental activities	59,913,138	57,952,251	58,739,956	51,237,447	59,283,838	63,796,363	65,694,548	66,703,654	68,012,673	70,741,000
Business-type activities:										
Property taxes	-	-	-	-	750,000	800,000	1,000,000	1,100,000	1,100,000	1,255,000
Unrestricted investment earnings	1,035,753	752,891	543,493	345,932	504,584	462,069	420,951	555,259	521,200	965,025
Gain (loss) on sale of asset	-	-	-	(260,857)	-	-	452,331	931,275	14,807	4,856
Special Item	-	-	-	-	-	(484,664)	-	-	-	-
Transfers	(761,103)	637,898	417,042	8,772,781	3,170,717	2,469,650	2,012,149	1,675,055	1,793,227	1,482,087
Total business-type activities	274,650	1,390,789	960,535	8,857,856	4,425,301	3,247,055	3,885,431	4,261,589	3,429,234	3,706,968
Total primary government	60,187,788	59,343,040	59,700,491	60,095,303	63,709,139	67,043,418	69,579,979	70,965,243	71,441,907	74,447,968
<b>Change in net position</b>										
Governmental activities	3,007,014	5,644,439	2,213,834	(9,735,525)	(2,790,542)	4,346,465	6,724,749	2,080,213	5,771,072	6,821,595
Business-type activities	1,976,943	(2,256,880)	(5,320,973)	4,855,534	(2,174,081)	(1,003,400)	3,330,160	(306,946)	(1,458,748)	2,085,245
Total primary government	\$ 4,983,957	\$ 3,387,559	\$ (3,107,139)	\$ (4,879,991)	\$ (4,964,623)	\$ 3,343,065	\$ 10,054,909	\$ 1,773,267	\$ 4,312,324	\$ 8,906,840

Continued from previous page

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Tax Revenues</b>										
Property taxes	\$ 48,182,455	\$ 48,027,330	\$ 48,520,390	\$ 49,930,989	\$ 52,243,583	\$ 55,303,613	\$ 56,062,583	\$ 56,721,029	\$ 56,804,294	\$ 57,897,028
Excise taxes	4,694,936	4,515,752	4,596,947	4,594,821	5,400,100	5,844,800	6,272,270	6,170,792	6,427,990	6,876,000
Franchise taxes	348,163	367,672	372,542	362,088	350,014	341,605	336,979	346,303	348,512	370,278
Total tax revenues	\$ 53,225,554	\$ 52,910,754	\$ 53,489,879	\$ 54,887,898	\$ 57,993,697	\$ 61,490,018	\$ 62,671,832	\$ 63,238,124	\$ 63,580,796	\$ 65,143,306

Table 4

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

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

Only nine years have been reported because 2011 was the year GASB 54 was implemented.

Table 5

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Taxes:										
Property taxes	\$ 48,284,733	\$ 48,371,202	\$ 48,688,270	\$ 50,004,619	\$ 52,748,153	\$ 55,650,209	\$ 56,626,711	\$ 57,378,981	\$ 57,881,205	\$ 58,096,284
Excise taxes	4,694,936	4,515,752	4,596,947	4,594,821	5,400,100	5,844,800	6,272,270	6,170,792	6,427,990	6,876,000
Total tax revenues	52,979,669	52,886,954	53,285,217	54,599,440	58,148,253	61,495,009	62,898,981	63,549,773	64,309,195	64,972,284
Intergovernmental	46,211,718	45,304,160	40,536,525	39,029,824	40,025,974	38,563,450	41,912,419	40,506,368	44,112,774	45,702,994
Licenses and permits	633,339	601,202	948,267	576,559	1,389,717	831,968	755,273	644,795	1,014,170	741,027
Charges for services	13,655,764	15,226,575	13,594,482	14,079,514	12,782,036	14,889,219	14,802,549	15,525,283	15,433,780	14,782,630
Program income	329,800	314,203	575,460	462,380	765,142	247,549	284,619	407,403	31,208	11,006
Revenue from use of money and property	3,864,984	3,473,975	4,042,881	3,067,949	3,114,817	2,883,535	2,823,151	2,693,947	3,446,219	3,650,678
Other	1,108,213	279,426	561,118	165,686	156,659	516,714	227,243	275,771	332,400	368,750
Total revenues	118,783,487	118,086,495	113,543,950	111,981,352	116,382,598	119,427,444	123,704,235	123,603,340	128,679,746	130,229,369
<b>Expenditures:</b>										
General government*	5,422,805	4,858,721	5,390,049	5,612,408	5,172,972	5,391,279	5,172,435	5,133,047	5,301,228	5,420,213
Public safety	15,287,575	15,800,938	16,028,180	16,209,402	16,409,651	16,994,567	17,146,674	17,330,311	18,173,695	19,594,743
Health, community services and recreation	4,720,477	5,584,184	5,383,295	4,945,994	4,826,149	5,041,486	5,117,412	4,972,166	5,066,925	4,838,006
Public services	10,055,161	10,196,576	9,842,829	9,835,549	10,052,683	10,704,017	10,387,416	10,907,018	10,521,736	9,662,829
Other agencies	4,291,329	4,747,617	4,409,545	4,382,776	4,566,380	4,684,697	4,723,022	4,886,577	4,907,267	5,159,254
Education	51,590,324	51,391,657	50,159,407	49,880,770	50,771,925	53,037,177	52,655,986	54,722,897	56,111,179	59,315,126
Tax increment financing	432,033	165,133	524,013	550,308	632,364	724,347	717,260	711,220	745,170	757,396
Unclassified	54,451	118,216	260,685	2,323,972	590,627	74,128	104,422	44,568	15,319	29,818
Restricted grants	8,479,740	8,232,148	7,414,001	9,202,815	10,729,492	9,691,489	9,852,311	8,799,030	8,540,312	8,609,435
Capital outlay	20,818,168	12,799,978	45,478,235	10,213,552	12,534,783	8,158,063	7,940,743	9,419,396	12,518,635	9,716,334
Debt service										
Principal	12,423,331	3,862,188	6,996,892	22,907,595	3,222,253	3,685,728	3,970,474	5,563,414	4,384,953	5,848,513
Interest	2,472,643	2,375,397	2,180,013	2,923,060	1,957,347	2,050,633	1,983,468	1,871,056	1,872,395	1,835,615
Other charges	61,952	45,988	-	-	-	-	-	-	66,255	53,752
Total expenditures	136,109,989	120,178,741	154,067,144	138,988,201	121,466,626	120,237,611	119,771,623	124,360,700	128,225,069	130,841,034
Excess (deficiency) of revenues over (under) expenditures	(17,326,502)	(2,092,246)	(40,523,194)	(27,006,849)	(5,084,028)	(810,167)	3,932,612	(757,360)	454,677	(611,665)
<b>Other financing sources/(uses)</b>										
General obligation bonds issued	3,100,000	2,086,100	30,659,143	10,378,985	8,369,000	3,602,000	3,014,000	-	6,060,037	1,616,124
Refunding bonds issued	-	-	-	-	-	-	-	-	-	1,550,000
Capital leases	-	-	-	456,581	-	-	61,152	-	-	617,101
Payment to escrow agent	-	-	-	(4,233,486)	-	-	-	-	-	-
Premium on debt issuance	-	-	-	748,121	133,552	-	-	-	294,646	298,334
Financing proceeds	9,596,640	-	-	-	-	-	-	-	-	-
Sale of assets	135,849	117,558	84,507	186,709	187,760	565,717	179,163	144,369	91,550	210,988
Transfers to other funds	(1,789,024)	(2,015,003)	(1,861,301)	(9,783,007)	(4,406,771)	(3,698,558)	(4,015,412)	(4,238,315)	(4,363,292)	(5,974,749)
Transfers from other funds	2,550,127	1,377,105	1,444,259	1,010,226	1,236,054	1,228,908	2,003,263	2,563,260	2,570,065	4,492,662
Total other financing sources	13,593,592	1,565,760	30,326,608	(1,235,871)	5,519,595	1,698,067	1,242,166	(1,530,686)	4,653,006	2,810,460
Net change in fund balances	\$ (3,732,910)	\$ (526,486)	\$ (10,196,586)	\$ (28,242,720)	\$ 435,567	\$ 887,900	\$ 5,174,778	\$ (2,288,046)	\$ 5,107,683	\$ 2,198,795
Debt service as a percentage of noncapital expenditures	11.15%	5.52%	7.97%	19.34%	4.46%	4.97%	5.06%	6.21%	5.14%	6.09%

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

Table 6

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

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Homestead Exemption<sup>1</sup></b>	<b>Business Equipment Tax Exemption<sup>2</sup></b>	<b>Other Exemptions<sup>3</sup></b>
2010	\$ 2,299,385,800	257,018,100	2,556,403,900	17.98	\$ 70,357,600	24,801,200	780,391,900
2011	\$ 2,261,383,800	256,321,000	2,517,704,800	18.09	\$ 53,990,200	41,980,400	788,121,900
2012	\$ 2,274,528,200	248,183,200	2,522,711,400	18.00	\$ 54,283,600	57,635,300	795,735,300
2013	\$ 2,282,480,900	245,768,300	2,528,249,200	18.47	\$ 53,981,600	66,043,600	801,351,000
2014	\$ 2,306,517,400	244,302,800	2,550,820,200	19.56	\$ 52,765,500	72,600,700	894,525,200
2015	\$ 2,322,253,300	239,021,300	2,561,274,600	20.54	\$ 51,753,000	86,984,900	914,815,400
2016	\$ 2,370,220,600	229,981,900	2,600,202,500	20.69	\$ 50,758,900	101,258,300	918,968,900
2017	\$ 2,344,351,100	221,870,900	2,566,222,000	21.16	\$ 74,491,300	105,332,700	1,017,482,300
2018	\$ 2,361,755,500	210,138,800	2,571,894,300	21.17	\$ 98,423,700	125,109,400	1,099,865,370
2019	\$ 2,381,432,800	196,007,700	2,577,440,500	21.49	\$ 96,736,800	138,318,300	1,120,296,000

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

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

<sup>2</sup> The Business Equipment Tax Exemption began in 2009. Upon implementation, the City received reimbursement from the State of Maine for 100% of the tax loss; the reimbursement percentage is now calculated annually; for 2019 the rate was 56.16%.

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

Table 7

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

<b>Fiscal Year</b>	<b>General City Government</b>	<b>General Fund Debt Service</b>	<b>Education</b>	<b>Total Direct Tax Rate</b>	<b>Penobscot County</b>	<b>Total Tax/ (Mill) Rate</b>
2010	8.01	1.27	8.70	17.98	1.07	19.05
2011	7.94	1.40	8.75	18.09	1.11	19.20
2012	7.75	1.42	8.83	18.00	1.20	19.20
2013	8.08	1.41	8.98	18.47	1.18	19.65
2014	8.67	1.48	9.41	19.56	1.24	20.80
2015	8.89	1.65	10.00	20.54	1.26	21.80
2016	8.20	2.61	9.88	20.69	1.26	21.95
2017	8.33	2.64	10.19	21.16	1.34	22.50
2018	8.29	2.75	10.13	21.17	1.38	22.55
2019	8.53	2.75	10.21	21.49	1.46	22.95



Table 8

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

Taxpayer	Business	2019			2010		
		Assessed Value	Rank	% of Total Tax Base	Assessed Value	Rank	% of Total Tax Base
GLP Capital L.P.	Gaming	\$ 75,565,400	1	2.93%	-		-
Bangor Mall LLC	Shopping mall	47,435,200	2	1.84%	\$ 56,553,100	3	2.15%
Emera Maine	Utility	41,888,100	3	1.63%	-		-
General Electric	Manufacturer	26,506,000	4	1.03%	67,671,400	2	2.58%
Walmart Stores	Retailer	20,291,100	5	0.79%	21,976,100	5	0.84%
QV Realty Trust	Real estate interests	21,069,100	6	0.82%	15,554,300	6	0.59%
Bangor Gas Company LLC	Utility	20,909,900	7	0.81%	-		-
GM Realty of Bangor LLC	Real estate interests	16,943,000	8	0.66%	-		-
Banres, LLC	Hotel	16,685,800	9	0.65%	-		-
HC Bangor LLC	Gaming	16,321,200	10	0.63%			
Bangor Historic Track	Racino	-		-	110,462,700	1	4.21%
Bangor Hydro Electric	Utility	-		-	38,406,800	4	1.46%
Home Depot U.S.A. Inc	Retailer	-		-	15,317,800	7	0.58%
Inland Western Parkade	Shopping mall	-		-	14,912,200	8	0.57%
Harvest Sunbury Village	Retirement Living	-		-	14,491,800	9	0.55%
Grant Trailer Sales	Real estate interests	-		-	13,816,900	10	0.53%
Totals		<u>\$ 303,614,800</u>		<u>11.78%</u>	<u>\$ 369,163,100</u>		<u>14.06%</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			
2010	\$ 48,719,847	588,817	48,131,030	46,205,428	96.00%	\$ 1,883,306	48,088,734	99.91%
2011	\$ 48,362,646	168,932	48,193,714	46,857,606	97.23%	\$ 1,274,776	48,132,382	99.87%
2012	\$ 48,529,834	175,844	48,353,990	47,025,587	97.25%	\$ 1,265,633	48,291,220	99.87%
2013	\$ 49,713,855	134,598	49,579,257	48,276,445	97.37%	\$ 1,232,848	49,509,293	99.86%
2014	\$ 53,077,993	43,339	53,034,654	51,692,178	97.47%	\$ 1,259,083	52,951,261	99.84%
2015	\$ 55,903,061	282,782	55,620,279	53,708,753	96.56%	\$ 1,819,211	55,527,964	99.83%
2016	\$ 57,090,091	445,799	56,644,292	55,557,652	98.08%	\$ 962,396	56,520,048	99.78%
2017	\$ 57,781,717	116,643	57,665,074	56,513,791	98.00%	\$ 1,019,736	57,533,527	99.77%
2018	\$ 58,013,766	79,288	57,934,478	56,868,240	98.16%	\$ 684,868	57,553,108	99.34%
2019	\$ 59,173,223	169,404	59,003,819	57,885,246	98.10%	\$ -	57,885,246	98.10%

Table 10

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

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Ratio of Net Bonded Debt		
	General Obligation Bonds/Notes	Capital Leases	General Obligation Bonds	Capital Leases		Per Capita*	Assessed Value	Per Personal Income*
2010	\$ 61,689,447	-	34,956,548	-	96,645,995	3,073.00	3.90%	10.33%
2011	\$ 58,455,666	-	31,985,337	-	90,441,003	2,737.40	3.54%	7.06%
2012	\$ 80,674,158	-	28,707,990	-	109,382,148	3,314.61	4.34%	9.47%
2013	\$ 62,727,567	361,009	82,492,223	-	145,580,799	4,416.49	5.77%	11.71%
2014	\$ 67,154,638	277,728	82,983,011	41,699	150,457,076	4,604.94	5.95%	13.12%
2015	\$ 65,147,398	549,636	83,619,820	33,082	149,349,936	4,585.79	5.85%	12.64%
2016	\$ 62,635,756	408,687	81,041,828	29,210	144,115,481	4,449.24	5.63%	12.27%
2017	\$ 55,502,169	181,526	81,332,351	20,026	137,036,072	4,284.39	5.27%	12.01%
2018	\$ 55,917,971	24,306	77,867,785	61,903	133,871,965	4,196.22	5.22%	11.05%
2019	\$ 52,328,779	484,747	78,989,062	42,175	131,844,763	4,120.54	5.13%	10.28%

\* 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
2010	31,450	\$ 2,556,403,900	96,645,995	3.78%	3,073.00
2011	33,039	\$ 2,517,704,800	90,441,003	3.59%	2,737.40
2012	33,000	\$ 2,522,711,400	109,382,148	4.34%	3,314.61
2013	32,963	\$ 2,528,249,200	145,219,790	5.74%	4,405.54
2014	32,673	\$ 2,550,820,200	150,137,649	5.89%	4,595.16
2015	32,568	\$ 2,561,274,600	148,767,218	5.81%	4,567.90
2016	32,391	\$ 2,600,202,500	143,677,584	5.53%	4,435.73
2017	31,985	\$ 2,566,222,000	136,834,520	5.33%	4,278.08
2018	31,903	\$ 2,571,894,300	133,785,756	5.20%	4,193.52
2019	31,997	\$ 2,577,440,500	131,317,841	5.09%	4,104.07

\* Source: U.S. Census Bureau.

**CITY OF BANGOR, MAINE**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2019**

	<b>Total Debt Outstanding</b>	<b>Percentage Applicable to Bangor</b>	<b>Amount Applicable to Bangor</b>
Direct Debt			
City of Bangor			
General Obligation Bonds	\$ 52,328,779	100.00%	\$ 52,328,779
Capital Leases	484,747	100.00%	484,747
Total Debt	<u>\$ 52,813,526</u>		<u>\$ 52,813,526</u>

\* - For year end June 30, 2019 the City had no overlapping debt obligations.

Table 13

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

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total Net Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Percentage of Net Debt to Debt Limit</b>
2010	\$ 365,400,000	96,645,995	268,754,005	26.45%
2011	\$ 369,997,500	90,441,003	279,556,497	24.44%
2012	\$ 368,467,500	109,382,148	259,085,352	29.69%
2013	\$ 369,300,000	145,219,790	224,080,210	39.32%
2014	\$ 369,637,500	146,954,498	222,683,002	39.76%
2015	\$ 381,555,000	145,681,059	235,873,941	38.18%
2016	\$ 383,182,500	140,744,237	242,438,263	36.73%
2017	\$ 381,555,000	134,045,613	247,509,387	35.13%
2018	\$ 386,265,000	130,885,863	255,379,137	33.88%
2019	\$ 392,497,500	128,290,800	264,206,700	32.69%

**Legal Debt Margin Calculation for Fiscal Year 2019**

Total State Valuation	\$ 2,616,650,000
Debt Limitation: 15 % of State Valuation	392,497,500
Debt Applicable to Debt Limitation:	
General Obligation Bonds:	
Municipal	98,368,594
School	12,433,591
Sewer	17,488,615
Total debt applicable to limit	<u>128,290,800</u>
Legal Debt margin	<u><u>\$ 264,206,700</u></u>

Table 14

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

<b>Fiscal Year</b>	<b>Population *</b>	<b>Median Household Income*</b>	<b>Per Capita Income*</b>	<b>Median Age*</b>	<b>Public School Enrollment**</b>	<b>Unemployment Rate ***</b>
2010	31,450	29,740	19,295	36.1	3,821	8.10%
2011	33,039	38,775	25,344	36.7	3,830	7.50%
2012	33,000	34,993	25,344	37.5	3,819	7.10%
2013	32,963	37,707	24,945	36.8	3,875	6.70%
2014	32,673	35,107	23,791	36.5	3,810	5.40%
2015	32,568	36,272	23,977	35.9	3,765	4.60%
2016	32,391	36,272	23,977	35.9	3,780	3.80%
2017	31,985	35,674	23,928	35.4	3,759	3.70%
2018	31,903	37,987	25,318	35.7	3,715	3.40%
2019	31,997	40,071	27,115	37.0	3,707	3.20%

\* 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**

2019*				2010 <sup>1</sup>			
Employees	Employer	Location	Percentage of Total Employment <sup>2</sup>	Employees	Employer	Location	Percentage of Total Employment <sup>2</sup>
4001-4500	Eastern Maine Medical Center	Bangor	11.84%	1000-4000	Eastern Maine Medical Center	Bangor	7.13%
1001-1500	Hannaford Bros Co	Throughout	3.48%	1000-4000	Bangor Mall	Bangor	7.13%
1001-1500	St. Joseph Hospital Inc	Bangor	3.48%	1000-4000	Hannaford Supermarkets	Throughout	7.13%
1001-1500	Northern Light Health	Throughout	3.48%	1000-4000	Cianbro Corporation	Throughout	7.13%
1001-1500	City of Bangor	Bangor	3.11%	1000-4000	Walmart	Throughout	7.13%
501-1000	Walmart/Sam's Club	Throughout	2.09%	1000-4000	City of Bangor	Bangor	3.15%
501-1000	Penobscot Community Health Care	Throughout	2.09%	500-999	Bangor Savings Bank	Bangor	2.14%
501-1000	Bangor Savings Bank	Bangor	2.09%	500-999	L.L. Bean	Bangor	2.14%
501-1000	Husson University	Bangor	2.09%	500-999	Acadia Hospital	Bangor	2.14%
501-1000	Acadia Hospital	Bangor	2.09%	500-999	St. Joseph Hospital	Bangor	2.14%
				500-999	Community Health & Counseling	Bangor	2.14%
			35.86%				49.50%

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

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

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



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

<b>Function</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
General government	100	100	99	97	92	103	104	107	103	102
Public safety										
Police	97	97	96	96	96	93	91	94	95	93
Fire	95	95	95	95	91	87	90	89	88	94
Health, community services and recreation	49	47	49	48	46	41	34	36	47	40
Public building and services	82	81	78	78	76	63	62	61	71	72
Education	621	610	580	580	568	578	570	580	590	590
Sewer utility	21	21	24	24	24	24	27	27	26	26
Airport	86	87	88	93	77	85	106	107	109	95
Park woods	2	2	2	2	1	-	-	-	-	-
Parking	3	3	3	3	3	3	2	2	3	-
Bass park	8	7	6	5	-	-	-	-	-	-
Municipal golf course	8	8	8	8	8	8	8	8	8	3
<b>Totals</b>	<b>1,172</b>	<b>1,158</b>	<b>1,128</b>	<b>1,129</b>	<b>1,082</b>	<b>1,085</b>	<b>1,094</b>	<b>1,111</b>	<b>1,140</b>	<b>1,115</b>

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

Table 17

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Code enforcement										
Building permits	427	518	405	453	433	454	517	571	676	675
Certificates of occupancy	341	448	350	361	395	452	630	609	729	750
Sign permits	90	96	70	69	82	83	86	89	90	70
Electrical**	-	-	-	-	-	-	607	739	770	781
Police										
Calls for service	32,351	30,167	31,640	33,740	36,153	36,967	38,347	38,505	35,768	35,363
Fire										
Calls for service	7,357	8,000	9,020	9,044	9,031	9,292	10,048	10,110	9,832	9,903
Sewer										
Treated flow (billions of gallons)	3.55	2.81	3.10	2.68	2.69	3.20	2.57	2.44	2.76	3.21
Biosolids (tons)	7,572	6,518	6,789	5,832	6,309	5,821	6,230	6,101	5,569	6,036

\* 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	54	54	50	48	43	50	57	57	60	55
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles	25	25	26	26	26	26	24	25	22	27
Public works										
Streets (miles)	429	429	431	431	431	431	432	432	432	432
Sidewalks (miles)	99.6	101.4	101.4	101.4	101.4	101.4	101.4	101.4	101.9	109.6
Parks and recreation										
Parks	29	29	29	29	29	29	29	29	29	29
Parks acreage	950	950	950	950	950	950	950	950	950	1227
Public swimming pools	2	2	2	2	2	2	2	2	2	2
Public golf courses	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Indoor ice arena	1	1	1	1	1	1	1	1	1	1
Semi-pro baseball stadium	1	1	1	1	1	1	1	1	1	1
Sewer										
Treatment plants	1	1	1	1	1	1	1	1	1	1
Pump stations	5	5	5	5	5	5	5	5	5	5
Miles of sanitary sewers	103	103	103	103	103	103	103	103	103	101
Miles of combined sewers	44	44	44	47	49	49	49	49	49	43

\* Source - City of Bangor Departmental records.