



CITY OF BANGOR  
MAINE

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

---

FOR FISCAL YEAR JUNE 30, 2021

**CITY OF BANGOR, MAINE**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 2021**

CITY OF BANGOR

Prepared by:

Debbie Laurie, Finance Director

David Little, Deputy Finance Director

**CITY OF BANGOR, MAINE**  
**Annual Financial Report**  
**Table of Contents**  
**For the Fiscal Year Ended June 30, 2021**

---

**INTRODUCTORY SECTION**

|   | <u>Page</u> |
|---|-------------|
| Letter of Transmittal                                   | I - 1       |
| GFOA Certificate of Achievement                         | I - 6       |
| Organizational Chart                                    | I - 7       |
| Elected Officials and Principal Administrative Officers | I - 8       |

**FINANCIAL SECTION**

|                                      |        |
|--------------------------------------|--------|
| Report of Independent Auditors       | II - 1 |
| Management's Discussion and Analysis | II - 4 |

Basic Financial Statements:

**Exhibit**

Government-wide Financial Statements:

|                           |   |         |
|---------------------------|---|---------|
| Statement of Net Position | 1 | II - 19 |
| Statement of Activities   | 2 | II - 20 |

Fund Financial Statements:

|   |    |         |
|---|----|---------|
| Balance Sheet - Governmental Funds  | 3  | II - 21 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds   | 4  | II - 22 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 5  | II - 23 |
| Statement of Revenues, Expenditures and Changes in Unassigned Fund Balance - Budget and Actual - General Fund                               | 6  | II - 24 |
| Statement of Net Position – Proprietary Funds   | 7  | II - 25 |
| Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds   | 8  | II - 27 |
| Statement of Cash Flows – Proprietary Funds   | 9  | II - 28 |
| Statement of Net Position – Fiduciary Funds   | 10 | II - 30 |
| Statement of Changes in Net Position – Fiduciary Funds  | 11 | II - 31 |

|                                   |         |
|-----------------------------------|---------|
| Notes to the Financial Statements | II - 32 |
|-----------------------------------|---------|

Required Supplementary Information

|   |         |
|---|---------|
| Schedule of Changes in the Total City Health Plan OPEB Liability and Related Ratios   | II - 70 |
| Schedule of Changes in the Total School Health Plan OPEB Liability and Related Ratios | II - 71 |
| Schedule of City's Proportionate Share of the Net OPEB Liability                      | II - 72 |
| Schedule of City's OPEB Contributions   | II - 73 |
| Schedule of City's Proportionate Share of the Net Pension Liability                   | II - 74 |

**CITY OF BANGOR, MAINE**  
**Table of Contents, Continued**

---

|  | <u>Schedule</u> | <u>Page</u> |
|--|-----------------|-------------|
| Required Supplementary Information (con't)   |                 |             |
| Schedule of City's Net Pension Contributions   |                 | II - 75     |
| Notes to Required Supplementary Information  |                 | II - 76     |
| Combining and Individual Fund Financial Statements and Schedules:  |                 |             |
| Balance Sheet – General Fund   | A – 1           | II - 78     |
| Schedule of Revenues, Expenditures and Changes in<br>Unassigned Fund Balance – Budget and Actual – Budgetary<br>Basis – General Fund | A – 2           | II - 79     |
| Combining Balance Sheet – Nonmajor Governmental Funds  | B – 1           | II - 83     |
| Combining Statement of Revenues, Expenditures and<br>Changes in Fund Balances – Nonmajor Governmental Funds                          | B – 2           | II - 84     |
| Combining Balance Sheet – Nonmajor Special Revenue Funds   | B – 3           | II - 85     |
| Combining Statement of Revenues, Expenditures and<br>Changes in Fund Balances – Nonmajor Special Revenue Funds                       | B – 4           | II - 86     |
| Combining Statement of Net Position – Nonmajor Proprietary Funds   | C – 1           | II - 87     |
| Combining Statement of Revenues, Expenses and<br>Changes in Net Position – Nonmajor Proprietary Funds                                | C – 2           | II - 89     |
| Combining Statement of Cash Flows - Nonmajor Proprietary Funds   | C – 3           | II - 90     |
| Fiduciary Funds:   |                 |             |
| Combining Statement of Net Position – Private Purpose Trusts   | D – 1           | II – 92     |
| Combining Statement of Changes in Net Position – Private Purpose Trusts  | D – 2           | II – 93     |
| Capital Assets Used in the Operation of Governmental Funds:  |                 |             |
| Schedule of Changes by Function and Activity   | E – 1           | II - 94     |
| Other Information:   |                 |             |
| Assessed Valuation, Commitment and Collections   | F – 1           | II - 95     |
| General Fund Unassigned Fund Balance Sufficiency Calculation   | F – 2           | II - 96     |

**CITY OF BANGOR, MAINE**  
**Table of Contents, Continued**

---

**STATISTICAL SECTION**

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

# **INTRODUCTORY SECTION**



# DEPARTMENT OF FINANCE

## CITY OF BANGOR

---

DEBBIE A. LAURIE  
DIRECTOR

March 21, 2022

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

In accordance with the City Charter and state statutes, the City of Bangor's annual comprehensive financial report for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Bangor. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City of Bangor on a government wide and fund basis.

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

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

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

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

## **Profile of the Government**

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

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

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

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

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

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

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

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

### **Factors Affecting Financial Condition**

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

Bangor has a stable and varied economic base. Major employers include a diversified mix of health care, educational, professional, retail, manufacturing, and governmental entities.

Bangor serves as one of the largest retail markets in Maine. The Bangor Mall, Airport Mall, Broadway commercial center, Union Street commercial corridor, and the Bangor Center Development District (downtown) have long established Bangor as the hub of the six county eastern Maine retail market. Bangor's retail sector serves an extensive geographic area ranging from eastern Maine to the Canadian Maritimes, with a population exceeding 3.1 million. With less than three percent of the State's population, Bangor's share of the State's retail sales is proportionally higher. In FY 2021, Bangor's retail taxable sales were \$2.1 billion, which represents 6.90% of total State retail taxable sales. Shifts in the retail market have created challenges in some of our large retail centers. Specifically, the Bangor Mall is facing the same challenges that are being faced by retail centers around the country. The pandemic has created an additional challenge as more retail is being conducted online versus bricks and mortar stores. This is further exacerbated in our community by the pandemic related closure of the Canadian border. The implications of all factors are being monitored closely.

Further evidence of continuing sustained growth is the change that can be measured by the City's assessed value of real and personal property. The annual increase in assessed value is a combination of three factors: 1) market adjustments to existing property, 2) new construction/additions, and 3) personal property depreciation. While taxable assessed valuations continue to show moderate increases annually, the taxable valuation amount is impacted by property tax exemptions created or expanded by the State of Maine (\$297.2 million in fiscal year 2022). The personal property enrolled in the Business Equipment Tax Exempt program (BETE) continues to increase annually, an indication of continued commercial investment within the City. While the City realized an increased in State-funded revenue sharing (to near statutorily required levels) and aid to education recently, the impacts of the reduced funding levels in prior years as

well as the additional tax shifts related to general assistance and Medicare/Medicaid have impacted the City's property tax rate. The reductions in revenues and cost shifts are the major contributing factor in the overall increase of 20.83% in the tax rate from 2012 to 2021.

With the continued evolution of the COVID pandemic, the City continues to monitor the impact on our community, including the impact of Canadian border entry/exit protocols may have. Like most communities, we are realizing a worker shortage and continue to adapt our approach based on CDC guidelines. The City continues to utilize our public health and emergency management plan to evolve our processes enabling us to adapt our operations, services and response to minimize the impact of the pandemic on our community and position our community and resources for post-pandemic operations. All of which is being undertaken with an eye toward financial sustainability. The true human, small business, employment, economic development, health and safety and financial impacts of the pandemic are likely to have a ripple effect for years to come, similar to the 2008 financial crisis.

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

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

- \$1.9 million invested in streets, sidewalks, traffic control, and other infrastructure;
- \$4.6 million invested in upgrades to school facilities;
- \$3.0 million invested in the replacement of municipal equipment and vehicles;
- \$21.4 million invested in the plant and pump station upgrades, sewer replacements and separation projects; and
- \$6.7 million invested in airport infrastructure and equipment.

The City Council has identified four goals for the coming year, with the overarching goal being to positively impact our community by addressing quality of life issues and housing opportunities.

- Housing opportunities;
- Homelessness;
- Economic Development; and
- American Recovery Plan Act funding.

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

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

By Charter, the City is to maintain an unassigned fund balance of no more than 16.66% and no less than 8.33% of prior year expenditures and the Council has determined that a reasonable target is 8.33%. Unassigned fund balance – City in the General Fund as of June 30, 2021 was 18.26% of expenditures, net of debt service. Due to the unknown financial implications of the pandemic, the City chose to forgo funding assigned fund balances from unassigned fund balance for FY 2021, which resulted in the balance exceeding the maximum percentage threshold.

**Awards and Acknowledgements.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bangor for its annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Debbie Laurie  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bangor  
Maine**

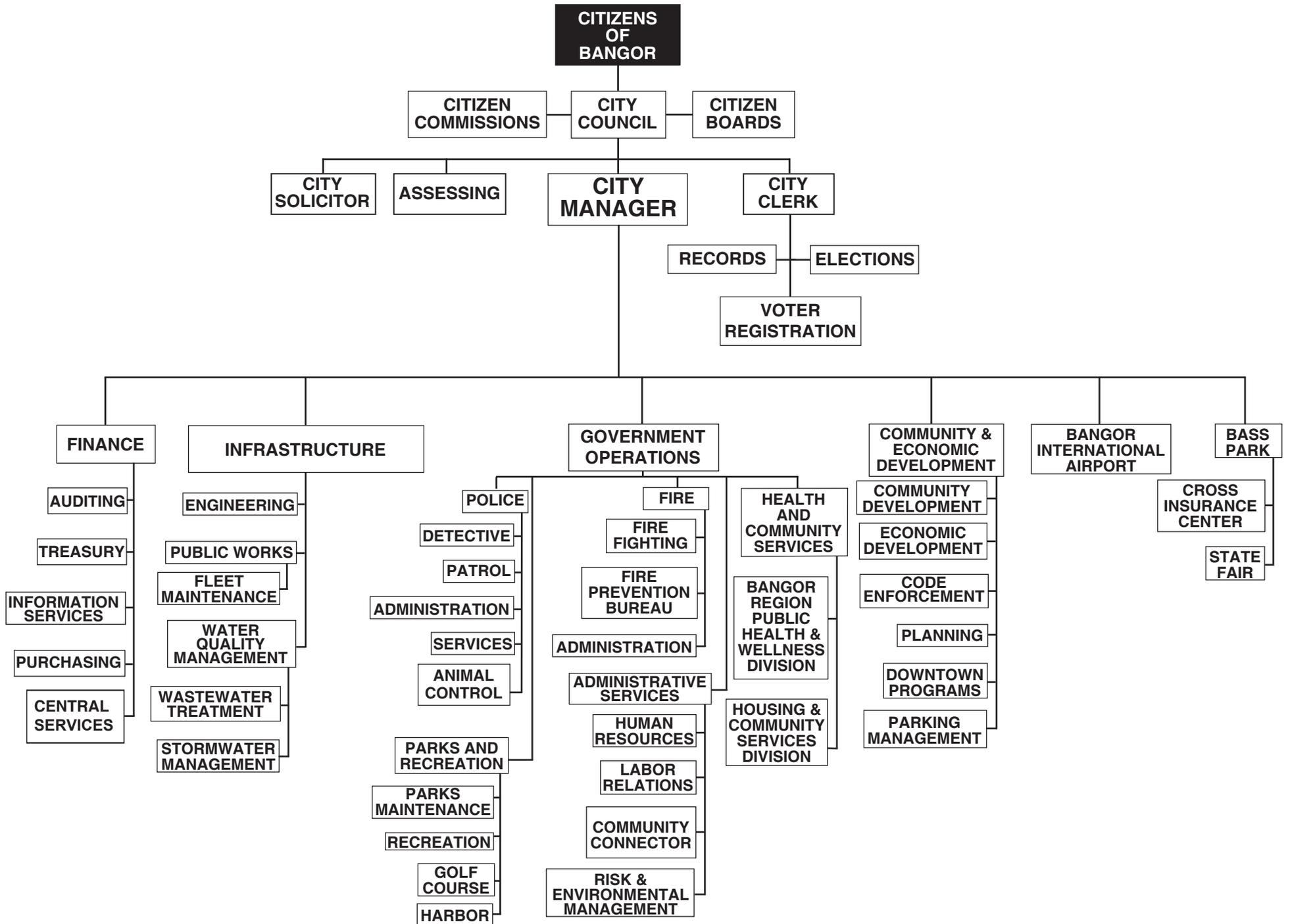
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

CITY OF BANGOR ORGANIZATIONAL CHART Revised (2021)



**City of Bangor, Maine  
Elected Officials and Principal Administrative Officers  
June 30, 2021**

**City Council**

Daniel Tremble, Chair

Clare Davitt  
Richard Fournier  
Sarah Nichols  
Gretchen Schaefer

Sarah Dubay  
Susan Hawes  
Angela Okafor  
Jonathan Sprague

**City Staff**

Deborah Laurie, Interim City Manager  
Philip Drew, City Assessor  
Lisa Goodwin, City Clerk  
Joshua Saucier, Acting City Solicitor

**School Committee**

Carin Sychterz, Chair

Warren Caruso  
Clare Mundell  
Timothy Surette

Marwa Hassanien, Vice Chair  
Susan Sorg  
Vacancy

**School Staff**

James Tager, 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, 2021, 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, 2021, 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.

### ***Change in Accounting Principle***

As described in the notes to the financial statements, in 2021, the City of Bangor, Maine adopted new accounting guidance, GASBS No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### ***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 March 21, 2022, 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.



March 21, 2022  
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, 2021. 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 \$243.3 million (net position).
- At the close of fiscal year 2021, the City of Bangor's governmental funds reported combined ending fund balances of \$54.1 million, an increase of \$7.1 million over the prior year restated balance of \$47.1 million. The Capital Projects Fund fund balance decreased by \$1.9 million, as projects that were previously funded were completed. The General Fund fund balance increased by \$8.7 million. Municipal General Fund actual revenues significantly exceeded the adopted budget, primarily due to overestimating the negative impact of the pandemic on State revenues and excise taxes. Municipal expenditures were also below estimates as federal programs mitigated anticipated general assistance needs, the lack of contingent cost related to the pandemic as well as lower personnel related costs (vacancies, less overtime, etc). The increase in the General Fund restricted fund balance is related to education. The City received unanticipated levels of federal aid to education. All other governmental fund fund balances remained relatively unchanged from prior year amounts. Approximately 76% of the total amount, or \$40.9 million, is either committed, assigned or unassigned and is available for spending at the City Council's discretion, if needed.
- The City of Bangor has a fund balance policy. By Charter, the City is to maintain an unassigned fund balance of no more than 16.66% and no less than 8.33% of prior year expenditures, net of debt service. At the end of the current fiscal year, unassigned fund balance – City & School for the General Fund was \$19.9 million, or 18.26% of the general fund expenditure base. Due to the unknown financial implications of the pandemic, the City chose to forgo funding assigned fund balances from unassigned fund balance for FY 2021, which resulted in the balance exceeding the maximum percentage threshold. 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 increased by \$6.9 million and business-type activities increased \$1.6 million. The increase in governmental activities is related to the receipt of the first tranche of American Rescue Plan Act funding of \$10.2 million and a \$1.3 million increase in accounts payable due to the timing of payments to vendors, net of a decrease in accrued wages of \$1.8 million and a \$2.9 million decrease in general obligation debt. For business-type activities, accounts payable and other current liabilities increased \$1.1 million and unearned revenues increased \$384 thousand, which are due to the timing of payments to vendors and others and the receipt of advanced ticket and advertising payments.

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

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

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

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

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

## Government-wide Financial Analysis

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

|                                      | Governmental  |               | Business-type  |                | Total          |                |
|--------------------------------------|---------------|---------------|----------------|----------------|----------------|----------------|
|                                      | Activities    |               | Activities     |                |                |                |
|                                      | 2021          | 2020*         | 2021           | 2020           | 2021           | 2020*          |
| Current & other assets*              | \$ 75,149,243 | \$ 58,870,488 | \$ 31,452,086  | \$ 40,816,587  | \$ 106,601,329 | \$ 99,687,075  |
| Capital assets, net of               |               |               |                |                |                |                |
| accumulated depreciation             | 87,563,156    | 82,314,418    | 235,221,533    | 219,696,736    | 322,784,689    | 302,011,154    |
| Total assets                         | 162,712,399   | 141,184,906   | 266,673,619    | 260,513,323    | 429,386,018    | 401,698,229    |
| Total deferred outflows of resources | 7,108,455     | 6,194,756     | 1,634,163      | 586,158        | 8,742,618      | 6,780,914      |
| Long-term debt outstanding           | 81,771,573    | 83,341,194    | 83,364,488     | 83,099,136     | 165,136,061    | 166,440,330    |
| Other liabilities                    | 19,933,334    | 10,243,404    | 9,048,247      | 7,551,282      | 28,981,581     | 17,794,686     |
| Total liabilities                    | 101,704,907   | 93,584,598    | 92,412,735     | 90,650,418     | 194,117,642    | 184,235,016    |
| Total deferred inflows of resources  | 760,823       | 1,983,445     | -              | 149,523        | 760,823        | 2,132,968      |
| Net position:                        |               |               |                |                |                |                |
| Net investment in capital assets     | 66,647,997    | 53,392,631    | 162,260,552    | 149,493,021    | 228,908,549    | 202,885,652    |
| Restricted*                          | 10,218,666    | 7,991,207     | -              | -              | 10,218,666     | 7,991,207      |
| Unrestricted                         | (9,511,539)   | (9,572,219)   | 13,634,495     | 20,806,519     | 4,122,956      | 11,234,300     |
| Total net position                   | \$ 67,355,124 | \$ 51,811,619 | \$ 175,895,047 | \$ 170,299,540 | \$ 243,250,171 | \$ 222,111,159 |

\* Restated for 2020 - 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 \$4.1 million, the governmental activities deficit of \$9.5 million is offset by the business type activities balance of \$13.6 million. The governmental activities deficit is primarily due to \$13.2 million in outstanding pension obligation bonds.

Governmental activities net position increased \$15.5 million. The major components associated with the increase in governmental activities net position are due to revenue receipts in excess of estimates due to the overestimation of the negative impact on certain revenues (state revenue sharing and excise taxes) of \$3.3 million and the receipt of \$6.7 million in federal pandemic relief for education, the funding of capital asset acquisition with current year revenues in the amount of \$1.8 million, as well as expenses being below estimates in the areas of general government, public safety, health and recreation and public services, due to savings realized related to vacancies and fewer services required.

Business-type net position increased \$5.6 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.

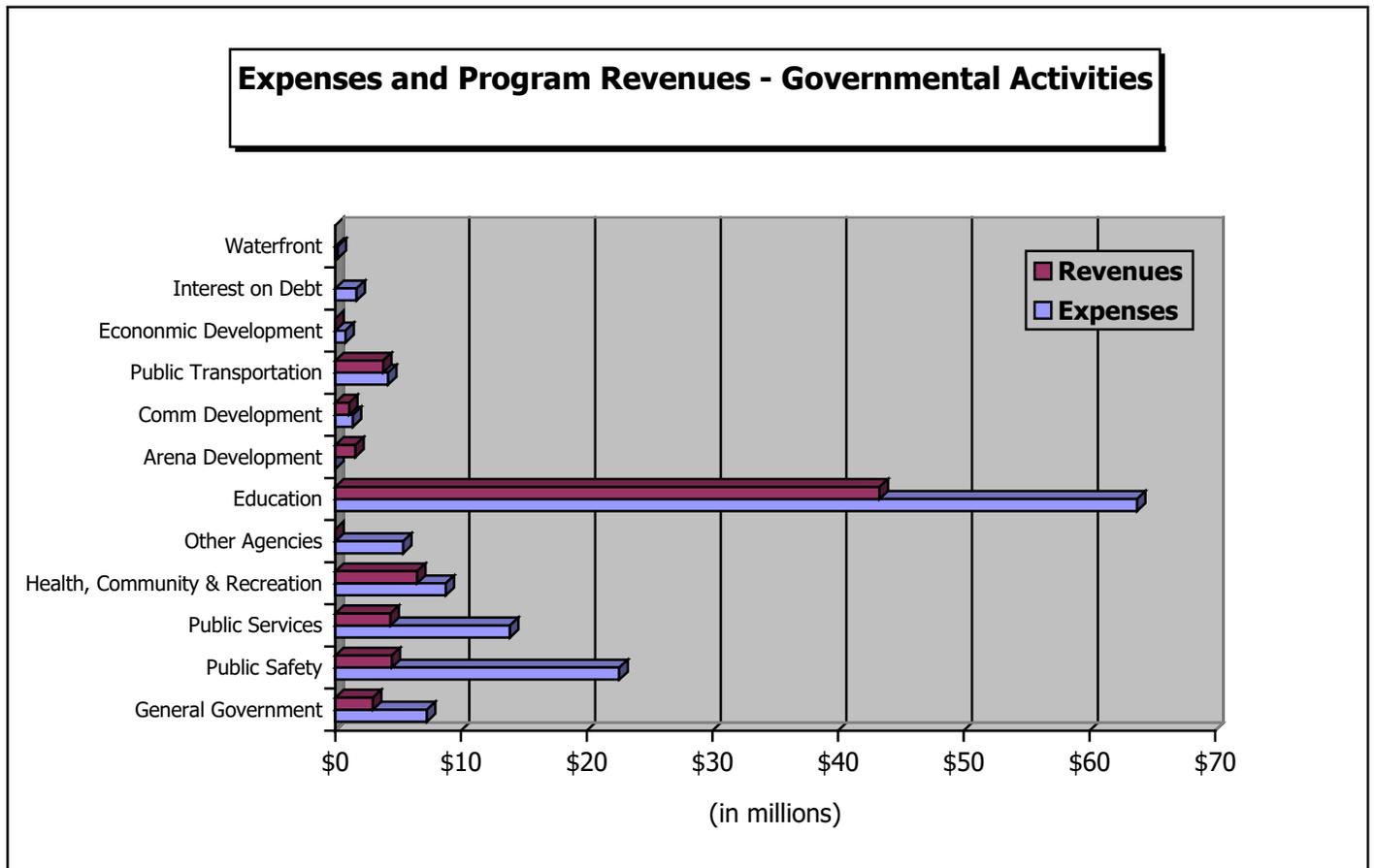
## Changes in Net Position

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

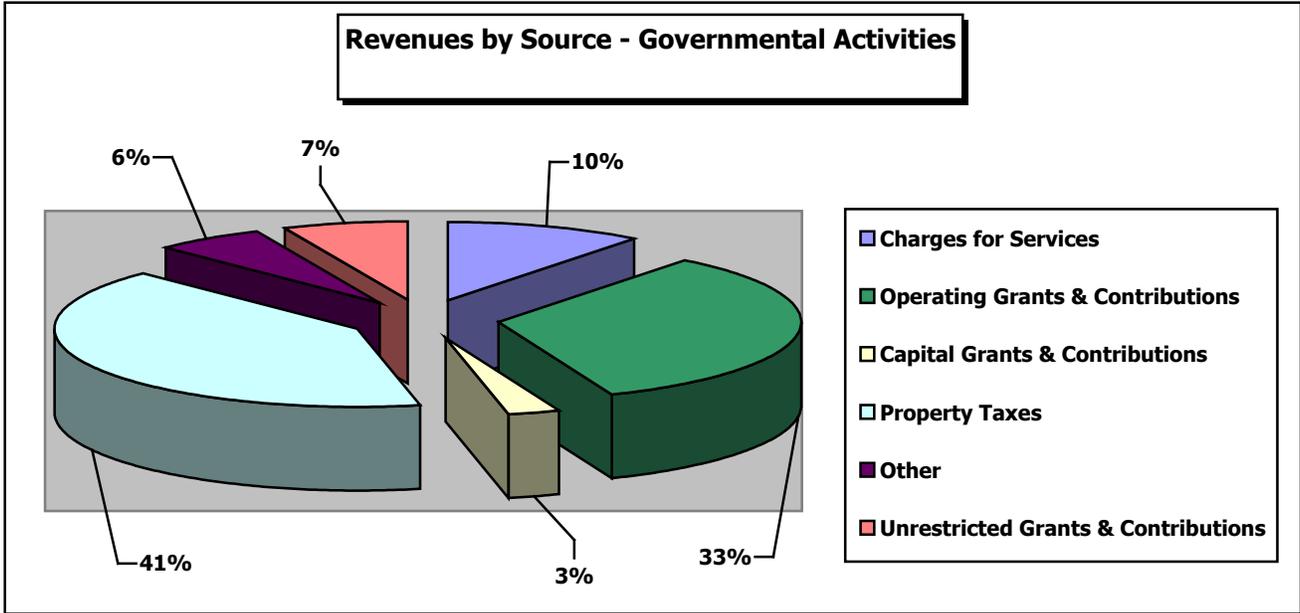
|   | Governmental<br>Activities |                      | Business-type<br>Activities |                       | Total                 |                       |
|---|----------------------------|----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
|   | 2021                       | 2020                 | 2021                        | 2020                  | 2021                  | 2020                  |
| <b>Revenues</b>   |                            |                      |                             |                       |                       |                       |
| Program Revenues  |                            |                      |                             |                       |                       |                       |
| Charges for services  | \$ 15,278,440              | \$ 15,317,416        | \$ 29,805,868               | \$ 33,118,886         | \$ 45,084,308         | \$ 48,436,302         |
| Operating grants & contributions                                | 48,744,377                 | 40,562,677           | 2,244,355                   | -                     | 50,988,732            | 40,562,677            |
| Capital grants & contributions                                  | 4,136,063                  | 4,410,094            | 7,988,878                   | 5,056,332             | 12,124,941            | 9,466,426             |
| General Revenues  |                            |                      |                             |                       |                       |                       |
| Property and other taxes  | 67,710,564                 | 66,729,380           | 1,860,838                   | 1,300,000             | 69,571,402            | 68,029,380            |
| Grants and contributions not<br>restricted to specific programs | 9,585,084                  | 7,267,295            | -                           | -                     | 9,585,084             | 7,267,295             |
| Other   | 688,379                    | 853,277              | 979,424                     | 1,024,264             | 1,667,803             | 1,877,541             |
| Total Revenues  | 146,142,907                | 135,140,139          | 42,879,363                  | 40,499,482            | 189,022,270           | 175,639,621           |
| <b>Expenses</b>   |                            |                      |                             |                       |                       |                       |
| General government  | 7,345,261                  | 7,848,641            | -                           | -                     | 7,345,261             | 7,848,641             |
| Public safety   | 22,617,826                 | 20,871,023           | -                           | -                     | 22,617,826            | 20,871,023            |
| Health, community and recreation                                | 8,841,142                  | 9,845,591            | -                           | -                     | 8,841,142             | 9,845,591             |
| Public services   | 13,910,879                 | 14,968,314           | -                           | -                     | 13,910,879            | 14,968,314            |
| Other agencies  | 5,394,392                  | 5,515,165            | -                           | -                     | 5,394,392             | 5,515,165             |
| Education   | 63,836,366                 | 58,764,946           | -                           | -                     | 63,836,366            | 58,764,946            |
| Arena development   | 4,883                      | 86,510               | -                           | -                     | 4,883                 | 86,510                |
| Community development   | 1,448,764                  | 693,641              | -                           | -                     | 1,448,764             | 693,641               |
| Waterfront  | 242,681                    | 105,163              | -                           | -                     | 242,681               | 105,163               |
| Public transportation   | 4,201,030                  | 4,533,716            | -                           | -                     | 4,201,030             | 4,533,716             |
| Interest on debt  | 1,715,960                  | 1,835,219            | -                           | -                     | 1,715,960             | 1,835,219             |
| Economic development (tif)                                      | 756,951                    | 730,471              | -                           | -                     | 756,951               | 730,471               |
| Sewer Utility   | -                          | -                    | 6,726,312                   | 6,254,740             | 6,726,312             | 6,254,740             |
| Airport   | -                          | -                    | 22,645,811                  | 23,749,179            | 22,645,811            | 23,749,179            |
| Stormwater Utility  | -                          | -                    | 797,113                     | 1,197,212             | 797,113               | 1,197,212             |
| Parking   | -                          | -                    | 816,077                     | 882,638               | 816,077               | 882,638               |
| Bass Park   | -                          | -                    | 5,694,980                   | 7,107,209             | 5,694,980             | 7,107,209             |
| Municipal Golf Course   | -                          | -                    | 815,110                     | 761,968               | 815,110               | 761,968               |
| Economic Development  | -                          | -                    | 390,347                     | 379,183               | 390,347               | 379,183               |
| Total Expenses  | 130,316,135                | 125,798,400          | 37,885,750                  | 40,332,129            | 168,201,885           | 166,130,529           |
| Excess (deficiency) before<br>transfers                         | 15,826,772                 | 9,341,739            | 4,993,613                   | 167,353               | 20,820,385            | 9,509,092             |
| Gain (loss) on disposition of asset                             | 306,733                    | 203,396              | 11,944                      | 247,610               | 318,677               | 451,006               |
| Transfers   | (590,000)                  | (1,707,061)          | 590,000                     | 1,707,061             | -                     | -                     |
| Change in net position  | 15,543,505                 | 7,838,074            | 5,595,557                   | 2,122,024             | 21,139,062            | 9,960,098             |
| <b>Beginning net position</b>                                   | 51,811,619                 | 43,820,827           | 170,299,540                 | 168,177,516           | 222,111,159           | 211,998,343           |
| <b>Restatement - Note G</b>                                     |                            | 152,718              | -                           | -                     | -                     | 152,718               |
| <b>Ending net position</b>                                      | <u>\$ 67,355,124</u>       | <u>\$ 51,811,619</u> | <u>\$ 175,895,097</u>       | <u>\$ 170,299,540</u> | <u>\$ 243,250,221</u> | <u>\$ 222,111,159</u> |

## Governmental Activities

The cost of all governmental activities was \$130.3 million. As shown on the Statement of Activities, the total amount financed by the property tax was \$59.6 million, or 46% of expenses. Those who directly benefit from an activity provided \$15.3 million in payments. Other governments and organizations subsidized certain activities with operating grants and contributions in the amount of \$48.7 million. Capital grants and contributions accounted for \$4.1 million. The City also received \$18.6 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 \$4.5 million or 3.6% over prior year levels. The majority of the increase is related to the use of federal pandemic funding for educational setting personal protective equipment, enhancing cleanings and school environment improvements. In addition, school teacher wages increased 3% in FY 2021.

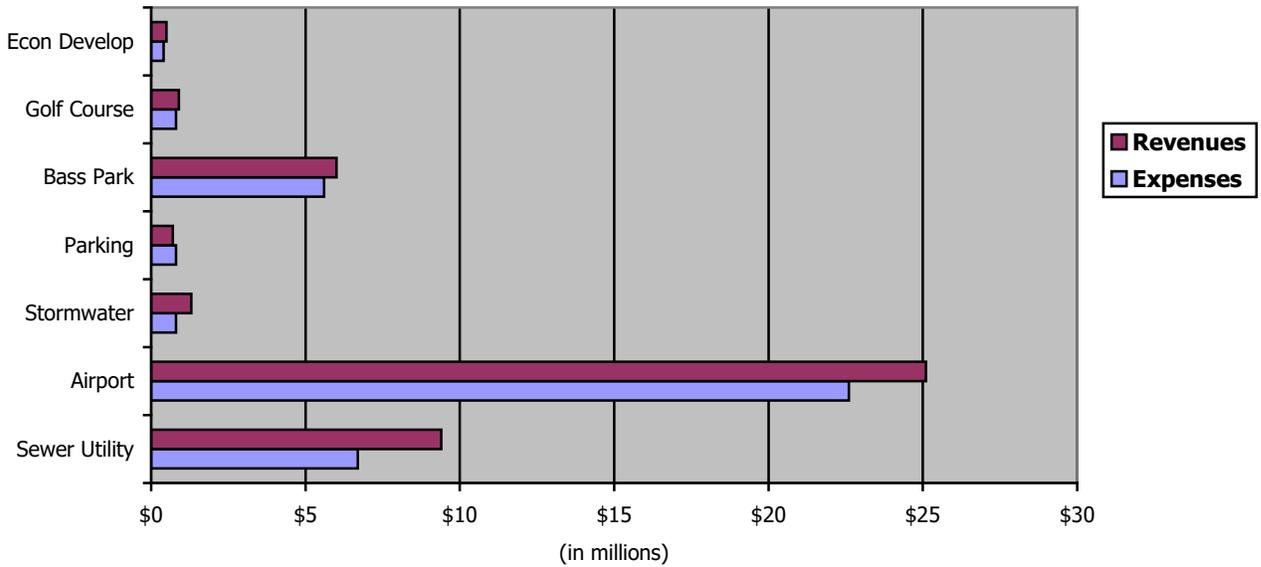


Total governmental activities' revenues increased \$11.0 million over prior year total of \$135.1 million. The largest single source of revenue continues to be the property and other taxes, which increased \$1.0 million. Capital grants and contributions and charges for services remained relatively unchanged. Operating grants and contributions increased \$8.2 million primarily due to a \$1.0 million increase in education funding from the State of Maine and \$6.7 million in federal pandemic aid to support education. Unrestricted grants and contributions and other increased \$2.3 million, of that increase, \$1.6 million is a result of increased revenue sharing receipts due to the State of Maine beginning to return to the statutory percentage allocated to municipalities.

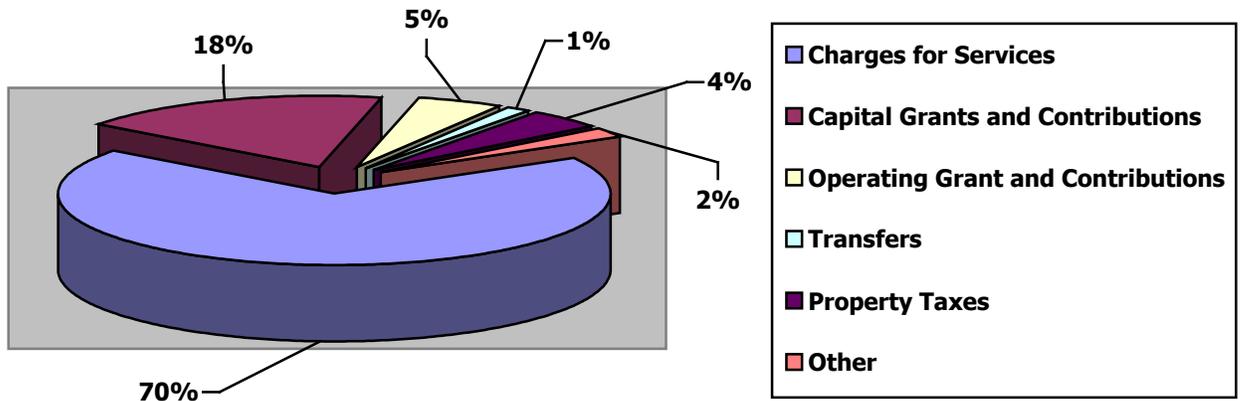
**Business-type Activities**

Total business-type activities expenses decreased \$2.4 million or 6.1%. Due to State pandemic policy restrictions and a reduction in airline travel, expenses associated with the operations of Bass Park (Cross Insurance Center) and the airport were lower than the prior year. The Cross Insurance Center was closed from March 2020 to June 2021 and there was a significant reduction in air travel nationwide, which resulted in a decrease in expenses of \$1.4 million and \$1.1 million, respectively, over prior year levels.

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



### Revenues by Source - Business-type Activities



In total, business-type activities revenue increased \$2.4 million or 5.8% over prior year levels. Charges for services revenue decreased \$3.3 million, split between the Airport and Bass Park, both of which realized reductions in revenue due to the pandemic (airline travel and large in person events). This reduction was offset by a \$2.9 million increase in capital grants contributions and a \$2.2 million increase in operating grants. 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 and the City received federal assistance in the form of the award of a Shuttered Venue Operators Grant.

## 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 \$54.1 million, an increase of \$7.1 million over the prior year balance. During the year, the Capital Projects funds expended funding received in prior years, which resulted in a decrease in its fund balance of \$1.9 million. The General Fund fund balance increased \$8.7 million. The increase in unassigned fund balance was due to overestimating the negative impact of the pandemic on revenues, specifically State revenue sharing and excise taxes, as well as lower municipal expenditures due to lower personnel costs (vacancies, reduced overtime, etc). Restricted fund balance increased due to the unanticipated levels of federal aid to education that was received in FY 2021. Of the combined ending balance of \$54.1 million, approximately 76% (\$40.9 million) is either committed, assigned or unassigned and \$9.8 million, or 18.1%, is restricted. Committed, assigned and unassigned fund balances are available for spending by formal action of the City Council. The remainder is nonspendable, indicating that it is in the form of nonspendable assets such as inventory, prepaid expenditures, nonexpendable trust principal balances and allowance for advances made to other funds.

The General Fund is the chief operating fund of the City and is comprised of two major functions; education and municipal services. At the end of the fiscal year, the General Fund's total fund balance was \$36.1 million, a \$8.7 million increase from the prior year's balance of \$27.3 million.

The Capital Projects Fund can vary significantly from year to year depending upon City Council priorities and available funding opportunities. While total expenditures remained relatively flat compared to the prior year, due to the fiscal and workforce uncertainty of the pandemic, the City Council funded fewer projects than normal in FY 2021. Significant expenditures in FY 2021 included; \$7.3 million for streets/sidewalks and other infrastructure, \$1.5 million for public safety equipment and vehicles, and \$1.9 in school facilities.

**Proprietary funds.** Information on the City of Bangor's proprietary funds is similar to that found in the government-wide financial statements, but in more detail. The net position of the seven enterprise funds increased by \$5.6 million to \$175.9 million. The Sewer Utility fund net position increased \$2.7 million due to annual rate increases to keep pace with inflation and in advance of the permanent financing of significant capital investments. The Airport Fund net position increased \$2.4 million while operating revenues and expenses were lower due to the impact by the pandemic, the fund realized a \$4.0 million in increase in capital grant funding.

## General Fund Budgetary Highlights

For budgetary financial statement purposes, all balances carried from the prior year are added to the subsequent year's total appropriation. This resulted in an overall budgetary increase of \$3.7 million. The net impact of additional amendments were minimal. The City's revenue budget estimates did not anticipate the significant levels of federal funding (\$6.7 million) that would be received in support of public education and the negative impact of the pandemic on State revenues and excise taxes was overestimated by \$3.3 million. Municipal expenditures were under budget by 7.3%, or \$4.1 million, due to the availability of federal programs to cover certain costs, the lack of unanticipated pandemic costs incurred, as well as lower personnel costs related to vacancies and less overtime. Education expenditures were over budget by \$1.5 million or 2.4%, which was due to the expenditures of the unanticipated federal funding received. By statute, education balances must be segregated from municipal balances.

## Capital Asset and Debt Administration

**Capital assets.** As of June 30, 2021, the City of Bangor's investment in capital assets for its governmental and business-type activities amounted to \$322.8 million (net of accumulated depreciation), an increase of \$20.8 million over the prior year. This investment includes land, buildings, machinery and equipment, roads, runways, and sewer lines. Depreciation expense of \$16.4 million was less than the City's investment in capital assets for the current fiscal year of \$37.2 million. Governmental activities invested \$10.4 million, and business-type activities invested \$26.8 million and depreciation expense was \$5.1 million and \$11.3 million, respectively.

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

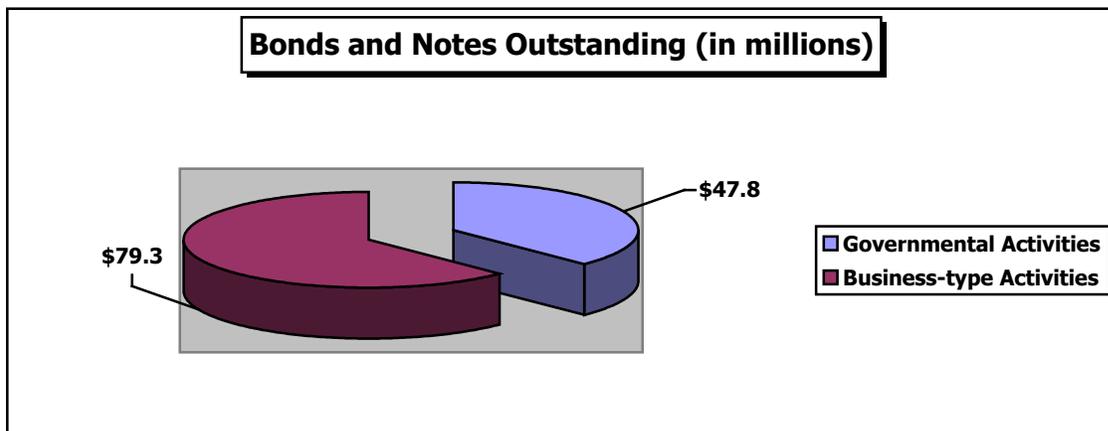
- The City continues to invest in its core functions of infrastructure, vehicles and equipment replacements. This year the City invested \$1.9 million in streets, sidewalks, traffic control and other infrastructure, as well as \$4.6 million in school facilities, and \$3.0 million in municipal equipment and vehicle replacement.
- The Airport Fund invested \$6.7 million in operational assets at Bangor International Airport. Investments included runway and building improvements as well as equipment and vehicles.
- The Sewer Fund invested \$21.4 million in plant and pump station upgrades, sewer replacement and separation projects. Of the total invested, \$17.0 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<br/>Activities</b> | <b>Business-type<br/>Activities</b> |
|-----------------------------|------------------------------------|-------------------------------------|
| Land and improvements       | \$12,528,276                       | \$4,157,707                         |
| Buildings and improvements  | 39,151,968                         | 50,901,523                          |
| Machinery and equipment     | 2,602,286                          | 5,632,579                           |
| Vehicles                    | 12,300,213                         | -                                   |
| Infrastructure              | 14,184,147                         | 55,369,581                          |
| Parking structures          | -                                  | 903,608                             |
| Aircraft operational assets | -                                  | 83,340,087                          |
| Construction in process     | 6,796,266                          | 34,916,448                          |
| <b>Total</b>                | <b>\$87,563,156</b>                | <b>\$235,221,533</b>                |

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

## Debt Administration



At fiscal year end, the City had a total outstanding bonds and notes of \$127.1 million, a decrease of \$900 thousand over the previous year.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total State assessed valuation. The current debt limit for the City is \$411.7 million, which is significantly in excess of existing general obligation debt of \$127.1 million.

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

## **Federal Relief Funding**

The City has received significant amounts of federal relief funding to date, that have or will enable us to respond to near term financial needs as well as provide historic opportunities to strategically invest in our community and operations. In addition to being designated as an entitlement community for the historic American Rescue Plan Act funding, the City has received direct federal funding to support the operations of public transit system, our airport and convention, event center, as well as Community Development Act Grant funds to support local businesses and nonprofits. Lastly, the City was awarded funding to support a municipal awareness campaign from the State of Maine and continues to be eligible for Federal Emergency Management Agency funding.

## **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. With the retirement of the City Manager and a nationwide search underway for her replacement, this annual session was slightly delayed and will be in an abbreviated form. The City Council has identified the following four main goals; housing, homelessness, economic development and American Rescue Plan Act funding. City Council, in conjunction with City staff will identify priorities for each agreed upon goal in early February 2022.

## **Ongoing Initiatives**

**Public Transit.** As a result of significant Federal and State grant funding awarded to the City, the system has been able to replace its entire fleet of rolling stock and begin construction of a new hub. City staff and community partners continue to work on other areas of focus including the currently in process stop project, which will allow the operation to transition to fixed stops system, as well as the review of the current organization structure.

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

Affordable housing is not only a concern within our community, but statewide and nationwide. Sustained, historically lower interest rates, and the desire for home ownership, especially in less urban settings, during the pandemic has added to the dilemma. The State of Maine Commission to Increase Housing Opportunities in Maine Studying Zoning and Land Use Restrictions has recently issued recommendations to be considered by the Maine Legislature in the coming months. The majority of the recommendations have either already been implemented in Bangor, or represent restrictions that the City does not have in place. The discussion will be monitored by staff in the coming months and will be incorporated into our comprehensive plan update, which is currently underway.

**Homelessness.** As a service center located within a large geographically rural area, Bangor is home to a number of agencies that provide services typically needed to support individuals experiencing homelessness. Many persons experiencing homelessness are difficult to shelter due to mental illness, substance use disorder, and physical health complications. The City

continues to provide outreach and resources to individuals as well as organizations assisting persons experiencing homelessness, food insecurity, and other challenges. The collective goal being to move persons experiencing homelessness into permanent housing and ensure the individual has the support required including case management, mental health care, substance abuse treatment, daily living supports, and health care.

The pandemic further exacerbated the challenges for the population experiencing homelessness, creating acute service capacity issues within the existing system. Unfortunately, there are not enough service providers to support the entire region. The relocation of individuals from the more rural settings to Bangor has further added to the burden of our local service providers.

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

**Pandemic.** As we near the two year mark, since the declaration of a public health emergency, we've learned many lessons along the way. Where our organization may have once thought, a task or service couldn't be delivered in a different way, now we know it can. Fear of the unknown impacts, transmission risks and stay at home orders have been replaced by face coverings and sanitizing. The high level of demand for housing has resulted in the redevelopment of previously vacant properties.

Our employees are essential workers and have been on the frontlines since day one. Like most employers, pandemic fatigue in our workforce is real, however for a significant number of our employees it is at a greater level due to their work in public safety and public health working with those most vulnerable in our community.

The so-called "great resignation" is impacting what our community looks like. There is a significant labor shortage, and all employers are looking for the same quality employees. Businesses are having to adapt their business model to reflect what can be provided with the current limitations of goods and employees. While not all workforce issues affect municipal government similarly, this shift has certainly presented a new set of challenges as we have limited ability to allow for remote work or flexible scheduling as so much of what we do is based on the need to provide day to day/face to face service for our residents.

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

## **Tax Shift**

One of the largest challenges faced by the City of Bangor is the incremental nature of Federal and State budget decisions. While single changes implemented over a number of sessions seem tolerable, the totality of these actions has resulted in a significant tax shift to municipalities. These actions include State legislative mandates to municipalities with no State funding such as; transfer of normal costs of teacher retirement, shifts in general assistance and MaineCare changes. While the State of Maine Legislature has made significant strides to increase funding of revenue sharing and aid to education to near statutorily required levels, the concern is whether or not this trend is sustainable absent federal relief funding.

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

- Impact of COVID 19.
- The unemployment rate remains low and on par with State rates and well below national rates.
- While Bangor represents less than 3% of the State's population, businesses within the City generate 6.90% of the State's retail sales tax.
- Residential properties valuations are increasing at a higher rate due to low supply, high demand and low interest rates.
- Bangor businesses continue to reinvest in personal property. While not subject to local taxation, the value of BETE property (net of depreciation) in FY 2021 increased \$10.1 million, or 6.8%, for a total of \$159.1 million.

The fiscal year 2022 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 2022, the City's taxable assessed value increased 2.4%. This increase represents both new valuation as well as the impact of market based adjustments to existing properties. Bolstered by the Maine State Legislature's action to return state revenue sharing and aid to education funding to near statutorily required levels and the increase in taxable assessed value, the City's FY 2022 tax rate decrease 3.9%. For the first time in recent memory the increase in non-tax revenues exceeded the increase in 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 continue and creating wage compression across many of the City's pay classifications. The budget allowed the City Council to provide at least a 3.00% increase to employees, as well as maintain increased levels of investment in infrastructure.

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

Bangor serves as one of the largest retail markets in Maine. The Bangor Mall, Airport Mall, Broadway commercial center, Union Street commercial corridor, and the Bangor Center Development District (downtown) have long established Bangor as the hub of the six county eastern Maine retail market. Changes in retail markets due to the effects of on-line retail and the growth of experiential shopping trends had resulted in several national chain store closures (i.e. Macy's, Sears). But, few other negative impacts have been seen due to the pandemic even with COVID 19 restrictions, changes in individual behaviors, and the continued closure of the Canadian border.

Not unlike other labor markets, the City and region will likely continue to face a mismatch between workforce skills and available employment opportunities. As wages and fringe benefits making up over 60% of the total expenditure budget, the labor shortage and wage compression noted above will likely have a continued impact on future budgets.

This year the City continued its' work on an estimated \$31 million sewer infrastructure project, the Davis Brook tank installation. This project is expected to be completed in the summer of 2022 and involves the installation of a 3.8 million gallon holding tank along the Penobscot River. This additional storage capacity is required to further reduce the number of discharges to the river of combined sewer overflows that occur within the City's system during high flow events (i.e. rain, snow melt). This investment is being made to ensure continued compliance with the City's consent decree with the Federal Environmental Protection Agency (a copy of which is available at the Wastewater Treatment Plant page of the City's website [www.bangormaine.gov](http://www.bangormaine.gov)).

While the State of Maine's 2022-2023 Biennial budget has been adopted, it is fairly common for the Legislature to enact supplemental budget provisions to the second year of the biennial budget. At this point, all indications are that any proposed amendments would not have a negative impact on municipalities. However, 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, 2021**

|   | Primary Government         |                             |                       | Component Unit           |
|---|----------------------------|-----------------------------|-----------------------|--------------------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total                 | Bangor<br>Public Library |
| <b>ASSETS</b>   |                            |                             |                       |                          |
| Cash and cash equivalents   | \$ 41,701,611              | \$ 13,095,665               | \$ 54,797,276         | \$ 309,584               |
| Investments   | 50,000                     | 16,006,016                  | 16,056,016            | 14,454,442               |
| Receivables:  |                            |                             |                       |                          |
| Accounts (net of allowance of<br>\$541,963 and \$198,579, respectively) | 1,358,465                  | 7,645,792                   | 9,004,257             | 15                       |
| Intergovernmental   | 10,876,614                 | 6,221,999                   | 17,098,613            | -                        |
| Taxes and liens - prior years   | 689,680                    | -                           | 689,680               | -                        |
| Taxes receivable - current year   | 882,706                    | -                           | 882,706               | -                        |
| Special assessments   | 30,130                     | -                           | 30,130                | -                        |
| Loans and notes   | 4,507,811                  | 1,328,759                   | 5,836,570             | -                        |
| Internal balances   | 13,975,000                 | (13,975,000)                | -                     | -                        |
| Inventories   | 894,981                    | 374,946                     | 1,269,927             | -                        |
| Prepaid items   | 182,245                    | 499,853                     | 682,098               | 33,900                   |
| Other assets  | -                          | 254,056                     | 254,056               | -                        |
| Non-depreciable capital assets  | 11,859,934                 | 36,167,320                  | 48,027,254            | -                        |
| Depreciable capital assets, net   | 75,703,222                 | 199,054,213                 | 274,757,435           | 10,997,978               |
| <b>Total assets</b>   | <b>\$ 162,712,399</b>      | <b>\$ 266,673,619</b>       | <b>\$ 429,386,018</b> | <b>\$ 25,795,919</b>     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                   |                            |                             |                       |                          |
| Net OPEB  | \$ 3,182,369               | \$ 295,879                  | \$ 3,478,248          | \$ -                     |
| Net pension   | 3,926,086                  | 222,576                     | 4,148,662             | -                        |
| Deferred charge on refunding  | -                          | 1,115,708                   | 1,115,708             | -                        |
| <b>Total deferred outflows of resources</b>                             | <b>\$ 7,108,455</b>        | <b>\$ 1,634,163</b>         | <b>\$ 8,742,618</b>   | <b>\$ -</b>              |
| <b>LIABILITIES</b>  |                            |                             |                       |                          |
| Accounts payable and other current liabilities                          | \$ 4,632,997               | \$ 7,474,208                | \$ 12,107,205         | \$ 132,092               |
| Accrued wages and benefits payable                                      | 4,969,498                  | 441,303                     | 5,410,801             | -                        |
| Unearned revenues   | 10,330,839                 | 1,132,736                   | 11,463,575            | -                        |
| Noncurrent liabilities:   |                            |                             |                       |                          |
| Due within one year   | 8,366,521                  | 5,466,318                   | 13,832,839            | -                        |
| Due in more than one year   | 73,405,052                 | 77,898,170                  | 151,303,222           | 67,552                   |
| <b>Total liabilities</b>  | <b>\$ 101,704,907</b>      | <b>\$ 92,412,735</b>        | <b>\$ 194,117,642</b> | <b>\$ 199,644</b>        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                    |                            |                             |                       |                          |
| Deferred revenues - assessments   | \$ 30,130                  | \$ -                        | \$ 30,130             | \$ -                     |
| Net OPEB  | 628,459                    | -                           | 628,459               | -                        |
| Net pension   | 102,234                    | -                           | 102,234               | -                        |
| <b>Total deferred inflows of resources</b>                              | <b>\$ 760,823</b>          | <b>\$ -</b>                 | <b>\$ 760,823</b>     | <b>\$ -</b>              |
| <b>NET POSITION</b>   |                            |                             |                       |                          |
| Net investment in capital assets  | \$ 66,647,997              | \$ 162,260,552              | \$ 228,908,549        | \$ 10,997,978            |
| Restricted for:   |                            |                             |                       |                          |
| Nonexpendable trust principal   | 389,245                    | -                           | 389,245               | -                        |
| Expendable income   | 504,187                    | -                           | 504,187               | -                        |
| Grants and other balances   | 9,325,234                  | -                           | 9,325,234             | 13,686,588               |
| Unrestricted  | (9,511,539)                | 13,634,495                  | 4,122,956             | 911,709                  |
| <b>Total net position</b>   | <b>\$ 67,355,124</b>       | <b>\$ 175,895,047</b>       | <b>\$ 243,250,171</b> | <b>\$ 25,596,275</b>     |

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

| Functions/programs  | Expenses              | Program Revenues        |  |  | Net (expense) revenue and changes<br>in net position |                             |                       | Component Unit<br>Bangor<br>Public Library |
|---|-----------------------|-------------------------|--|--|--|-----------------------------|-----------------------|--|
|   |                       | Charges for<br>services | Operating<br>grants and<br>contributions | Capital<br>grants and<br>contributions | Primary Government                                   |                             | Total                 |  |
|   |                       |                         |  |  | Governmental<br>activities                           | Business-type<br>activities |                       |  |
| <b>Primary government</b>                                     |                       |                         |  |  |  |                             |                       |  |
| Governmental activities:                                      |                       |                         |  |  |  |                             |                       |  |
| General government  | \$ 7,345,261          | \$ 2,644,918            | \$ 305,857                               | \$ -                                   | \$ (4,394,486)                                       | \$ -                        | \$ (4,394,486)        | \$ -                                       |
| Public safety   | 22,617,826            | 3,637,747               | 563,762                                  | 324,425                                | (18,091,892)   | -                           | (18,091,892)          | -  |
| Health, community services, and recreation                    | 8,841,142             | 1,007,245               | 5,444,710                                | 53,000                                 | (2,336,187)  | -                           | (2,336,187)           | -  |
| Public services   | 13,910,879            | 1,282,795               | 10,874                                   | 3,084,233                              | (9,532,977)  | -                           | (9,532,977)           | -  |
| Other agencies  | 5,394,392             | -                       | -  | -                                      | (5,394,392)  | -                           | (5,394,392)           | -  |
| Education   | 63,836,366            | 5,659,620               | 37,166,712                               | 472,500                                | (20,537,534)   | -                           | (20,537,534)          | -  |
| Arena development   | 4,883                 | -                       | 1,624,562                                | -                                      | 1,619,679  | -                           | 1,619,679             | -  |
| Community development   | 1,448,764             | 510,103                 | 549,580                                  | -                                      | (389,081)  | -                           | (389,081)             | -  |
| Waterfront  | 242,681               | -                       | -  | 52,905                                 | (189,776)  | -                           | (189,776)             | -  |
| Public transportation   | 4,201,030             | 536,012                 | 3,078,320                                | 149,000                                | (437,698)  | -                           | (437,698)             | -  |
| Economic development (TIF)                                    | 756,951               | -                       | -  | -                                      | (756,951)  | -                           | (756,951)             | -  |
| Interest on debt  | 1,715,960             | -                       | -  | -                                      | (1,715,960)  | -                           | (1,715,960)           | -  |
| Total governmental activities                                 | 130,316,135           | 15,278,440              | 48,744,377                               | 4,136,063                              | (62,157,255)   | -                           | (62,157,255)          | -  |
| Business-type activities:                                     |                       |                         |  |  |  |                             |                       |  |
| Sewer Utility   | 6,726,312             | 9,399,493               | -  | -                                      | -  | 2,673,181                   | 2,673,181             | -  |
| Airport   | 22,645,811            | 16,429,970              | -  | 7,940,828                              | -  | 1,724,987                   | 1,724,987             | -  |
| Stormwater Utility  | 797,113               | 1,277,113               | -  | 48,000                                 | -  | 528,000                     | 528,000               | -  |
| Parking   | 816,077               | 698,934                 | -  | -                                      | -  | (117,143)                   | (117,143)             | -  |
| Bass Park   | 5,694,980             | 663,123                 | 2,244,355                                | -                                      | -  | (2,787,502)                 | (2,787,502)           | -  |
| Municipal Golf Course   | 815,110               | 914,169                 | -  | -                                      | -  | 99,059                      | 99,059                | -  |
| Economic Development  | 390,347               | 423,066                 | -  | -                                      | -  | 32,719                      | 32,719                | -  |
| Total business-type activities                                | 37,885,750            | 29,805,868              | 2,244,355                                | 7,988,828                              | -  | 2,153,301                   | 2,153,301             | -  |
| <b>Total primary government</b>                               | <b>\$ 168,201,885</b> | <b>\$ 45,084,308</b>    | <b>\$ 50,988,732</b>                     | <b>\$ 12,124,891</b>                   | <b>(62,157,255)</b>                                  | <b>2,153,301</b>            | <b>(60,003,954)</b>   | <b>-</b>                                   |
| <b>Component unit</b>   |                       |                         |  |  |  |                             |                       |  |
| <b>Bangor Public Library</b>                                  | <b>\$ 2,924,104</b>   | <b>\$ (4,216)</b>       | <b>\$ 1,957,605</b>                      | <b>\$ -</b>                            |  |                             |                       | <b>\$ (970,715)</b>                        |
| General revenues:   |                       |                         |  |  |  |                             |                       |  |
| Property taxes, levied for general purposes                   |                       |                         |  |  | 59,643,454   | 1,860,838                   | 61,504,292            | -  |
| Payment in lieu of taxes                                      |                       |                         |  |  | 316,003  | -                           | 316,003               | -  |
| Excise taxes  |                       |                         |  |  | 7,376,295  | -                           | 7,376,295             | -  |
| Franchise taxes   |                       |                         |  |  | 374,812  | -                           | 374,812               | -  |
| Grants and contributions not restricted to specific programs: |                       |                         |  |  |  |                             |                       |  |
| Homestead/BETE exemption                                      |                       |                         |  |  | 4,203,837  | -                           | 4,203,837             | -  |
| Other State aid   |                       |                         |  |  | 25,905   | -                           | 25,905                | -  |
| State Revenue Sharing   |                       |                         |  |  | 5,355,342  | -                           | 5,355,342             | -  |
| Unrestricted investment earnings                              |                       |                         |  |  | 688,379  | 979,424                     | 1,667,803             | 2,834,956                                  |
| Gain (loss) on sale of assets                                 |                       |                         |  |  | 306,733  | 11,944                      | 318,677               | -  |
| Transfers   |                       |                         |  |  | (590,000)  | 590,000                     | -                     | -  |
| Total general revenues and transfers                          |                       |                         |  |  | 77,700,760   | 3,442,206                   | 81,142,966            | 2,834,956                                  |
| Change in net position  |                       |                         |  |  | 15,543,505   | 5,595,507                   | 21,139,012            | 1,864,241                                  |
| Net position, beginning of year - Restated Note G             |                       |                         |  |  | 51,811,619   | 170,299,540                 | 222,111,159           | 23,732,034                                 |
| <b>Net position, end of year</b>                              |                       |                         |  |  | <b>\$ 67,355,124</b>                                 | <b>\$ 175,895,047</b>       | <b>\$ 243,250,171</b> | <b>\$ 25,596,275</b>                       |

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

|   | General              | Capital<br>Projects<br>Fund | ARPA<br>Fund         | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|-----------------------------|----------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>   |                      |                             |                      |                                |                                |
| Cash and cash equivalents   | \$ 19,192,397        | \$ 9,290,121                | \$ 10,250,704        | \$ 2,968,389                   | \$ 41,701,611                  |
| Investments   | 50,000               | -                           | -                    | -                              | 50,000                         |
| Receivables:  |                      |                             |                      |                                |                                |
| Accounts (net of allowance of \$541,963)                                  | 1,131,325            | -                           | -                    | 227,140                        | 1,358,465                      |
| Intergovernmental   | 7,090,760            | 3,460,185                   | -                    | 325,669                        | 10,876,614                     |
| Taxes   | 1,572,386            | -                           | -                    | -                              | 1,572,386                      |
| Special assessments   | -                    | 30,130                      | -                    | -                              | 30,130                         |
| Loans and notes   | -                    | -                           | -                    | 4,507,811                      | 4,507,811                      |
| Interfund   | 14,217,830           | -                           | -                    | -                              | 14,217,830                     |
| Inventory, at cost  | 894,981              | -                           | -                    | -                              | 894,981                        |
| Prepaid items   | 182,245              | -                           | -                    | -                              | 182,245                        |
| <b>Total assets</b>   | <b>\$ 44,331,924</b> | <b>\$ 12,780,436</b>        | <b>\$ 10,250,704</b> | <b>\$ 8,029,009</b>            | <b>\$ 75,392,073</b>           |
| <b>LIABILITIES</b>  |                      |                             |                      |                                |                                |
| Accounts payable  | \$ 1,966,345         | \$ 2,134,349                | \$ -                 | \$ 104,720                     | \$ 4,205,414                   |
| Accrued wages and benefits payable  | 4,917,060            | 673                         | -                    | 51,765                         | 4,969,498                      |
| Interfund loans payable   | -                    | -                           | -                    | 242,830                        | 242,830                        |
| Unearned revenues   | -                    | 41,633                      | 10,239,149           | 50,057                         | 10,330,839                     |
| Due to rehabilitation recipients  | -                    | -                           | -                    | 106,061                        | 106,061                        |
| <b>Total liabilities</b>  | <b>6,883,405</b>     | <b>2,176,655</b>            | <b>10,239,149</b>    | <b>555,433</b>                 | <b>19,854,642</b>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                      |                             |                      |                                |                                |
| Unavailable revenues - property taxes                                     | 1,364,564            | -                           | -                    | -                              | 1,364,564                      |
| Unavailable revenues - special assessments                                | -                    | 30,130                      | -                    | -                              | 30,130                         |
| <b>Total deferred inflows of resources</b>                                | <b>1,364,564</b>     | <b>30,130</b>               | <b>-</b>             | <b>-</b>                       | <b>1,394,694</b>               |
| <b>FUND BALANCES (Note J)</b>   |                      |                             |                      |                                |                                |
| Nonspendable  | 2,977,726            | -                           | -                    | 389,245                        | 3,366,971                      |
| Restricted  | 3,660,719            | -                           | -                    | 6,168,702                      | 9,829,421                      |
| Committed   | 715,470              | -                           | -                    | 915,629                        | 1,631,099                      |
| Assigned  | 8,806,620            | 10,573,651                  | 11,555               | -                              | 19,391,826                     |
| Unassigned  | 19,923,420           | -                           | -                    | -                              | 19,923,420                     |
| <b>Total fund balances</b>  | <b>36,083,955</b>    | <b>10,573,651</b>           | <b>11,555</b>        | <b>7,473,576</b>               | <b>54,142,737</b>              |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 44,331,924</b> | <b>\$ 12,780,436</b>        | <b>\$ 10,250,704</b> | <b>\$ 8,029,009</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.  | 87,563,156           |
| Unavailable revenues - property taxes are not available to pay for current-period expenditures and, therefore, are deferred in the funds.  | 1,364,564            |
| Long-term liabilities, including bonds and notes payable \$47,840,850, accrued interest \$321,522, accrued compensated absences \$2,227,389, self insurance liability \$2,977,074, bond premium \$1,103,632, capital leases \$483,188, and net pension \$5,313,770 and OPEB \$15,447,908 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. | (75,715,333)         |
| Net position of governmental activities  | <b>\$ 67,355,124</b> |

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**

|  | General              | Capital<br>Projects<br>Fund | ARPA<br>Fund     | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-----------------------------|------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>  |                      |                             |                  |                                |                                |
| Taxes  | \$ 65,932,954        | \$ 2,172,371                | \$ -             | \$ -                           | \$ 68,105,325                  |
| Intergovernmental  | 48,102,881           | 3,522,537                   | -                | 8,283,494                      | 59,908,912                     |
| Licenses and permits   | 807,226              | -                           | -                | -                              | 807,226                        |
| Charges for services   | 12,554,632           | -                           | -                | 513,712                        | 13,068,344                     |
| Program income   | -                    | -                           | -                | 57,686                         | 57,686                         |
| Revenue from use of money and property                           | 1,126,548            | 172,512                     | 11,555           | 1,708,355                      | 3,018,970                      |
| Other  | 16,167               | 641,810                     | -                | 966,553                        | 1,624,530                      |
| <b>Total revenues</b>  | <b>128,540,408</b>   | <b>6,509,230</b>            | <b>11,555</b>    | <b>11,529,800</b>              | <b>146,590,993</b>             |
| <b>Expenditures</b>  |                      |                             |                  |                                |                                |
| Current:   |                      |                             |                  |                                |                                |
| General government   | 5,667,140            | -                           | -                | -                              | 5,667,140                      |
| Public safety  | 20,203,046           | -                           | -                | -                              | 20,203,046                     |
| Health, community services, and recreation                       | 4,196,154            | -                           | -                | -                              | 4,196,154                      |
| Public services  | 9,501,145            | -                           | -                | -                              | 9,501,145                      |
| Other agencies   | 5,384,392            | -                           | -                | -                              | 5,384,392                      |
| Education  | 64,858,915           | -                           | -                | -                              | 64,858,915                     |
| Tax increment financing  | 813,780              | -                           | -                | -                              | 813,780                        |
| Unclassified   | 108,035              | -                           | -                | -                              | 108,035                        |
| Restricted grants  | -                    | -                           | -                | 9,867,830                      | 9,867,830                      |
| Capital outlay   | 1,844,192            | 12,887,701                  | -                | -                              | 14,731,893                     |
| Debt service   | 5,949,459            | 232,088                     | -                | 138,550                        | 6,320,097                      |
| <b>Total expenditures</b>  | <b>118,526,258</b>   | <b>13,119,789</b>           | <b>-</b>         | <b>10,006,380</b>              | <b>141,652,427</b>             |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>10,014,150</b>    | <b>(6,610,559)</b>          | <b>11,555</b>    | <b>1,523,420</b>               | <b>4,938,566</b>               |
| <b>Other financing sources (uses)</b>                            |                      |                             |                  |                                |                                |
| General obligation bonds issued                                  | -                    | 2,210,500                   | -                | -                              | 2,210,500                      |
| Premium on debt issuance   | -                    | 124,984                     | -                | -                              | 124,984                        |
| Sale of assets and miscellaneous                                 | 207,593              | 174,518                     | -                | -                              | 382,111                        |
| Transfers to other funds   | (1,558,180)          | (61,722)                    | -                | (1,300,500)                    | (2,920,402)                    |
| Transfers from other funds                                       | 76,136               | 2,248,680                   | -                | 5,586                          | 2,330,402                      |
| <b>Total other financing sources (uses)</b>                      | <b>(1,274,451)</b>   | <b>4,696,960</b>            | <b>-</b>         | <b>(1,294,914)</b>             | <b>2,127,595</b>               |
| <b>Net change in fund balances</b>                               | <b>8,739,699</b>     | <b>(1,913,599)</b>          | <b>11,555</b>    | <b>228,506</b>                 | <b>7,066,161</b>               |
| <b>Fund balances, beginning of year - Restated Note G</b>        | <b>27,344,256</b>    | <b>12,487,250</b>           | <b>-</b>         | <b>7,245,070</b>               | <b>47,076,576</b>              |
| <b>Fund balances, end of year</b>                                | <b>\$ 36,083,955</b> | <b>\$ 10,573,651</b>        | <b>\$ 11,555</b> | <b>\$ 7,473,576</b>            | <b>\$ 54,142,737</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, 2021**

|  |    |                      |
|--|----|----------------------|
| Net change in fund balances - total governmental funds (from Exhibit 4)  | \$ | 7,066,161            |
| <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 \$10,420,036 exceeds loss on disposal of assets of \$75,378 and depreciation expense of \$5,095,920.</p>  |    |                      |
|  |    | 5,248,738            |
| <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>  |    |                      |
|  |    | (480,507)            |
| <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 \$92,563 in bond premiums and amortized \$116,428 of bond premiums. During the year, \$2,210,500 in bond proceeds were received. 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 position. For the year, repayments were \$5,430,735.</p> |    |                      |
|  |    | 3,244,100            |
| <p>Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental fund statements. The differences are as follows: decreases in accrued interest (\$3,171), OPEB liability including deferred outflows and inflows (\$443,135), and self insurance liability (\$692,985) and increases in accrued compensated absences (\$51,836), and net pension liability including deferred outflows and inflows of (\$622,442).</p>  |    |                      |
|  |    | 465,013              |
| <b>Change in net position of governmental activities (see Exhibit 2)</b>   |    | <b>\$ 15,543,505</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, 2021**

|   | Budgeted amounts   |                    | Actual               | Variance with                          |
|---|--------------------|--------------------|----------------------|--|
|   | Original           | Final              |                      | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>   |                    |                    |                      |  |
| Taxes   | \$ 64,288,376      | \$ 64,288,376      | \$ 65,781,403        | \$ 1,493,027                           |
| Intergovernmental   | 34,701,284         | 34,701,284         | 43,156,784           | 8,455,500                              |
| Licenses and permits  | 598,118            | 598,118            | 807,226              | 209,108                                |
| Charges for services:   |                    |                    |                      |  |
| Municipal   | 7,836,167          | 7,836,167          | 6,920,381            | (915,786)                              |
| School  | 5,466,194          | 5,466,194          | 5,561,116            | 94,922                                 |
| Fines, forfeits and penalties   | 22,000             | 22,000             | 16,167               | (5,833)                                |
| Revenue from use of money and property                                  |                    |                    |                      |  |
| Municipal   | 844,800            | 844,800            | 959,544              | 114,744                                |
| <b>Total revenues</b>   | <b>113,756,939</b> | <b>113,756,939</b> | <b>123,202,621</b>   | <b>9,445,682</b>                       |
| <b>Expenditures</b>   |                    |                    |                      |  |
| Current:  |                    |                    |                      |  |
| General government  | 6,203,042          | 6,359,766          | 5,638,518            | 721,248                                |
| Public safety   | 20,876,325         | 20,953,892         | 20,492,567           | 461,325                                |
| Health, community services, and recreation                              | 5,244,574          | 5,276,574          | 4,226,355            | 1,050,219                              |
| Public services   | 11,530,933         | 11,530,933         | 9,743,959            | 1,786,974                              |
| Other agencies  | 5,521,529          | 5,542,039          | 5,384,392            | 157,647                                |
| Education   | 58,630,259         | 62,029,892         | 63,283,600           | (1,253,708)                            |
| Unclassified  | 790,861            | 790,861            | 813,780              | (22,919)                               |
| Debt service  | 5,996,444          | 5,996,444          | 6,057,494            | (61,050)                               |
| <b>Total expenditures</b>   | <b>114,793,967</b> | <b>118,480,401</b> | <b>115,640,665</b>   | <b>2,839,736</b>                       |
| Excess (deficiency) of revenues<br>over (under) expenditures            | (1,037,028)        | (4,723,462)        | 7,561,956            | 12,285,418                             |
| <b>Other financing sources (uses)</b>                                   |                    |                    |                      |  |
| Appropriation from restricted, committed,<br>and assigned fund balances | 1,334,713          | 1,334,713          | -                    | (1,334,713)                            |
| Appropriation to assigned fund balance                                  | -                  | -                  | -                    | -                                      |
| Appropriation from unassigned fund balance                              | 956,610            | 956,610            | -                    | (956,610)                              |
| Sale of assets  | 41,000             | 41,000             | 35,616               | (5,384)                                |
| Contributions   | 2,500              | 2,500              | 245                  | (2,255)                                |
| Insurance settlements   | 35,000             | 35,000             | 108,855              | 73,855                                 |
| Contingency   | (500,000)          | (500,000)          | -                    | 500,000                                |
| Transfers to other funds  | (911,025)          | (911,025)          | (911,025)            | -                                      |
| Transfers from other funds  | 78,230             | 78,230             | 71,230               | (7,000)                                |
| <b>Total other financing sources (uses)</b>                             | <b>1,037,028</b>   | <b>1,037,028</b>   | <b>(695,079)</b>     | <b>(1,732,107)</b>                     |
| Net change in fund balances   | \$ -               | \$ (3,686,434)     | 6,866,877            | \$ 10,553,311                          |
| Unassigned fund balance, beginning of year                              |                    |                    | 14,547,264           |  |
| Changes in fund balance classification in accordance with GAAP          |                    |                    |                      |  |
| Changes in balances carried   |                    |                    | (1,249,035)          |  |
| Inventory and prepaids (GASB 54)  |                    |                    | (241,686)            |  |
| <b>Unassigned fund balance - City, end of year</b>                      |                    |                    | <b>\$ 19,923,420</b> |  |

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

| <b>Business-type Activities - Enterprise Funds</b> |                                   |                         |                           |   |  |
|--|-----------------------------------|-------------------------|---------------------------|---|--|
|  | <b>Sewer<br/>Utility<br/>Fund</b> | <b>Airport<br/>Fund</b> | <b>Bass Park<br/>Fund</b> | <b>Nonmajor<br/>Proprietary<br/>Funds</b> | <b>Total<br/>Proprietary<br/>Funds</b> |
| <b>ASSETS</b>                                      |                                   |                         |                           |   |  |
| Current assets                                     |                                   |                         |                           |   |  |
| Cash and cash equivalents                          | \$ 147,505                        | \$ 7,399,159            | \$ 1,547,558              | \$ 4,001,443                              | \$ 13,095,665                          |
| Investments  | -                                 | 7,247,945               | -                         | -   | 7,247,945                              |
| Accounts receivable                                | 2,968,320                         | 4,328,844               | 174,900                   | 372,307                                   | 7,844,371                              |
| Less allowance for uncollectible accounts          | (45,000)                          | (153,579)               | -                         | -   | (198,579)                              |
| Accounts receivable (net of allowance)             | 2,923,320                         | 4,175,265               | 174,900                   | 372,307                                   | 7,645,792                              |
| Due from other governments                         | 61,293                            | 3,918,115               | 2,242,591                 | -   | 6,221,999                              |
| Inventories, at cost                               | -                                 | 359,318                 | 15,628                    | -   | 374,946                                |
| Prepaid items                                      | -                                 | 286,157                 | 121,433                   | 92,263                                    | 499,853                                |
| <b>Total current assets</b>                        | <b>3,132,118</b>                  | <b>23,385,959</b>       | <b>4,102,110</b>          | <b>4,466,013</b>                          | <b>35,086,200</b>                      |
| Noncurrent assets                                  |                                   |                         |                           |   |  |
| Capital assets:                                    |                                   |                         |                           |   |  |
| Land and improvements                              | 683,865                           | -                       | 579,157                   | 5,008,359                                 | 6,271,381                              |
| Buildings and improvements                         | 30,119,766                        | -                       | 68,845,407                | 4,659,130                                 | 103,624,303                            |
| Machinery and equipment                            | 11,385,194                        | -                       | 2,158,202                 | 655,585                                   | 14,198,981                             |
| Infrastructure                                     | 72,189,477                        | -                       | -                         | 683,189                                   | 72,872,666                             |
| Aircraft operational assets                        | -                                 | 303,970,454             | -                         | -   | 303,970,454                            |
| Parking structures                                 | -                                 | -                       | -                         | 11,337,000                                | 11,337,000                             |
| Construction in process                            | 28,639,291                        | 6,080,930               | -                         | 196,227                                   | 34,916,448                             |
| <b>Total capital assets</b>                        | <b>143,017,593</b>                | <b>310,051,384</b>      | <b>71,582,766</b>         | <b>22,539,490</b>                         | <b>547,191,233</b>                     |
| Less accumulated depreciation                      | (52,130,532)                      | (220,630,367)           | (23,693,774)              | (15,515,027)                              | (311,969,700)                          |
| <b>Net capital assets</b>                          | <b>90,887,061</b>                 | <b>89,421,017</b>       | <b>47,888,992</b>         | <b>7,024,463</b>                          | <b>235,221,533</b>                     |
| Investments  | -                                 | 8,758,071               | -                         | -   | 8,758,071                              |
| Loans receivable                                   | -                                 | 54,382                  | -                         | 1,274,377                                 | 1,328,759                              |
| Due from bond trustee                              | 254,056                           | -                       | -                         | -   | 254,056                                |
| <b>Total noncurrent assets</b>                     | <b>91,141,117</b>                 | <b>98,233,470</b>       | <b>47,888,992</b>         | <b>8,298,840</b>                          | <b>245,562,419</b>                     |
| <b>Total assets</b>                                | <b>\$ 94,273,235</b>              | <b>\$ 121,619,429</b>   | <b>\$ 51,991,102</b>      | <b>\$ 12,764,853</b>                      | <b>\$ 280,648,619</b>                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                                   |                         |                           |   |  |
| OPEB   | \$ 53,844                         | \$ 232,456              | \$ -                      | \$ 9,579                                  | \$ 295,879                             |
| Net pension  | 62,747                            | 159,829                 | -                         | -   | 222,576                                |
| Deferred charge on refunding                       | -                                 | 263,851                 | 851,857                   | -   | 1,115,708                              |
| <b>Total deferred outflows of resources</b>        | <b>\$ 116,591</b>                 | <b>\$ 656,136</b>       | <b>\$ 851,857</b>         | <b>\$ 9,579</b>                           | <b>\$ 1,634,163</b>                    |

*See accompanying notes to financial statements.*

Continued on next page

**CITY OF BANGOR, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

**Business-type Activities - Enterprise Funds**

|                                    | Sewer<br>Utility<br>Fund | Airport<br>Fund       | Bass Park<br>Fund    | Nonmajor<br>Proprietary<br>Funds | Total<br>Proprietary<br>Funds |
|------------------------------------|--------------------------|-----------------------|----------------------|----------------------------------|-------------------------------|
| <b>LIABILITIES</b>                 |                          |                       |                      |                                  |                               |
| Current liabilities                |                          |                       |                      |                                  |                               |
| Accounts payable                   | \$ 2,924,741             | \$ 3,343,730          | \$ 382,353           | \$ 166,217                       | \$ 6,817,041                  |
| Accrued wages and benefits payable | 47,381                   | 189,584               | 185,221              | 19,117                           | 441,303                       |
| Accrued interest                   | 75,074                   | 54,984                | 500,654              | 26,455                           | 657,167                       |
| Workers' compensation              | 20,000                   | 172,879               | -                    | 5,000                            | 197,879                       |
| Interfund loans payable            | 12,275,000               | -                     | 1,700,000            | -                                | 13,975,000                    |
| General obligation debt payable    | 1,690,025                | 836,563               | 1,876,423            | 432,582                          | 4,835,593                     |
| Capital lease obligation payable   | -                        | -                     | 4,066                | 13,081                           | 17,147                        |
| Accrued compensated absences       | 50,305                   | 340,007               | -                    | 14,213                           | 404,525                       |
| Unearned revenue                   | -                        | -                     | 1,132,736            | -                                | 1,132,736                     |
| Other liabilities                  | 6,157                    | -                     | 5,017                | -                                | 11,174                        |
| <b>Total current liabilities</b>   | <b>17,088,683</b>        | <b>4,937,747</b>      | <b>5,786,470</b>     | <b>676,665</b>                   | <b>28,489,565</b>             |
| Long-term liabilities              |                          |                       |                      |                                  |                               |
| Workers' compensation              | -                        | 47,336                | -                    | -                                | 47,336                        |
| General obligation debt payable    | 17,318,492               | 7,866,574             | 47,462,210           | 1,790,774                        | 74,438,050                    |
| Capital lease obligation payable   | -                        | -                     | 14,039               | 13,608                           | 27,647                        |
| Accrued compensated absences       | 42,160                   | 152,945               | -                    | -                                | 195,105                       |
| OPEB liability                     | 503,604                  | 1,623,036             | -                    | 97,983                           | 2,224,623                     |
| Net pension liability              | 167,084                  | 425,649               | -                    | -                                | 592,733                       |
| Other long-term liabilities        | 267,326                  | -                     | 105,350              | -                                | 372,676                       |
| <b>Total long-term liabilities</b> | <b>18,298,666</b>        | <b>10,115,540</b>     | <b>47,581,599</b>    | <b>1,902,365</b>                 | <b>77,898,170</b>             |
| <b>Total liabilities</b>           | <b>\$ 35,387,349</b>     | <b>\$ 15,053,287</b>  | <b>\$ 53,368,069</b> | <b>\$ 2,579,030</b>              | <b>\$ 106,387,735</b>         |
| <b>NET POSITION</b>                |                          |                       |                      |                                  |                               |
| Net investment in capital assets   | \$ 72,663,872            | \$ 82,541,020         | \$ 1,533,936         | \$ 5,521,724                     | \$ 162,260,552                |
| Unrestricted                       | (13,661,395)             | 24,681,258            | (2,059,046)          | 4,673,678                        | 13,634,495                    |
| <b>Total net position</b>          | <b>\$ 59,002,477</b>     | <b>\$ 107,222,278</b> | <b>\$ (525,110)</b>  | <b>\$ 10,195,402</b>             | <b>\$ 175,895,047</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, 2021**

| <b>Business-type Activities - Enterprise Funds</b>                 |                                   |                         |                           |   |  |
|--|-----------------------------------|-------------------------|---------------------------|---|--|
|  | <b>Sewer<br/>Utility<br/>Fund</b> | <b>Airport<br/>Fund</b> | <b>Bass Park<br/>Fund</b> | <b>Nonmajor<br/>Proprietary<br/>Funds</b> | <b>Total<br/>Proprietary<br/>Funds</b> |
| Operating revenues   |                                   |                         |                           |   |  |
| Charges for services   | \$ 9,399,493                      | \$ 16,429,970           | \$ 663,123                | \$ 3,313,282                              | \$ 29,805,868                          |
| <b>Total operating revenues</b>                                    | <b>9,399,493</b>                  | <b>16,429,970</b>       | <b>663,123</b>            | <b>3,313,282</b>                          | <b>29,805,868</b>                      |
| Operating expenses   |                                   |                         |                           |   |  |
| Operating expenses other than depreciation                         | 5,295,814                         | 15,641,528              | 1,327,066                 | 2,255,660                                 | 24,520,068                             |
| Depreciation   | 1,142,552                         | 6,734,420               | 2,952,508                 | 475,670                                   | 11,305,150                             |
| <b>Total operating expenses</b>                                    | <b>6,438,366</b>                  | <b>22,375,948</b>       | <b>4,279,574</b>          | <b>2,731,330</b>                          | <b>35,825,218</b>                      |
| <b>Operating income (loss)</b>                                     | <b>2,961,127</b>                  | <b>(5,945,978)</b>      | <b>(3,616,451)</b>        | <b>581,952</b>                            | <b>(6,019,350)</b>                     |
| Nonoperating revenue (expenses)                                    |                                   |                         |                           |   |  |
| Intergovernmental  | -                                 | -                       | 2,244,355                 | -   | 2,244,355                              |
| Interest income  | 125,739                           | 682,347                 | -                         | 171,338                                   | 979,424                                |
| Interest expense   | (287,946)                         | (269,863)               | (1,415,406)               | (87,317)                                  | (2,060,532)                            |
| Taxes (Downtown TIF)   | -                                 | -                       | 1,860,838                 | -   | 1,860,838                              |
| Gain (loss) on sale of assets                                      | 11,944                            | -                       | -                         | -   | 11,944                                 |
| <b>Total nonoperating revenue (expenses)</b>                       | <b>(150,263)</b>                  | <b>412,484</b>          | <b>2,689,787</b>          | <b>84,021</b>                             | <b>3,036,029</b>                       |
| <b>Net income (loss) before grants/contributions and transfers</b> | <b>2,810,864</b>                  | <b>(5,533,494)</b>      | <b>(926,664)</b>          | <b>665,973</b>                            | <b>(2,983,321)</b>                     |
| Grants/contributions received for capital assets                   | -                                 | 7,940,828               | -                         | 48,000                                    | 7,988,828                              |
| Transfers to other funds   | (105,000)                         | -                       | -                         | (505,000)                                 | (610,000)                              |
| Transfers from other funds   | -                                 | -                       | 1,200,000                 | -   | 1,200,000                              |
| <b>Change in net position</b>                                      | <b>2,705,864</b>                  | <b>2,407,334</b>        | <b>273,336</b>            | <b>208,973</b>                            | <b>5,595,507</b>                       |
| <b>Net position, beginning of year</b>                             | <b>56,296,613</b>                 | <b>104,814,944</b>      | <b>(798,446)</b>          | <b>9,986,429</b>                          | <b>170,299,540</b>                     |
| <b>Net position, end of year</b>                                   | <b>\$ 59,002,477</b>              | <b>\$ 107,222,278</b>   | <b>\$ (525,110)</b>       | <b>\$ 10,195,402</b>                      | <b>\$ 175,895,047</b>                  |

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**  
**Business-type Activities - Enterprise Funds**

|   | Sewer<br>Utility<br>Fund | Airport<br>Fund     | Bass Park<br>Fund   | Nonmajor<br>Proprietary<br>Funds | Total<br>Proprietary<br>Funds |
|---|--------------------------|---------------------|---------------------|----------------------------------|-------------------------------|
| Cash flows from operating activities                            |                          |                     |                     |                                  |                               |
| Cash received from customers                                    | \$ 9,345,525             | \$ 16,728,649       | \$ 1,262,657        | \$ 3,297,149                     | \$ 30,633,980                 |
| Cash paid to suppliers for goods and services                   | (3,910,538)              | (6,794,713)         | (1,314,204)         | (1,702,465)                      | (13,721,920)                  |
| Cash paid to employees for services                             | (1,977,364)              | (8,196,062)         | -                   | (647,859)                        | (10,821,285)                  |
| Net cash provided by operating activities                       | 3,457,623                | 1,737,874           | (51,547)            | 946,825                          | 6,090,775                     |
| Cash flows from noncapital financing activities                 |                          |                     |                     |                                  |                               |
| Interfund loans (repayments)                                    | 12,315,927               | -                   | -                   | -                                | 12,315,927                    |
| Taxes (Downtown TIF)  | -                        | -                   | 1,860,838           | -                                | 1,860,838                     |
| Transfers in  | -                        | -                   | 1,200,000           | -                                | 1,200,000                     |
| Transfers out   | (105,000)                | -                   | -                   | (505,000)                        | (610,000)                     |
| Operating grants  | -                        | -                   | 1,764               | -                                | 1,764                         |
| Net cash provided by (used for) noncapital financing activities | 12,210,927               | -                   | 3,062,602           | (505,000)                        | 14,768,529                    |
| Cash flows from capital and related financing activities        |                          |                     |                     |                                  |                               |
| Proceeds from general obligation bonds                          | 600,000                  | 2,305,000           | -                   | 30,000                           | 2,935,000                     |
| Acquisition and construction of capital assets                  | (20,151,846)             | (5,263,315)         | -                   | (76,626)                         | (25,491,787)                  |
| Premium received  | -                        | -                   | 110,367             | -                                | 110,367                       |
| Principal paid on general obligation bonds/notes/capital leases | (1,815,443)              | (672,197)           | (1,351,662)         | (660,193)                        | (4,499,495)                   |
| Interest paid on general obligation bonds/notes/capital leases  | (298,116)                | (222,882)           | (1,330,865)         | (94,291)                         | (1,946,154)                   |
| Proceeds from sale of property                                  | 11,944                   | -                   | -                   | -                                | 11,944                        |
| Grant/contribution monies received for capital assets           | 7,412                    | 5,290,141           | -                   | 48,000                           | 5,345,553                     |
| Net cash used for capital and related financing activities      | (21,646,049)             | 1,436,747           | (2,572,160)         | (753,110)                        | (23,534,572)                  |
| Cash flows from investing activities                            |                          |                     |                     |                                  |                               |
| Net sales (purchases) of investments                            | -                        | (578,231)           | -                   | -                                | (578,231)                     |
| Investment of unexpended bond proceeds                          | 549,740                  | -                   | -                   | -                                | 549,740                       |
| Interest on investments   | 125,740                  | 682,348             | -                   | 171,338                          | 979,426                       |
| Loan repayments   | -                        | 52,040              | -                   | 24,227                           | 76,267                        |
| Net cash provided by investing activities                       | 675,480                  | 156,157             | -                   | 195,565                          | 1,027,202                     |
| Net increase in cash and cash equivalents                       | (5,302,019)              | 3,330,778           | 438,895             | (115,720)                        | (1,648,066)                   |
| Cash and cash equivalents, beginning of year                    | 5,449,524                | 4,068,381           | 1,108,663           | 4,117,163                        | 14,743,731                    |
| <b>Cash and cash equivalents, end of year</b>                   | <b>\$ 147,505</b>        | <b>\$ 7,399,159</b> | <b>\$ 1,547,558</b> | <b>\$ 4,001,443</b>              | <b>\$ 13,095,665</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 \$707,288 and expended \$1,997,892 in capital asset acquisition costs to be reimbursed by Federal and State grants in a subsequent year.

During the year, the Airport Fund refunded debt of \$1,880,000 by issuing new debt of \$2,180,000. The difference of \$300,000 is comprised of interest and issuance costs of \$36,149 and a defeasance of \$263,851.

During the year, the Bass Park Fund refunded debt of \$42,980,000 by issuing new debt of \$46,275,000. The difference of \$3,295,000 is comprised of extinguished bond premiums of \$2,003,218, interest and issuance costs of \$439,925 and a defeasance of \$851,857.

*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, 2021**

|   | Sewer<br>Utility<br>Fund | Airport<br>Fund     | Bass Park<br>Fund  | Nonmajor<br>Proprietary<br>Funds | Total<br>Proprietary<br>Funds |
|---|--------------------------|---------------------|--------------------|----------------------------------|-------------------------------|
| Reconciliation of operating income (loss) to net cash provided by operating activities        |                          |                     |                    |                                  |                               |
| Operating income (loss)   | \$ 2,961,127             | \$ (5,945,978)      | \$ (3,616,451)     | \$ 581,952                       | \$ (6,019,350)                |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities |                          |                     |                    |                                  |                               |
| Depreciation  | 1,142,552                | 6,734,420           | 2,952,508          | 475,670                          | 11,305,150                    |
| Changes in assets and liabilities:  |                          |                     |                    |                                  |                               |
| (Increase) decrease in accounts receivable  | (53,968)                 | 298,679             | 215,049            | (20,245)                         | 439,515                       |
| (Increase) decrease in inventories  | -                        | (90,154)            | 20,492             | -                                | (69,662)                      |
| (Increase) decrease in prepaid items  | -                        | (79,806)            | (56,813)           | 5,364                            | (131,255)                     |
| Increase (decrease) in accounts payable   | (602,734)                | (31,378)            | 15,739             | (71,163)                         | (689,536)                     |
| Increase (decrease) in unearned revenue   | -                        | -                   | 384,485            | -                                | 384,485                       |
| Increase (decrease) in other liabilities  | 10,646                   | 852,091             | 33,444             | (24,753)                         | 871,428                       |
| Total adjustments   | 496,496                  | 7,683,852           | 3,564,904          | 364,873                          | 12,110,125                    |
| <b>Net cash provided by operating activities</b>  | <b>\$ 3,457,623</b>      | <b>\$ 1,737,874</b> | <b>\$ (51,547)</b> | <b>\$ 946,825</b>                | <b>\$ 6,090,775</b>           |

*See accompanying notes to financial statements.*

**CITY OF BANGOR, MAINE**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

|                           | <b>Private<br/>Purpose<br/>Trust</b> |
|---------------------------|--------------------------------------|
| <hr/>                     |                                      |
| <b>ASSETS</b>             |                                      |
| Cash and cash equivalents | \$ 49,589                            |
| Investments               | 2,284,899                            |
| <b>Total assets</b>       | <b>\$ 2,334,488</b>                  |
| <hr/>                     |                                      |
| <b>NET POSITION</b>       |                                      |
| Net Position              | \$ 2,334,488                         |
| <b>Total net position</b> | <b>\$ 2,334,488</b>                  |
| <hr/>                     |                                      |

**CITY OF BANGOR, MAINE**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2021**

|   | <b>Private<br/>Purpose<br/>Trust</b> |
|---|--------------------------------------|
| <hr/>                                   |                                      |
| Additions:                              |                                      |
| Contributions                           | \$ 39,503                            |
| Investment income                       | 415,832                              |
| Total revenues                          | <hr/> 455,335 <hr/>                  |
| Deductions:                             |                                      |
| Payments to beneficiaries               | \$ 68,504                            |
| Other expenses                          | 11,826                               |
| Total expenditures                      | <hr/> 80,330 <hr/>                   |
| Net increase (decrease) in net position | <hr/> 375,005 <hr/>                  |
| Net position, beginning of year         | <hr/> 1,959,483 <hr/>                |
| <b>Net position, end of year</b>        | <b>\$ 2,334,488</b> <hr/>            |

*See accompanying notes to financial statements.*

## INDEX OF NOTES TO THE FINANCIAL STATEMENTS

| <u>Note</u>                                       |  | <u>Page</u> |
|---|--|-------------|
| <b>Summary of Significant Accounting Policies</b> |  |             |
| <b>A</b>  | Reporting Entity   | II – 32     |
| <b>B</b>  | Government-wide and Fund Financial Statements                    | II – 32     |
| <b>C</b>  | Measurement Focus, Basis of Accounting and Basis of Presentation | II – 33     |
| <b>D</b>  | Assets, Liabilities, Deferred Inflows/Outflows and Equity        | II – 35     |
| <b>Stewardship, Compliance and Accountability</b> |  |             |
| <b>A</b>  | Budgetary Information  | II – 39     |
| <b>B</b>  | Reconciliation of Budgetary Basis Statements                     | II – 40     |
| <b>C</b>  | Excess of Expenditures Over Appropriations                       | II – 40     |
| <b>D</b>  | Restricted Assets  | II – 40     |
| <b>Detailed Notes on All Funds</b>                |  |             |
| <b>A</b>  | Deposits and Investments   | II – 41     |
| <b>B</b>  | Property Tax   | II – 42     |
| <b>C</b>  | Capital Assets   | II – 43     |
| <b>D</b>  | Interfund Transactions   | II – 44     |
| <b>E</b>  | Due From Other Governments                                       | II – 45     |
| <b>F</b>  | Leases   | II – 45     |
| <b>G</b>  | Other Assets   | II – 47     |
| <b>H</b>  | Unearned Revenue   | II – 47     |
| <b>I</b>  | Long-Term Debt   | II – 47     |
| <b>J</b>  | Fund Balances  | II – 51     |
| <b>K</b>  | Net Position   | II – 52     |
| <b>Other Information</b>                          |  |             |
| <b>A</b>  | Risk Management  | II – 52     |
| <b>B</b>  | Tax Increment Financing Districts                                | II – 53     |
| <b>C</b>  | Contingent Liabilities   | II – 54     |
| <b>D</b>  | Retirement   | II – 54     |
| <b>E</b>  | Other Postemployment Benefits (OPEB)                             | II – 60     |
| <b>F</b>  | Subsequent Events  | II – 68     |
| <b>G</b>  | Restatement  | II – 69     |

**CITY OF BANGOR, MAINE**  
**Notes to the Financial Statements**  
**June 30, 2021**

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

**A. Reporting Entity**

The City of Bangor was incorporated under the laws of the State of Maine in 1834 and operates under a council/manager form of government. In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The criteria used to determine which entities, agencies, commissions, boards and authorities are part of the City's operations are contingent upon which entities are financially dependent on the City.

The Bangor Public Library is a nonprofit organization, which operates under the control of a nine-member Board of Trustees. The Bangor City Council appoints all members of the Library Board in accordance with the City of Bangor Charter. The Board has the power to hire officers, approve the budget and direct the operations of the Library. However, the Library is financially dependent upon the City in that the City provides approximately 48% of the operating financial support received by the Library during the year ended June 30, 2021. The City believes that the financial statements would be incomplete without the inclusion of the Library as a discretely presented component unit. Complete financial statements may be obtained from the Bangor Public Library, 145 Harlow Street, Bangor, ME 04401.

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

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

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

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

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

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

---

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

---

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund type:

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

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

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

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

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

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

---

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

**1. Deposits and Investments**

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

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

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

**4. Capital Assets**

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

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

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

---

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

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

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

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

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

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

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

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

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

---

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

---

**6. Compensated Absences**

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

**7. Long-term Obligations**

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

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

**8. Fund Equity**

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

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

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

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

---

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

---

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

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

**10. Pensions**

For purposes of measuring the net pension 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**

---

---

**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

---

**A. Budgetary Information**

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

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

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

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

Maine Public Employees Retirement contributions are made by the State of Maine on behalf of the School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$4,979,611. 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**

---

**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) | \$ 6,584,145        |
| Activity in assigned and committed fund balances   | 860,509             |
| 2021 encumbrances  | 2,671,129           |
| 2020 encumbrances paid   | (1,357,495)         |
| 2020 encumbrances lapsed   | <u>(18,589)</u>     |
| Excess of revenues and other financing sources over expenditures and other uses (GAAP)             | <u>\$ 8,739,699</u> |

**C. Excess of Expenditures Over Appropriations**

The following General Fund appropriations were over-expended by the indicated dollar amounts; Other agencies \$596, Education \$1,253,708, Pensions and other fringe benefits \$59,579, Debt service \$1,471 and Tax increment financing payments \$22,919. These over-expenditures were funded by receipt of revenues in excess of appropriations and under-expenditures.

**D. Restricted Assets**

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

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

**DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a policy with respect to custodial credit risk for deposit accounts. The City maintained certain accounts whose balances were fully covered, for other accounts in which the balance exceeded the \$250,000 provided by the Federal Deposit Insurance Corporation (FDIC), pledged collateral securities were held in the City's name. As of June 30, 2021, none of the City's bank balance of \$57,203,861 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, 2021, the City had the following investments and maturities:

| Investment types       | Rating    | Fair Value           | Not Applicable      | Maturity (years)    |                     |                   |
|------------------------|-----------|----------------------|---------------------|---------------------|---------------------|-------------------|
|                        |           |                      |                     | <1                  | 1-5                 | 6-10              |
| Mutual Funds           |           | \$ 6,188,679         | \$ 6,188,679        | \$ -                | \$ -                | \$ -              |
| Municipal Bonds        | AAA       | 22,706               | -                   | -                   | 22,706              | -                 |
| US Treasuries          | AA+       | 4,106,792            | -                   | 404,496             | 3,702,296           | -                 |
| Corporate Bonds        | AA - BBB+ | 5,488,966            | -                   | 706,023             | 4,586,597           | 196,346           |
| Common Stock           |           | 2,077,050            | 2,077,050           | -                   | -                   | -                 |
| Certificate of Deposit |           | 456,722              | -                   | 206,597             | 250,125             | -                 |
| Totals                 |           | <u>\$ 18,340,915</u> | <u>\$ 8,265,729</u> | <u>\$ 1,317,116</u> | <u>\$ 8,561,724</u> | <u>\$ 196,346</u> |

| Investment types | Fair Value           | Level 1<br>Inputs    | Level 2<br>Inputs | Level 3<br>Inputs |
|------------------|----------------------|----------------------|-------------------|-------------------|
| Mutual Funds     | \$ 6,188,679         | \$ 6,188,679         | \$ -              | \$ -              |
| Municipal Bonds  | 22,706               | 22,706               | -                 | -                 |
| US Treasuries    | 4,106,792            | 4,106,792            | -                 | -                 |
| Corporate Bonds  | 5,488,966            | 5,488,966            | -                 | -                 |
| Common Stock     | 2,077,050            | 2,077,050            | -                 | -                 |
| Totals           | <u>\$ 17,884,193</u> | <u>\$ 17,884,193</u> | <u>\$ -</u>       | <u>\$ -</u>       |

Interest Rate Risk

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

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

---

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

---

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S agencies, repurchase agreements, and certain corporate stocks, bonds and mutual funds. In accordance with City policy, investments in certificates of deposits must be F.D.I.C. insured and any excess of the amounts covered by insurance must be collateralized in accordance with Title 30-A, Section 5706 of the Maine Revised Statutes; investments in mutual funds must be "no load" (which means no commission or fee shall be charged on the purchase or sale), have a constant daily net asset value of \$1.00 per share and limit assets of the fund to U.S. Treasury Obligations or Federal Instrumentality or Agency Securities; the total investments in stock cannot exceed 10% of the portfolio value and no more than 5% can be invested in any one company. Of the total investments, \$2,126,012 including \$1,264,501 in common stock, are related to School Scholarship accounts and are not subject to the City investment policy.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. As of June 30, 2021, 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 8, 2020, 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 15, 2020 and March 15, 2021. 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, 2021 was as follows:

|  | Balance<br>June 30, 2020 | Increases           | Decreases           | Balance<br>June 30, 2021 |
|--|--------------------------|---------------------|---------------------|--------------------------|
| <b>Governmental activities:</b>                    |                          |                     |                     |                          |
| Capital assets, not being depreciated:             |                          |                     |                     |                          |
| Land   | \$ 5,063,668             | \$ -                | \$ -                | \$ 5,063,668             |
| Construction in process                            | 2,779,980                | 5,834,640           | 1,818,354           | 6,796,266                |
| Total capital assets not being depreciated         | 7,843,648                | 5,834,640           | 1,818,354           | 11,859,934               |
| Capital assets, being depreciated:                 |                          |                     |                     |                          |
| Land improvements                                  | 16,043,356               | -                   | -                   | 16,043,356               |
| Buildings and improvements                         | 75,124,871               | 1,435,558           | -                   | 76,560,429               |
| Machinery and equipment                            | 13,853,146               | 1,214,097           | -                   | 15,067,243               |
| Vehicles   | 25,409,376               | 1,832,925           | 592,320             | 26,649,981               |
| Infrastructure                                     | 26,446,873               | 1,921,170           | -                   | 28,368,043               |
| Total capital assets being depreciated             | 156,877,622              | 6,403,750           | 592,320             | 162,689,052              |
| Less accumulated depreciation for:                 |                          |                     |                     |                          |
| Land improvements                                  | (7,879,977)              | (698,771)           | -                   | (8,578,748)              |
| Buildings and improvements                         | (35,769,792)             | (1,638,669)         | -                   | (37,408,461)             |
| Machinery and equipment                            | (12,038,526)             | (426,431)           | -                   | (12,464,957)             |
| Vehicles   | (12,958,184)             | (1,908,526)         | (516,942)           | (14,349,768)             |
| Infrastructure                                     | (13,760,373)             | (423,523)           | -                   | (14,183,896)             |
| Total accumulated depreciation                     | (82,406,852)             | (5,095,920)         | (516,942)           | (86,985,830)             |
| Total capital assets being depreciated, net        | 74,470,770               | 1,307,830           | 75,378              | 75,703,222               |
| <b>Governmental activities capital assets, net</b> | <b>\$ 82,314,418</b>     | <b>\$ 7,142,470</b> | <b>\$ 1,893,732</b> | <b>\$ 87,563,156</b>     |

|   | Balance<br>June 30, 2020 | Increases            | Decreases            | Balance<br>June 30, 2021 |
|---|--------------------------|----------------------|----------------------|--------------------------|
| <b>Business-type activities:</b>                    |                          |                      |                      |                          |
| Capital assets, not being depreciated:              |                          |                      |                      |                          |
| Land  | \$ 3,728,968             | \$ -                 | \$ -                 | \$ 3,728,968             |
| Construction in process                             | 19,749,173               | 26,110,920           | 10,943,645           | 34,916,448               |
| Total capital assets not being depreciated          | 23,478,141               | 26,110,920           | 10,943,645           | 38,645,416               |
| Capital assets, being depreciated:                  |                          |                      |                      |                          |
| Land improvements                                   | 2,542,413                | -                    | -                    | 2,542,413                |
| Buildings and improvements                          | 103,552,502              | 71,801               | -                    | 103,624,303              |
| Machinery and equipment                             | 12,500,157               | 1,741,315            | 42,491               | 14,198,981               |
| Infrastructure                                      | 69,725,464               | 3,147,202            | -                    | 72,872,666               |
| Airport operational assets                          | 297,378,838              | 6,702,356            | 110,740              | 303,970,454              |
| Parking structures                                  | 11,337,000               | -                    | -                    | 11,337,000               |
| Total capital assets being depreciated              | 497,036,374              | 11,662,674           | 153,231              | 508,545,817              |
| Less accumulated depreciation for:                  |                          |                      |                      |                          |
| Land improvements                                   | (2,074,096)              | (39,578)             | -                    | (2,113,674)              |
| Buildings and improvements                          | (49,697,534)             | (3,025,244)          | 2                    | (52,722,780)             |
| Machinery and equipment                             | (8,073,384)              | (535,509)            | (42,491)             | (8,566,402)              |
| Infrastructure                                      | (16,781,727)             | (721,358)            | -                    | (17,503,085)             |
| Airport operational assets                          | (214,006,687)            | (6,734,420)          | (110,740)            | (220,630,367)            |
| Parking structures                                  | (10,184,351)             | (249,041)            | -                    | (10,433,392)             |
| Total accumulated depreciation                      | (300,817,779)            | (11,305,150)         | (153,229)            | (311,969,700)            |
| Total capital assets being depreciated, net         | 196,218,595              | 357,524              | 2                    | 196,576,117              |
| <b>Business-type activities capital assets, net</b> | <b>\$ 219,696,736</b>    | <b>\$ 26,468,444</b> | <b>\$ 10,943,647</b> | <b>\$ 235,221,533</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   | \$ 1,116,386                |
| Public safety  | 784,401                     |
| Health, community services and recreation                    | 226,172                     |
| Public services  | 760,385                     |
| Education  | 1,425,788                   |
| Public transportation  | <u>782,788</u>              |
| <b>Total depreciation expense - governmental activities</b>  | <b><u>\$ 5,095,920</u></b>  |
| Business-type activities:                                    |                             |
| Sewer Utility Fund   | \$ 1,142,552                |
| Airport Fund   | 6,734,420                   |
| Bass Park Fund   | 2,952,508                   |
| Stormwater   | 16,493                      |
| Economic Development Fund                                    | 157,012                     |
| Parking Fund   | 249,041                     |
| Municipal Golf Course  | <u>53,124</u>               |
| <b>Total depreciation expense - business-type activities</b> | <b><u>\$ 11,305,150</u></b> |

Construction commitments:

At June 30, 2021, the City had entered into contracts or otherwise committed to various construction projects:

|                               | Contract<br>Amount | Paid<br>To Date | Balance<br>Remaining |
|-------------------------------|--------------------|-----------------|----------------------|
| Building Improvements         | \$ 127,080         | \$ 122,422      | \$ 4,658             |
| Infrastructure                | 1,559,939          | 1,531,708       | 28,231               |
| Aircraft Operational Upgrades | 6,275,812          | 4,460,249       | 1,815,563            |
| Sewer Upgrades                | 30,984,567         | 23,245,428      | 7,739,139            |

**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, 2021, the balances were as follows:

|                             | Receivable           | Payable              |
|-----------------------------|----------------------|----------------------|
| General Fund                | \$ 14,217,830        | \$ -                 |
| Nonmajor Governmental Funds | -                    | 242,830              |
| Sewer Fund                  | -                    | 12,275,000           |
| Bass Park Fund              | -                    | 1,700,000            |
|                             | <u>\$ 14,217,830</u> | <u>\$ 14,217,830</u> |

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

---

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

---

Individual fund transfers to and from other funds for the fiscal year ended June 30, 2021 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                | \$ 1,558,180 | \$ 76,136      |
| Capital Projects Fund       | 61,722       | 2,248,680      |
| Nonmajor Governmental Funds | 1,300,500    | 5,586          |
| Sewer Fund                  | 105,000      | -              |
| Bass Park Fund              | -            | 1,200,000      |
| Nonmajor Enterprise Funds   | 505,000      | -              |
|                             | \$ 3,530,402 | \$ 3,530,402   |

**E. Due From Other Governments**

Due from other governments is comprised of the following amounts at June 30, 2021.

|                                | Federal<br>Government | State of<br>Maine | Other        | Total         |
|--------------------------------|-----------------------|-------------------|--------------|---------------|
| General Fund                   | \$ 2,158,192          | \$ 3,785,242      | \$ 1,147,326 | \$ 7,090,760  |
| Capital Projects Fund          | 187,951               | 3,272,234         | -            | 3,460,185     |
| Nonmajor Special Revenue Funds | 280,283               | 45,386            | -            | 325,669       |
| Sewer Fund                     | -                     | -                 | 61,293       | 61,293        |
| Airport Fund                   | 3,543,242             | 374,873           | -            | 3,918,115     |
| Bass Park Fund                 | 2,242,591             | -                 | -            | 2,242,591     |
| Total                          | \$ 8,412,259          | \$ 7,477,735      | \$ 1,208,619 | \$ 17,098,613 |

Amounts due from Federal Government are comprised of operating and capital grants for all fund types. Of the General Fund's \$3,785,242 due from State of Maine, \$3,182,110 represents school grant and State agency billings, and \$479,173 represents property tax exemption reimbursements. Amounts owed to the Capital Projects and the Airport Funds by the State of Maine are for capital grant purposes. Amounts due from other communities for tuition reimbursement to Bangor account for \$1,108,625 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, 2021 are:

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

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

| Fiscal year ending<br>June 30, | Airport              | Economic<br>Development |
|--------------------------------|----------------------|-------------------------|
| 2022                           | \$ 1,798,995         | \$ 481,436              |
| 2023                           | 1,249,799            | 425,836                 |
| 2024                           | 1,142,659            | 328,297                 |
| 2025                           | 853,477              | 287,711                 |
| 2026                           | 838,504              | 291,210                 |
| Subsequent to 2026             | 7,986,053            | 1,831,623               |
|                                | <u>\$ 13,869,487</u> | <u>\$ 3,646,113</u>     |

Minimum future rentals do not include contingent rentals, which may be received as stipulated in the lease contracts. The Airport received \$1,437,293 in contingent rentals in fiscal year 2021.

The carrying amounts of the leased assets are as follows:

|                               | Airport             | Economic<br>Development |
|-------------------------------|---------------------|-------------------------|
| Land                          | \$ 565,532          | \$ 2,515,911            |
| Buildings                     | 22,755,681          | 3,746,523               |
| Less accumulated depreciation | (16,847,470)        | (2,033,956)             |
| Total                         | <u>\$ 6,473,743</u> | <u>\$ 4,228,478</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, 2021:

|                               | Business-type<br>Activities |
|-------------------------------|-----------------------------|
| Machinery and equipment       | \$ 191,113                  |
| Less accumulated depreciation | (99,806)                    |
| Carrying value                | <u>\$ 91,307</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, 2021:

| Fiscal Year ending June 30,                    | Governmental<br>Activities | Business-type<br>Activities |
|--|----------------------------|-----------------------------|
| 2022   | \$ 300,946                 | \$ 19,114                   |
| 2023   | 204,382                    | 19,115                      |
| 2024   | -                          | 4,960                       |
| 2025   | -                          | 4,960                       |
| 2026   | -                          | 416                         |
| Total minimum lease payments                   | 505,328                    | 48,565                      |
| Less: amount representing interest             | (22,140)                   | (3,771)                     |
| Present value of future minimum lease payments | <u>\$ 483,188</u>          | <u>\$ 44,794</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 | \$ 254,056    |  |
| Total                 | \$ 254,056    |  |

**H. Unearned Revenue**

Community Development Block Grant and Capital Projects Fund unearned revenues consist of \$50,057 and \$41,633 in advance deposits, respectively. ARPA (America Rescue Plan Act) Fund unearned revenue consists of \$10,239,149, which is the first funding tranche received and not yet expended. Bass Park Fund unearned revenues consist of \$1,132,736 in advance sales.

**I. Long-term Debt**

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

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

The original amount of general obligation bonds and notes issued is \$243,475,915. The following is a summary of general obligation bond and note transactions of the City for the fiscal year ended June 30, 2021:

|  |                |  |
|--|----------------|--|
| Bonds and notes payable at June 30, 2020 | \$ 128,011,654 |  |
| Add: principal additions                 | 53,600,500     |  |
| Less: principal repayments               | 54,497,661     |  |
| Bonds and notes payable at June 30, 2021 | \$ 127,114,493 |  |

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

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

Bonds and notes payable at June 30, 2021 are comprised of the following:

| Long-term debt                       | Fiscal year<br>of maturity | Interest<br>rate | Governmental Activities |                      | Business-type<br>Activities | Total<br>June 30, 2021 |
|--------------------------------------|----------------------------|------------------|-------------------------|----------------------|-----------------------------|------------------------|
|                                      |                            |                  | City                    | School               |                             |                        |
| Public improvements note*            | 2022                       | 4.50%            | 54,383                  | -                    | -                           | 54,383                 |
| Refunding/public improvements        | 2022                       | 2.00% - 2.25%    | 235,316                 | 209,406              | 140,278                     | 585,000                |
| Briggs building note                 | 2023                       | 4.50%            | -                       | -                    | 194,555                     | 194,555                |
| Combined sewer overflow              | 2023                       | 1.94%            | -                       | -                    | 347,629                     | 347,629                |
| Combined sewer overflow              | 2025                       | 1.41%            | -                       | -                    | 614,426                     | 614,426                |
| Chancellor's property note           | 2026                       | 5.00%            | -                       | -                    | 781,668                     | 781,668                |
| Pension obligation bonds             | 2026                       | 3.06% - 6.45%    | 12,372,360              | 794,876              | 2,666,049                   | 15,833,285             |
| Combined sewer overflow              | 2027                       | 1.64%            | -                       | -                    | 669,672                     | 669,672                |
| Qualified school construction bond   | 2028                       | 4.65%            | -                       | 5,585,000            | -                           | 5,585,000              |
| Combined sewer overflow              | 2028                       | 1.81%            | -                       | -                    | 782,879                     | 782,879                |
| Airport improvements                 | 2028                       | 0.95% - 3.25%    | -                       | -                    | 525,000                     | 525,000                |
| ARRA - CWSRF                         | 2029                       | 0.00%            | -                       | -                    | 387,564                     | 387,564                |
| ARRA - CWSRF                         | 2030                       | 0.00%            | -                       | -                    | 231,192                     | 231,192                |
| Public improvements                  | 2030                       | 2.00% - 2.75%    | 1,620,000               | 160,000              | -                           | 1,780,000              |
| Refunding/public improvements        | 2030                       | 2.00% - 3.00%    | 1,825,000               | -                    | 185,000                     | 2,010,000              |
| Series A                             | 2031                       | 2.00%-4.00%      | 1,713,000               | -                    | 600,000                     | 2,313,000              |
| Series B                             | 2031                       | 2.00%-4.00%      | -                       | -                    | 2,305,000                   | 2,305,000              |
| School Renovation Revolving          | 2031                       | 0.00%            | -                       | 527,500              | -                           | 527,500                |
| Refunding/public improvements        | 2032                       | 2.00% - 4.00%    | 3,137,737               | -                    | 797,263                     | 3,935,000              |
| Refunding/airport improvements       | 2033                       | 0.50% - 4.25%    | -                       | -                    | 750,000                     | 750,000                |
| Public improvements                  | 2034                       | 2.00% - 4.00%    | 4,275,000               | 780,000              | 195,000                     | 5,250,000              |
| Combined sewer overflow              | 2034                       | 0.10%            | -                       | -                    | 1,755,240                   | 1,755,240              |
| Refunding/public improvements        | 2034                       | 3.00% - 5.00%    | 2,624,991               | -                    | 160,009                     | 2,785,000              |
| Qualified school construction bond   | 2035                       | 4.05%            | -                       | 2,780,000            | -                           | 2,780,000              |
| Airport improvements                 | 2035                       | 3.00% - 3.65%    | -                       | -                    | 1,120,000                   | 1,120,000              |
| Combined sewer overflow              | 2037                       | 1.00%            | -                       | -                    | 3,424,000                   | 3,424,000              |
| Public Improvements                  | 2037                       | 2.50% - 3.00%    | 4,028,716               | 522,423              | 568,861                     | 5,120,000              |
| Combined sewer overflow              | 2038                       | 1.00%            | -                       | -                    | 3,960,000                   | 3,960,000              |
| Combined sewer overflow              | 2038                       | 1.00%            | -                       | -                    | 450,000                     | 450,000                |
| Public Improvements                  | 2039                       | 2.00% - 4.00%    | 4,595,142               | -                    | 2,324,858                   | 6,920,000              |
| Sewer Improvements                   | 2039                       | 1.00%            | -                       | -                    | 2,042,500                   | 2,042,500              |
| Refunded taxable                     | 2042                       | 0.343%-2.10%     | -                       | -                    | 48,455,000                  | 48,455,000             |
| Arena                                | 2043                       | 3.25% - 5.00%    | -                       | -                    | 2,840,000                   | 2,840,000              |
| <b>Total bonds and notes payable</b> |                            |                  | <b>\$ 36,481,645</b>    | <b>\$ 11,359,205</b> | <b>\$ 79,273,643</b>        | <b>\$ 127,114,493</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, 2021, the statutory limit for the City was \$411,697,500. The City's outstanding long-term debt of \$127,114,493 at June 30, 2021 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<br>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          |
| 2022                           | \$ 5,368,961            | \$ 1,757,655        | \$ 54,381                    | \$ 2,447        | \$ 4,599,018             | \$ 1,550,472         | \$ 236,575                   | \$ 47,936         |
| 2023                           | 5,130,964               | 1,338,860           | -                            | -               | 4,591,096                | 1,410,997            | 247,978                      | 36,535            |
| 2024                           | 5,371,288               | 1,099,448           | -                            | -               | 4,527,407                | 1,296,687            | 155,962                      | 24,584            |
| 2025                           | 5,472,247               | 851,492             | -                            | -               | 4,603,381                | 1,214,907            | 163,760                      | 16,785            |
| 2026                           | 5,617,564               | 595,561             | -                            | -               | 4,358,996                | 1,133,591            | 171,948                      | 8,597             |
| 2027-2031                      | 14,861,624              | 1,090,962           | -                            | -               | 17,820,837               | 4,725,937            | -                            | -                 |
| 2032-2036                      | 5,724,835               | 202,148             | -                            | -               | 17,121,671               | 3,297,026            | -                            | -                 |
| 2037-2041                      | 238,986                 | 8,461               | -                            | -               | 15,205,014               | 1,611,957            | -                            | -                 |
| 2042-2046                      | -                       | -                   | -                            | -               | 5,470,000                | 140,157              | -                            | -                 |
| <b>Total</b>                   | <b>\$ 47,786,469</b>    | <b>\$ 6,944,587</b> | <b>\$ 54,381</b>             | <b>\$ 2,447</b> | <b>\$ 78,297,420</b>     | <b>\$ 16,381,731</b> | <b>\$ 976,223</b>            | <b>\$ 134,437</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, 2021, \$1,590,000 remains authorized and unissued. The City will continue to monitor when and if the debt will be issued.

On August 27, 2018, the City Council authorized the issuance of up to \$3,300,000 in general obligations bonds through the Maine Municipal Bond Bank State Revolving Fund to finance sewer infrastructure improvements. As of June 30, 2021, \$120,000 remains authorized and unissued.

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, 2021, \$921,500 remains authorized and unissued. The majority of the unissued bonds are dependent upon redevelopment of particular properties, at this time it is unknown when that may occur.

On August 12, 2019, the City Council authorized the issuance of up to \$15,775,000 in general obligations bonds for the purpose of funding sewer infrastructure. As of June 30, 2021, the bonds have not been issued. The City expects to issue the debt in FY 2022.

On August 12, 2019, the City Council authorized the issuance of up to \$6,000,000 in general obligation bonds for the purpose of rehabilitating City Hall. As of June 30, 2021, the bonds have not been issued. The City expects to issue the debt within the next eighteen months.

On August 10, 2020, the City Council authorized the issuance of up to \$2,853,000 in general obligation bonds for the purpose of funding City streets, its annual fleet/equipment replacement, and building

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

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

and WWTP infrastructure improvements. As of June 30, 2021, \$558,000 remains authorized and unissued.

On August 24, 2020, the City Council authorized the issuance of up to \$2,730,000 in general obligation bonds to fund improvements at Cameron Stadium. As of June 30, 2021, the bonds have not been issued. The City expects to issue the debt in FY 2022.

Also, on August 24, 2020, the City Council authorized the issuance of up to \$1,400,000 in general obligation bonds for a portion of the roof replacement and electrical upgrades required at Bangor High School. As of June 30, 2021, the bonds have not been issued. The City expects to issue the debt in FY 2022.

**Changes in Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2021, was as follows:

|   | Balance<br>June 30, 2020 | Additions            | Reductions           | Balance<br>June 30, 2021 | Due within<br>one year |
|---|--------------------------|----------------------|----------------------|--------------------------|------------------------|
| Governmental activities:                          |                          |                      |                      |                          |                        |
| General obligation debt                           | \$ 50,678,516            | \$ 2,210,500         | \$ 5,102,547         | \$ 47,786,469            | \$ 5,368,961           |
| Notes from direct borrowings                      | 106,421                  | -                    | 52,040               | 54,381                   | 54,381                 |
| Accrued compensated absences*                     | 2,175,553                | 1,631,511            | 1,579,675            | 2,227,389                | 1,549,079              |
| Capital leases                                    | 759,336                  | -                    | 276,148              | 483,188                  | 300,946                |
| Bond premium                                      | 1,127,497                | 92,563               | 116,428              | 1,103,632                | 121,056                |
| OPEB liability*                                   | 16,979,192               | 1,022,626            | -                    | 18,001,818               | -                      |
| Net pension liability*                            | 7,844,620                | 1,293,002            | -                    | 9,137,622                | -                      |
| Self insurance liability                          | 3,670,059                | 294,764              | 987,749              | 2,977,074                | 972,098                |
| Governmental activities<br>long-term liabilities  | <u>\$ 83,341,194</u>     | <u>\$ 6,544,966</u>  | <u>\$ 8,114,587</u>  | <u>\$ 81,771,573</u>     | <u>\$ 8,366,521</u>    |
| Business-type activities:                         |                          |                      |                      |                          |                        |
| General obligation debt                           | \$ 76,024,794            | \$ 51,390,000        | \$ 49,117,374        | \$ 78,297,420            | \$ 4,599,018           |
| Notes from direct borrowings                      | 1,201,923                | -                    | 225,700              | 976,223                  | 236,575                |
| Accrued compensated absences*                     | 585,450                  | 466,672              | 452,492              | 599,630                  | 404,525                |
| Capital leases                                    | 61,215                   | -                    | 16,421               | 44,794                   | 17,147                 |
| Bond premium                                      | 2,126,360                | 110,367              | 2,009,375            | 227,352                  | 11,174                 |
| OPEB liability*                                   | 2,044,722                | 179,901              | -                    | 2,224,623                | -                      |
| Net pension liability*                            | 596,959                  | -                    | 4,226                | 592,733                  | -                      |
| Self insurance liability                          | 301,215                  | 11,690               | 67,690               | 245,215                  | 197,879                |
| Other   | 156,498                  | -                    | -                    | 156,498                  | -                      |
| Business-type activities<br>long-term liabilities | <u>\$ 83,099,136</u>     | <u>\$ 52,158,630</u> | <u>\$ 51,893,278</u> | <u>\$ 83,364,488</u>     | <u>\$ 5,466,318</u>    |

\* - The liquidation of compensated absences, OPEB liability 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**

---

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

---

**J. Fund Balances**

As of June 30, 2021, fund balances components consisted of the following:

|                                  | Nonspendable        | Restricted          | Committed           | Assigned             |
|----------------------------------|---------------------|---------------------|---------------------|----------------------|
| General Fund:                    |                     |                     |                     |                      |
| Advances to other funds          | \$ 1,900,500        | \$ -                | \$ -                | \$ -                 |
| Inventory and prepaid items      | 1,077,226           | -                   | -                   | -                    |
| PEG capital support              | -                   | 6,611               | -                   | -                    |
| School capital                   | -                   | 83,635              | -                   | -                    |
| Education                        | -                   | 2,446,326           | -                   | -                    |
| School debt sinking fund         | -                   | 1,124,147           | -                   | -                    |
| Cultural Comm/Public Transport   | -                   | -                   | 323,815             | -                    |
| Public Safety/General Government | -                   | -                   | 391,655             | -                    |
| Subsequent year expenditures     | -                   | -                   | -                   | 144,531              |
| Pooled equipment reserve         | -                   | -                   | -                   | 583,042              |
| Bus equipment reserve            | -                   | -                   | -                   | 512,876              |
| Fire equipment reserve           | -                   | -                   | -                   | 416,658              |
| Self insurance reserve           | -                   | -                   | -                   | 2,977,074            |
| Improvement reserve              | -                   | -                   | -                   | 973,964              |
| Demolition reserve               | -                   | -                   | -                   | 108,629              |
| Community connector reserve      | -                   | -                   | -                   | 352,354              |
| Benefit reserve                  | -                   | -                   | -                   | 2,094,911            |
| Energy efficiency reserve        | -                   | -                   | -                   | 357,064              |
| Parks & Recreation reserve       | -                   | -                   | -                   | 285,517              |
| Subtotal                         | <u>2,977,726</u>    | <u>3,660,719</u>    | <u>715,470</u>      | <u>8,806,620</u>     |
| Capital Projects Fund            | -                   | -                   | -                   | <u>10,573,651</u>    |
| ARPA Fund                        | -                   | -                   | -                   | <u>11,555</u>        |
| Other Governmental Funds:        |                     |                     |                     |                      |
| Nonexpendable trust principal    | 389,245             | -                   | -                   | -                    |
| Nonmajor Special Revenue Funds   |                     |                     |                     |                      |
| Community development            | -                   | 3,559,161           | -                   | -                    |
| Infrastructure                   | -                   | 296,641             | -                   | -                    |
| Public Safety                    | -                   | 379,031             | -                   | -                    |
| Transportation                   | -                   | 163,427             | -                   | -                    |
| Economic Develop                 | -                   | 431,917             | -                   | -                    |
| Parks                            | -                   | 520,944             | -                   | -                    |
| Health                           | -                   | 130,934             | -                   | -                    |
| Education                        | -                   | 119,451             | -                   | -                    |
| Arena                            | -                   | -                   | 915,629             | -                    |
| Other Municipal                  | -                   | 63,009              | -                   | -                    |
| Nonmajor Permanent Funds         |                     |                     |                     |                      |
| Cemetery                         | -                   | 22,145              | -                   | -                    |
| Missionary                       | -                   | 107,270             | -                   | -                    |
| Education                        | -                   | 137,691             | -                   | -                    |
| Other Municipal                  | -                   | 237,081             | -                   | -                    |
| Subtotal                         | <u>389,245</u>      | <u>6,168,702</u>    | <u>915,629</u>      | <u>-</u>             |
| Total                            | <u>\$ 3,366,971</u> | <u>\$ 9,829,421</u> | <u>\$ 1,631,099</u> | <u>\$ 19,391,826</u> |

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

**DETAILED NOTES ON ALL FUNDS, CONTINUED**

Encumbrances at year end were \$2,946,210 for the General Fund, \$5,312,199 for the Capital Projects Fund, \$7,623,667 for the Airport Fund, \$11,364,183 for the Sewer Utility Fund, \$45,905 for the Stormwater Fund, and \$28,375 for the Golf Fund.

**K. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2021:

|                                   | Governmental   | Business-type  |
|-----------------------------------|----------------|----------------|
| Capital assets                    | \$ 174,548,986 | \$ 547,191,233 |
| Accumulated depreciation          | (86,985,830)   | (311,969,700)  |
| Bonds and notes payable           | (47,840,850)   | (79,273,643)   |
| Capital leases                    | (483,188)      | (44,794)       |
| Non capital related bonds payable | 27,651,105     | 6,172,589      |
| Premium on long term debt         | (1,103,632)    | (227,352)      |
| Unspent bond proceeds             | 861,406        | 412,219        |
| Net investment in capital assets  | \$ 66,647,997  | \$ 162,260,552 |

**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, 2021, 2020 and 2019.

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, 2021, the amount of self-insurance liability was \$3,222,289. This liability is the City's best estimate based on available information.

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

---

**OTHER INFORMATION, CONTINUED**

---

Changes in the reported liabilities since July 1, 2019 resulted from the following:

|  | Workers'<br>Compensation | All other self-<br>insured risks | Total               |
|--|--------------------------|----------------------------------|---------------------|
| Unpaid claims as of July 1, 2019           | \$ 3,164,622             | \$ 301,535                       | \$ 3,466,157        |
| Incurred claims                            | 406,155                  | -                                | 406,155             |
| Payments                                   | (835,051)                | (210)                            | (835,261)           |
| Changes in estimates and other adjustments | 928,984                  | 5,239                            | 934,223             |
| Unpaid claims as of July 1, 2020           | 3,664,710                | 306,564                          | 3,971,274           |
| Incurred claims                            | 306,453                  | -                                | 306,453             |
| Payments                                   | (849,483)                | (2,561)                          | (852,044)           |
| Changes in estimates and other adjustments | (208,244)                | 4,850                            | (203,394)           |
| Unpaid claims as of July 1, 2021           | <u>\$ 2,913,436</u>      | <u>\$ 308,853</u>                | <u>\$ 3,222,289</u> |

**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 2021, the City captured \$4,624,564 in incremental property taxes and dispersed \$382,976 in CEA payments to fourteen (14) developers. The remaining \$4,241,588 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 \$97,284 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 \$51,454 to Bar Harbor Bank & Trust 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**

---

---

**OTHER INFORMATION, CONTINUED**

---

**C. Contingent Liabilities**

In 2002, the City filed suit against Citizens Communications Company ("Citizens") to force a cleanup remediation of the contamination of the Penobscot River because of the inability to reach a settlement. Trial was held in the U. S. District Court for the District of Maine in September 2005. The Court issued an Order finding that Citizens' Communications Company is responsible for 60% of the remediation costs and the City is responsible for 40%. The City and Citizens Communications Company reached a settlement agreement that wherein Citizens Communication Company paid to the City \$7.625 million to be held in escrow and to be used towards payment of the cost related to the remediation of the contamination. The parties also negotiated a Consent Decree with the Maine Department of Environmental Protection ("DEP") for the remediation to be done in stages. The City contracted with RMT of Madison, Wisconsin to perform the remediation and the first two stages of the remediation have been completed. The effectiveness of the remediation is monitored. Discussions between the City, its consultants and the DEP will determine what, if any, additional remediation is necessary.

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

The City is currently defending two substantial tax appeals filed by the owners of the Bangor Mall seeking abatement for their FY 2020 and FY 2021 valuations. The owners are alleging the property was overvalued by \$22 million and \$7.8 million, respectively. Both appeals have been denied at the local level, and are presently on appeal to the State Board of Property Tax Appeals. The outcome at this time is undetermined.

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)

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

**OTHER INFORMATION, CONTINUED**

from the date of employment. The authority to establish and amend plan provisions or requirements rests with the City.

Funding Policy – Plan members not covered by employment contracts are required to contribute 6.5% of their annual covered salary and the City is required to contribute either 8% or 10.6% depending upon the employee’s classification. For fiscal year 2021, covered payroll was \$19,483,725 and City contributions were \$1,692,265. 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 \$321,188 and \$26,773 respectively, in fiscal year 2021.

**Defined Benefit Pension Plan**

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

As of June 30, 2021, the City had the following balances reported in the government-wide financial statements:

| <b>Plan</b>  | Net Pension<br>Liability | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Pension<br>Expense |
|--------------|--------------------------|--------------------------------------|-------------------------------------|--------------------|
| PLD          | \$ 7,560,374             | \$ 2,828,766                         | \$ -                                | \$ 5,959,667       |
| SET          | 2,169,981                | 1,319,896                            | (102,234)                           | 6,344,321          |
| <b>Total</b> | <b>\$ 9,730,355</b>      | <b>\$ 4,148,662</b>                  | <b>\$ (102,234)</b>                 |                    |

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

Contributions – Employee contribution rates are defined by law 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.

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

---

**OTHER INFORMATION, CONTINUED**

---

PLD Plan – Employees are required to contribute 8.10% of their annual pay. The City's contractually requirement contribution rate for the year June 30, 2021 ranged from 10.1% - 10.8% depending on the applicable benefit structure. The City's contributions to the pension plan were \$1,228,059 for the year ended June 30, 2021.

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, 2021 was 18.49% of annual payroll of which 4.16% of payroll was required from the City and 14.33% was required from the State. Contributions to the pension plan from the City were \$1,206,502 for the year ended June 30, 2021.

Pension Liabilities, Expense and Deferred Outflows and Inflows of Resources – The net pension liabilities were measured as of June 30, 2020, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The City's proportion of the net pension liabilities were based on projections of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

At June 30, 2021, the City's aggregate information for net pension liabilities is as follows:

PLD Plan – At June 30, 2021, the City's reported liability of its proportionate share of the net pension liability was \$7,560,374. At June 30, 2020, the City's proportion of the PLD plan was 1.902876%.

SET Plan – At June 30, 2021 the City's reported liability of its proportionate share of the net pension liability was reduced to reflect the State support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability associated with the City were as follows:

|   |                     |
|---|---------------------|
| City's proportionate share of the net pension liability         | \$2,169,981         |
| <u>State's proportionate share of the net pension liability</u> | <u>32,667,941</u>   |
| <u>Total</u>  | <u>\$34,837,922</u> |

At June 30, 2020, the City's proportion of the SET Plan was .132944%.

For the year ended June 30, 2021, the City recognized pension expense of \$5,959,667 for the PLD Plan and \$6,344,321 of pension expense and revenue of \$4,181,623 for support provided by the State for the SET Plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to PLD Plan from the following sources:

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

**OTHER INFORMATION, CONTINUED**

|   | Deferred<br>Outflow of<br>Resources | Deferred<br>Inflow of<br>Resources |
|---|-------------------------------------|------------------------------------|
| Differences between expected and actual experience  | \$ 370,559                          | \$ -                               |
| Changes of assumptions  | -                                   | -                                  |
| Net difference between projected and actual earnings on pension plan investments                          | 491,964                             | -                                  |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 738,184                             | -                                  |
| City contributions subsequent to the measurement date   | 1,228,059                           | -                                  |
|   | <u>\$ 2,828,766</u>                 | <u>\$ -</u>                        |

\$1,228,059 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PLD Plan will be recognized in pension expense as follows:

| Year ended June 30: |            |
|---------------------|------------|
| 2022                | \$ 116,797 |
| 2023                | 647,245    |
| 2024                | 417,871    |
| 2025                | 418,794    |

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to SET Plan from the following sources:

|   | Deferred<br>Outflow of<br>Resources | Deferred<br>Inflow of<br>Resources |
|---|-------------------------------------|------------------------------------|
| Differences between expected and actual experience  | \$ 23,433                           | \$ -                               |
| Changes of assumptions  | -                                   | -                                  |
| Net difference between projected and actual earnings on pension plan investments                          | 89,961                              | -                                  |
| Changes in proportion and differences between City contributions and proportionate share of contributions | -                                   | 102,234                            |
| City contributions subsequent to the measurement date   | 1,206,502                           | -                                  |
|   | <u>\$ 1,319,896</u>                 | <u>\$ 102,234</u>                  |

\$1,206,502 is reported as deferred outflows of resources related to the SET Plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net

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

**OTHER INFORMATION, CONTINUED**

pension liabilities in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SET Plan will be recognized in pension expense as follows:

| Year ended June 30: |    |          |
|---------------------|----|----------|
| 2021                | \$ | (74,474) |
| 2022                |    | (73,269) |
| 2023                |    | 79,870   |
| 2024                |    | 79,033   |

Actuarial assumptions - The total pension liabilities in the June 30, 2020 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% plus merit | 2.75% plus merit |
| Investment return, per annum, compounded annually | 6.75%            | 6.75%            |
| Cost of living benefit increases, per annum       | 1.91%            | 2.20%            |

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

| Asset Class        | Target Allocation | Long-Term Expected Real Rate of Return |
|--------------------|-------------------|--|
| Public equities    | 30.0%             | 6.0%                                   |
| US Government      | 7.5%              | 2.3%                                   |
| Private equity     | 15.0%             | 7.6%                                   |
| Real Assets:       |                   |  |
| Real estate        | 10.0%             | 5.2%                                   |
| Infrastructure     | 10.0%             | 5.3%                                   |
| Natural resources  | 5.0%              | 5.0%                                   |
| Traditional credit | 7.5%              | 3.0%                                   |
| Alternative credit | 5.0%              | 7.2%                                   |
| Diversifiers       | 10.0%             | 5.9%                                   |

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

**OTHER INFORMATION, CONTINUED**

Discount rate - The discount rate used to measure the total pension liability was 6.75% for both the PLD and SET Plans. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

Sensitivity of the City's proportionate share of the net pension liabilities to changes in the discount rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75% for PLD and SET Plans) or 1 percentage-point higher (7.75% for PLD and SET Plans) than the current rate:

|          | 1%<br>Decrease<br><u>(5.75%)</u> | Current<br>Discount Rate<br><u>(6.75%)</u> | 1%<br>Increase<br><u>(7.75%)</u> |
|----------|----------------------------------|--|----------------------------------|
| PLD Plan | \$15,888,854                     | \$ 7,560,374                               | \$(742,902)                      |
|          | 1%<br>Decrease<br><u>(5.75%)</u> | Current<br>Discount Rate<br><u>(6.75%)</u> | 1%<br>Increase<br><u>(7.75%)</u> |
| SET Plan | \$ 3,763,385                     | \$ 2,169,981                               | \$ 841,913                       |

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, 2021.

**Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**Social Security**

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

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

**OTHER INFORMATION, CONTINUED**

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

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

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

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

As of June 30, 2021, the City had the following balances reported in the government-wide financial statements:

| <b>Plan</b>   | OPEB<br>Liability    | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | OPEB<br>(Gain)<br>Expense |
|---------------|----------------------|--------------------------------------|-------------------------------------|---------------------------|
| PLD           | \$ 972,729           | \$ 158,680                           | \$ (628,459)                        | \$ (134,516)              |
| SET           | -                    | -                                    | -                                   | 76,095                    |
| City Health   | 9,711,858            | 1,342,234                            | -                                   | 449,720                   |
| School Health | 9,541,854            | 1,977,334                            | -                                   | (382,177)                 |
| <b>Total</b>  | <b>\$ 20,226,441</b> | <b>\$ 3,478,248</b>                  | <b>\$ (628,459)</b>                 | <b>\$ 9,122</b>           |

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

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

**OTHER INFORMATION, CONTINUED**

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

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the City Health Plan benefit terms:

|  |     |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 46  |
| Inactive employees entitled to but not yet receiving benefits    | -   |
| Active employees   | 421 |
| Total  | 467 |

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

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

|  |     |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 278 |
| Inactive employees entitled to but not yet receiving benefits    | -   |
| Active employees   | 454 |
| Total  | 732 |

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 \$38,586 for the year ended June 30, 2021. Employees are not required to contribute to the PLD OPEB Plan.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the SET OPEB Plan by the State of Maine on-behalf of the City were \$76,095 for the year ended June 30, 2021. Employers and employees are not required to contribute to the SET OPEB Plan.

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

**OTHER INFORMATION, CONTINUED**

City Health Plan – Contributions to the City Health Plan from the City were \$0.00 for the year ended June 30, 2021. 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, 2021. 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, 2020, 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, 2021, the City reported a liability of \$972,729 for its proportionate share of the net OPEB liability. At June 30, 2020, the City’s proportion was 7.3735%.

SET OPEB Plan – At June 30, 2021, 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 \$677,695 as of June 30, 2021. At June 30, 2020, the City’s proportion was 0.00%.

The City’s total City Health Plan OPEB liability of \$9,711,858 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

|  | Total OPEB<br>Liability |
|--|-------------------------|
| Balance at June 30, 2020                           | \$ 8,895,752            |
| Changes for the year:                              |                         |
| Service costs                                      | 319,484                 |
| Interest   | 240,047                 |
| Changes in benefit terms                           | -                       |
| Changes in assumptions                             | 543,903                 |
| Differences between expected and actual experience | 97,042                  |
| Benefit payments                                   | (384,370)               |
| Net Changes  | 816,106                 |
| Balance at June 30, 2021                           | \$ 9,711,858            |

Change in assumptions reflects a change in the discount rate from 2.66% to 2.19%.

The City School Department’s total OPEB liability of \$9,541,854 was measured as of June 30, 2020, and was determined by an actuarial valuation as that date.

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

**OTHER INFORMATION, CONTINUED**

|  | Total OPEB<br>Liability |
|--|-------------------------|
| Balance at June 30, 2020                           | \$ 8,603,940            |
| Changes for the year:                              |                         |
| Service costs                                      | 46,592                  |
| Interest   | 297,896                 |
| Changes in benefit terms                           | (1,070,730)             |
| Changes in assumptions                             | 1,371,610               |
| Differences between expected and actual experience | 573,425                 |
| Benefit payments                                   | (280,879)               |
| Net Changes  | 937,914                 |
| Balance at June 30, 2021                           | \$ 9,541,854            |

Change in assumptions reflects a change in the discount rate from 3.50% to 2.21%.

For the year ended June 30, 2021, the City recognized OPEB gain of \$134,516 for the PLD OPEB Plan. For the year ended June 30, 2021, the City recognized OPEB expense of \$76,095 and also revenues of \$76,095 for support provided by the State related to the SET OPEB Plan. At June 30, 2021, the City reported no deferred outflows of resources or deferred inflows of resources related to the SET OPEB Plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB Plan from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience   | \$ 120,094                           | \$ -                                |
| Changes of assumptions   | -                                    | 591,975                             |
| Net difference between projected and actual earnings<br>on OPEB plan investments                             | -                                    | 24,291                              |
| Changes in proportion and differences between City<br>contributions and proportionate share of contributions | -                                    | 12,193                              |
| Contributions subsequent to the measurement date   | 38,586                               | -                                   |
| Total  | \$ 158,680                           | \$ 628,459                          |

\$38,586 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, 2022. 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: |    |           |
|---------------------|----|-----------|
| 2022                | \$ | (153,268) |
| 2023                |    | (138,511) |
| 2024                |    | (48,027)  |
| 2025                |    | (75,511)  |
| 2026                |    | (93,048)  |

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

**OTHER INFORMATION, CONTINUED**

For the year ended June 30, 2021, the City recognized an OPEB expense of \$449,720 related to the City Health Plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the City Health Plan from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 134,312                           | \$ -                                |
| Changes of assumptions or other inputs             | 1,207,922                            | -                                   |
| Total  | \$ 1,342,234                         | \$ -                                |

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: |    |         |
|---------------------|----|---------|
| 2022                | \$ | 274,559 |
| 2023                |    | 274,559 |
| 2024                |    | 274,559 |
| 2025                |    | 274,558 |
| 2026                |    | 159,005 |
| Thereafter          |    | 84,994  |

For the year ended June 30, 2021, The City School Department recognized an OPEB gain of \$382,177. At June 30, 2021, The City School Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Difference in experience                         | \$ 477,854                           | \$ -                                |
| Changes of assumptions                           | 1,275,834                            | -                                   |
| Contributions subsequent to the measurement date | 223,646                              | -                                   |
| Total  | \$ 1,977,334                         | \$ -                                |

\$223,646 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, 2022. 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: |    |         |
|---------------------|----|---------|
| 2022                | \$ | 344,065 |
| 2023                |    | 344,066 |
| 2024                |    | 417,214 |
| 2025                |    | 324,173 |
| 2026                |    | 324,170 |

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

**OTHER INFORMATION, CONTINUED**

Actuarial Assumptions – The total OPEB liabilities in the June 30, 2020 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 | 6.75%         | 6.75%         |

Mortality rates for the PLD OBEP 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. Mortality rates for the SET OBEP plan were based on 99% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, based on actuarially determined demographic differences.

The actuarial assumptions used in the June 30, 2020 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<br>Expected Real<br>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%  |

The total OPEB liability in the June 30, 2021 actuarial valuation for the City Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|  |   |
|--|---|
| Inflation                                    | 2.75% per year                              |
| Payroll growth                               | 2.75% plus merit and productivity increases |
| Discount rate                                | 2.19% as of June 30, 2021                   |
| Health care cost trends                      | 7.50%, decreasing 0.5% per year to 4.5%     |
| Retirees' share of the benefit related costs | Retirees pay 100% of premiums               |

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

---

**OTHER INFORMATION, CONTINUED**

---

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

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

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

The actuarial assumptions used in the June 30, 2021 valuation for the City Health Plan represent a reasonable long-term expectation of future OPEB outcomes.

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

|  |  |
|--|--|
| Inflation                                    | 2.00%  |
| Salary increases                             | 2.80% - 13.03% per year  |
| Discount rate                                | 2.21% per annum  |
| Healthcare cost trend rates - Pre-Medicare   | 6.21% for 2021 grading over 18 years to 3.25%  |
| Healthcare cost trend rates - Medicare       | 0.00% for 2021 grading over 18 years to 3.25%  |
| 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 2010 Public Plan Teacher Benefits Weighted Healthy Mortality Table, for males and females.

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

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

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

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

**OTHER INFORMATION, CONTINUED**

The rate used to measure the net OPEB liability for the City Health Plan was 2.19% 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 2.21% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate –

The following presents the City's proportionate share of the net PLD OPEB Plan liability calculated using the discount rate of 6.75%, as well as what the City's proportionate share of the net PLD OPEB Plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

|                    | 1%<br>Decrease<br>5.75% | Discount<br>Rate<br>6.75% | 1%<br>Increase<br>7.75% |
|--------------------|-------------------------|---------------------------|-------------------------|
| Net OPEB liability | \$ 1,310,085            | \$ 972,729                | \$ 701,578              |

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

Sensitivity of the Total City Health Plan OPEB Liability and Total School Health Plan OPEB Liability to Changes in the Discount Rate –

The following presents the City's total OPEB liability related to the City Health Plan calculated using the discount rate of 2.19%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.19%) or 1 percentage-point higher (3.19%) than the current rate:

|                      | 1%<br>Decrease<br>1.19% | Discount<br>Rate<br>2.19% | 1%<br>Increase<br>3.19% |
|----------------------|-------------------------|---------------------------|-------------------------|
| Total OPEB liability | \$ 11,063,124           | \$ 9,711,858              | \$ 8,612,940            |

The following presents the City School Department's total OPEB liability related to the School Health Plan calculated using the discount rate of 2.21%, 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 (1.21%) or 1 percentage-point higher (3.21%) than the current rate:

|                      | 1%<br>Decrease<br>1.21% | Discount<br>Rate<br>2.21% | 1%<br>Increase<br>3.21% |
|----------------------|-------------------------|---------------------------|-------------------------|
| Total OPEB liability | \$ 11,288,382           | \$ 9,541,854              | \$ 8,140,387            |

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

**OTHER INFORMATION, CONTINUED**

Sensitivity of the Total City Health Plan OPEB Liability and Total School Health Plan Liability to Changes in the Healthcare Cost Trend Rates – The following presents the City’s total OPEB liability related to the City Health Plan calculated using the healthcare cost trend rates of 7.50% 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 (6.50% decreasing 0.5% per year) or 1 percentage-point higher (8.50% decreasing 0.5% per year) than the current healthcare cost trend rates:

|                      | 1%<br>Decrease<br>6.50%<br>decreasing<br>0.5% per year | Healthcare Cost<br>Trend Rates<br>7.50%<br>decreasing<br>0.5% per year | 1%<br>Increase<br>8.50%<br>decreasing<br>0.5% per year |
|----------------------|--|--|--|
| Total OPEB liability | \$ 9,246,907   | \$ 9,711,858   | \$ 10,258,736  |

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%<br>Decrease | Healthcare Cost<br>Trend Rates | 1%<br>Increase |
|----------------------|----------------|--------------------------------|----------------|
| Total OPEB liability | \$ 8,062,960   | \$ 9,541,854                   | \$ 11,410,664  |

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

**F. Subsequent Events**

On August 9 2021, the City Council authorized the issuance of up to \$6,592,500 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 \$2,400,000 in general obligation bonds through the Maine Municipal Bond Bank State Revolving Fund to finance sewer infrastructure improvements.

On February 9, 2022, the City issued \$17,000,000 in general obligation bonds through the Maine Municipal Bond Bank State Revolving Loan fund to partially fund the construction of a 3.8 million gallon holding tank, known as the Davis Brook tank project.

The City Council anticipates authorizing the issuance of up to \$4,575,000 in general obligation bonds for the purpose of completing the required roof replacement and electrical upgrades at Bangor High School. The debt is anticipated to be issued in FY 2023.

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

---

---

**OTHER INFORMATION, CONTINUED**

---

**G. Restatement**

For the fiscal year ended June 30, 2021, the City reclassified the School Activity Funds beginning fund balance of \$152,718 from Agency Funds to the proper classification of a Nonmajor Special Revenue Governmental Fund. As a result the City has restated the beginning net position in Exhibit 2 – Statement of Activities, and Exhibit 4 – Statement of Revenues, Expenditures and Changes in Fund Balances; as well as beginning fund balance in Schedule B-2 – Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds, and Schedule B-4 – Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Funds.

**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, 2021**

|  | <b>2021</b>         | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB Liability</b>                                      |                     |                     |                     |                     |
| Service Costs  | \$ 319,484          | \$ 281,875          | \$ 248,260          | \$ 236,094          |
| Interest   | 240,047             | 310,502             | 311,870             | 249,384             |
| Changes of assumptions   | 543,903             | 771,835             | 350,297             | (112,190)           |
| Differences between expected and actual experience               | 97,042              | (824,468)           | 241,872             | 1,036,629           |
| Benefit payments   | (384,370)           | (413,067)           | (383,617)           | (276,505)           |
| <b>Net change in total OPEB liability</b>                        | <b>816,106</b>      | <b>126,677</b>      | <b>768,682</b>      | <b>1,133,412</b>    |
| Total OPEB liability - beginning of year                         | 8,895,752           | 8,769,075           | 8,000,393           | 6,866,981           |
| Total OPEB liability - end of year                               | <b>\$ 9,711,858</b> | <b>\$ 8,895,752</b> | <b>\$ 8,769,075</b> | <b>\$ 8,000,393</b> |
| Covered payroll  | \$ 28,367,679       | \$ 26,743,256       | \$ 24,032,180       | \$ 23,057,983       |
| Total OPEB liability as a percentage of covered employee payroll | 34.24%              | 33.26%              | 36.49%              | 34.70%              |

Only four 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, 2021**

|  | <b>2021</b>         | <b>2020</b>         | <b>2019</b>         |
|--|---------------------|---------------------|---------------------|
| <b>Total OPEB Liability</b>                                      |                     |                     |                     |
| Service Costs  | \$ 46,592           | \$ 37,807           | \$ 41,698           |
| Interest   | 297,896             | 307,945             | 294,863             |
| Changes of benefit terms   | (1,070,730)         | -                   | -                   |
| Changes of assumptions   | 1,371,610           | 465,209             | (365,749)           |
| Differences between expected and actual experience               | 573,425             | -                   | -                   |
| Benefit payments   | (280,879)           | (250,541)           | (241,882)           |
| <b>Net change in total OPEB liability</b>                        | <b>937,914</b>      | <b>560,420</b>      | <b>(271,070)</b>    |
| Total OPEB liability - beginning of year                         | 8,603,940           | 8,043,520           | 8,314,590           |
| Total OPEB liability - end of year                               | <b>\$ 9,541,854</b> | <b>\$ 8,603,940</b> | <b>\$ 8,043,520</b> |
| Covered payroll  | \$ 20,377,887       | \$ 22,442,714       | \$ 21,842,057       |
| Total OPEB liability as a percentage of covered employee payroll | 46.82%              | 38.34%              | 36.83%              |

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

**CITY OF BANGOR, MAINE**  
**Required Supplementary Information**  
**Schedule of City's Proportionate Share of the Net OPEB Liability**  
**For the Fiscal Year Ended June 30, 2021**

|   | 2021       | 2020         | 2019         | 2018         |
|---|------------|--------------|--------------|--------------|
| <b>PLD OPEB Plan</b>  |            |              |              |              |
| City's proportion of the net OPEB liability   | 7.37%      | 7.12%        | 7.08%        | 7.42%        |
| City's proportionate share of net OPEB liability  | \$ 972,729 | \$ 1,524,223 | \$ 1,429,224 | \$ 1,241,184 |
| City's covered payroll  | 16,949,590 | 16,201,857   | 15,785,764   | 15,156,532   |
| City's proportionate share of net OPEB liability<br>as a percentage of covered employee payroll | 5.74%      | 9.41%        | 9.05%        | 8.19%        |
| Plan fiduciary net position as a percentage of the<br>OPEB liability                            | 55.40%     | 43.18%       | 43.92%       | 47.42%       |
| <b>SET OPEB Plan</b>  |            |              |              |              |
| City's proportion of the net OPEB liability   | 0.00%      | 0.00%        | 0.00%        | 0.00%        |
| City's proportionate share of net OPEB liability  | \$ -       | \$ -         | \$ -         | \$ -         |
| State's proportionate share of net OPEB liability<br>associated with the City                   | 677,695    | 673,276      | 679,803      | 659,610      |
| Total   | \$ 677,695 | \$ 673,276   | \$ 679,803   | \$ 659,610   |
| Plan fiduciary net position as a percentage of the<br>OPEB liability                            | 49.51%     | 49.22%       | 48.04%       | 47.29%       |

Only four 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, 2021**

|  | 2021          | 2020          | 2019          | 2018          |
|--|---------------|---------------|---------------|---------------|
| <b>PLD OPEB Plan</b>   |               |               |               |               |
| Contractually required contribution                                  | \$ 38,586     | \$ 34,341     | \$ 31,989     | \$ 29,765     |
| Contributions in relation to the contractually required contribution | (38,586)      | (34,341)      | (31,989)      | (29,765)      |
| Contribution deficiency (excess)                                     | \$ -          | \$ -          | \$ -          | \$ -          |
| City's covered payroll   | \$ 16,648,989 | \$ 16,949,590 | \$ 16,201,857 | \$ 15,785,764 |
| Contributions as a percentage of covered employee payroll            | 0.23%         | 0.20%         | 0.20%         | 0.19%         |

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

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

|   | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>PLD Plan</b>   |              |              |              |              |              |              |              |
| Proportion of the net pension liability   | 2.2584%      | 1.9745%      | 1.6638%      | 1.4542%      | 1.3327%      | 2.0601%      | 1.9029%      |
| Proportionate share of the net pension liability  | 3,475,288    | 6,299,478    | 8,840,254    | 5,954,157    | 3,647,271    | 6,297,032    | 7,560,374    |
| Covered payroll   | 10,645,005   | 9,799,964    | 8,662,976    | 7,963,681    | 7,528,843    | 12,116,999   | 11,768,457   |
| Proportion share of the net pension liability<br>as a percentage of its covered payroll | 32.65%       | 64.28%       | 102.05%      | 74.77%       | 48.44%       | 51.97%       | 64.24%       |
| Plan fiduciary net position as a percentage of<br>the total pension liability           | 94.10%       | 88.27%       | 81.61%       | 86.43%       | 91.10%       | 90.62%       | 88.35%       |
| <b>SET Plan</b>   |              |              |              |              |              |              |              |
| Proportion of the net pension liability   | 0.0936%      | 0.1096%      | 0.1200%      | 0.1315%      | 0.1393%      | 0.1463%      | 0.1329%      |
| City's proportionate share of the net pension liability                                 | \$ 1,011,232 | \$ 1,479,608 | \$ 2,120,647 | \$ 1,909,853 | \$ 1,879,396 | \$ 2,144,547 | \$ 2,169,981 |
| State's proportionate share of the net pension liability                                | 22,516,392   | 28,378,344   | 35,661,692   | 29,009,028   | 27,470,793   | 29,786,584   | 32,667,941   |
| Total   | 23,527,624   | 29,857,952   | 37,782,339   | 30,918,881   | 29,350,189   | 31,931,131   | 34,837,922   |
| Covered payroll   | 24,415,639   | 25,212,217   | 25,111,931   | 25,731,918   | 26,702,523   | 27,795,537   | 27,656,900   |
| Proportion share of the net pension liability<br>as a percentage of its covered payroll | 4.14%        | 5.87%        | 8.44%        | 7.42%        | 7.04%        | 7.72%        | 7.85%        |
| Plan fiduciary net position as a percentage of<br>the total pension liability           | 83.91%       | 81.18%       | 76.21%       | 83.35%       | 82.90%       | 82.73%       | 81.03%       |

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

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

|  | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018        | 2019        | 2020        | 2021        |
|--|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|
| <b>PLD Plan</b>  |            |            |            |            |            |            |             |             |             |             |
| Contractually required contributions                                 | 724,134    | 769,519    | 782,913    | 807,117    | 779,134    | 745,366    | 740,057     | 1,253,074   | 1,230,690   | 1,228,059   |
| Contributions in relation to the contractually required contribution | (724,134)  | (769,519)  | (782,913)  | (807,117)  | (779,134)  | (745,366)  | (740,057)   | (1,253,074) | (1,230,690) | (1,228,059) |
| Contribution deficiency (excess)                                     | -          | -          | -          | -          | -          | -          | -           | -           | -           | -           |
| Covered payroll  | 13,201,233 | 11,867,248 | 10,645,005 | 9,799,964  | 8,662,976  | 7,963,681  | 7,528,843   | 12,116,999  | 11,768,457  | 11,585,469  |
| Contributions as a percentage of covered payroll                     | 5.49%      | 6.48%      | 7.35%      | 8.24%      | 8.99%      | 9.36%      | 9.83%       | 10.34%      | 10.46%      | 10.60%      |
| <b>SET Plan*</b>   |            |            |            |            |            |            |             |             |             |             |
| Contractually required contributions                                 | -          | -          | 647,014    | 668,126    | 843,679    | 865,039    | 1,060,090   | 1,103,483   | 1,150,353   | 1,206,502   |
| Contributions in relation to the contractually required contribution | -          | -          | (647,014)  | (668,126)  | (843,679)  | (865,039)  | (1,060,090) | (1,103,483) | (1,150,353) | (1,206,502) |
| Contribution deficiency (excess)                                     | -          | -          | -          | -          | -          | -          | -           | -           | -           | -           |
| Covered payroll  | -          | -          | 24,415,639 | 25,212,217 | 25,111,931 | 25,731,918 | 26,702,523  | 27,795,537  | 27,656,900  | 29,180,899  |
| Contributions as a percentage of covered payroll                     | -          | -          | 2.65%      | 2.65%      | 3.36%      | 3.36%      | 3.97%       | 3.97%       | 4.16%       | 4.13%       |

\* - 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, 2021**

---

**Net Pension Liability**

**Change of benefit terms** - None

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

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

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

In 2015, the mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 forward, the mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table.

**Net OPEB Liability**

**Change of benefit terms** - None

**Changes of assumptions** -

The PLD plan increased the blended discount rate from 4.98% in the 2019 valuation to 6.75% in the 2020 valuation.

**CITY OF BANGOR, MAINE**  
**Notes to Required Supplementary Information (con't)**  
**June 30, 2021**

---

**Total OPEB Liability - City Health Plan**

**Change of benefit terms** - None

**Changes of assumptions** -

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

|               |             |             |             |             |             |
|---------------|-------------|-------------|-------------|-------------|-------------|
|               | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Discount rate | 2.19%       | 2.66%       | 3.51%       | 3.87%       | 3.58%       |

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

**Total OPEB Liability - School Health Plan**

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

**Changes of assumptions** -

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

|               |             |             |             |             |
|---------------|-------------|-------------|-------------|-------------|
|               | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Discount rate | 2.21%       | 3.50%       | 3.87%       | 3.58%       |

## **GENERAL FUND**

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



CITY OF BANGOR

**CITY OF BANGOR, MAINE**  
**Balance Sheet**  
**General Fund**  
**June 30, 2021**

|   |           |                   |
|---|-----------|-------------------|
| <b>ASSETS</b>   |           |                   |
| Cash and cash equivalents   | \$        | 19,192,397        |
| Investments   |           | 50,000            |
| Receivables:  |           |                   |
| Taxes   |           | 1,572,386         |
| Accounts (net of allowance of \$541,963)                                  |           | 1,131,325         |
| Interfund   |           | 14,217,830        |
| Intergovernmental   |           | 7,090,760         |
| Inventory, at cost  |           | 894,981           |
| Prepaid items   |           | 182,245           |
| <b>Total assets</b>   | <b>\$</b> | <b>44,331,924</b> |
| <b>LIABILITIES</b>  |           |                   |
| Accounts payable  | \$        | 1,966,345         |
| Accrued wages and benefits payable  |           | 4,917,060         |
| <b>Total liabilities</b>  |           | <b>6,883,405</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |           |                   |
| Unavailable revenues - property taxes                                     |           | 1,364,564         |
| <b>Total deferred inflows of resources</b>                                |           | <b>1,364,564</b>  |
| <b>FUND BALANCES</b>  |           |                   |
| Nonspendable  |           | 2,977,726         |
| Restricted  |           | 3,660,719         |
| Committed   |           | 715,470           |
| Assigned  |           | 8,806,620         |
| Unassigned  |           | 19,923,420        |
| <b>Total fund balance</b>   |           | <b>36,083,955</b> |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$</b> | <b>44,331,924</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, 2021**

|  | Balances            |                    |                    | Variance         |                  |
|--|---------------------|--------------------|--------------------|------------------|------------------|
|  | Carried<br>7/1/2020 | Budget             | Actual             | Surplus          | Carried          |
| Revenues                               |                     |                    |                    |                  |                  |
| Taxes                                  |                     |                    |                    |                  |                  |
| Real and personal property             | \$ -                | \$ 61,594,960      | \$ 61,130,318      | \$ (464,642)     | \$ -             |
| Change in unavailable property tax     | -                   | -                  | 480,507            | 480,507          | -                |
| Tax increment financing district       | -                   | (3,810,786)        | (3,810,786)        | -                | -                |
| Payment in lieu of taxes               | -                   | 288,702            | 316,003            | 27,301           | -                |
| Excise                                 | -                   | 6,015,500          | 7,376,295          | 1,360,795        | -                |
| Interest on delinquent taxes           | -                   | 200,000            | 289,066            | 89,066           | -                |
| <b>Total taxes</b>                     | <b>-</b>            | <b>64,288,376</b>  | <b>65,781,403</b>  | <b>1,493,027</b> | <b>-</b>         |
| Intergovernmental                      |                     |                    |                    |                  |                  |
| State revenue sharing                  | -                   | 3,379,600          | 5,355,341          | 1,975,741        | -                |
| School subsidy                         | -                   | 20,252,153         | 20,564,069         | -                | 311,916          |
| Other -                                |                     |                    |                    |                  |                  |
| Municipal                              | -                   | 5,781,053          | 5,547,314          | (233,739)        | -                |
| School                                 | -                   | 5,288,478          | 11,690,060         | -                | 6,401,582        |
| <b>Total intergovernmental</b>         | <b>-</b>            | <b>34,701,284</b>  | <b>43,156,784</b>  | <b>1,742,002</b> | <b>6,713,498</b> |
| Other revenue                          |                     |                    |                    |                  |                  |
| Licenses and permits                   | -                   | 598,118            | 807,226            | 209,108          | -                |
| Charges for service -                  |                     |                    |                    |                  |                  |
| Municipal                              | -                   | 7,836,167          | 6,920,381          | (915,786)        | -                |
| School                                 | -                   | 5,466,194          | 5,561,116          | -                | 94,922           |
| Fines, forfeits and penalties          | -                   | 22,000             | 16,167             | (5,833)          | -                |
| Revenue from use of money and property |                     |                    |                    |                  |                  |
| Municipal                              | -                   | 844,800            | 959,544            | 114,744          | -                |
| <b>Total other revenue</b>             | <b>-</b>            | <b>14,767,279</b>  | <b>14,264,434</b>  | <b>(597,767)</b> | <b>94,922</b>    |
| <b>Total revenues</b>                  | <b>-</b>            | <b>113,756,939</b> | <b>123,202,621</b> | <b>2,637,262</b> | <b>6,808,420</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, 2021**

|   | Balances |            |            | Variance  |         |
|---|----------|------------|------------|-----------|---------|
|   | Carried  | Budget     | Actual     | Surplus   | Carried |
|   | 7/1/2020 |            |            |           |         |
| Expenditures                              |          |            |            |           |         |
| General government                        |          |            |            |           |         |
| Council                                   | -        | 34,551     | 30,833     | 3,718     | -       |
| Executive                                 | -        | 688,220    | 679,928    | 8,292     | -       |
| Public Transportation                     | 95,000   | 795,326    | 533,859    | 32,056    | 324,411 |
| City clerk                                | 22,367   | 497,048    | 489,701    | 29,714    | -       |
| Assessing                                 | 31,357   | 372,921    | 397,235    | 686       | 6,357   |
| Legal                                     | -        | 280,035    | 247,375    | 32,660    | -       |
| Finance                                   | -        | 1,950,331  | 1,822,408  | 127,923   | -       |
| Insurance                                 | -        | 192,563    | 183,582    | 8,981     | -       |
| Planning, econ dev, code enforcement      | 8,000    | 1,392,047  | 1,253,597  | 81,450    | 65,000  |
| Total general government                  | 156,724  | 6,203,042  | 5,638,518  | 325,480   | 395,768 |
| Public safety                             |          |            |            |           |         |
| Police                                    | 70,000   | 10,280,104 | 10,062,415 | 217,689   | 70,000  |
| Fire                                      | 7,567    | 10,596,221 | 10,430,152 | 165,338   | 8,298   |
| Total public safety                       | 77,567   | 20,876,325 | 20,492,567 | 383,027   | 78,298  |
| Health, community services and recreation |          |            |            |           |         |
| Health and community services             | -        | 2,989,133  | 2,208,979  | 780,154   | -       |
| Parks and recreation                      | 32,000   | 2,255,441  | 2,017,376  | 188,065   | 82,000  |
| Total health, commun. serv and rec.       | 32,000   | 5,244,574  | 4,226,355  | 968,219   | 82,000  |
| Public services                           | -        | 11,530,933 | 9,743,959  | 1,776,974 | 10,000  |

**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, 2021**

|  | Balances            |             |             | Variance  |             |
|--|---------------------|-------------|-------------|-----------|-------------|
|  | Carried<br>7/1/2020 | Budget      | Actual      | Surplus   | Carried     |
| Expenditures, continued                                    |                     |             |             |           |             |
| Other agencies   |                     |             |             |           |             |
| County tax   | -                   | 3,849,264   | 3,849,264   | -         | -           |
| Downtown Development District                              | -                   | 76,580      | 76,580      | -         | -           |
| Public library   | -                   | 1,471,985   | 1,321,245   | 740       | 150,000     |
| Other agencies   | 20,510              | 123,700     | 137,303     | 7,503     | (596)       |
| Total other agencies                                       | 20,510              | 5,521,529   | 5,384,392   | 8,243     | 149,404     |
| Education  |                     |             |             |           |             |
| Regular instruction  | -                   | 20,992,848  | 20,818,374  | -         | -           |
| Special education  | -                   | 8,802,486   | 8,419,840   | -         | -           |
| Student and staff support                                  | -                   | 4,310,659   | 4,141,445   | -         | -           |
| System administration                                      | -                   | 1,381,864   | 1,310,386   | -         | -           |
| CTE instruction  | -                   | -           | -           | -         | -           |
| School administration                                      | -                   | 2,646,026   | 2,629,469   | -         | -           |
| Facilities maintenance                                     | -                   | 6,866,291   | 6,857,321   | -         | -           |
| Transportation   | -                   | 1,858,000   | 1,570,317   | -         | -           |
| Other instruction  | -                   | 1,402,641   | 965,107     | -         | -           |
| Debt service   | -                   | 1,340,000   | 1,333,020   | -         | -           |
| Contingency & other  | -                   | 162,059     | 79,812      | -         | -           |
| Regular  | 1,751,483           | 49,762,874  | 48,125,091  | -         | 3,389,266   |
| Adult education  | 318,758             | 717,643     | 364,490     | -         | 671,911     |
| School lunch   | 129,696             | 1,559,928   | 1,242,145   | -         | 447,479     |
| Special revenue  | 64,384              | 3,655,500   | 10,256,370  | -         | (6,536,486) |
| Trust and agency   | 1,135,312           | 2,934,314   | 3,295,504   | -         | 774,122     |
| Total education  | 3,399,633           | 58,630,259  | 63,283,600  | -         | (1,253,708) |
| Other appropriations                                       |                     |             |             |           |             |
| Pensions and other fringe benefits                         | -                   | 2,637,489   | 2,697,068   | (59,579)  | -           |
| Debt service   | -                   | 3,358,955   | 3,360,426   | (1,471)   | -           |
| Tax increment financing payments                           | -                   | 790,861     | 813,780     | (22,919)  | -           |
| Total other appropriations                                 | -                   | 6,787,305   | 6,871,274   | (83,969)  | -           |
| Total expenditures   | 3,686,434           | 114,793,967 | 115,640,665 | 3,377,974 | (538,238)   |
| Excess (deficiency) of revenues<br>over/under expenditures | (3,686,434)         | (1,037,028) | 7,561,956   | 6,015,236 | 6,270,182   |

**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, 2021**

|  | Balances            |           | Variance     |                      |              |
|--|---------------------|-----------|--------------|----------------------|--------------|
|  | Carried<br>7/1/2020 | Budget    | Actual       | Surplus              | Carried      |
| Other financing sources (uses)   |                     |           |              |                      |              |
| Appropriation from restricted, committed<br>and assigned fund balances | -                   | 1,334,713 | -            | -                    | (1,334,713)  |
| Appropriation from unassigned fund balance                             | -                   | 956,610   | -            | (956,610)            | -            |
| Sale of assets   | -                   | 41,000    | 35,616       | (5,384)              | -            |
| Contributions  | -                   | 2,500     | 245          | (2,255)              | -            |
| Insurance settlements  | -                   | 35,000    | 108,855      | 73,855               | -            |
| Transfers to other funds   | -                   | (911,025) | (911,025)    | -                    | -            |
| Transfers from other funds   | -                   | 78,230    | 71,230       | (7,000)              | -            |
| Contingency  | -                   | (500,000) | -            | 500,000              | -            |
| Total other financing sources (uses)                                   | -                   | 1,037,028 | (695,079)    | (397,394)            | (1,334,713)  |
| Net change in unassigned fund balance                                  | \$ (3,686,434)      | \$ -      | \$ 6,866,877 | \$ 5,617,842         | \$ 4,935,469 |
| Unassigned fund balance, beginning of year                             |                     |           |              | 14,547,264           |              |
| Changes in amounts required to be shown as nonspendable fund balance   |                     |           |              |                      |              |
| Inventory and prepaids   |                     |           |              | (241,686)            |              |
| <b>Unassigned fund balance - end of year</b>                           |                     |           |              | <b>\$ 19,923,420</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.

School Activity Funds – Accounts for amounts raised or donated to benefit various school organizations where the City's role is purely custodial.

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, 2021**

|  | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Permanent<br>Funds | Total Other<br>Governmental<br>Funds |
|--|---|--------------------------------|--------------------------------------|
| <b>ASSETS</b>                              |   |                                |                                      |
| Cash and cash equivalents                  | \$ 2,856,626                            | \$ 111,763                     | \$ 2,968,389                         |
| Receivables:                               |   |                                |                                      |
| Accounts                                   | 227,140                                 | -                              | 227,140                              |
| Loans and notes                            | 3,726,142                               | 781,669                        | 4,507,811                            |
| Intergovernmental                          | 325,669                                 | -                              | 325,669                              |
| <b>Total assets</b>                        | <b>\$ 7,135,577</b>                     | <b>\$ 893,432</b>              | <b>\$ 8,029,009</b>                  |
| <b>LIABILITIES</b>                         |   |                                |                                      |
| Accounts payable                           | \$ 104,720                              | \$ -                           | \$ 104,720                           |
| Accrued wages and benefits payable         | 51,765                                  | -                              | 51,765                               |
| Interfund loans payable                    | 242,830                                 | -                              | 242,830                              |
| Unearned revenues                          | 50,057                                  | -                              | 50,057                               |
| Due to rehabilitation recipients           | 106,061                                 | -                              | 106,061                              |
| <b>Total liabilities</b>                   | <b>555,433</b>                          | <b>-</b>                       | <b>555,433</b>                       |
| <b>FUND BALANCES</b>                       |   |                                |                                      |
| Nonspendable                               | -                                       | 389,245                        | 389,245                              |
| Restricted                                 | 5,664,515                               | 504,187                        | 6,168,702                            |
| Committed                                  | 915,629                                 | -                              | 915,629                              |
| <b>Total fund balances</b>                 | <b>6,580,144</b>                        | <b>893,432</b>                 | <b>7,473,576</b>                     |
| <b>Total liabilities and fund balances</b> | <b>\$ 7,135,577</b>                     | <b>\$ 893,432</b>              | <b>\$ 8,029,009</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, 2021**

|   | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Permanent<br>Funds | Total Other<br>Governmental<br>Funds |
|---|---|--------------------------------|--------------------------------------|
| <b>Revenues</b>   |   |                                |                                      |
| Intergovernmental   | \$ 8,283,494                            | \$ -                           | 8,283,494                            |
| Charges for services                                      | 513,712                                 | -                              | 513,712                              |
| Program income  | 57,686                                  | -                              | 57,686                               |
| Revenue from use of money and property                    | 1,685,100                               | -                              | 1,685,100                            |
| Other revenue   | 962,803                                 | 3,750                          | 966,553                              |
| Interest revenue  | -                                       | 23,255                         | 23,255                               |
| <b>Total revenues</b>                                     | <b>11,502,795</b>                       | <b>27,005</b>                  | <b>11,529,800</b>                    |
| <b>Expenditures</b>                                       |   |                                |                                      |
| Current:  |   |                                |                                      |
| Personnel   | 1,587,515                               | -                              | 1,587,515                            |
| Payments to beneficiaries                                 | 29,909                                  | 63                             | 29,972                               |
| Other   | 3,411,426                               | -                              | 3,411,426                            |
| Restricted grant  | 1,395,827                               | -                              | 1,395,827                            |
| Bus operations  | 3,510,413                               | -                              | 3,510,413                            |
| Debt service  | 71,227                                  | -                              | 71,227                               |
| <b>Total expenditures</b>                                 | <b>10,006,317</b>                       | <b>63</b>                      | <b>10,006,380</b>                    |
| <b>Excess of revenues over expenditures</b>               | <b>1,496,478</b>                        | <b>26,942</b>                  | <b>1,523,420</b>                     |
| <b>Other financing uses</b>                               |   |                                |                                      |
| Transfers to other funds                                  | (1,247,500)                             | (53,000)                       | (1,300,500)                          |
| Transfers from other funds                                | 5,586                                   | -                              | 5,586                                |
| <b>Total other financing uses</b>                         | <b>(1,241,914)</b>                      | <b>(53,000)</b>                | <b>(1,294,914)</b>                   |
| <b>Net change in fund balances</b>                        | <b>254,564</b>                          | <b>(26,058)</b>                | <b>228,506</b>                       |
| <b>Fund balances, beginning of year - Restated Note G</b> | <b>6,325,580</b>                        | <b>919,490</b>                 | <b>7,245,070</b>                     |
| <b>Fund balances, end of year</b>                         | <b>\$ 6,580,144</b>                     | <b>\$ 893,432</b>              | <b>\$ 7,473,576</b>                  |

**CITY OF BANGOR, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2021**

|  | Other<br>HUD Funds | Community<br>Development<br>Block Grant | Arena<br>Fund     | Grant<br>Fund     | Dedicated<br>Revenue<br>Funds | School<br>Activity<br>Funds | Other             | Totals              |
|--|--------------------|---|-------------------|-------------------|-------------------------------|-----------------------------|-------------------|---------------------|
| <b>ASSETS</b>                              |                    |   |                   |                   |                               |                             |                   |                     |
| Cash and cash equivalents                  | \$ 271,917         | \$ 185,434                              | \$ 754,379        | \$ 37,202         | \$ 833,589                    | \$ 119,451                  | \$ 654,654        | \$ 2,856,626        |
| Receivables:                               |                    |   |                   |                   |                               |                             |                   |                     |
| Accounts                                   | -                  | -                                       | 117,852           | 109,288           | -                             | -                           | -                 | 227,140             |
| Loans and notes                            | 160,000            | 3,566,142                               | -                 | -                 | -                             | -                           | -                 | 3,726,142           |
| Intergovernmental                          | -                  | 7,910                                   | 45,386            | 272,373           | -                             | -                           | -                 | 325,669             |
| <b>Total assets</b>                        | <b>\$ 431,917</b>  | <b>\$ 3,759,486</b>                     | <b>\$ 917,617</b> | <b>\$ 418,863</b> | <b>\$ 833,589</b>             | <b>\$ 119,451</b>           | <b>\$ 654,654</b> | <b>\$ 7,135,577</b> |
| <b>LIABILITIES</b>                         |                    |   |                   |                   |                               |                             |                   |                     |
| Accounts payable                           | \$ -               | \$ 37,317                               | \$ 1,988          | \$ 64,992         | \$ -                          | \$ -                        | \$ 423            | \$ 104,720          |
| Accrued wages and benefits payable         | -                  | 6,890                                   | -                 | 44,875            | -                             | -                           | -                 | 51,765              |
| Interfund loans payable                    | -                  | -                                       | -                 | 242,830           | -                             | -                           | -                 | 242,830             |
| Unearned revenues                          | -                  | 50,057                                  | -                 | -                 | -                             | -                           | -                 | 50,057              |
| Due to rehabilitation recipients           | -                  | 106,061                                 | -                 | -                 | -                             | -                           | -                 | 106,061             |
| <b>Total liabilities</b>                   | <b>-</b>           | <b>200,325</b>                          | <b>1,988</b>      | <b>352,697</b>    | <b>-</b>                      | <b>-</b>                    | <b>423</b>        | <b>555,433</b>      |
| <b>FUND BALANCES</b>                       |                    |   |                   |                   |                               |                             |                   |                     |
| Restricted                                 | 431,917            | 3,559,161                               | -                 | 66,166            | 833,589                       | 119,451                     | 654,231           | 5,664,515           |
| Committed                                  | -                  | -                                       | 915,629           | -                 | -                             | -                           | -                 | 915,629             |
| <b>Total fund balances</b>                 | <b>431,917</b>     | <b>3,559,161</b>                        | <b>915,629</b>    | <b>66,166</b>     | <b>833,589</b>                | <b>119,451</b>              | <b>654,231</b>    | <b>6,580,144</b>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 431,917</b>  | <b>\$ 3,759,486</b>                     | <b>\$ 917,617</b> | <b>\$ 418,863</b> | <b>\$ 833,589</b>             | <b>\$ 119,451</b>           | <b>\$ 654,654</b> | <b>\$ 7,135,577</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, 2021**

|   | Other<br>HUD Funds | Community<br>Development<br>Block Grant | Arena<br>Fund      | Grant<br>Fund    | Dedicated<br>Revenue<br>Funds | School<br>Activity<br>Funds | Other             | Totals              |
|---|--------------------|---|--------------------|------------------|-------------------------------|-----------------------------|-------------------|---------------------|
| <b>Revenues</b>   |                    |   |                    |                  |                               |                             |                   |                     |
| Intergovernmental   | \$ -               | \$ 517,261                              | \$ -               | \$ 7,766,233     | \$ -                          | \$ -                        | \$ -              | 8,283,494           |
| Charges for services  | -                  | -                                       | -                  | 513,712          | -                             | -                           | -                 | 513,712             |
| Program income  | -                  | 57,686                                  | -                  | -                | -                             | -                           | -                 | 57,686              |
| Revenue from use of money and property                        | -                  | -                                       | 1,640,809          | -                | 22,463                        | -                           | 21,828            | 1,685,100           |
| Other   | -                  | 437,780                                 | -                  | 266,669          | 9,522                         | 31,476                      | 217,356           | 962,803             |
| <b>Total revenues</b>   | <b>-</b>           | <b>1,012,727</b>                        | <b>1,640,809</b>   | <b>8,546,614</b> | <b>31,985</b>                 | <b>31,476</b>               | <b>239,184</b>    | <b>11,502,795</b>   |
| <b>Expenditures</b>   |                    |   |                    |                  |                               |                             |                   |                     |
| <b>Current:</b>   |                    |   |                    |                  |                               |                             |                   |                     |
| Personnel   | -                  | -                                       | -                  | 1,587,515        | -                             | -                           | -                 | 1,587,515           |
| Payments to beneficiaries                                     | -                  | -                                       | -                  | -                | 85                            | -                           | 29,824            | 29,909              |
| Other   | -                  | -                                       | 4,883              | 3,341,800        | -                             | 64,743                      | -                 | 3,411,426           |
| Restricted grant  | -                  | 1,395,827                               | -                  | -                | -                             | -                           | -                 | 1,395,827           |
| Bus operations  | -                  | -                                       | -                  | 3,510,413        | -                             | -                           | -                 | 3,510,413           |
| Debt service  | -                  | 39,850                                  | -                  | 31,377           | -                             | -                           | -                 | 71,227              |
| <b>Total expenditures</b>                                     | <b>-</b>           | <b>1,435,677</b>                        | <b>4,883</b>       | <b>8,471,105</b> | <b>85</b>                     | <b>64,743</b>               | <b>29,824</b>     | <b>10,006,317</b>   |
| Excess (deficiency) of revenues<br>over (under) expenditures  | -                  | (422,950)                               | 1,635,926          | 75,509           | 31,900                        | (33,267)                    | 209,360           | 1,496,478           |
| <b>Other financing uses</b>                                   |                    |   |                    |                  |                               |                             |                   |                     |
| Transfers to other funds                                      | -                  | -                                       | (1,200,000)        | -                | (15,000)                      | -                           | (32,500)          | (1,247,500)         |
| Transfers from other funds                                    | -                  | -                                       | -                  | -                | 5,586                         | -                           | -                 | 5,586               |
| <b>Total other financing uses</b>                             | <b>-</b>           | <b>-</b>                                | <b>(1,200,000)</b> | <b>-</b>         | <b>(9,414)</b>                | <b>-</b>                    | <b>(32,500)</b>   | <b>(1,241,914)</b>  |
| Net change in fund balances                                   | -                  | (422,950)                               | 435,926            | 75,509           | 22,486                        | (33,267)                    | 176,860           | 254,564             |
| Fund balances (deficits), beginning of year - Restated Note G | 431,917            | 3,982,111                               | 479,703            | (9,343)          | 811,103                       | 152,718                     | 477,371           | 6,325,580           |
| <b>Fund balances, end of year</b>                             | <b>\$ 431,917</b>  | <b>\$ 3,559,161</b>                     | <b>\$ 915,629</b>  | <b>\$ 66,166</b> | <b>\$ 833,589</b>             | <b>\$ 119,451</b>           | <b>\$ 654,231</b> | <b>\$ 6,580,144</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, 2021**

**Business-type Activities - Enterprise Funds**

|   | Stormwater<br>Utility | Economic<br>Development<br>Fund | Parking<br>Fund     | Municipal<br>Golf<br>Course | Total<br>Nonmajor<br>Proprietary Funds |
|---|-----------------------|---------------------------------|---------------------|-----------------------------|--|
| <b>ASSETS</b>                               |                       |                                 |                     |                             |  |
| Current assets                              |                       |                                 |                     |                             |  |
| Cash and cash equivalents                   | \$ 1,929,970          | \$ 766,914                      | \$ 664,418          | \$ 640,141                  | \$ 4,001,443                           |
| Accounts receivable                         | 325,349               | 38,251                          | 8,707               | -                           | 372,307                                |
| Prepaid items                               | -                     | -                               | 92,263              | -                           | 92,263                                 |
| <b>Total current assets</b>                 | <b>2,255,319</b>      | <b>805,165</b>                  | <b>765,388</b>      | <b>640,141</b>              | <b>4,466,013</b>                       |
| Noncurrent assets                           |                       |                                 |                     |                             |  |
| Capital assets:                             |                       |                                 |                     |                             |  |
| Land and improvements                       | -                     | 3,413,627                       | -                   | 1,594,732                   | 5,008,359                              |
| Buildings and improvements                  | -                     | 3,746,523                       | -                   | 912,607                     | 4,659,130                              |
| Machinery and equipment                     | 247,398               | -                               | -                   | 408,187                     | 655,585                                |
| Infrastructure                              | -                     | 683,189                         | -                   | -                           | 683,189                                |
| Parking structures                          | -                     | -                               | 11,337,000          | -                           | 11,337,000                             |
| Construction in process                     | 5,378                 | 190,849                         | -                   | -                           | 196,227                                |
| <b>Total capital assets</b>                 | <b>252,776</b>        | <b>8,034,188</b>                | <b>11,337,000</b>   | <b>2,915,526</b>            | <b>22,539,490</b>                      |
| Less accumulated depreciation               | (90,713)              | (2,687,135)                     | (10,433,392)        | (2,303,787)                 | (15,515,027)                           |
| <b>Net capital assets</b>                   | <b>162,063</b>        | <b>5,347,053</b>                | <b>903,608</b>      | <b>611,739</b>              | <b>7,024,463</b>                       |
| Loans receivable                            | -                     | 1,274,377                       | -                   | -                           | 1,274,377                              |
| <b>Total noncurrent assets</b>              | <b>162,063</b>        | <b>6,621,430</b>                | <b>903,608</b>      | <b>611,739</b>              | <b>8,298,840</b>                       |
| <b>Total assets</b>                         | <b>\$ 2,417,382</b>   | <b>\$ 7,426,595</b>             | <b>\$ 1,668,996</b> | <b>\$ 1,251,880</b>         | <b>\$ 12,764,853</b>                   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                       |                                 |                     |                             |  |
| Net OPEB                                    | \$ 2,482              | \$ -                            | \$ -                | \$ 7,097                    | \$ 9,579                               |
| <b>Total deferred outflows of resources</b> | <b>\$ 2,482</b>       | <b>\$ -</b>                     | <b>\$ -</b>         | <b>\$ 7,097</b>             | <b>\$ 9,579</b>                        |

Continued on next page

**CITY OF BANGOR, MAINE**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**June 30, 2021**

**Business-type Activities - Enterprise Funds**

|                                    | Stormwater<br>Utility | Economic<br>Development<br>Fund | Parking<br>Fund     | Municipal<br>Golf<br>Course | Total<br>Nonmajor<br>Proprietary Funds |
|------------------------------------|-----------------------|---------------------------------|---------------------|-----------------------------|--|
| <b>LIABILITIES</b>                 |                       |                                 |                     |                             |  |
| Current liabilities                |                       |                                 |                     |                             |  |
| Accounts payable                   | \$ 10,321             | \$ 34,058                       | \$ 57,090           | \$ 64,748                   | \$ 166,217                             |
| Accrued wages and benefits payable | 4,354                 | -                               | -                   | 14,763                      | 19,117                                 |
| Accrued interest                   | -                     | 24,922                          | 524                 | 1,009                       | 26,455                                 |
| Workers' compensation              | -                     | -                               | -                   | 5,000                       | 5,000                                  |
| General obligation debt payable    | 74,133                | 296,187                         | 26,688              | 35,574                      | 432,582                                |
| Capital lease obligation payable   | -                     | -                               | -                   | 13,081                      | 13,081                                 |
| Accrued compensated absences       | -                     | -                               | -                   | 14,213                      | 14,213                                 |
| <b>Total current liabilities</b>   | <b>88,808</b>         | <b>355,167</b>                  | <b>84,302</b>       | <b>148,388</b>              | <b>676,665</b>                         |
| Long-term liabilities              |                       |                                 |                     |                             |  |
| Workers' compensation              | -                     | -                               | -                   | -                           | -                                      |
| General obligation debt payable    | 544,625               | 1,026,229                       | 70,303              | 149,617                     | 1,790,774                              |
| Capital lease obligation payable   | -                     | -                               | -                   | 13,608                      | 13,608                                 |
| OPEB liability                     | 35,234                | -                               | -                   | 62,749                      | 97,983                                 |
| <b>Total long-term liabilities</b> | <b>579,859</b>        | <b>1,026,229</b>                | <b>70,303</b>       | <b>225,974</b>              | <b>1,902,365</b>                       |
| <b>Total liabilities</b>           | <b>\$ 668,667</b>     | <b>\$ 1,381,396</b>             | <b>\$ 154,605</b>   | <b>\$ 374,362</b>           | <b>\$ 2,579,030</b>                    |
| <b>NET POSITION</b>                |                       |                                 |                     |                             |  |
| Net investment in capital assets   | \$ 162,063            | \$ 4,024,637                    | \$ 890,579          | \$ 444,445                  | \$ 5,521,724                           |
| Unrestricted                       | 1,589,134             | 2,020,562                       | 623,812             | 440,170                     | 4,673,678                              |
| <b>Total net position</b>          | <b>\$ 1,751,197</b>   | <b>\$ 6,045,199</b>             | <b>\$ 1,514,391</b> | <b>\$ 884,615</b>           | <b>\$ 10,195,402</b>                   |

Continued from previous page

**CITY OF BANGOR, MAINE**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

|  | Stormwater<br>Utility | Economic<br>Development<br>Fund | Parking<br>Fund     | Municipal<br>Golf<br>Course | Total<br>Nonmajor<br>Proprietary Funds |
|--|-----------------------|---------------------------------|---------------------|-----------------------------|--|
| Operating revenues                               |                       |                                 |                     |                             |  |
| Charges for services                             | \$ 1,277,113          | \$ 423,066                      | \$ 698,934          | \$ 914,169                  | \$ 3,313,282                           |
| Operating expenses                               |                       |                                 |                     |                             |  |
| Operating expenses other than depreciation       | 780,620               | 167,913                         | 554,917             | 752,210                     | 2,255,660                              |
| Depreciation                                     | 16,493                | 157,012                         | 249,041             | 53,124                      | 475,670                                |
| Total operating expenses                         | 797,113               | 324,925                         | 803,958             | 805,334                     | 2,731,330                              |
| Operating income (loss)                          | 480,000               | 98,141                          | (105,024)           | 108,835                     | 581,952                                |
| Nonoperating revenue (expenses)                  |                       |                                 |                     |                             |  |
| Interest income                                  | 85,711                | 64,825                          | 12,081              | 8,721                       | 171,338                                |
| Interest expense                                 | -                     | (65,422)                        | (12,119)            | (9,776)                     | (87,317)                               |
| Total nonoperating revenue (expenses)            | 85,711                | (597)                           | (38)                | (1,055)                     | 84,021                                 |
| Net income (loss) before transfers               | 565,711               | 97,544                          | (105,062)           | 107,780                     | 665,973                                |
| Grants/contributions received for capital assets | 48,000                | -                               | -                   | -                           | 48,000                                 |
| Transfers to other funds                         | (505,000)             | -                               | -                   | -                           | (505,000)                              |
| Change in net position                           | 108,711               | 97,544                          | (105,062)           | 107,780                     | 208,973                                |
| Net position, beginning of year                  | 1,642,486             | 5,947,655                       | 1,619,453           | 776,835                     | 9,986,429                              |
| <b>Net position, end of year</b>                 | <b>\$ 1,751,197</b>   | <b>\$ 6,045,199</b>             | <b>\$ 1,514,391</b> | <b>\$ 884,615</b>           | <b>\$ 10,195,402</b>                   |

**CITY OF BANGOR, MAINE**  
**Combining Statement of Cash Flows - Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

|   | <b>Business-type Activities - Enterprise Funds</b> |  |                         |                                      |   |
|---|--|--|-------------------------|--------------------------------------|---|
|   | <b>Stormwater<br/>Utility</b>                      | <b>Economic<br/>Development<br/>Fund</b> | <b>Parking<br/>Fund</b> | <b>Municipal<br/>Golf<br/>Course</b> | <b>Total<br/>Nonmajor<br/>Proprietary Funds</b> |
| Cash flows from operating activities                            |  |  |                         |                                      |   |
| Cash received from customers                                    | \$ 1,260,385                                       | \$ 432,368                               | \$ 690,227              | \$ 914,169                           | \$ 3,297,149                                    |
| Cash paid to suppliers for goods and services                   | (628,780)  | (155,864)                                | (615,396)               | (302,425)                            | (1,702,465)                                     |
| Cash paid to employees for services                             | (177,643)  | -  | -                       | (470,216)                            | (647,859)                                       |
| Net cash provided by operating activities                       | 453,962  | 276,504                                  | 74,831                  | 141,528                              | 946,825   |
| Cash flows from noncapital financing activities                 |  |  |                         |                                      |   |
| Transfers out   | (505,000)  | -  | -                       | -                                    | (505,000)                                       |
| Net cash provided by (used for) noncapital financing activities | (505,000)  | -  | -                       | -                                    | (505,000)                                       |
| Cash flows from capital and related financing activities        |  |  |                         |                                      |   |
| Proceeds from general obligation bonds                          | -  | 30,000                                   | -                       | -                                    | 30,000  |
| Acquisition and construction of capital assets                  | (5,377)  | (92,299)                                 | -                       | 21,050                               | (76,626)  |
| Principal paid on general obligation bonds/capital leases       | (74,134)   | (287,006)                                | (250,612)               | (48,441)                             | (660,193)                                       |
| Interest paid on general obligation bonds/capital leases        | -  | (70,240)                                 | (14,081)                | (9,970)                              | (94,291)  |
| Grants/contributions received for capital assets                | 48,000   | -  | -                       | -                                    | 48,000  |
| Net cash used for capital and related financing activities      | (31,511)   | (419,545)                                | (264,693)               | (37,361)                             | (753,110)                                       |
| Cash flows from investing activities                            |  |  |                         |                                      |   |
| Interest on investments   | 85,711   | 64,825                                   | 12,081                  | 8,721                                | 171,338   |
| Loan repayments   | -  | 24,227                                   | -                       | -                                    | 24,227  |
| Net cash provided by investing activities                       | 85,711   | 89,052                                   | 12,081                  | 8,721                                | 195,565   |
| Net increase (decrease) in cash and cash equivalents            | 3,162  | (53,989)                                 | (177,781)               | 112,888                              | (115,720)                                       |
| Cash and cash equivalents, beginning of year                    | 1,926,808  | 820,903                                  | 842,199                 | 527,253                              | 4,117,163                                       |
| <b>Cash and cash equivalents, end of year</b>                   | <b>\$ 1,929,970</b>                                | <b>\$ 766,914</b>                        | <b>\$ 664,418</b>       | <b>\$ 640,141</b>                    | <b>\$ 4,001,443</b>                             |

Continued on next page

**CITY OF BANGOR, MAINE**  
**Combining Statement of Cash Flows - Nonmajor Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

---

**Business-type Activities - Enterprise Funds**

---

|   | Stormwater<br>Utility | Economic<br>Development<br>Fund | Parking<br>Fund  | Municipal<br>Golf<br>Course | Total<br>Nonmajor<br>Proprietary Funds |
|---|-----------------------|---------------------------------|------------------|-----------------------------|--|
| Reconciliation of operating income (loss) to<br>net cash provided by operating activities           |                       |                                 |                  |                             |  |
| Operating income (loss)   | \$ 480,000            | \$ 98,141                       | \$ (105,024)     | \$ 108,835                  | \$ 581,952                             |
| Adjustments to reconcile operating income (loss)<br>to net cash provided by<br>operating activities |                       |                                 |                  |                             |  |
| Depreciation  | 16,493                | 157,012                         | 249,041          | 53,124                      | 475,670                                |
| Changes in assets and liabilities:  |                       |                                 |                  |                             |  |
| (Increase) decrease in accounts receivable  | (16,728)              | 5,190                           | (8,707)          | -                           | (20,245)                               |
| (Increase) decrease in prepaid items  | -                     | 4,112                           | 1,252            | -                           | 5,364                                  |
| Increase (decrease) in accounts payable   | (29,888)              | 12,049                          | (61,731)         | 8,407                       | (71,163)                               |
| Increase (decrease) in other liabilities  | 4,085                 | -                               | -                | (28,838)                    | (24,753)                               |
| Total adjustments   | (26,038)              | 178,363                         | 179,855          | 32,693                      | 364,873                                |
| <b>Net cash provided by<br/>operating activities</b>  | <b>\$ 453,962</b>     | <b>\$ 276,504</b>               | <b>\$ 74,831</b> | <b>\$ 141,528</b>           | <b>\$ 946,825</b>                      |

Continued from previous page

# FIDUCIARY FUNDS

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

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



CITY OF BANGOR

**CITY OF BANGOR, MAINE**  
**Combining Statement of Net Position - Fiduciary Funds**  
**Private Purpose Trusts**  
**June 30, 2021**

|                           | <b>School<br/>Scholarship<br/>Fund</b> | <b>Revolving<br/>Loan<br/>Fund</b> | <b>Total<br/>Private<br/>Purpose<br/>Trusts</b> |
|---------------------------|--|------------------------------------|---|
| <b>ASSETS</b>             |  |                                    |   |
| Cash and cash equivalents | \$ 49,589                              | \$ -                               | \$ 49,589                                       |
| Investments               | 2,126,012                              | 158,887                            | \$ 2,284,899                                    |
| <b>Total assets</b>       | <b>\$ 2,175,601</b>                    | <b>\$ 158,887</b>                  | <b>\$ 2,334,488</b>                             |
| <b>NET POSITION</b>       |  |                                    |   |
| Net Position              | 2,175,601                              | 158,887                            | 2,334,488                                       |
| <b>Total liabilities</b>  | <b>\$ 2,175,601</b>                    | <b>\$ 158,887</b>                  | <b>\$ 2,334,488</b>                             |

**CITY OF BANGOR, MAINE**  
**Combining Statement of Changes in Net Position - Fiduciary Funds**  
**Private Purpose Trusts**  
**For the Fiscal Year Ended June 30, 2021**

|  | <b>School<br/>Scholarship<br/>Fund</b> | <b>Revolving<br/>Loan<br/>Fund</b> | <b>Total<br/>Private<br/>Purpose<br/>Trusts</b> |
|--|--|------------------------------------|---|
| <b>Additions:</b>                              |  |                                    |   |
| Contributions                                  | \$ 39,503                              | \$ -                               | \$ 39,503                                       |
| Investment income                              | 396,802                                | 19,030                             | 415,832   |
| <b>Total revenues</b>                          | <b>436,305</b>                         | <b>19,030</b>                      | <b>455,335</b>                                  |
| <b>Deductions:</b>                             |  |                                    |   |
| Payments to beneficiaries                      | \$ 66,750                              | \$ 1,754                           | \$ 68,504                                       |
| Other expenses                                 | 11,826                                 | -                                  | 11,826  |
| <b>Total expenditures</b>                      | <b>78,576</b>                          | <b>1,754</b>                       | <b>80,330</b>                                   |
| <b>Net increase (decrease) in net position</b> | <b>357,729</b>                         | <b>17,276</b>                      | <b>375,005</b>                                  |
| <b>Net position, beginning of year</b>         | <b>1,817,872</b>                       | <b>141,611</b>                     | <b>1,959,483</b>                                |
| <b>Net position, end of year</b>               | <b>\$ 2,175,601</b>                    | <b>\$ 158,887</b>                  | <b>\$ 2,334,488</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, 2021**

| Function and Activity                            | Balance<br>2020      | Additions            | Deletions           | Balance<br>2021      |
|--|----------------------|----------------------|---------------------|----------------------|
| General government                               |                      |                      |                     |                      |
| Community Connector                              | \$ 6,148,394         | \$ 351,522           | \$ 812,040          | \$ 5,687,876         |
| Central service                                  | 7,650                | -                    | 2,419               | 5,231                |
| City hall  | 1,137,860            | 82,180               | 36,544              | 1,183,496            |
| Code Enforcement                                 | 22,928               | 41,402               | 8,621               | 55,709               |
| Community and economic development               | 8,015,222            | -                    | 486,812             | 7,528,410            |
| Information services                             | 262,814              | 34,505               | 67,143              | 230,176              |
| Motor pool                                       | 2,406,903            | 177,746              | 593,028             | 1,991,621            |
| Total general government                         | 18,001,771           | 687,355              | 2,006,607           | 16,682,519           |
| Public safety                                    |                      |                      |                     |                      |
| Fire   | 5,513,460            | 804,953              | 1,075,515           | 5,242,898            |
| Police   | 8,201,930            | 160,626              | 350,886             | 8,011,670            |
| Total public safety                              | 13,715,390           | 965,579              | 1,426,401           | 13,254,568           |
| Health, community services, and recreation       |                      |                      |                     |                      |
| Health & community services                      | 19,565               | -                    | 2,060               | 17,505               |
| Parks and recreation                             | 3,957,648            | 587,039              | 224,112             | 4,320,575            |
| Total health, community services, and recreation | 3,977,213            | 587,039              | 226,172             | 4,338,080            |
| Public services                                  |                      |                      |                     |                      |
| Public works                                     | 17,907,321           | 4,297,170            | 760,386             | 21,444,105           |
| Total public services                            | 17,907,321           | 4,297,170            | 760,386             | 21,444,105           |
| Education  | 28,712,723           | 4,556,948            | 1,425,787           | 31,843,884           |
| <b>Total governmental fund capital assets</b>    | <b>\$ 82,314,418</b> | <b>\$ 11,094,091</b> | <b>\$ 5,845,353</b> | <b>\$ 87,563,156</b> |

## **OTHER INFORMATION**



CITY OF BANGOR

**CITY OF BANGOR, MAINE**  
**Assessed Valuation, Commitment and Collections**  
**For the Fiscal Year Ended June 30, 2021**

---

**VALUATION**

|  |                                |
|--|--------------------------------|
| Land and buildings                       | \$ 2,482,815,200               |
| Land and buildings - Homestead exemption | 122,888,800                    |
| Personal property                        | 185,174,200                    |
| Personal property - BETE exemption       | <u>159,077,200</u>             |
| Total valuation                          | <u><u>\$ 2,949,955,400</u></u> |

**COMMITMENT**

|   |                  |
|---|------------------|
| Real estate, personal property (excludes Homestead and BETE exemptions) | \$ 2,667,989,400 |
| Tax rate  | <u>0.02320</u>   |
| Total commitment  | 61,897,354       |

**ADD**

|                              |               |
|------------------------------|---------------|
| Supplemental taxes committed | <u>57,425</u> |
|                              | 61,954,779    |

**LESS**

|  |                          |
|--|--------------------------|
| Collections 2021                       | 60,932,911               |
| Abatements                             | <u>139,162</u>           |
| 2021 taxes receivable at June 30, 2021 | <u><u>\$ 882,706</u></u> |

---

**CITY OF BANGOR, MAINE**  
**General Fund Unassigned Fund Balance Sufficiency Calculation**  
**For the Fiscal Year Ended June 30, 2021**

---

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, 2021

General Fund expenditures/uses (Schedule A-2)

|  |                              |
|--|------------------------------|
| General government   | \$ 5,638,518                 |
| Public safety  | 20,492,567                   |
| Health, community services and recreation                                      | 4,226,355                    |
| Public services  | 9,743,959                    |
| Other agencies   | 5,384,392                    |
| Education  | 63,283,600                   |
| Other appropriations   | 6,871,274                    |
| Other uses, gross*   | <u>911,025</u>               |
| Gross expenditures and uses  | 116,551,690                  |
| Less General Fund debt service   | <u>7,450,331</u>             |
| Net expenditures and uses  | <u><u>\$ 109,101,359</u></u> |
| Indicated unassigned fund balance @ 8.33%                                      | \$ 9,088,143                 |
| Unassigned fund balance - City (Schedule A-2)                                  | \$ 19,923,420                |
| Actual unassigned fund balance as a percentage<br>of net expenditures and uses | 18.26%                       |

\* excludes amounts appropriated from unassigned and assigned fund balance

---

# STATISTICAL SECTION

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

|   | Page            |
|---|-----------------|
| <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> |                 |

Table 1

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

|   | Fiscal Year    |                |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2012           | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           |
| Governmental activities:                    |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | \$ 67,253,588  | \$ 54,540,288  | \$ 49,674,874  | \$ 50,030,025  | \$ 47,792,253  | \$ 49,367,869  | \$ 49,138,743  | \$ 49,657,039  | \$ 53,392,631  | \$ 66,647,997  |
| Restricted                                  | 5,054,449      | 3,966,494      | 4,745,034      | 4,494,021      | 4,045,808      | 3,547,716      | 7,831,587      | 7,162,489      | 7,838,489      | 10,218,666     |
| Unrestricted                                | (28,635,920)   | (24,261,524)   | (29,701,463)   | (25,459,136)   | (16,048,402)   | (15,045,713)   | (11,761,575)   | (12,861,886)   | (9,572,219)    | (9,511,539)    |
| Total governmental activities net position  | 43,672,117     | 34,245,258     | 24,718,445     | 29,064,910     | 35,789,659     | 37,869,872     | 45,208,755     | 43,957,642     | 51,658,901     | 67,355,124     |
| Business-type activities:                   |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | 152,749,709    | 165,548,784    | 159,116,820    | 156,544,970    | 159,537,793    | 153,328,264    | 146,713,851    | 145,420,656    | 149,493,021    | 162,260,552    |
| Unrestricted                                | 12,823,198     | 4,879,657      | 6,860,485      | 8,428,935      | 8,766,272      | 14,668,855     | 19,378,420     | 22,756,860     | 20,806,519     | 13,634,495     |
| Total business-type activities net position | 165,572,907    | 170,428,441    | 165,977,305    | 164,973,905    | 168,304,065    | 167,997,119    | 166,092,271    | 168,177,516    | 170,299,540    | 175,895,047    |
| Primary government:                         |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets            | 220,003,297    | 220,089,072    | 208,791,694    | 206,574,995    | 207,330,046    | 202,696,133    | 195,852,594    | 195,077,695    | 202,885,652    | 228,908,549    |
| Restricted                                  | 5,054,449      | 3,966,494      | 4,745,034      | 4,494,021      | 4,045,808      | 3,547,716      | 7,831,587      | 7,162,489      | 7,838,489      | 10,218,666     |
| Unrestricted                                | (15,812,722)   | (19,381,867)   | (22,840,978)   | (17,030,201)   | (7,282,130)    | (376,858)      | 7,616,845      | 9,894,974      | 11,234,300     | 4,122,956      |
| Total primary government net position       | \$ 209,245,024 | \$ 204,673,699 | \$ 190,695,750 | \$ 194,038,815 | \$ 204,093,724 | \$ 205,866,991 | \$ 211,301,026 | \$ 212,135,158 | \$ 221,958,441 | \$ 243,250,171 |

Table 2

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

|   | 2012           | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Expenses</b>                           |                |                |                |                |                |                |                |                |                |                |
| Governmental activities:                  |                |                |                |                |                |                |                |                |                |                |
| General government                        | \$ 4,490,599   | \$ 4,733,021   | \$ 7,110,075   | \$ 6,871,396   | \$ 6,588,238   | \$ 6,953,399   | \$ 6,916,390   | \$ 7,179,064   | \$ 7,848,641   | \$ 7,345,261   |
| Public safety                             | 18,016,430     | 17,864,294     | 18,050,107     | 17,933,525     | 18,107,357     | 18,841,238     | 20,802,943     | 19,814,567     | 20,871,023     | 22,617,826     |
| Health, community services and recreation | 8,455,977      | 9,298,196      | 9,586,571      | 9,692,379      | 10,112,526     | 9,497,729      | 9,705,672      | 9,273,091      | 9,845,591      | 8,841,142      |
| Public services*                          | 15,399,933     | 14,408,500     | 14,249,015     | 12,956,599     | 15,409,518     | 15,997,665     | 14,427,613     | 14,443,215     | 14,968,314     | 13,910,879     |
| Other agencies                            | 4,209,428      | 4,630,915      | 6,799,934      | 4,638,805      | 4,528,591      | 5,049,394      | 4,943,064      | 5,208,400      | 5,515,165      | 5,394,392      |
| Education                                 | 51,223,806     | 50,145,937     | 50,594,050     | 52,297,774     | 51,901,230     | 55,079,037     | 55,799,044     | 59,205,165     | 58,764,946     | 63,836,366     |
| Arena development                         | 536,251        | 2,201,200      | 500,566        | -              | 136            | 801,439        | 62,748         | 14,961         | 86,510         | 4,883          |
| Community development                     | 1,152,289      | 1,356,184      | 2,178,972      | 1,316,591      | 1,592,047      | 1,335,282      | 1,090,372      | 685,926        | 693,641        | 1,448,764      |
| Waterfront                                | 606,249        | 381,437        | 272,857        | 360,004        | 331,622        | -              | 1,077,972      | 221,839        | 105,163        | 242,681        |
| Public transportation                     | 3,276,780      | 3,250,752      | 2,782,968      | 2,784,081      | 3,166,692      | 3,273,876      | 3,071,020      | 3,447,181      | 4,533,716      | 4,201,030      |
| Economic development (tif)                | 1,502,503      | 1,334,470      | 1,440,452      | 1,568,811      | 929,322        | 711,220        | 632,185        | 757,396        | 730,471        | 756,951        |
| Interest on debt                          | 2,710,135      | 3,343,590      | 2,464,804      | 2,604,030      | 2,362,899      | 2,142,976      | 1,983,492      | 2,001,201      | 1,835,219      | 1,715,960      |
| Total governmental activities expenses    | 111,580,380    | 112,948,496    | 116,030,371    | 113,023,995    | 115,030,178    | 119,683,255    | 120,512,515    | 122,252,006    | 125,798,400    | 130,316,135    |
| Business-type activities:                 |                |                |                |                |                |                |                |                |                |                |
| Sewer Utility                             | 6,758,495      | 6,827,790      | 6,843,975      | 6,603,195      | 7,210,861      | 7,725,453      | 6,861,750      | 6,760,227      | 6,254,740      | 6,726,312      |
| Airport                                   | 20,752,350     | 20,722,960     | 20,855,066     | 20,893,894     | 20,266,935     | 21,217,373     | 21,827,174     | 22,478,598     | 23,749,179     | 22,645,811     |
| Park Woods                                | 533,671        | 473,289        | 497,833        | 507,210        | -              | -              | -              | -              | -              | -              |
| Stormwater Utility                        | -              | -              | 149,590        | 241,082        | 400,924        | 509,884        | 692,174        | 901,614        | 1,197,212      | 797,113        |
| Parking                                   | 995,631        | 972,327        | 925,595        | 978,658        | 931,676        | 1,037,558      | 1,001,359      | 872,502        | 882,638        | 816,077        |
| Bass Park                                 | 1,919,301      | 3,314,865      | 6,317,039      | 7,855,957      | 7,735,775      | 7,886,589      | 7,571,370      | 7,567,090      | 7,107,209      | 5,694,980      |
| Municipal Golf Course                     | 671,113        | 687,317        | 643,323        | 849,164        | 613,930        | 604,127        | 703,104        | 711,448        | 761,968        | 815,110        |
| Economic Development                      | 615,816        | 586,140        | 628,252        | 698,294        | 508,234        | 466,485        | 394,026        | 477,066        | 379,183        | 390,347        |
| Total business-type activities expenses   | 32,246,377     | 33,584,688     | 36,860,673     | 38,627,454     | 37,668,335     | 39,447,469     | 39,050,957     | 39,768,545     | 40,332,129     | 37,885,750     |
| Total primary government expenses         | \$ 143,826,757 | \$ 146,533,184 | \$ 152,891,044 | \$ 151,651,449 | \$ 152,698,513 | \$ 159,130,724 | \$ 159,563,472 | \$ 162,020,551 | \$ 166,130,529 | \$ 168,201,885 |

\* - 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)**

|   | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| <b>Program Revenues</b>                         |               |               |               |               |               |               |               |               |               |                |
| Governmental activities:                        |               |               |               |               |               |               |               |               |               |                |
| Charges for services                            |               |               |               |               |               |               |               |               |               |                |
| General government                              | \$ 2,501,326  | \$ 2,214,675  | \$ 2,764,659  | \$ 2,493,428  | \$ 2,196,463  | \$ 2,117,874  | \$ 2,170,614  | \$ 2,215,075  | \$ 2,004,043  | \$ 2,644,918   |
| Public safety                                   | 2,681,152     | 3,418,686     | 2,682,248     | 3,193,528     | 3,383,956     | 3,013,577     | 3,464,870     | 3,121,187     | 3,105,928     | 3,637,747      |
| Health, community services and recreation       | 1,048,707     | 1,139,382     | 1,164,090     | 1,118,582     | 1,193,185     | 1,266,221     | 1,452,453     | 1,529,894     | 1,247,814     | 1,007,245      |
| Public services                                 | 4,002,973     | 3,520,517     | 3,758,666     | 3,904,548     | 3,618,373     | 3,637,836     | 3,666,013     | 1,688,725     | 1,583,305     | 1,282,795      |
| Other agencies                                  | 103,560       | -             | 46,882        | -             | -             | -             | 19,490        | 20,234        | -             | -              |
| Education                                       | 3,806,614     | 3,835,409     | 3,446,006     | 4,699,101     | 4,506,591     | 5,705,049     | 5,826,279     | 6,476,809     | 6,442,414     | 5,659,620      |
| Arena development                               | 2,434,915     | 2,079,869     | 1,960,876     | 1,952,929     | 1,896,633     | 1,838,285     | 1,770,957     | 2,212,753     | 563           | -              |
| Community development                           | 588,587       | 474,013       | 994,546       | 273,269       | 313,396       | 442,445       | 31,708        | 25,190        | 298,755       | 510,103        |
| Waterfront                                      | -             | -             | -             | -             | -             | -             | -             | 21,248        | -             | -              |
| Public transportation                           | 1,023,717     | 1,045,793     | 816,819       | 857,013       | 1,048,974     | 774,195       | 790,936       | 751,711       | 634,594       | 536,012        |
| Tax increment financing                         | -             | -             | -             | -             | -             | -             | -             | 127,666       | -             | -              |
| Operating grants and contributions              | 33,137,275    | 31,901,386    | 34,600,320    | 33,541,085    | 34,838,496    | 33,872,652    | 35,577,981    | 37,158,903    | 40,562,677    | 48,744,377     |
| Capital grants and contributions                | 3,725,432     | 2,345,794     | 1,720,879     | 1,540,614     | 3,064,312     | 2,391,680     | 3,499,613     | 2,983,206     | 4,410,094     | 4,136,063      |
| Total governmental activities program revenues  | 55,054,258    | 51,975,524    | 53,955,991    | 53,574,097    | 56,060,379    | 55,059,814    | 58,270,914    | 58,332,601    | 60,290,187    | 68,158,880     |
| Business-type activities:                       |               |               |               |               |               |               |               |               |               |                |
| Charges for services                            |               |               |               |               |               |               |               |               |               |                |
| Sewer Utility                                   | 7,320,469     | 7,708,101     | 8,426,054     | 8,189,623     | 7,975,639     | 8,634,449     | 8,715,468     | 9,451,741     | 9,448,625     | 9,399,493      |
| Airport   | 12,540,347    | 12,069,935    | 12,220,328    | 12,036,215    | 13,576,325    | 15,870,081    | 17,073,888    | 19,032,646    | 18,233,077    | 16,429,970     |
| Park Woods                                      | 397,426       | 417,407       | 440,295       | 459,905       | -             | -             | -             | -             | -             | -              |
| Stormwater Utility                              | -             | -             | 359,029       | 1,088,119     | 1,000,864     | 1,053,892     | 1,248,962     | 1,289,953     | 1,283,193     | 1,277,113      |
| Parking   | 1,012,109     | 960,947       | 1,002,164     | 1,022,305     | 1,030,872     | 1,008,494     | 967,704       | 947,136       | 872,201       | 698,934        |
| Bass Park                                       | 1,304,384     | 1,249,595     | 2,683,094     | 3,239,457     | 3,346,951     | 3,387,105     | 3,237,736     | 3,045,740     | 2,165,685     | 663,123        |
| Municipal Golf Course                           | 628,869       | 592,825       | 575,020       | 611,132       | 732,016       | 644,303       | 734,578       | 649,698       | 716,166       | 914,169        |
| Economic Development                            | 409,486       | 462,033       | 515,339       | 589,383       | 674,066       | 503,905       | 395,032       | 402,728       | 399,939       | 423,066        |
| Operating grants and contributions              | -             | -             | -             | 193,061       | -             | -             | -             | -             | -             | 2,244,355      |
| Capital grants and contributions                | 2,351,779     | 6,121,523     | 4,039,968     | 6,947,799     | 8,776,331     | 3,776,705     | 1,789,607     | 3,327,180     | 5,056,332     | 7,988,828      |
| Total business-type activities program revenues | 25,964,869    | 29,582,366    | 30,261,291    | 34,376,999    | 37,113,064    | 34,878,934    | 34,162,975    | 38,146,822    | 38,175,218    | 40,039,051     |
| Total primary government program revenues       | \$ 81,019,127 | \$ 81,557,890 | \$ 84,217,282 | \$ 87,951,096 | \$ 93,173,443 | \$ 89,938,748 | \$ 92,433,889 | \$ 96,479,423 | \$ 98,465,405 | \$ 108,197,931 |

Continued on next page

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

|   | 2012            | 2013            | 2014            | 2015            | 2016            | 2017            | 2018            | 2019            | 2020            | 2021            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net (expense)/revenue</b>                              |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                                   | \$ (56,526,122) | \$ (60,972,972) | \$ (62,074,380) | \$ (59,449,898) | \$ (58,969,799) | \$ (64,623,441) | \$ (62,241,601) | \$ (63,919,405) | \$ (65,508,213) | \$ (62,157,255) |
| Business-type activities                                  | (6,281,508)     | (4,002,322)     | (6,599,382)     | (4,250,455)     | (555,271)       | (4,568,535)     | (4,887,982)     | (1,621,723)     | (2,156,911)     | 2,153,301       |
| Total primary government expense                          | (62,807,630)    | (64,975,294)    | (68,673,762)    | (63,700,353)    | (59,525,070)    | (69,191,976)    | (67,129,583)    | (65,541,128)    | (67,665,124)    | (60,003,954)    |
| <b>General revenues and other changes in net position</b> |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                                  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Property taxes  | 48,520,390      | 49,930,989      | 52,243,583      | 55,303,613      | 56,062,583      | 56,721,029      | 56,804,294      | 57,897,028      | 60,264,977      | 59,643,454      |
| Payment in lieu of taxes                                  | 156,629         | 95,620          | 161,438         | 156,417         | 193,599         | 233,683         | 284,405         | 290,489         | 306,479         | 316,003         |
| Excise taxes  | 4,596,947       | 4,594,821       | 5,400,100       | 5,844,800       | 6,272,270       | 6,170,792       | 6,427,990       | 6,876,000       | 5,789,454       | 7,376,295       |
| Franchise taxes   | 372,542         | 362,088         | 350,014         | 341,605         | 336,979         | 346,303         | 348,512         | 370,278         | 368,470         | 374,812         |
| Unrestricted grants and contributions                     | 4,963,161       | 4,857,030       | 3,787,128       | 3,794,664       | 4,173,167       | 4,464,142       | 5,273,333       | 5,861,782       | 7,267,295       | 9,585,084       |
| Unrestricted investment earnings                          | 530,631         | 57,620          | 510,429         | 413,923         | 488,936         | 380,580         | 674,137         | 892,161         | 853,277         | 688,379         |
| Gain (loss) on sale of asset                              | -               | -               | -               | -               | -               | 62,180          | (6,771)         | 35,349          | 203,396         | 306,733         |
| Miscellaneous   | 16,698          | 112,060         | 1,863           | 410,991         | 179,163         | -               | -               | -               | -               | -               |
| Transfers   | (417,042)       | (8,772,781)     | (3,170,717)     | (2,469,650)     | (2,012,149)     | (1,675,055)     | (1,793,227)     | (1,482,087)     | (1,707,061)     | (590,000)       |
| Total governmental activities                             | 58,739,956      | 51,237,447      | 59,283,838      | 63,796,363      | 65,694,548      | 66,703,654      | 68,012,673      | 70,741,000      | 73,346,287      | 77,700,760      |
| Business-type activities:                                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Property taxes  | -               | -               | 750,000         | 800,000         | 1,000,000       | 1,100,000       | 1,100,000       | 1,255,000       | 1,300,000       | 1,860,838       |
| Unrestricted investment earnings                          | 543,493         | 345,932         | 504,584         | 462,069         | 420,951         | 555,259         | 521,200         | 965,025         | 1,024,264       | 979,424         |
| Gain (loss) on sale of asset                              | -               | (260,857)       | -               | -               | 452,331         | 931,275         | 14,807          | 4,856           | 247,610         | 11,944          |
| Special Item  | -               | -               | -               | (484,664)       | -               | -               | -               | -               | -               | -               |
| Transfers   | 417,042         | 8,772,781       | 3,170,717       | 2,469,650       | 2,012,149       | 1,675,055       | 1,793,227       | 1,482,087       | 1,707,061       | 590,000         |
| Total business-type activities                            | 960,535         | 8,857,856       | 4,425,301       | 3,247,055       | 3,885,431       | 4,261,589       | 3,429,234       | 3,706,968       | 4,278,935       | 3,442,206       |
| Total primary government                                  | 59,700,491      | 60,095,303      | 63,709,139      | 67,043,418      | 69,579,979      | 70,965,243      | 71,441,907      | 74,447,968      | 77,625,222      | 81,142,966      |
| <b>Change in net position</b>                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                                   | 2,213,834       | (9,735,525)     | (2,790,542)     | 4,346,465       | 6,724,749       | 2,080,213       | 5,771,072       | 6,821,595       | 7,838,074       | 15,543,505      |
| Business-type activities                                  | (5,320,973)     | 4,855,534       | (2,174,081)     | (1,003,400)     | 3,330,160       | (306,946)       | (1,458,748)     | 2,085,245       | 2,122,024       | 5,595,507       |
| Total primary government                                  | \$ (3,107,139)  | \$ (4,879,991)  | \$ (4,964,623)  | \$ 3,343,065    | \$ 10,054,909   | \$ 1,773,267    | \$ 4,312,324    | \$ 8,906,840    | \$ 9,960,098    | \$ 21,139,012   |

Continued from previous page

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

|                     | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Tax Revenues</b> |               |               |               |               |               |               |               |               |               |               |
| Property taxes      | \$ 48,520,390 | \$ 49,930,989 | \$ 52,243,583 | \$ 55,303,613 | \$ 56,062,583 | \$ 56,721,029 | \$ 56,804,294 | \$ 57,897,028 | \$ 60,264,977 | \$ 59,643,454 |
| Excise taxes        | 4,596,947     | 4,594,821     | 5,400,100     | 5,844,800     | 6,272,270     | 6,170,792     | 6,427,990     | 6,876,000     | 5,789,454     | 7,376,295     |
| Franchise taxes     | 372,542       | 362,088       | 350,014       | 341,605       | 336,979       | 346,303       | 348,512       | 370,278       | 368,470       | 374,812       |
| Total tax revenues  | \$ 53,489,879 | \$ 54,887,898 | \$ 54,887,898 | \$ 61,490,018 | \$ 62,671,832 | \$ 63,238,124 | \$ 63,580,796 | \$ 65,143,306 | \$ 66,422,901 | \$ 67,394,561 |

Table 4

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

|                                      | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>General Fund:</b>                 |               |               |               |               |               |               |               |               |               |               |
| Nonspendable                         |               |               |               |               |               |               |               |               |               |               |
| Advances to other funds              | \$ 1,900,500  | \$ 1,900,500  | \$ 1,900,500  | \$ 1,900,500  | \$ 1,900,500  | \$ 1,900,500  | \$ 1,900,500  | \$ 1,900,500  | \$ 1,900,500  | \$ 1,900,500  |
| Inventory and prepaid items          | 860,187       | 873,714       | 853,265       | 672,248       | 1,238,139     | 1,061,973     | 1,108,525     | 1,303,883     | 835,540       | 1,077,226     |
| Restricted                           |               |               |               |               |               |               |               |               |               |               |
| Education purposes                   | 936,158       | 186,871       | 974,012       | 889,481       | 1,354,267     | 745,039       | 694,202       | 278,635       | 1,210,782     | 3,654,108     |
| Municipal purposes                   | 349,362       | 288,519       | 288,857       | 19,803        | 19,830        | 19,883        | 20,210        | 20,617        | 5,715         | 6,611         |
| Committed - municipal purposes       | 373,753       | 10,583        | 2,623         | 110,933       | 5,406         | 288,743       | 118,316       | 233,988       | 286,801       | 715,470       |
| Assigned                             |               |               |               |               |               |               |               |               |               |               |
| Encumbrances                         | 1,548,268     | 777,788       | 31,347        | 15,987        | 244,899       | 72,264        | 60,268        | 60,142        | 68,563        | 144,531       |
| Municipal purposes                   | 3,240,838     | 3,415,627     | 3,386,444     | 4,626,740     | 5,509,947     | 6,367,677     | 8,064,027     | 9,236,099     | 8,489,091     | 8,662,089     |
| Unassigned*                          | 7,563,658     | 7,727,014     | 9,598,472     | 9,995,105     | 11,315,235    | 12,171,566    | 14,064,283    | 13,105,808    | 14,547,264    | 19,923,420    |
| Total general fund                   | \$ 16,772,724 | \$ 15,180,616 | \$ 17,035,520 | \$ 18,230,797 | \$ 21,588,223 | \$ 22,627,645 | \$ 26,030,331 | \$ 26,139,672 | \$ 27,344,256 | \$ 36,083,955 |
| <b>All other governmental funds:</b> |               |               |               |               |               |               |               |               |               |               |
| Nonspendable                         |               |               |               |               |               |               |               |               |               |               |
| Permanent Fund Principal             | \$ 588,515    | \$ 574,492    | \$ 544,200    | \$ 532,758    | \$ 532,338    | \$ 525,249    | \$ 512,633    | \$ 518,144    | \$ 385,512    | \$ 389,245    |
| Capital Project Fund                 | -             | -             | -             | -             | -             | 1,120,229     | -             | -             | 642,000       | -             |
| Restricted                           |               |               |               |               |               |               |               |               |               |               |
| Community Development Block Grant    | 415,956       | 252,479       | -             | -             | -             | 50,811        | -             | -             | -             | -             |
| Penobscot River                      | 759           | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Nonmajor Special Revenue Funds       | 1,862,992     | 1,730,231     | 1,971,397     | 2,060,733     | 1,633,366     | 1,692,082     | 6,081,420     | 5,802,845     | 5,702,502     | 5,664,515     |
| Nonmajor Permanent Funds             | 449,974       | 466,951       | 483,284       | 495,623       | 506,007       | 514,652       | 523,122       | 542,248       | 533,978       | 504,187       |
| Committed                            |               |               |               |               |               |               |               |               |               |               |
| Nonmajor Special Revenue Funds       | -             | 2,761,541     | 1,051,134     | 871,271       | 587,141       | 613,291       | 397,579       | 811,934       | 479,703       | 915,629       |
| Assigned                             |               |               |               |               |               |               |               |               |               |               |
| Capital Project Fund                 | -             | 4,426,655     | 4,868,248     | 4,657,905     | 7,169,264     | 2,581,181     | 5,776,359     | 7,705,395     | 11,845,250    | 10,573,651    |
| Capital Project Fund Encumbrances    | 1,853,043     | 127,712       | -             | -             | -             | -             | -             | -             | -             | -             |
| ARPA Fund                            | -             | -             | -             | -             | -             | -             | -             | -             | -             | 11,555        |
| Unassigned                           |               |               |               |               |               |               |               |               |               |               |
| Community Development Block Grant    | -             | -             | (3,275)       | (10,679)      | (3,153)       | -             | -             | -             | -             | -             |
| Arena Fund                           | (4,603,950)   | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Nonmajor Special Revenue Funds       | (4,584)       | (5,736)       | -             | -             | -             | -             | -             | -             | (9,343)       | -             |
| Total all other governmental funds   | \$ 562,705    | \$ 10,334,325 | \$ 8,914,988  | \$ 8,607,611  | \$ 10,424,963 | \$ 7,097,495  | \$ 13,291,113 | \$ 15,380,566 | \$ 19,579,602 | \$ 18,058,782 |

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

Table 5

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

|   | 2012            | 2013            | 2014          | 2015          | 2016          | 2017           | 2018          | 2019          | 2020          | 2021          |
|---|-----------------|-----------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|
| <b>Revenues:</b>  |                 |                 |               |               |               |                |               |               |               |               |
| Taxes:  |                 |                 |               |               |               |                |               |               |               |               |
| Property taxes  | \$ 48,688,270   | \$ 50,004,619   | \$ 52,748,153 | \$ 55,650,209 | \$ 56,626,711 | \$ 57,378,981  | \$ 57,881,205 | \$ 58,096,284 | \$ 60,791,768 | \$ 60,729,030 |
| Excise taxes  | 4,596,947       | 4,594,821       | 5,400,100     | 5,844,800     | 6,272,270     | 6,170,792      | 6,427,990     | 6,876,000     | 5,789,454     | 7,376,295     |
| Total tax revenues  | 53,285,217      | 54,599,440      | 58,148,253    | 61,495,009    | 62,898,981    | 63,549,773     | 64,309,195    | 64,972,284    | 66,581,222    | 68,105,325    |
| Intergovernmental   | 40,536,525      | 39,029,824      | 40,025,974    | 38,563,450    | 41,912,419    | 40,506,368     | 44,112,774    | 45,702,994    | 49,867,696    | 59,908,912    |
| Licenses and permits                                      | 948,267         | 576,559         | 1,389,717     | 831,968       | 755,273       | 644,795        | 1,014,170     | 741,027       | 681,420       | 807,226       |
| Charges for services                                      | 13,594,482      | 14,079,514      | 12,782,036    | 14,889,219    | 14,802,549    | 15,525,283     | 15,433,780    | 14,782,630    | 13,830,649    | 13,068,344    |
| Program income  | 575,460         | 462,380         | 765,142       | 247,549       | 284,619       | 407,403        | 31,208        | 11,006        | 277,835       | 57,686        |
| Revenue from use of money and property                    | 4,042,881       | 3,067,949       | 3,114,817     | 2,883,535     | 2,823,151     | 2,693,947      | 3,446,219     | 3,650,678     | 2,790,672     | 3,018,970     |
| Other   | 561,118         | 165,686         | 156,659       | 516,714       | 227,243       | 275,771        | 332,400       | 368,750       | 1,176,183     | 1,624,530     |
| Total revenues  | 113,543,950     | 111,981,352     | 116,382,598   | 119,427,444   | 123,704,235   | 123,603,340    | 128,679,746   | 130,229,369   | 135,205,677   | 146,590,993   |
| <b>Expenditures:</b>                                      |                 |                 |               |               |               |                |               |               |               |               |
| General government*                                       | 5,390,049       | 5,612,408       | 5,172,972     | 5,391,279     | 5,172,435     | 5,133,047      | 5,301,228     | 5,420,213     | 5,747,168     | 5,667,140     |
| Public safety   | 16,028,180      | 16,209,402      | 16,409,651    | 16,994,567    | 17,146,674    | 17,330,311     | 18,173,695    | 19,594,743    | 20,050,145    | 20,203,046    |
| Health, community services and recreation                 | 5,383,295       | 4,945,994       | 4,826,149     | 5,041,486     | 5,117,412     | 4,972,166      | 5,066,925     | 4,838,006     | 4,812,261     | 4,196,154     |
| Public services   | 9,842,829       | 9,835,549       | 10,052,683    | 10,704,017    | 10,387,416    | 10,907,018     | 10,521,736    | 9,662,829     | 10,004,187    | 9,501,145     |
| Other agencies  | 4,409,545       | 4,382,776       | 4,566,380     | 4,684,697     | 4,723,022     | 4,886,577      | 4,907,267     | 5,159,254     | 5,505,165     | 5,384,392     |
| Education   | 50,159,407      | 49,880,770      | 50,771,925    | 53,037,177    | 52,655,986    | 54,722,897     | 56,111,179    | 59,315,126    | 58,753,118    | 64,858,915    |
| Tax increment financing                                   | 524,013         | 550,308         | 632,364       | 724,347       | 717,260       | 711,220        | 745,170       | 757,396       | 888,476       | 813,780       |
| Unclassified  | 260,685         | 2,323,972       | 590,627       | 74,128        | 104,422       | 44,568         | 15,319        | 29,818        | 13,711        | 108,035       |
| Restricted grants   | 7,414,001       | 9,202,815       | 10,729,492    | 9,691,489     | 9,852,311     | 8,799,030      | 8,540,312     | 8,609,435     | 9,070,191     | 9,867,830     |
| Capital outlay  | 45,478,235      | 10,213,552      | 12,534,783    | 8,158,063     | 7,940,743     | 9,419,396      | 12,518,635    | 9,716,334     | 13,080,007    | 14,731,893    |
| Debt service  |                 |                 |               |               |               |                |               |               |               |               |
| Principal   | 6,996,892       | 22,907,595      | 3,222,253     | 3,685,728     | 3,970,474     | 5,563,414      | 4,384,953     | 5,848,513     | 4,334,371     | 4,334,371     |
| Interest  | 2,180,013       | 2,923,060       | 1,957,347     | 2,050,633     | 1,983,468     | 1,871,056      | 1,872,395     | 1,835,615     | 1,687,944     | 1,687,944     |
| Other charges   | -               | -               | -             | -             | -             | -              | 66,255        | 53,752        | 77,146        | 297,782       |
| Total expenditures  | 154,067,144     | 138,988,201     | 121,466,626   | 120,237,611   | 119,771,623   | 124,360,700    | 128,225,069   | 130,841,034   | 134,023,890   | 141,652,427   |
| Excess (deficiency) of revenues over (under) expenditures | (40,523,194)    | (27,006,849)    | (5,084,028)   | (810,167)     | 3,932,612     | (757,360)      | 454,677       | (611,665)     | 1,181,787     | 4,938,566     |
| <b>Other financing sources/(uses)</b>                     |                 |                 |               |               |               |                |               |               |               |               |
| General obligation bonds issued                           | 30,659,143      | 10,378,985      | 8,369,000     | 3,602,000     | 3,014,000     | -              | 6,060,037     | 1,616,124     | 5,000,642     | 2,210,500     |
| Refunding bonds issued                                    | -               | -               | -             | -             | -             | -              | -             | 1,550,000     | -             | -             |
| Capital leases  | -               | 456,581         | -             | -             | 61,152        | -              | -             | 617,101       | 548,969       | -             |
| Payment to escrow agent                                   | -               | (4,233,486)     | -             | -             | -             | -              | -             | -             | -             | -             |
| Premium on debt issuance                                  | -               | 748,121         | 133,552       | -             | -             | -              | 294,646       | 298,334       | 296,011       | 124,984       |
| Financing proceeds  | -               | -               | -             | -             | -             | -              | -             | -             | -             | -             |
| Sale of assets and miscellaneous                          | 84,507          | 186,709         | 187,760       | 565,717       | 179,163       | 144,369        | 91,550        | 210,988       | 220,087       | 382,111       |
| Transfers to other funds                                  | (1,861,301)     | (9,783,007)     | (4,406,771)   | (3,698,558)   | (4,015,412)   | (4,238,315)    | (4,363,292)   | (5,974,749)   | (6,740,439)   | (2,920,402)   |
| Transfers from other funds                                | 1,444,259       | 1,010,226       | 1,236,054     | 1,228,908     | 2,003,263     | 2,563,260      | 2,570,065     | 4,492,662     | 5,033,378     | 2,330,402     |
| Total other financing sources                             | 30,326,608      | (1,235,871)     | 5,519,595     | 1,698,067     | 1,242,166     | (1,530,686)    | 4,653,006     | 2,810,460     | 4,358,648     | 2,127,595     |
| Net change in fund balances                               | \$ (10,196,586) | \$ (28,242,720) | \$ 435,567    | \$ 887,900    | \$ 5,174,778  | \$ (2,288,046) | \$ 5,107,683  | \$ 2,198,795  | \$ 5,540,435  | \$ 7,066,161  |
| Debt service as a percentage of noncapital expenditures   | 7.97%           | 19.34%          | 4.46%         | 4.97%         | 5.06%         | 6.21%          | 5.14%         | 6.09%         | 4.80%         | 4.59%         |

\* - 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> |
|--------------------|----------------------|--------------------------|-------------------------------------|------------------------------|--|---|-------------------------------------|
| 2012               | \$ 2,274,528,200     | 248,183,200              | 2,522,711,400                       | 18.00                        | \$ 54,283,600                          | 57,635,300  | 795,735,300                         |
| 2013               | \$ 2,282,480,900     | 245,768,300              | 2,528,249,200                       | 18.47                        | \$ 53,981,600                          | 66,043,600  | 801,351,000                         |
| 2014               | \$ 2,306,517,400     | 244,302,800              | 2,550,820,200                       | 19.56                        | \$ 52,765,500                          | 72,600,700  | 894,525,200                         |
| 2015               | \$ 2,322,253,300     | 239,021,300              | 2,561,274,600                       | 20.54                        | \$ 51,753,000                          | 86,984,900  | 914,815,400                         |
| 2016               | \$ 2,370,220,600     | 229,981,900              | 2,600,202,500                       | 20.69                        | \$ 50,758,900                          | 101,258,300   | 918,968,900                         |
| 2017               | \$ 2,344,351,100     | 221,870,900              | 2,566,222,000                       | 21.16                        | \$ 74,491,300                          | 105,332,700   | 1,017,482,300                       |
| 2018               | \$ 2,361,755,500     | 210,138,800              | 2,571,894,300                       | 21.17                        | \$ 98,423,700                          | 125,109,400   | 1,099,865,370                       |
| 2019               | \$ 2,381,432,800     | 196,007,700              | 2,577,440,500                       | 21.49                        | \$ 96,736,800                          | 138,318,300   | 1,120,296,000                       |
| 2020               | \$ 2,454,109,500     | 194,783,800              | 2,648,893,300                       | 21.49                        | \$ 97,368,900                          | 149,003,100   | 1,131,953,400                       |
| 2021               | \$ 2,482,815,200     | 185,174,200              | 2,667,989,400                       | 21.66                        | \$ 122,888,800                         | 159,077,200   | 1,142,661,700                       |

\* 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 2021 the rate was 60.1%.

<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> |
|--------------------|--------------------------------|----------------------------------|------------------|------------------------------|-------------------------|-------------------------------|
| 2012               | 7.75                           | 1.42                             | 8.83             | 18.00                        | 1.20                    | 19.20                         |
| 2013               | 8.08                           | 1.41                             | 8.98             | 18.47                        | 1.18                    | 19.65                         |
| 2014               | 8.67                           | 1.48                             | 9.41             | 19.56                        | 1.24                    | 20.80                         |
| 2015               | 8.89                           | 1.65                             | 10.00            | 20.54                        | 1.26                    | 21.80                         |
| 2016               | 8.20                           | 2.61                             | 9.88             | 20.69                        | 1.26                    | 21.95                         |
| 2017               | 8.33                           | 2.64                             | 10.19            | 21.16                        | 1.34                    | 22.50                         |
| 2018               | 8.29                           | 2.75                             | 10.13            | 21.17                        | 1.38                    | 22.55                         |
| 2019               | 8.53                           | 2.75                             | 10.21            | 21.49                        | 1.46                    | 22.95                         |
| 2020               | 8.30                           | 2.77                             | 10.42            | 21.49                        | 1.51                    | 23.00                         |
| 2021               | 8.47                           | 2.69                             | 10.50            | 21.66                        | 1.54                    | 23.20                         |

Table 8

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

| Taxpayer                | Business              | 2021                  |      |                     | 2012                  |      |                     |
|-------------------------|-----------------------|-----------------------|------|---------------------|-----------------------|------|---------------------|
|                         |                       | Assessed Value        | Rank | % of Total Tax Base | Assessed Value        | Rank | % of Total Tax Base |
| GLP Capital L.P.        | Gaming                | \$ 75,080,700         | 1    | 2.81%               | -                     |      | 0.00%               |
| Emera Maine             | Utility               | 44,010,800            | 2    | 1.65%               | -                     |      | 0.00%               |
| Bangor Savings Bank     | Financial             | 36,464,300            | 3    | 1.37%               | -                     |      | 0.00%               |
| General Electric        | Manufacturer          | 24,111,500            | 4    | 0.90%               | \$ 64,318,500         | 2    | 2.50%               |
| Bangor Natural Gas      | Utility               | 23,754,200            | 5    | 0.89%               | -                     |      | 0.00%               |
| QV Realty Trust         | Real estate interests | 21,186,300            | 6    | 0.79%               | 15,859,900.00         | 7    | 0.62%               |
| Bangor Mall Realty LLC  | Shopping mall         | 20,442,400            | 7    | 0.77%               | 57,809,500            | 3    | 2.24%               |
| HC Bangor LLC           | Gaming                | 19,983,600            | 8    | 0.75%               | -                     |      | 0.00%               |
| Walmart Stores          | Retailer              | 19,530,800            | 9    | 0.73%               | 21,249,800            | 6    | 0.82%               |
| GM Realty of Bangor LLC | Real estate interests | 17,409,700            | 10   | 0.65%               | -                     |      | 0.00%               |
| Bangor Historic Track   | Racino                | -                     |      | -                   | 112,372,000           | 1    | 4.36%               |
| Bangor Hydro Electric   | Utility               | -                     |      | -                   | 38,377,400            | 4    | 1.49%               |
| Inland Western Parkade  | Shopping mall         | -                     |      | -                   | 28,358,500            | 5    | 1.10%               |
| Grant Trailer Sales     | Real estate interests | -                     |      | -                   | 15,354,400            | 8    | 0.60%               |
| Harvest Sunbury Village | Retirement Living     | -                     |      | -                   | 14,106,400            | 9    | 0.55%               |
| Airport Mall Associates | Shopping mall         | -                     |      | -                   | 13,667,200            | 10   | 0.53%               |
| Totals                  |                       | <u>\$ 301,974,300</u> |      | <u>11.32%</u>       | <u>\$ 381,473,600</u> |      | <u>14.81%</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 |                             |                       |                                       |
| 2012        | \$ 48,529,834  | 175,844     | 48,353,990   | 47,025,587                                   | 97.25%        | \$ 1,305,211                | 48,330,798            | 99.95%                                |
| 2013        | \$ 49,713,855  | 134,598     | 49,579,257   | 48,276,445                                   | 97.37%        | \$ 1,274,917                | 49,551,362            | 99.94%                                |
| 2014        | \$ 53,077,993  | 43,339      | 53,034,654   | 51,692,178                                   | 97.47%        | \$ 1,294,152                | 52,986,330            | 99.91%                                |
| 2015        | \$ 55,903,061  | 282,782     | 55,620,279   | 53,708,753                                   | 96.56%        | \$ 1,854,772                | 55,563,525            | 99.90%                                |
| 2016        | \$ 57,090,091  | 445,799     | 56,644,292   | 55,557,652                                   | 98.08%        | \$ 1,014,633                | 56,572,285            | 99.87%                                |
| 2017        | \$ 57,781,717  | 116,643     | 57,665,074   | 56,513,791                                   | 98.00%        | \$ 1,071,138                | 57,584,929            | 99.86%                                |
| 2018        | \$ 58,013,766  | 79,288      | 57,934,478   | 56,868,240                                   | 98.16%        | \$ 967,106                  | 57,835,346            | 99.83%                                |
| 2019        | \$ 59,173,223  | 169,404     | 59,003,819   | 57,885,246                                   | 98.10%        | \$ 978,948                  | 58,864,194            | 99.76%                                |
| 2020        | \$ 60,939,583  | 45,746      | 60,893,837   | 59,000,699                                   | 96.89%        | \$ 1,558,116                | 60,558,815            | 99.45%                                |
| 2021        | \$ 61,954,779  | 139,162     | 61,815,617   | 60,932,911                                   | 98.57%        | \$ -                        | 60,932,911            | 98.57%                                |

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* |
| 2012        | \$ 80,674,158                  | -              | 28,707,990               | -              | 109,382,148              | 3,314.61                 | 4.33%          | 9.47%                |
| 2013        | \$ 62,727,567                  | 361,009        | 82,492,223               | -              | 145,580,799              | 4,416.49                 | 5.71%          | 11.71%               |
| 2014        | \$ 67,154,638                  | 277,728        | 82,983,011               | 41,699         | 150,457,076              | 4,604.94                 | 5.87%          | 13.12%               |
| 2015        | \$ 65,147,398                  | 549,636        | 83,619,820               | 33,082         | 149,349,936              | 4,585.79                 | 5.74%          | 12.64%               |
| 2016        | \$ 62,635,756                  | 408,687        | 81,041,828               | 29,210         | 144,115,481              | 4,449.24                 | 5.62%          | 12.27%               |
| 2017        | \$ 55,502,169                  | 181,526        | 81,332,351               | 20,026         | 137,036,072              | 4,284.39                 | 5.33%          | 12.01%               |
| 2018        | \$ 55,917,971                  | 24,306         | 77,867,785               | 61,903         | 133,871,965              | 4,196.22                 | 5.19%          | 11.05%               |
| 2019        | \$ 52,328,779                  | 484,747        | 78,989,062               | 42,175         | 131,844,763              | 4,120.54                 | 5.12%          | 10.28%               |
| 2020        | \$ 51,912,434                  | 759,336        | 79,353,077               | 61,215         | 132,086,062              | 4,115.09                 | 4.99%          | 9.77%                |
| 2021        | \$ 48,944,482                  | 483,188        | 79,500,995               | 44,794         | 128,973,459              | 4,061.77                 | 4.83%          | 8.71%                |

\* 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 |
| 2012        | 33,000      | \$ 2,528,249,200 | 109,382,148        | 4.33%                    | 3,314.61   |
| 2013        | 32,963      | \$ 2,550,820,200 | 145,219,790        | 5.69%                    | 4,405.54   |
| 2014        | 32,673      | \$ 2,561,274,600 | 150,137,649        | 5.86%                    | 4,595.16   |
| 2015        | 32,568      | \$ 2,600,202,500 | 148,767,218        | 5.72%                    | 4,567.90   |
| 2016        | 32,391      | \$ 2,566,222,000 | 143,677,584        | 5.60%                    | 4,435.73   |
| 2017        | 31,985      | \$ 2,571,894,300 | 136,834,520        | 5.32%                    | 4,278.08   |
| 2018        | 31,903      | \$ 2,577,440,500 | 133,785,756        | 5.19%                    | 4,193.52   |
| 2019        | 31,997      | \$ 2,577,440,500 | 131,317,841        | 5.09%                    | 4,104.07   |
| 2020        | 32,098      | \$ 2,648,893,300 | 131,265,511        | 4.96%                    | 4,089.52   |
| 2021        | 31,753      | \$ 2,667,989,400 | 128,445,477        | 4.81%                    | 4,045.14   |

\* Source: U.S. Census Bureau.

**CITY OF BANGOR, MAINE**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2021**

|                          | <b>Total Debt<br/>Outstanding</b> | <b>Percentage<br/>Applicable<br/>to Bangor</b> | <b>Amount<br/>Applicable<br/>to Bangor</b> |
|--------------------------|-----------------------------------|--|--|
| Direct Debt              |                                   |  |  |
| City of Bangor           |                                   |  |  |
| General Obligation Bonds | \$ 48,944,482                     | 100.00%  | \$ 48,944,482                              |
| Capital Leases           | 483,188                           | 100.00%  | 483,188                                    |
| Overlapping Debt         |                                   |  |  |
| Penobscot County*        | \$ 529,342                        | 22.83%   | \$ 120,833                                 |
| Total Debt               | <u>\$ 49,957,012</u>              |  | <u>\$ 49,548,503</u>                       |

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

Table 13

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

| <b>Fiscal Year</b> | <b>Debt Limit</b> | <b>Total Net Debt Applicable to Limit</b> | <b>Legal Debt Margin</b> | <b>Percentage of Net Debt to Debt Limit</b> |
|--------------------|-------------------|---|--------------------------|---|
| 2012               | \$ 368,467,500    | 109,382,148                               | 259,085,352              | 29.69%                                      |
| 2013               | \$ 369,300,000    | 145,219,790                               | 224,080,210              | 39.32%                                      |
| 2014               | \$ 369,637,500    | 146,954,498                               | 222,683,002              | 39.76%                                      |
| 2015               | \$ 381,555,000    | 145,681,059                               | 235,873,941              | 38.18%                                      |
| 2016               | \$ 383,182,500    | 140,744,237                               | 242,438,263              | 36.73%                                      |
| 2017               | \$ 381,555,000    | 134,045,613                               | 247,509,387              | 35.13%                                      |
| 2018               | \$ 386,265,000    | 130,885,863                               | 255,379,137              | 33.88%                                      |
| 2019               | \$ 392,497,500    | 128,290,800                               | 264,206,700              | 32.69%                                      |
| 2020               | \$ 400,072,500    | 131,265,511                               | 268,806,989              | 32.81%                                      |
| 2021               | \$ 411,697,500    | 128,445,477                               | 283,252,023              | 31.20%                                      |

**Legal Debt Margin Calculation for Fiscal Year 2021**

|  |                       |
|--|-----------------------|
| Total State Valuation                    | \$ 2,744,650,000      |
| Debt Limitation: 15 % of State Valuation | 411,697,500           |
| Debt Applicable to Debt Limitation:      |                       |
| General Obligation Bonds:                |                       |
| Municipal                                | 96,746,771            |
| School                                   | 11,359,205            |
| Sewer                                    | 19,008,517            |
| Total debt applicable to limit           | <u>127,114,493</u>    |
| Legal Debt margin                        | <u>\$ 284,583,007</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> |
|--------------------|---------------------|---------------------------------|---------------------------|--------------------|-----------------------------------|------------------------------|
| 2012               | 33,000              | 34,993                          | 25,344                    | 37.5               | 3,819                             | 7.50%                        |
| 2013               | 32,963              | 37,707                          | 24,945                    | 36.8               | 3,875                             | 6.30%                        |
| 2014               | 32,673              | 35,107                          | 23,791                    | 36.5               | 3,810                             | 5.20%                        |
| 2015               | 32,568              | 36,272                          | 23,977                    | 35.9               | 3,765                             | 4.00%                        |
| 2016               | 32,391              | 36,272                          | 23,977                    | 35.9               | 3,780                             | 3.80%                        |
| 2017               | 31,985              | 35,674                          | 23,928                    | 35.4               | 3,759                             | 3.60%                        |
| 2018               | 31,903              | 37,987                          | 25,318                    | 35.7               | 3,715                             | 3.30%                        |
| 2019               | 31,997              | 40,071                          | 27,115                    | 37.0               | 3,707                             | 2.80%                        |
| 2020               | 32,098              | 42,115                          | 30,245                    | 37.6               | 3,701                             | 7.00%                        |
| 2021               | 31,753              | 46,625                          | 30,245                    | 37.9               | 3,505                             | 4.60%                        |

\* Source: U.S. Census.

\*\* Source: Bangor School Department.

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

Table 15

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

| 2021*     |                                      |            |   | 2012 <sup>1</sup> |                               |            |   |
|-----------|--------------------------------------|------------|---|-------------------|-------------------------------|------------|---|
| Employees | Employer                             | Location   | Percentage<br>of Total<br>Employment <sup>2</sup> | Employees         | Employer                      | Location   | Percentage<br>of Total<br>Employment <sup>2</sup> |
| 3501-4000 | Northern Light Eastern Maine Medical | Throughout | 10.93%  | 1000-4000         | Eastern Maine Medical Center  | Bangor     | 6.82%   |
| 1501-2000 | Northern Light Health                | Throughout | 5.10%   | 1000-4000         | Bangor Mall                   | Bangor     | 6.82%   |
| 1001-1500 | Hannaford Bros Co                    | Throughout | 3.64%   | 1000-4000         | University of Maine           | Orono      | 6.82%   |
| 501-1000  | City of Bangor                       | Bangor     | 3.35%   | 1000-4000         | City of Bangor                | Bangor     | 6.82%   |
| 501-1000  | St. Joseph Hospital Inc              | Bangor     | 2.19%   | 1000-4000         | Hannaford Supermarkets        | Throughout | 6.82%   |
| 501-1000  | Walmart/Sam's Club                   | Throughout | 2.19%   | 1000-4000         | Cianbro Corporation           | Throughout | 6.82%   |
| 501-1000  | Penobscot Community Health Care      | Throughout | 2.19%   | 1000-4000         | Walmart                       | Throughout | 6.82%   |
| 501-1000  | Northern Light Acadia Hospital       | Bangor     | 2.19%   | 500-999           | Bangor Savings Bank           | Bangor     | 2.04%   |
| 501-1000  | Bangor Savings Bank                  | Throughout | 2.19%   | 500-999           | LL Bean                       | Bangor     | 2.04%   |
| 501-1000  | Husson University                    | Bangor     | 2.19%   | 500-999           | Microdyne                     | Orono      | 2.04%   |
|           |                                      |            |   | 500-999           | Acadia Hospital               | Bangor     | 2.04%   |
|           |                                      |            |   | 500-999           | Verso Corp Paper Mill         | Bucksport  | 2.04%   |
|           |                                      |            |   | 500-999           | St. Joseph Hospital           | Bangor     | 2.04%   |
|           |                                      |            |   | 500-999           | Community Health & Counseling | Bangor     | 2.04%   |
|           |                                      |            | 36.16%  |                   |                               |            | 62.05%  |

\* 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>2012*</b> | <b>2013*</b> | <b>2014*</b> | <b>2015*</b> | <b>2016*</b> | <b>2017*</b> | <b>2018*</b> | <b>2019*</b> | <b>2020*</b> | <b>2021+</b> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General government                        | 99           | 97           | 92           | 103          | 104          | 107          | 103          | 102          | 93           | 112          |
| Public safety                             |              |              |              |              |              |              |              |              |              |              |
| Police                                    | 96           | 96           | 96           | 93           | 91           | 94           | 95           | 93           | 98           | 103          |
| Fire                                      | 95           | 95           | 91           | 87           | 90           | 89           | 88           | 94           | 95           | 95           |
| Health, community services and recreation | 49           | 48           | 46           | 41           | 34           | 36           | 47           | 40           | 38           | 37           |
| Public building and services              | 78           | 78           | 76           | 63           | 62           | 61           | 71           | 72           | 70           | 64           |
| Education                                 | 580          | 580          | 568          | 578          | 570          | 580          | 590          | 590          | 595          | 595          |
| Sewer utility                             | 24           | 24           | 24           | 24           | 27           | 27           | 26           | 26           | 22           | 27           |
| Airport                                   | 88           | 93           | 77           | 85           | 106          | 107          | 109          | 95           | 92           | 114          |
| Park woods                                | 2            | 2            | 1            | -            | -            | -            | -            | -            | -            | -            |
| Parking                                   | 3            | 3            | 3            | 3            | 2            | 2            | 3            | -            | -            | -            |
| Bass park                                 | 6            | 5            | -            | -            | -            | -            | -            | -            | -            | -            |
| Municipal golf course                     | 8            | 8            | 8            | 8            | 8            | 8            | 8            | 3            | 3            | 4            |
| <b>Totals</b>                             | <b>1,128</b> | <b>1,129</b> | <b>1,082</b> | <b>1,085</b> | <b>1,094</b> | <b>1,111</b> | <b>1,140</b> | <b>1,115</b> | <b>1,106</b> | <b>1,151</b> |

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

+ Source - City of Bangor Departmental Budget Documents.

Table 17

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

| Function                           | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Code enforcement                   |        |        |        |        |        |        |        |        |        |        |
| Building permits                   | 405    | 453    | 433    | 454    | 517    | 571    | 676    | 675    | 516    | 486    |
| Certificates of occupancy          | 350    | 361    | 395    | 452    | 630    | 609    | 729    | 750    | 594    | 545    |
| Sign permits                       | 70     | 69     | 82     | 83     | 86     | 89     | 90     | 70     | 94     | 81     |
| Electrical**                       | -      | -      | -      | -      | 607    | 739    | 770    | 781    | 745    | 778    |
| Police                             |        |        |        |        |        |        |        |        |        |        |
| Calls for service                  | 31,640 | 33,740 | 36,153 | 36,967 | 38,347 | 38,505 | 35,768 | 35,363 | 34,650 | 33,238 |
| Fire                               |        |        |        |        |        |        |        |        |        |        |
| Calls for service                  | 9,020  | 9,044  | 9,031  | 9,292  | 10,048 | 10,110 | 9,832  | 9,903  | 9,108  | 8,317  |
| Sewer                              |        |        |        |        |        |        |        |        |        |        |
| Treated flow (billions of gallons) | 3.10   | 2.68   | 2.69   | 3.20   | 2.57   | 2.44   | 2.76   | 3.21   | 3.48   | 2.74   |
| Biosolids (tons)                   | 6,789  | 5,832  | 6,309  | 5,821  | 6,230  | 6,101  | 5,569  | 6,036  | 6,250  | 5,566  |

\* 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 |       |       |       |       |       |       |       |       |       |
|---------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                           | 2012        | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  |
| Public safety             |             |       |       |       |       |       |       |       |       |       |
| Police:                   |             |       |       |       |       |       |       |       |       |       |
| Stations                  | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Vehicles                  | 50          | 48    | 43    | 50    | 57    | 57    | 60    | 55    | 55    | 56    |
| Fire:                     |             |       |       |       |       |       |       |       |       |       |
| Stations                  | 3           | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     |
| Vehicles                  | 26          | 26    | 26    | 26    | 24    | 25    | 22    | 27    | 27    | 28    |
| Public works              |             |       |       |       |       |       |       |       |       |       |
| Streets (miles)           | 431         | 431   | 431   | 431   | 432   | 432   | 432   | 432   | 360   | 360   |
| Sidewalks (miles)         | 101.4       | 101.4 | 101.4 | 101.4 | 101.4 | 101.4 | 101.9 | 109.6 | 110.2 | 110.1 |
| Parks and recreation      |             |       |       |       |       |       |       |       |       |       |
| Parks                     | 29          | 29    | 29    | 29    | 29    | 29    | 29    | 29    | 29    | 31    |
| Parks acreage             | 950         | 950   | 950   | 950   | 950   | 950   | 950   | 1227  | 1227  | 1227  |
| Public swimming pools     | 2           | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     |
| Public golf courses       | 1.5         | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   | 1.5   |
| Indoor ice arena          | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Semi-pro baseball stadium | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Sewer                     |             |       |       |       |       |       |       |       |       |       |
| Treatment plants          | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Pump stations             | 5           | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     |
| Miles of sanitary sewers  | 103         | 103   | 103   | 103   | 103   | 103   | 103   | 101   | 101   | 101   |
| Miles of combined sewers  | 44          | 47    | 49    | 49    | 49    | 49    | 49    | 43    | 44    | 43    |

\* Source - City of Bangor Departmental records.