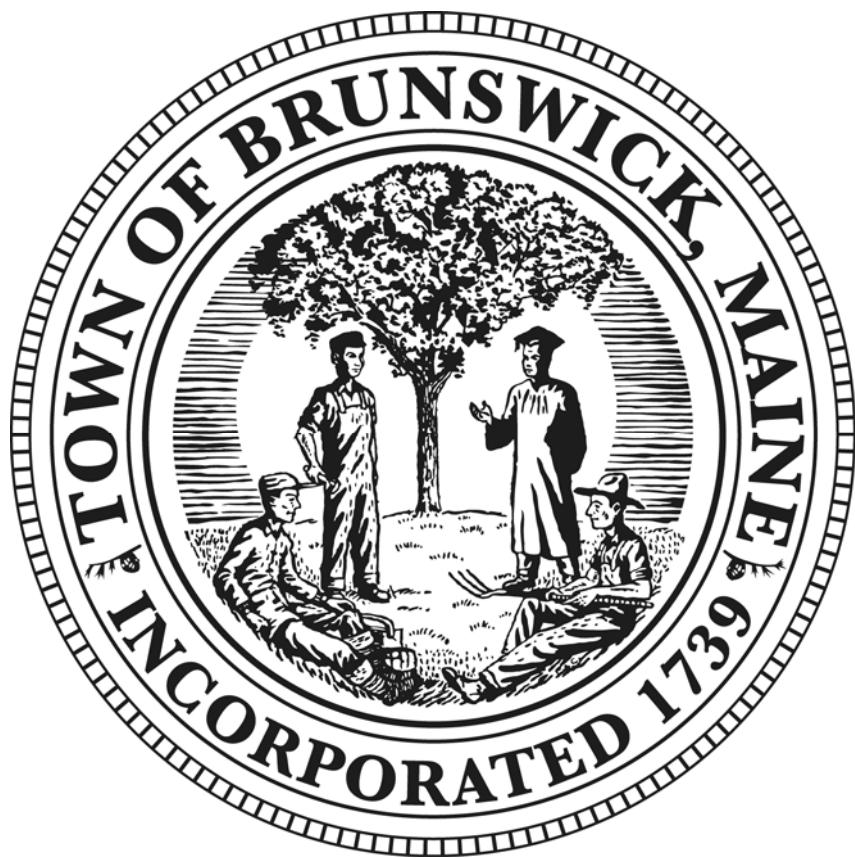


TOWN OF BRUNSWICK, MAINE



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

TOWN OF BRUNSWICK, MAINE
Comprehensive Annual Financial Report
Year ended June 30, 2019



Prepared by:
Town of Brunswick
Department of Finance

Town of Brunswick, Maine
Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

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INTRODUCTORY SECTION





Town of Brunswick, Maine

INCORPORATED 1739

OFFICE OF THE FINANCE DIRECTOR

85 UNION STREET

BRUNSWICK, MAINE 04011-2418

TELEPHONE 207-725-6652

FAX 207-725-4107

November 15, 2019

To the Brunswick Town Council and Citizens of the Town of Brunswick, Maine:

The Town of Brunswick is required by its charter and the laws of Maine to prepare a set of audited financial statements. The audited basic financial statements, contained within this larger comprehensive annual financial report (CAFR), are intended to meet those requirements. The Town of Brunswick chooses to go beyond the minimum reporting requirements and prepare this CAFR in an effort to provide greater detail regarding the financial condition of the Town and its financial operations.

This CAFR consists of management's representations concerning the finances of the Town of Brunswick. The responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. The Town of Brunswick has established a comprehensive framework of internal controls in order to provide a reasonable basis for making these representations. The Town recognizes that the costs of a control should not exceed the benefits to be derived, and the objective of its internal controls is to provide reasonable, rather than absolute, assurance that its financial reporting is free of material misstatements.

Runyon Kersteen Ouellette, a licensed firm of certified public accountants, has audited the Town of Brunswick's basic financial statements for the year ended June 30, 2019. The goal of an independent audit is to provide reasonable assurance that the basic financial statements are free of material misstatement. Runyon Kersteen Ouellette has issued an unmodified opinion on the Town of Brunswick's basic financial statements indicating that, in its opinion, the basic financial statements are fairly presented in all material respects, in conformity with accounting principles generally accepted in the United States. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Town of Brunswick, incorporated February 1739, is situated on the coast of Maine in Cumberland County, the state's most populous county. Brunswick is a state-designated service-center community, located between Maine's major population centers. The Town's geographic boundaries encompass approximately 49.73 square miles and the 2010 Census listed Brunswick's population at 20,278.

The Town of Brunswick operates under a charter that provides for a council-manager form of government with a nine-member town council elected on a non-partisan basis to three-year staggered terms. Seven council members are elected from districts and two are elected at-large. The charter grants to the town council all powers to enact, amend, or repeal ordinances, orders, resolutions, policies, and rules relating to the Town's property and affairs. The town council appoints the town manager who in turn appoints the municipal department heads, subject to confirmation by the town council.

A nine-member elected school board is responsible for the operation of all facets of a school department that provides K-12 education. Members are elected for three-year staggered terms with seven elected from districts and two elected at-large. The school board appoints the superintendent of schools, who administers the department and carries out the policies of the board. In consultation with the superintendent, the school board also proposes an educational budget for consideration by the town council and inclusion in the Town's annual budget.

The town manager is required to propose an annual budget to the town council by May 1st. The budget includes the municipal departments and activities. It also includes an education budget approved by the school board. The town council must adopt an annual budget by June 15th. State law also requires that voters, in a budget validation referendum, approve the school budget adopted by the town council. Once the budget is adopted, the charter allows for the transfer of resources within departments. However, transfers between departments require town council approval. State law also has special requirements for changes to the education budget.

The Town of Brunswick provides a full range of services including public safety, public works, education, human services, and recreation. The Brunswick Sewer District, a separate legal entity, provides sanitary sewer services. The Brunswick-Topsham Water District, also a separate legal entity, provides water services. These districts are not part of the Town of Brunswick so their financial statements are not included in this report. The financial statements for these districts can be obtained directly from the districts.

Local economy

Brunswick is a commercial, industrial, educational, health care, and cultural center for the southern section of mid-coast Maine. Bath Iron Works (BIW), along with Mid Coast – Parkview Health, and Bowdoin College are the area's largest employers.

Bath Iron Works. Bath Iron Works (BIW) is a shipbuilder headquartered in Bath, Maine, which is heavily dependent on contracts to build surface combatants for the US Navy. As a consequence, the Navy's procurement plans are always a concern for BIW and its employees. Since 1985, BIW has been the lead contractor and has delivered ships of the Arleigh Burke (DDG 51) class. As BIW was nearing the completion of the ships it had contracted to deliver, the Navy decided to restart procurement of the DDG 51s. BIW has built two ships in the restarted program, currently has four of these ships under construction with six more in the backlog. Further, as the lead designer of the DDG 51, BIW is considered the "planning yard" as ships already delivered to the Navy are upgraded and modernized. In June 2018 BIW was awarded a contract for lead yard services valued at \$49.8 million for the first year, with four option years for a total contract value of \$304.8 million.

The Zumwalt (DDG 1000) class had been planned as the US Navy's next generation surface combatant. Originally, a competitor was designated as the lead designer and builder of the DDG 1000, with that competitor and BIW each building one of the first two ships in this class. Cost concerns for this class caused the Navy to limit production to three ships, and BIW has assumed responsibility for the ships' design and construction. The US Navy accepted delivery of the USS Zumwalt (DDG 1000) in May 2016, and the USS Michael Monsoor (DDG-1001) in April, 2018. The USS Lyndon B. Johnson, the third ship of the DDG 1000 class is now under construction at BIW.

Given the restart of the DDG-51 program and changes related to the DDG-1000 program, BIW had increased its hiring of new employees in 2015, mainly in trades including electrical, machinist, shipfitters, tinsmiths, welders, pipefitters and more, as well as supervisory positions. However, the US Navy's procurement plans are always subject to change and those changes could adversely impact BIW and its employees. Though BIW is continually seeking to diversify its production capabilities, the Navy's procurement decisions may result in workforce layoffs.

Mid Coast – Parkview Health. Mid Coast – Parkview Health (MCPH) is a community, non-profit, health care organization providing a continuum of care through its affiliated organizations, which include Mid Coast Hospital, Mid Coast Medical Group, Mid Coast Senior Health Center and CHANS Home Health & Hospice. With more than 1,000 employees, MCPH is the second largest employer in Brunswick. Previously named Mid Coast Health Services (MCHS), the organization operated Mid Coast Hospital. The hospital moved into a new facility within Brunswick in 2001, and completed a major expansion that added approximately 50,000 square feet to the hospital in 2009. In 2011, MCHS opened a primary care and walk-in clinic facility in leased space at Brunswick Station in downtown Brunswick.

Beginning in August 2015, Mid Coast Health Services integrated with another hospital in Brunswick, Parkview Adventist Medical Center. The consolidated entity is called Mid Coast – Parkview Health (MCPH), and has moved inpatient and emergency services to Mid Coast Hospital, while utilizing the Parkview campus for community health and wellness programs, physician practices and outpatient services.

Bowdoin College. Bowdoin College (Bowdoin or College) is an undergraduate liberal arts college located in Brunswick. Bowdoin employs approximately 941 full-time equivalent (FTE) employees, including 208 FTE faculty members. Over the past year, Bowdoin has completed a number of building and facilities improvements, including completion of a multi-phase renovation/expansion of Whittier Field, and associated construction of a 8,780 square foot facility housing locker, training and equipment rooms and public restrooms. This building was facilitated by the Town's discontinuance of a section of Pine Street. During the summer of 2018, Bowdoin College replaced the discontinued section of street with a new connecting road between Bath Road and the remaining Pine Street. In August 2019 the College completed construction of four 22-bed upperclass residence halls along Park Row. Each structure is three stories high and approximately 11,000 square feet. Also in August, the College completed the renovation of the Boody-Johnson House, a historic building housing 26 students. Additional information can be found on Bowdoin's website at www.bowdoin.edu.

Brunswick Landing, Maine's Center for Innovation. Brunswick Landing is the name given to the former Naval Air Station Brunswick (NASB) property. NASB, closed in May 2011, was once one of the state's largest employers. The operation of the base was turned over to the Midcoast Regional Redevelopment Authority (MRRA). MRRA is a state-appointed agency responsible for the management and disposition of NASB property and the implementation of the "Master Reuse Plan for BNAS" (Master Plan).

The Master Plan recommended that portions of the base continue operating aviation facilities and Brunswick Executive Airport (BXM) was established on the airport portion of the property. Other components of the plan envisioned educational uses by the University of Maine system and Southern Maine Community College. The Navy has conveyed parcels to the Maine Community College System (MCCS), facilities have been renovated or constructed and many programs and classes are now being offered by the community college and university system. Other properties were identified for manufacturing and commercial uses and have been conveyed to MRRA for development. MRRA is ahead of schedule with the Master Plan, and has renovated or constructed a number of facilities, and sold or leased properties to incoming entities. The Master Plan along with information regarding the impact of NASB's closure, and MRRA's redevelopment statistics can be found on MRRA's website at www.mrra.us.

Long-term financial planning

The charter of the Town of Brunswick requires the annual preparation of a five-year Capital Improvement Program (CIP). The CIP identifies capital improvements and addresses financing those improvements, and the annual cost of supporting them. The CIP is a plan; it does not fund any projects. Project funding can be authorized in a variety of formats.

The Town's CIP policy requires that items included in the CIP have a value greater than \$100,000. Those recommended to be funded with debt are required to have a value greater than \$325,000. All items require a minimum life of five years. Further, the policy established a mechanism for the annual funding of reserves for routine but substantial repairs and replacements, such as the replacement of vehicles and equipment, certain facilities maintenance projects, and certain information technology upgrades. Finally, the policy requires that the CIP be developed and completed ahead of the development of the annual municipal budget. When adopting the current policy, in 2013, the Town understood that many of its goals, including funding of the reserves, will need to be accomplished over a period of time in a phased approach.

The CIP for fiscal years ending 2020-24 was adopted on May 13, 2019, and recommended funding projects totaling \$34,464,489, with \$4,469,650 to be financed with debt. Projects in development (those that may eventually be considered for funding) totaled \$19,996,580. With the 2020-24 CIP, the Downtown Improvement Project, totaling \$2,735,000, moved from the projects in development section to the recommended section, while the Central Fire Station project was approved for funding and no longer is

counted in the CIP recommended totals. The Town continues to recognize that the health and diversity of Brunswick's property tax base, the continued pressure on annual operating budgets, and the continued desire to minimize property tax increases, will impact the Town's capacity to finance capital projects and the related operating costs outlined in the CIP.

Beginning in 2015, the Town Council's Finance Committee began looking at five-year projections of the operating budget in conjunction with work on the Capital Improvement Program. While not a formal long-term financial plan, the projection model provides a vehicle to explore the major drivers of the Town's budget, and the effects of capital projects in future years. It is expected that this process will continue to be used to inform the development of the annual budget.

Relevant financial policies

The Town of Brunswick has an established fund balance policy that targets its unassigned general fund balance at 16.67% of its general fund revenues. The policy, adopted in 2010, is based on the Government Finance Officer Association's (GFOA's) recommended best practice regarding appropriate levels of fund balance. In developing the target, the Town considered a number of factors, including the diversity of its property tax base, the reliability and volatility of its non-property tax revenues, and the potential of incurring significant one-time expenditures. The policy requires that funds in excess of the target to be used for capital or other one-time expenditures.

For the year ended June 30, 2019, the amount of unassigned fund balance was \$12,430,139 or 19.06% of general fund revenues. A balance above the target was anticipated, as after several previous years with unassigned fund balance below the target, and considering the capital needs outlined in the Capital Improvement Program, the Town has continued to reduce its use of fund balance in the annual budget. Other contributors to the increase in the balance included strong revenues such as vehicle excise taxes and charges for emergency medical services, interest revenue higher than anticipated in the budget, and continued efforts to realize efficiencies and reduce expenditures.

During the fiscal year ended June 30, 2019, the Finance Committee adopted a Federal Procurement Manual to govern the purchase of property, goods and services using any federal award, and a Debt Disclosure Policy and Procedures Manual to establish a framework for compliance with disclosure obligations associated with the Town's issued debt.

The Finance Committee, which was established in 2014, consists of three Town Councilors and meets at least monthly. In addition to its work on the CIP and financial policies, the Committee's activities include reviewing and updating Town fees, review of the annual disclosure for bonds, and review of the annual financial reports and the work of the independent auditors.

Major initiatives

School Construction Project – Kate Furbish Elementary School. With the opening of the new Harriet Beecher Stowe School in 2011, the school department turned its attention to examining its other facilities and program needs. The primary area of concern was with the aging Coffin Elementary and Brunswick Junior High Schools. The planning and certain options were included in the Capital Improvement Program (CIP) for several years.

In November, 2016, the school department proposed a course of action involving major repairs to the Junior High School and construction of a new elementary school. Based on the status and timing of the state Department of Education's Major Capital School Construction program, the department believed that both projects were not likely to qualify for state participation, and proposed that the new elementary school be funded locally through the issuance of debt. The Town Council approved the question to be put forward to referendum, and in June 2017, the voters approved an ordinance authorizing the construction of a new elementary school, and bond issuance up to \$28,000,000. A construction contract for the new elementary school was signed in September 2018 and construction of the Kate Furbish Elementary School is currently underway. The project is on schedule for completion in time for the 2020-21 school year. The Town

borrowed \$20,000,000 in a bond anticipation note (BAN) on September 5, 2019, which will be retired with the issuance of general obligations bonds in January 2020.

Brunswick Station - Amtrak Downeaster train service. With work completed on a project to upgrade 28 miles of rail track between Brunswick and Portland, and construction of a train platform in Brunswick, the Downeaster began operating two trips per day into Brunswick Station on November 1, 2012. The Northern New England Passenger Rail Authority (NNEPRA) completed construction on a train layover facility in November 2016, making possible the addition of one scheduled service. In November 2018, with the completion of a 4-mile passing track south of Brunswick, NNEPRA increased the schedule by an additional two trips, to five round-trips daily between Brunswick and Boston.

Over several years, the Town petitioned the Federal Rail Authority to establish Quiet Zones in order to limit the routine use of train horns at grade road crossings, and lessen the effect of train noise on residential neighborhoods in Brunswick. In late 2018, with the addition of alternative safety measures consisting of lane separation structures at certain crossings, the Town's application was approved, and a Quiet Zone went into effect from the Freeport town line through the Union Street crossing.

Brunswick Station – Metro Breez regional bus service. Beginning in August 2017, Portland METRO regional bus service from Portland was expanded to Brunswick in year two of a three-year pilot program. The Town Council authorized payment of up to \$89,478 over three years, with Bowdoin College contributing an additional \$20,000 over the same period. The pilot program concluded in June 2019, and the Town Council authorized the continuance of bus service through December 2019. To continue the service beyond December, the Council will consider becoming a member municipality of Portland METRO. Bus service currently includes approximately fourteen roundtrip runs between Portland and Brunswick on weekdays, and six or seven runs on Saturdays.

Cooks Corner - Landing Drive. The Town, Midcoast Regional Redevelopment Authority (MRRA) and neighboring landowners/developers have continued collaborative approaches for the redevelopment of Naval Air Station Brunswick (NASB) and surrounding area. The Cooks Corner Omnibus Municipal TIF District was approved by the Maine Department of Economic and Community Development (DECD) in February 2018. On March 19, 2018, the Town Council approved a project to build a new road to connect Admiral Fitch Avenue on Brunswick Landing to Gurnet Road in Cooks Corner, thereby improving traffic conditions to facilitate economic growth in the area. Construction of the road began in November 2018, and Landing Drive opened in September 2019. Project funding is from a Business Partnership Initiative grant from the Maine Department of Transportation, contributions of land and funds from MRRA and local developers, and the issuance of debt. As an alternative to issuing bonds, the Town may choose to repay the general fund advance with TIF revenues allocated over several years.

Central Fire Station. The Town's downtown fire station is nearing 100 years old, and has been included in the CIP for many years. In 2017, the Town Council created a task force, and appropriated funds for programming, site evaluation and preliminary design services. On April 1, 2019 the Town Council adopted an ordinance authorizing the purchase of property for, and construction of, a new central fire station, and the issuance of up to \$13,500,000 in bonds. The Town has selected a site on Pleasant and Webster Streets, and has issued a Request for Proposals for architectural design services.

Graham Road Landfill. As described in the notes to the financial statements, the Graham Road Landfill operates under strict environmental regulations and its operation is dependent on continued compliance with existing and future regulations. For several years, the Town has worked with the Maine Department of Environmental Protection (DEP) to comply with, or seek waivers from, certain discharge parameters set by the United States Environmental Protection Agency (EPA). For the most part, the parties agree the Town has had technical violations, with little to no impact on water quality. In 2012, the Town and DEP agreed to pursue a cooperative approach by constructing an experimental treatment facility.

In April 2014, the Town learned that DEP's Remediation and Waste Bureau had concerns about groundwater trends at the landfill. While not a situation requiring immediate remediation, the groundwater questions presented an opportunity for the Town to be eligible for closure funding from the State through

the Maine Municipal Landfill Closure and Remediation Program (Closure Program). Established in 1988 with 38 MRSA §1310-C, the program provides cost sharing for the closure of municipal landfills, and remediation of hazards posed by the closed landfills. Participation in the program is based on eligibility and written agreements with DEP, including a Schedule of Compliance outlining the closure steps and timeline. In most cases, the state has paid 75% of closure costs, with the payments dependent on the availability of funding in the program.

In October 2016, the DEP determined that the closure of Brunswick's Graham Road landfill meets the requirements for cost sharing under the state Closure Program. Based on the analysis provided by the consultant and the opportunity for state cost sharing, the Town Council began steps toward landfill closure, including negotiating a closure agreement with DEP, arranging to accept additional waste into the landfill to fully use the available space, and beginning to plan for alternative solid waste disposal solutions. The Schedule of Compliance between the Town and DEP was finalized in June 2017, and outlines the timeline and tasks for the projected closure of the landfill in 2021.

Beginning in the 2018-19 fiscal year, the Town contracted with Pine Tree Waste to accept up to 20,000 additional tons of waste, accelerating filling the available space in the landfill. Effective July 1, 2018, the Town also increased the cost of the Town trash bags, the proceeds of which are planned to go toward the closure of the landfill. Currently, the Town is looking toward closing the landfill in 2021, and is preparing a Request for Proposals for an alternative solid waste solution.

Bond Issues and Debt Authorization. During the fiscal year ended June 30, 2019, the Town Council authorized the issuance of up to \$13,500,000 in bonds for a new Central Fire Station. In 2018, up to \$1,200,000 in debt was authorized for the Cook's Corner connector road, though the Town Council has indicated that the funds advanced from the general fund may be repaid with TIF revenues over several years. Also authorized, but not yet issued, is up to \$28,000,000 in bonds for the new elementary school. The final amount for this project will be determined and bonds issued in January 2020. The Town continues to enjoy an Aa2 rating with Moody's Investors Service, and AA+ with Standard's & Poor's.

Awards and acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Brunswick for its comprehensive annual financial report for the year ended June 30, 2018. The certificate recognizes that Brunswick published an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable legal requirements. The Town of Brunswick has received this prestigious award every year since 1999. A Certificate of Achievement is valid for a period of one year. We believe this year's comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for a certificate.

Finally, this report could not have been completed without the cooperation and assistance of all the Town departments. Especially appreciated are the efficient and dedicated services of the entire Finance Department, with special recognition due to Branden Perreault, Deputy Finance Director, for his dedication and effort in preparing this report. Also appreciated is the assistance of Runyon Kersteen Ouellette, in their review of this report.

Respectfully submitted,

Julia Henze

Julia Henze, CPFO
Finance Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Town of Brunswick
Maine**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

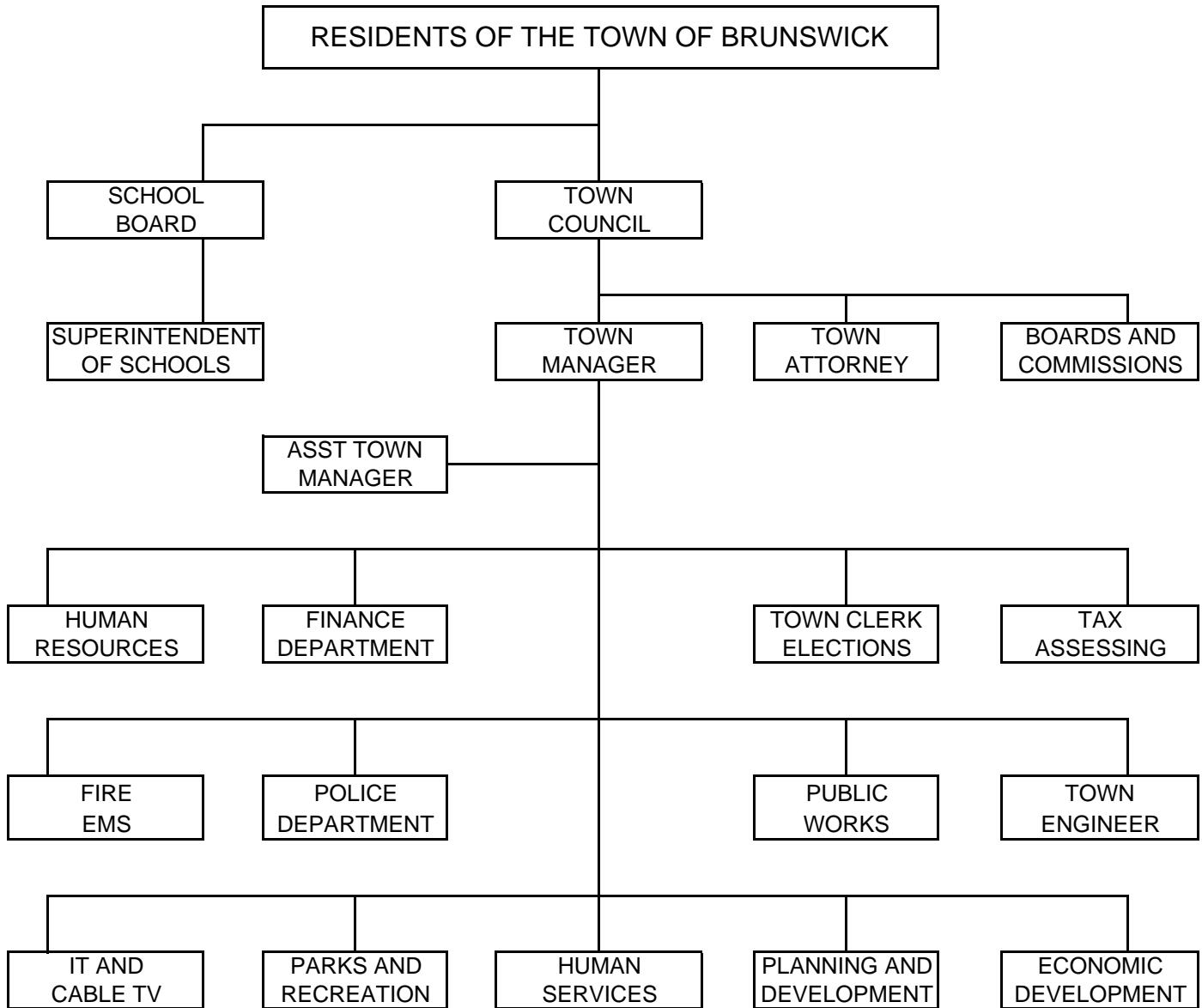
June 30, 2018

Christopher P. Monill

Executive Director/CEO

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Town of Brunswick, Maine Organizational Chart



TOWN OF BRUNSWICK, MAINE

ELECTED AND APPOINTED OFFICIALS

June 30, 2019

Elected Officials

Council Member - District 4	Chair	John M. Perreault
Council Member - District 7	Vice Chair	James Mason
Council Member - District 1		W. David Watson
Council Member - District 2		Stephen S. Walker
Council Member - District 3		Daniel Jenkins
Council Member - District 5		Christopher Watkinson
Council Member - District 6		Jane F. Millett
Council Member - At large		Daniel Ankeles
Council Member - At large		Kathy Wilson

Appointed Officials

Town Manager	John S. Eldridge
Town Attorney	Stephen E. F. Langsdorf
Director of Finance	Julia A.C. Henze
Assessor	Nicholas Cloutier
Town Clerk	Frances M. Smith
Director of Planning and Development	Matthew Panfil
Fire Chief	Kenneth A. Brillant
Police Chief	Richard J. Rizzo
Director of Public Works	Jay Astle
Director of Parks and Recreation	Thomas M. Farrell
Superintendent of Schools	Paul Perzanoski

FINANCIAL SECTION



Independent Auditors' Report

Finance Committee
Town of Brunswick, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brunswick, Maine, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town'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, each major fund, and the aggregate remaining fund information of the Town of Brunswick, Maine as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Proportionate Share of Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Changes in Total Health Plan OPEB Liability and Related Ratios, the Schedule of Proportionate Share of the Net OPEB Liability, and the Schedule of OPEB Contributions, 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 Town's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements 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 fund financial statements 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.

Finance Committee
Town of Brunswick, Maine

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019 on our consideration of the Town of Brunswick, 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 Town of Brunswick, 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 Town of Brunswick, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Ryan Kurten Ouellette". The signature is fluid and cursive, with "Ryan" and "Kurten" on the first line and "Ouellette" on the second line.

November 15, 2019
South Portland, Maine

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Management's Discussion and Analysis

As the Town of Brunswick's management, we offer readers of the Town of Brunswick's financial statements this narrative overview and analysis of the financial activities of the Town of Brunswick for the fiscal year ended June 30, 2019. This overview and analysis is referred to as Management's Discussion and Analysis (MD&A). We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found in the introductory section of this comprehensive annual financial report (CAFR).

Financial Highlights

- For the fiscal year ended June 30, 2019, the Town of Brunswick's total net position increased by \$6,044,755 from the previous year's restated net position, to total \$64,685,251. Of this amount, \$4,914,572 is classified as *restricted net position*, of which the largest portion, \$2,527,879 is restricted for education purposes. Unrestricted net position decreased from the previous year's restated deficit balance to a deficit balance of \$10,392,308 as of June 30, 2019.
- Net investment in capital assets increased by \$12,408,787, while restricted net position decreased by \$656,843 and unrestricted net position decreased by \$5,707,189 from the restated previous year. The increase in capital assets and decrease in unrestricted net position is largely due to the construction in progress of the elementary school, funded through an advance from available cash. When bonds are issued for this project, net investment in capital assets will decrease, and unrestricted net position will increase.
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,721,869, a decrease of \$9,794,099 in comparison with the prior fiscal year. Capital outlay in the new elementary school construction fund and for various projects in the capital improvement fund was the primary driver of the decrease.
- The unassigned fund balance for the General Fund at June 30, 2019 was \$12,430,139. The Town's policy is to maintain the unassigned fund balance at 16.67% of revenues. At June 30, 2019, this portion of the fund balance is approximately 20% and 19.06% of the total General Fund expenditures and revenues, respectively.
- The Town's total outstanding long-term principal debt decreased by \$2,252,840 during the current fiscal year. Of this, \$2,112,806 was attributable to debt retirement, and \$140,034 was the adjustment to the School Revolving Renovation Fund loans when less was borrowed than originally anticipated.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the Town of Brunswick's basic financial statements which consist of the: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, the CAFR also contains other supplementary information.

Government-wide financial statements. The *government-wide financial statements* are designed to provide a broad overview of the Town of Brunswick's finances, in a manner similar to a private-sector business. There are two government-wide statements: the statement of net position and the statement of activities.

The *statement of net position* presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information on how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, human services, education, recreation/culture, and county tax. The business-type activities of the Town include the Town's solid waste facilities, the pay-per-bag program, the Mere Point Wastewater District and the train station/visitors center. The government-wide financial statements can be found on pages 32 and 33 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 Town of Brunswick, 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 Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of *governmental funds* is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Brunswick maintains sixteen 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, Tax Increment Financing Fund and New Elementary School Bond Fund, all of which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 34-36 of this report. Individual fund data for each of the non-major governmental funds is provided in *combining statements* found on pages 94-103 of this CAFR.

In accordance with the Charter of the Town of Brunswick, an annual appropriated budget is adopted for the Town's General Fund. It is the only fund with an annual appropriated budget. A statement comparing the budget with actual results has been provided, on pages 37-41 of this report, to demonstrate compliance with the General Fund budget. A full discussion of the General Fund budget and highlights for the year is contained later in this MD&A.

Proprietary funds. The Town reports two types of proprietary funds, enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Brunswick uses enterprise funds to account for its solid waste facilities, the pay-per-bag program, the Mere Point Wastewater District and the train station/visitors center. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's functions. The Town utilizes an internal service fund to account for printing services provided to departments on a cost reimbursement basis. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in greater detail. The basic proprietary fund financial statements can be found on pages 42-44. The combining statements can be found on pages 106-108.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Brunswick's own programs. The Town's fiduciary funds include its private-purpose trust funds and agency funds. The private purpose trust funds report on scholarships, gifts to the library, resources available to the Village Improvement Association, and scholarship awards for participation in recreation programs. The agency fund reports on money held for the benefit of student activities. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 45 and 46 of this report. The combining statements can be found on pages 110-116.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-84 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI) concerning the Town's progress in funding its pension obligations and its other than pension postemployment benefits (OPEB) obligations. Required supplementary information can be found beginning on page 86 of this report, with the notes to the RSI following on page 91.

The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the required supplementary information section of the financial statements. Combining and individual fund statements can be found on pages 94-116 of this report.

Government-wide Financial Analysis

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. For the Town of Brunswick, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$64,685,251 at the close of the most recent fiscal year which is an increase of \$6,044,755 during the fiscal year. The Town reports positive balances in two of three categories of net position, (net investment in capital assets and restricted) for the government as a whole.

Town of Brunswick's Net Position

	Governmental activities		Business-type activities		Total	
	2019	2018 (restated)	2019	2018	2019	2018 (restated)
Current and other assets	\$ 20,905,829	\$ 28,766,448	\$ 5,735,766	\$ 4,637,640	\$ 26,641,595	\$ 33,404,088
Capital assets	88,799,554	78,153,802	1,192,654	1,528,890	89,992,208	79,682,692
Total assets	109,705,383	106,920,250	6,928,420	6,166,530	116,633,803	113,086,780
Deferred outflows of resources	3,490,379	6,285,595	-	-	3,490,379	6,285,595
Long-term liabilities outstanding	35,403,984	41,219,696	9,179,947	8,798,877	44,583,931	50,018,573
Other liabilities	8,197,279	6,204,295	100,497	54,183	8,297,776	6,258,478
Total liabilities	43,601,263	47,423,991	9,280,444	8,853,060	52,881,707	56,277,051
Deferred inflows of resources	2,557,224	4,463,828	-	-	2,557,224	4,463,828
Net investment in capital assets	68,970,333	56,225,310	1,192,654	1,528,890	70,162,987	57,754,200
Restricted	4,914,572	5,571,415	-	-	4,914,572	5,571,415
Unrestricted	(6,847,630)	(478,699)	(3,544,678)	(4,206,420)	(10,392,308)	(4,685,119)
Total net position	\$ 67,037,275	\$ 61,318,026	\$ (2,352,024)	\$ (2,677,530)	\$ 64,685,251	\$ 58,640,496

The largest portion of the Town's net position, \$70,162,987, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. As the Town uses capital assets to provide services to citizens, these assets are generally not available for future spending. An additional portion, \$4,914,572 or 7.6% of the Town of Brunswick's net position represents resources that are restricted, meaning they are subject to external restrictions on how they may be used. The remaining deficit of \$10,392,308 is categorized as unrestricted net position. The deficit is the result of several factors, including net pension liability and OPEB liabilities related to retiree life insurance and implicit subsidies of retiree health insurance. In addition, outlays from cash accounts for the new elementary school construction increased capital assets (construction in progress) and reduced unrestricted net position. Debt will be issued for this project in January 2020.

Town of Brunswick's Change in Net Position

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues						
Charges for services	\$4,575,927	\$4,540,502	\$1,584,424	\$1,752,356	\$6,160,351	\$6,292,858
Operating grants and contributions	15,379,788	15,233,409	-	-	15,379,788	15,233,409
Capital grants and contributions	1,660,220	925,815	-	-	1,660,220	925,815
General revenues						
Property taxes	45,577,899	43,785,337	-	-	45,577,899	43,785,337
Vehicle, w atercraft and aircraft						
excise taxes	3,805,224	3,618,811	-	-	3,805,224	3,618,811
Grants and contributions not						
restricted to specific programs	1,691,877	1,452,665	-	-	1,691,877	1,452,665
Unrestricted investment earnings	473,628	385,437	110,571	60,892	584,199	446,329
Other	-	31,683	-	7,000	-	38,683
Total revenues	<u>73,164,563</u>	<u>69,973,659</u>	<u>1,694,995</u>	<u>1,820,248</u>	<u>74,859,558</u>	<u>71,793,907</u>
Expenses:						
General government	5,603,934	4,950,780	-	-	5,603,934	4,950,780
Public safety	8,461,265	9,211,812	-	-	8,461,265	9,211,812
Public w orks	5,752,593	5,545,346	-	-	5,752,593	5,545,346
Human services	190,614	166,430	-	-	190,614	166,430
Education	41,202,580	41,908,434	-	-	41,202,580	41,908,434
Recreation and culture	3,681,856	3,733,011	-	-	3,681,856	3,733,011
County tax	1,565,279	1,517,700	-	-	1,565,279	1,517,700
Unclassified	199,922	130,537	-	-	199,922	130,537
Interest on long-term debt	562,271	613,636	-	-	562,271	613,636
Solid w aste facilities	-	-	1,406,202	2,325,237	1,406,202	2,325,237
Pay-per-bag program	-	-	70,761	121,459	70,761	121,459
Wastew ater treatment	-	-	30,925	55,822	30,925	55,822
Train station/ visitors center	-	-	86,601	84,291	86,601	84,291
Total expenses	<u>67,220,314</u>	<u>67,777,686</u>	<u>1,594,489</u>	<u>2,586,809</u>	<u>68,814,803</u>	<u>70,364,495</u>
Increase (decrease) in net position						
before transfers	5,944,249	2,195,973	100,506	(766,561)	6,044,755	1,429,412
Transfers	<u>(225,000)</u>	<u>(225,000)</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>5,719,249</u>	<u>1,970,973</u>	<u>325,506</u>	<u>(541,561)</u>	<u>6,044,755</u>	<u>1,429,412</u>
Net position beginning of year						
(as restated)	<u>61,318,026</u>	<u>65,562,287</u>	<u>(2,677,530)</u>	<u>(2,135,969)</u>	<u>58,640,496</u>	<u>63,426,318</u>
Net position end of year	<u>67,037,275</u>	<u>67,533,260</u>	<u>(2,352,024)</u>	<u>(2,677,530)</u>	<u>64,685,251</u>	<u>64,855,730</u>

As a result of the Town's implementation of the Governmental Accounting Standards Board (GASB) Statement 75, net position for governmental activities has been restated as of June 30, 2018. The restatement, for the Maine Education Association Benefits Trust retiree health plan, included a \$6,435,381 increase to long-term liabilities, a \$220,147 increase to deferred outflows of resources, and a \$6,215,234 decrease in unrestricted net position.

While in total the Town's net position is positive, balances are very different for the governmental activities and the business-type activities. Readers should review the following analysis pertaining to those portions to fully understand the Town's financial reports.

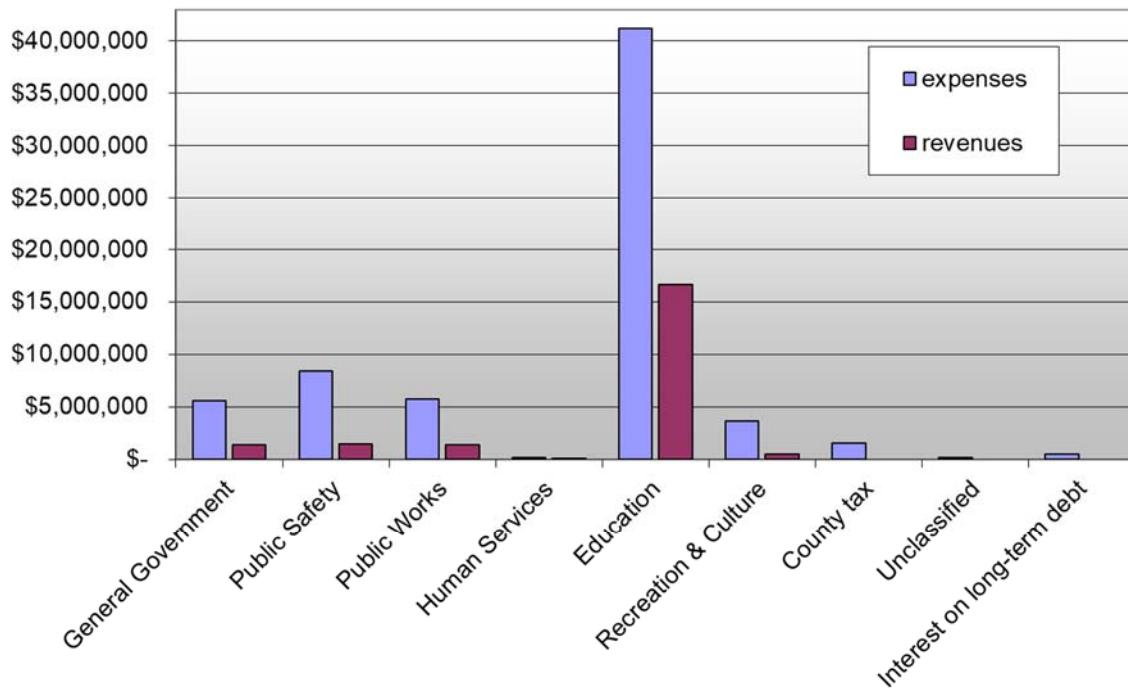
Governmental activities. Governmental activities, including transfers, increased the Town of Brunswick's total net position by \$5,719,249. The following points highlight the significant changes in revenues compared with the previous year:

- Property tax revenue, the Town's largest revenue, increased by \$1,792,562, or 4.1%. This increase was anticipated in the 2018-19 budget, as the tax rate increased by 2.99% and total taxable valuation increased by 0.44%. Additionally, the contribution from Bowdoin College, which is included in the property tax category, increased by nearly \$140,000 from the previous year. Property taxes made up 62.35% of the total revenue, down slightly from 62.57% of the total in the previous year. The percentage decrease was the result of shifts in proportion of the total revenues.
- Excise tax revenue increased by \$186,413, primarily attributable to motor vehicle excise tax collections. This is a reflection, to some extent, of an increase in the number of motor vehicles, but more predominantly of an increase in the base values of new vehicles, which is used to calculate excise tax.
- Charges for services revenue increased by \$35,425. An increase was seen in building permit fees and ambulance service fees, as well as other municipal license fees and fines, school lunch and tuition, and recreation program fees. Offsetting these, fees from the operations of the Real School were \$168,561 lower than the previous year.
- Operating grants and contributions increased by \$146,379. Several operating grants increased this category, the largest of which was the Community Development Block Grant for Brunswick Housing, which increased \$456,173 from the previous year. Offsetting this, State Aid to Education decreased \$569,631 from the prior year. This decrease was largely a result of the change in the state formula removing the 'pass-through' funding of Brunswick's share of Maine Region 10 Technical High School.
- Capital grants and contributions increased by \$734,405. This increase includes \$450,000 from Bowdoin College to fund a Discovery Classroom at the Kate Furbish Elementary School. Also included is the Maine Department of Transportation's Business Partnership Initiative program grant, and Midcoast Regional Redevelopment Authority's contribution for the Cook's Corner connector road. This category also reflects the Town's acceptance of contributed capital assets totaling \$347,125, consisting of a parcel of land, and infrastructure contributions of Ledgewood Drive, a portion of Botany Place, and the new section of Pine Street constructed by Bowdoin College.
- Grants and contributions not restricted to specific programs increased by \$239,212. Of this, the increase in revenue sharing was \$99,343, and the Town received \$80,332 in emergency aid for the October 2017 wind storm.
- Unrestricted investment earnings increased by \$88,191, a result of increasing interest rates based on the federal funds target rate.

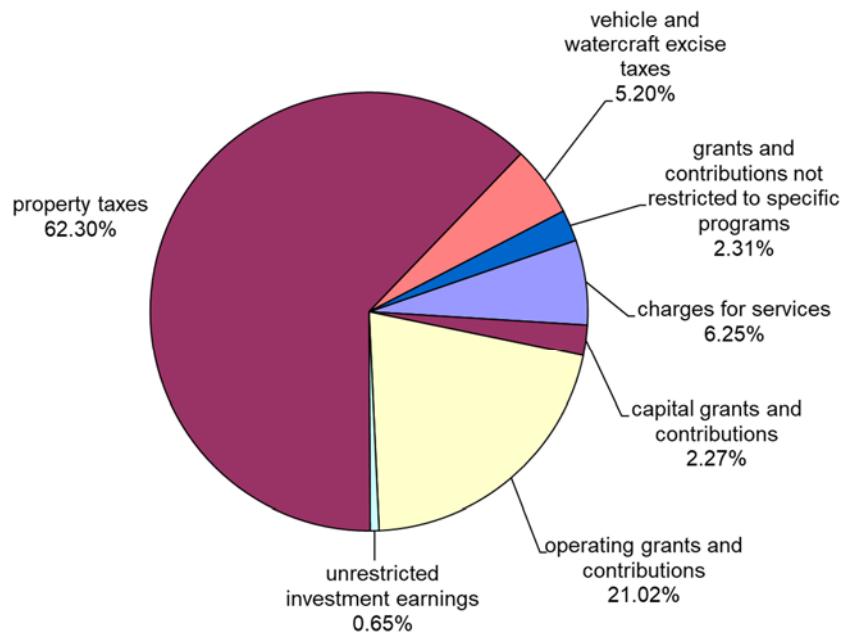
- Other revenues decreased by \$31,683. This decrease is due to proceeds received on the trade-in of vehicles and equipment in the previous year.

The following charts illustrate the total expenses by program, and revenues by source, for the Town's governmental activities.

Expenses and Program Revenues - Governmental Activities
For the year ended June 30, 2019

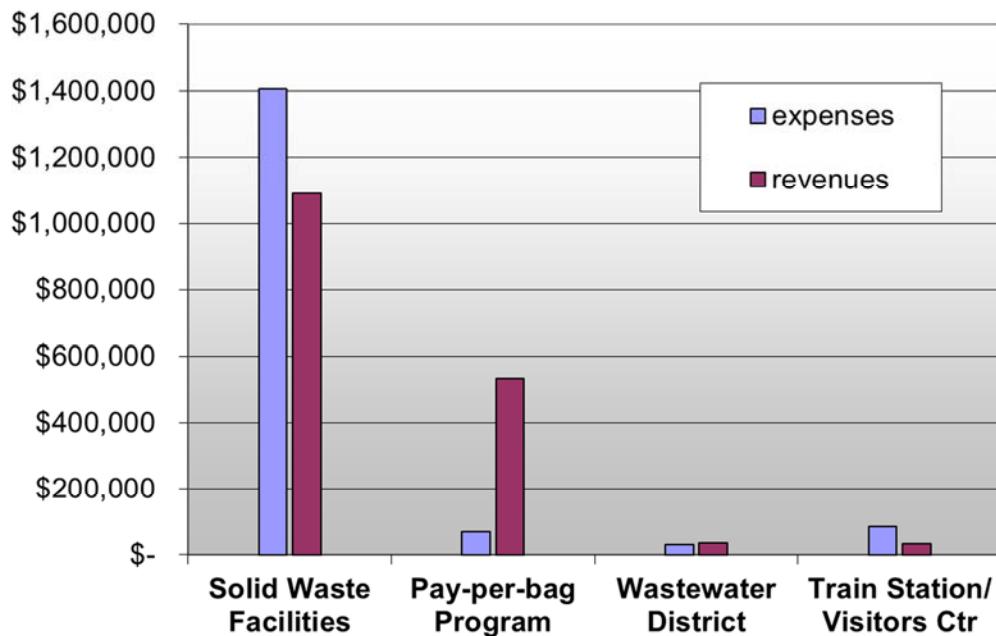


General and Program Revenues - Governmental Activities
For the year ended June 30, 2019

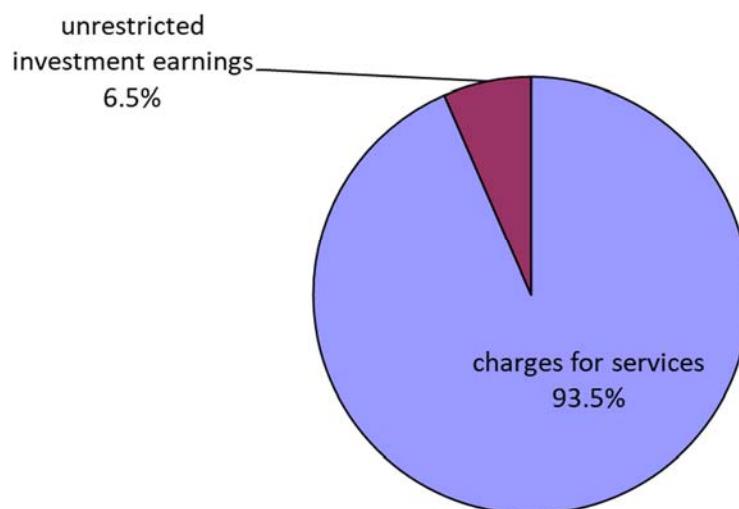


Business-type activities. The Town's business-type activities consist of four enterprise funds: two major funds accounting for its solid waste facilities and its pay-per-bag program, and two non-major funds, including a small wastewater district and the train station/visitors center. The following charts illustrate the total expenses by program, and revenues by source, for the Town's business-type activities. The vast majority of the revenue is provided through charges for services. Both the Solid Waste Facilities fund and the Train Station/Visitors Center fund receive budgeted subsidies from the General Fund.

Expenses and Program Revenues - Business-type Activities
For the year ended June 30, 2019



Revenues by Source - Business-type Activities
For the year ended June 30, 2019



The Town's business-type activities increased the Town's total net position by \$325,506. This was a result of decreases in the Solid Waste Facilities Fund of \$164,711, offset by increases in the Pay-per-bag Program Fund, the Train Station/Visitors Center Fund and the Mere Point Wastewater Fund of \$463,767, \$21,324 and \$5,126, respectively.

The major activity accounted for in the Solid Waste Facilities Fund is the operation of the Town's solid waste landfill located on Graham Road. For the year ended June 30, 2019, the landfill experienced a \$355,139 operating loss. This was largely due to professional services costs associated with the Town's agreement with the Maine Department of Environmental Protection (DEP) to close the landfill within a few years. In addition, the Town recognized expenses related to an increased estimate of closure and post closure costs, and booked an estimated closure/post closure liability based on the landfill capacity. For the second year, the Town accepted approximately 20,000 tons of waste from sources outside the Town, with the intent to use available capacity in the landfill prior to closure in 2021. The Town currently estimates eventual landfill closure costs at \$7,830,000 and post closure costs at \$2,145,000, and estimates remaining capacity at approximately 36,044 tons or 8.8%. For the fiscal year, the amount of expense related to closure and post closure was \$392,352.

The Town continues to operate pay-per-bag trash disposal and single-stream recycling programs. The pay-per-bag disposal program charges residents a fee for each bag of trash collected at curbside. The fee was implemented to encourage recycling. The single-stream recycling program makes it easier for residents to recycle. The two programs, instituted in 2007, were intended to extend the life of the landfill. While these programs have decreased the volume of solid waste delivered to the landfill, the Town has not been able to sufficiently reduce operating costs to meet the reduction in revenue. Recognizing the need to reduce the deficit in this fund, the Town's FY 2019 budget included a \$150,000 General Fund subsidy for the Solid Waste Facilities Fund. Also, in May, 2018, the Town Council voted to increase the cost of the bags, with the increase effective July 1, 2018. In a previous year, the Town Council had voted its intent that the net funds generated by the pay-per-bag program be used toward future landfill closure costs. By June 30, 2019, the Pay-per-bag Program Fund had net position of \$3,332,052.

The Town's Mere Point Wastewater System realized operating income of \$5,117. As in previous years, the district user fees were not expected to recover depreciation expenses, but as the system's largest capital assets become fully depreciated, the fund has experienced an operating gain for the first time. During the 2015-16 fiscal year, there was a leach field failure which required infrastructure replacement totaling \$46,811, causing a deficit in unrestricted net position. User fees for this program had not changed since it was created in 1993, and in the spring of 2016, the Town initiated a review and proposed an increase of the fees. On August 15, 2016, the Town Council adopted an updated fee schedule which incorporated an allowance to recover capital costs and build a capital reserve for future system upgrades. The new fees became effective in October 2016, and as was expected, operating income eliminated the unrestricted net position deficit over the period of two years.

The Train Station/Visitor's Center Fund was established in June 2009 when the Town executed a five-year agreement with JHR Development of Maine (JHR) to lease approximately 2,125 square feet of space at Brunswick Station. The Town uses the leased space for a train station and visitor's center. Under a property management agreement, the Brunswick Downtown Association (BDA) operates the train station and visitor's center. The Town is responsible for repair and maintenance of the leasehold improvements within the station. With the construction of the train platform and the initiation of train service in 2012, the Town also assumed responsibility for routine maintenance of the platform.

In 2014, the Town and JHR amended the train station lease, extending the term an additional five years at the same rental rate of \$44,000 per year. The Town and JHR are currently working to renew the lease. From 2009 through FY 2016, Brunswick Development Corporation (BDC) provided grants to the Town to fully cover the rental costs. For FY 2017, the Town Council authorized the use of \$44,000 in TIF revenues from the Downtown Development TIF district to fund the Train Station rental costs. For FY 2018 and FY 2019, the Council increased the appropriation to \$75,000 to cover rent and other operating expenses. In January 2018, the Town installed a kiosk in the long-term parking area on Union Street, and began charging train and bus riders \$2/day to park in the lot. In FY 2019, the first full year of parking kiosk operations, the

Town collected \$20,379 in parking fees. As of June 30, 2019, the Train Station/Visitor's Center Fund had a net position totaling \$77,454, with \$6,114 of this recorded as investment in capital assets.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Town of Brunswick's *governmental funds* 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. Fund balance is presented in five possible categories:

- *Nonspendable* fund balance cannot be spent.
- *Restricted* fund balance reflects resources that are subject to externally enforceable legal restrictions, typically imposed by parties outside of the government.
- *Committed* fund balance represents resources whose use is constrained by limitations the government imposes on itself at its highest level of decision making (i.e., the Town Council), that remain binding unless removed in the same manner.
- *Assigned* fund balance reflects a government's intended use of resources.
- *Unassigned* fund balance represents the net resources in excess of what can be properly classified in one of the other four categories. Only the General Fund can report a positive amount of unassigned fund balance.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,721,869. Of that amount, \$1,428,821 is classified as nonspendable. Another \$4,302,921 is restricted, \$2,300,279 is committed and \$3,445,194 is assigned.

The largest portion of the \$1,428,821 nonspendable fund balance consists of \$727,778 in advances made by the General Fund to projects in the Capital Improvement Projects Fund. An additional \$590,733 is nonspendable because it is held in permanent funds for education, community improvements, recreation, and cultural and social services. Finally, \$110,310 is held in inventories and deposit items.

Of the \$4,302,921 in restricted fund balance, \$2,506,961, or approximately 58%, is restricted for education purposes. An additional \$734,235, or approximately 17%, is restricted for Tax Increment Financing programs, and \$548,111 is bond proceeds and impact fees restricted for various capital projects. Balances of state revenue sharing and highway revenues total \$302,851, and permanent and special revenue funds make up the final \$210,763 in the restricted category.

The *General Fund* is the chief operating fund of the Town of Brunswick and, by definition, is the only fund that can have positive unassigned fund balance. Since unassigned fund balance represents resources that are not nonspendable, restricted, committed, or assigned to any particular use, this amount represents funds considered surplus. To provide for unforeseen circumstances and maintain liquidity, the Town's fund balance policy targets the unassigned General Fund balance at 16.67% of revenues. For the year ended June 30, 2019, the targeted unassigned fund balance for the General Fund was \$10,873,568. At \$12,430,139, the actual unassigned fund balance was 19.06% of revenues, and \$1,556,571 over the target. As a percentage of expenditures, the unassigned fund balance was 20%.

Despite a planned and budgeted reduction of \$3,211,364, plus additional reductions in the form of 2018 carry-forward encumbrances of \$43,344, capital budget of \$1,075,500 and supplemental appropriations of \$280,000, the fund balance of the Town of Brunswick's General Fund actually increased by \$572,060 during the current fiscal year. The General Fund changes are more thoroughly discussed later in this MD&A in the section entitled "General Fund Budgetary Highlights" following.

The *Tax Increment Financing Fund* includes the activity in four of the Town's five tax increment financing (TIF) districts. The Cook's Corner Omnibus Municipal Development TIF District was established during FY 2018, but no TIF revenues were captured in the district until FY 2020. TIF funds must be used for eligible

projects as defined within the development programs, in accordance with Maine State law. As of June 30, 2019, the fund had a balance of \$734,235, all of which is restricted. TIF funds are used to promote economic development, to fund credit enhancement agreements with developers and to fund capital improvement projects in and around the districts.

FY 2019 expenditures in this fund included \$962,138 in payments under credit enhancement agreements and \$74,175 in debt service payments. Transfers to other funds for development program purposes totaled \$685,000. With the 2018-19 budget, the Town Council appropriated \$600,000 from TIF revenues for economic development, train station and transit-oriented projects, public safety vehicles and road improvements. During FY 2019, the Council approved an additional \$85,000 from TIF revenues, of which \$75,000 was for a downtown parking study, and \$10,000 was to match a Maine Department of Transportation grant for the design of a parking lot on Cedar Street.

In the 2019-20 budget, the Town Council appropriated \$638,600 from TIF revenues to be transferred to the general fund for economic development, train station and transit-oriented projects, public safety vehicles and road improvements. The Town Council also adopted a TIF budget resolution appropriating \$400,000 for downtown improvements, \$560,000 toward the Cook's Corner connector road project, and \$240,000 to begin repayment of the general fund advance for Fire Engine 2, which was acquired in October, 2018.

The *Elementary School Bond Fund* had a negative balance of \$10,889,700 as of June 30, 2019. This capital project is expected to be completed by the fall of 2020, and will be financed through the issuance of general obligation bonds, and a \$450,000 contribution from Bowdoin College.

Proprietary funds. The Town of Brunswick's proprietary funds provide the same type of information found in the government-wide statements, but in greater detail. At year end, the Solid Waste Facilities Fund had a deficit in unrestricted net position of \$6,955,244. The Pay-per-bag Program Fund had unrestricted net position of \$3,332,052. The Mere Point Wastewater District Fund and the Train Station/Visitors Center Fund had unrestricted net position of \$7,174 and \$71,340, respectively. The finances of these funds have been addressed previously in the discussion of the Town of Brunswick's business-type activities.

General Fund Budgetary Highlights

Original Budget vs. Final Budget

Differences between the original and final budgets result from budget adjustments and/or supplemental appropriations made during the year. Adjustments are generally the result of the Town's budget management process which constantly monitors department budgets and the budget in total. The Town Council, upon the request of the Town Manager, may move funds from departments with anticipated budget surpluses to those with anticipated budget shortfalls. Adjustments of this type have no impact on the budget in total.

During the year, adjustments totaling \$173,308 were made from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations. These adjustments were:

- \$45,000 for Information Technology to cover unanticipated internet connection costs and network management services.
- \$35,000 for General Assistance to cover higher assistance grants than budgeted. The State reimbursement, at 70% of expenditures, was also higher than estimated for that revenue source.
- \$34,308 for Transfers to Capital Project funds for costs associated with the Hacker Road culvert replacement project.
- \$25,000 for Administration to cover unanticipated personnel costs.
- \$10,000 for Emerson Fire Station for required HVAC/air quality improvements.
- \$8,000 for Recreation Administration to cover small overages in various supply budget lines.
- \$6,000 for the Curtis Memorial Library to cover unanticipated building repair costs.

- \$5,000 for Traffic Signals to cover unanticipated equipment repair costs.
- \$2,000 for the People Plus Center to cover unanticipated building repair costs.
- \$1,000 for Health and Social Services due to higher than anticipated personnel benefit costs.
- \$1,000 for the Town Commons due to costs associated with 300th anniversary celebration.
- \$1,000 for Cemeteries to cover new veterans flags and markers.

The other difference between the original and final budgets results from supplemental appropriations made during the year and the capital budget, detailed below. These differences total \$3,101,269. Of that amount, \$2,821,269 is the amount the State of Maine contributed to the Maine Public Employees Retirement System (MainePERS) for retirement and other benefits on behalf of employees enrolled in the MainePERS Teacher Plan. This on-behalf amount increases both the revenue and expenditure budgets.

An additional \$280,000 represents supplemental appropriations, and as these were made from unassigned fund balance, there is no increase in the revenue budget, only the expenditure budget is increased. A \$30,000 emergency appropriation was made by the Town Council on September 17, 2018 to fund costs associated with the wind storm on September 6th. On February 19, 2019, the Town Council adopted an ordinance approving the Brunswick High School Track renovation project and appropriating \$250,000 from unassigned general fund balance.

Capital Budget

The Town Council adopted a capital budget in conjunction with the operating budget for the fiscal year ended June 30, 2019. The capital budget authorized the use of \$1,075,500 in unassigned General Fund balance, and is shown as an additional appropriation to distinguish it from the operating budget. The projects funded in the Capital Budget were as follows:

- \$300,000 to the Facilities Reserve Fund, to fund substantial repair projects on Town buildings.
- \$130,500 to fund a project for dedicated network fiber to connect Town buildings.
- \$180,000 for preparing and paving Moody Road and Merryman Lane, formerly unpaved roads.
- \$165,000 for the rehabilitation and re-paving of 3,070 linear feet of Kimberley Circle.
- \$300,000 for the replacement of the air conditioning unit at Crooker Theater in Brunswick High School. The project was completed in early 2019 for \$123,616, so the full appropriated amount was not required.

Revenues - actual vs. final budget

For the year, actual revenues exceeded budgeted revenues by \$2,232,123. The following paragraphs discuss the various categories of revenues and the variances within each category.

In total, actual tax revenues exceeded the budget by \$1,010,180. Of this amount, property tax revenue was more than budgeted by \$363,109. This is the result of several factors. The total actual taxable valuation of real and personal property tax available for the general fund was less than the estimate used in the development of the budget, resulting in \$22,975 less property tax revenue than projected, and the actual amount of tax abatements granted was \$83,991 more than budgeted. Offsetting these, the actual amount of property tax deferred was less than budgeted by \$430,256, and supplemental tax assessments were \$39,819 more than budgeted. Interest on delinquent taxes, and payments in lieu of taxes were \$24,890 and \$145,066 more than budgeted, respectively, while tax lien costs were \$309 less than budgeted. The increase in the payments in lieu of taxes category is primarily due to an increase in the voluntary contribution made by Bowdoin College to the Town, which was \$139,600 more than the previous year. Excise tax revenues on vehicles, watercraft and aircraft were \$477,424 more than budgeted. The Town has regularly increased the budget for vehicle excise tax over the past several years, but actual collections continue to exceed expectations.

In total, actual license and permit revenues were \$255,898 more than the amount budgeted. The largest portions of this variance were in Codes Enforcement revenue where actual building permit revenue was

\$186,390 more than budgeted, due to more new construction than anticipated. The largest construction projects were reconstruction of a shopping mall at Cooks Corner, the new elementary school, interior renovations of the downtown Hannaford supermarket, and the construction of new residence buildings at Bowdoin College. In Planning and Development, revenues from planning board application fees were in excess of the budget by \$17,143, reflecting increased development activity, primarily at Brunswick Landing, Cooks Corner and Bowdoin College.

The Town Clerk's licenses and permit revenues also exceeded projections by \$18,250, reflecting the increase in rates for certain business licenses and shellfish licenses, which were \$5,203 and \$5,175 more than budgeted, respectively. Additionally, though not in the budget, newly established marijuana licenses resulted in \$4,500 in revenue. Fees from victualers' licenses, dog licenses, hunting/fishing licenses and mooring fees also exceeded the budget, while revenue from vital records were less than anticipated. For Public Works, new rates for street opening permits and increased activity from Maine Natural Gas resulted in \$23,346 more revenue than budgeted. In the Finance Department, revenues from processing passport applications and passport photos were \$10,480 more than budgeted, continuing the increase in volumes each year, as well as an increase in passport processing fees effective April 1, 2018. The remaining revenues of this category were a total of \$289 more than budgeted.

Actual intergovernmental revenues were more than the budget by \$366,114. State revenue sharing exceeded estimates by \$119,641. Because this revenue is primarily dependent on state income and sales tax collections, and the formula is subject to change by the state, the Town estimates this line conservatively. The State Education Subsidy was more than budgeted by \$114,331. The School Department's budget was based on a preliminary estimate from the State provided in February 2018. Subsequently, the State appropriated additional funds for education aid statewide. In the 2018-19 fiscal year, the Town received \$80,332 in Federal and State emergency aid for the October 2017 windstorm. State general reimbursement, which is based on the amount of general assistance distributed, was more than budgeted by \$27,176, and the state tax exemption reimbursement was \$21,062 more than budgeted. The other intergovernmental revenues was more than budgeted by a total of \$3,572.

Actual charges for services exceeded the budget by \$252,715, due primarily to increases in volume. The largest portion of this variance was in emergency medical service fees, which were \$179,235 more than anticipated, primarily due to an increase in services provided. Brunswick's number of ambulance runs have increased by approximately 20% over the past five years. Tuition revenues received by the school department were more than budgeted by \$55,024. Most of that is attributable to tuition received for non-resident students attending Brunswick High School. This source is subject to variation, and Brunswick continues to conservatively estimate tuition revenues. Dispatch services fees were also more than anticipated by \$4,314, primarily due to increases in the renewed agreement with Pownal, which is flexible, but has been tracking the contract with Freeport. Agent fees for registering motor vehicles, boats, ATVs and snowmobiles were \$3,580 more than budgeted, due to an increase in the number of registrations processed. Revenues from the sale of recycled materials was \$2,883 more than budgeted. The remaining variances in this category result in a net positive variance of \$7,679.

Fines and penalties collected were more than budgeted by \$3,729. In total, parking tickets and other police department fines exceeded the budget by \$4,149. False alarms, ordinance fines, and restitution fees were less than budgeted, but parking fines were higher than budgeted, due largely to stricter enforcement of parking regulations in the downtown area. Unlicensed dog fines brought in \$80 more than budgeted. Offsetting this, fire department permits were \$500 less than anticipated.

Interest on investments exceeded the budget estimate by \$210,712. This was largely the result of efforts to monitor cash flow and maximize interest earnings on available cash balances. The Town continues to invest conservatively in accordance with its investment policy, but the Town's banking services contract and increases in the Federal Funds rate during the year helped to increase yields.

Finally, the other revenues category exceeded the budget by \$132,775. Miscellaneous revenues for the municipal departments were more than budgeted by \$57,389. The three main contributors to this were an unanticipated \$26,440 in worker's compensation proceeds, a \$14,024 credit on legal services related to

prior years, and a higher margin on public works fuel based on favorable contract costs. School miscellaneous revenues were more than the budget by \$49,676, largely driven by greater than anticipated state reimbursements for state agency clients. Unanticipated dividends totaling \$9,784 were received from Maine Municipal Association's Property & Casualty Pool and Workers Compensation Fund. The Town budgets conservatively for Cable TV franchise fees, and this line came in \$10,462 over budget, and unanticipated revenue from the sale of vehicles and land was \$5,464.

Expenditures - actual vs. final budget

The Charter of the Town of Brunswick requires that expenditures be within the various appropriations established in the budget unless the Town Council approves the excess expenditures. As previously mentioned in the discussion about the original and amended budgets, the Town regularly monitors its expenditure budget to ensure compliance with the Charter requirements. Compliance is ensured with budget transfers and supplemental appropriations. Readers are directed to the discussion regarding the original and final expenditure budgets for a thorough discussion of the transfers and supplemental appropriations.

The Town Council authorized several budget transfers from accounts with unanticipated surpluses to those accounts for which there were unanticipated expenditures. Additionally, the Council authorized department over-expenditures up to \$10,000. There were no over-expenditures at the department level.

Other financing sources/(uses) – actual vs. final budget

The budgeted transfers into the general fund totaled \$600,000. This amount represents transfers from the Tax Increment Financing (TIF) district fund to the general fund to cover expenditures allowed under the TIF development programs.

Capital Asset and Debt Administration

Capital assets. The Town of Brunswick's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$89,992,208, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, improvements, buildings, machinery and equipment, vehicles, intangibles and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was approximately 12.9%. Governmental capital assets increased, while business-type capital assets decreased, primarily as the result of depreciation. Major capital asset events during the current fiscal year are listed below.

- Land additions totaled \$21,700. This represents the assessed value of two vacant parcels, totaling approximately 11.5 acres, donated to the Town for recreation purposes.
- Construction projects in progress totaled \$13,481,435 at the conclusion of the year. This category of assets increased as certain projects progressed during the year. The largest of these was the new Kate Furbish Elementary School, with \$11,339,700 expended as of June 30, 2019. Approved for up to \$28,000,000, the new school is scheduled to open in September, 2020.

Other ongoing projects were the Cooks Corner Connector Road at \$1,457,707, the rehabilitation and paving of Moody Road, Merryman Lane and Kimberley Circle at \$311,863, the Brunswick High School Track at \$170,667, and the Municipal Dark Fiber Network project at \$117,617. Also started were the Central Fire Station and the Veteran's Plaza projects, with \$72,504 and \$11,377 expended, respectively. The increases in this category were offset by the completion and capitalization of the Union Street/Mill Street storm drain project and the Hacker Road culvert.

- Additions to building assets totaled \$467,092, of which \$372,049 was associated with school buildings. Of this amount, \$123,616 was for the air conditioning system of Crooker Theater in the High School. Flooring upgrades for \$64,672 were also completed at the High School. Upgrades to the Junior High School totaled \$113,788, and included roofing, replacement of heat lines and

HVAC components, and a phone system. Projects at Coffin School, Harriet Beecher Stowe Elementary School and the superintendent's building totalled \$69,973 for flooring, roofing and HVAC/boiler upgrades. Municipal building additions were \$95,043 for a generator in the Recreation Center.

- Machinery and equipment additions in governmental activities totaled \$306,724. The school department added \$145,104 in machinery and equipment. Generators for Harriet Beecher Stowe School, the Junior High School and the bus garage totaled \$57,882. Information technology and security system equipment was added at Coffin School and the Junior High School for \$33,723. A Bobcat utility machine and two commercial kitchen steamers were acquired for \$21,995 and \$31,504, respectively. The public works department added \$78,295 in equipment, of which \$55,795 was to equip six plow trucks with road treatment controllers and \$10,475 was for a truck lift in the repair garage. The information technology firewall project added equipment at town hall and the police department for a total of \$22,216. The fire department added an extraction tool for \$19,269 and the recreation department added a riding floor scrubber for \$17,995. The police department's cruiser camera/recording system added \$11,800 for server equipment. A photocopier and a plotter, totaling \$12,045, were added in municipal departments.
- Vehicles were replaced in the fire, police and school departments during the year, retiring \$305,252 and adding \$1,185,714 in value. The fire department acquired Engine 2 at a cost of \$636,962, and replaced one of the deputy chief's vehicles for \$36,090. The police department replaced three cruisers and the marine patrol airboat for \$89,097 and \$71,565, respectively. The school department replaced four buses, adding \$352,000 and retiring \$217,044.
- Governmental activities added infrastructure during the year totaling \$2,051,427. Acceptance of sections of Botany Place and Pine Street, and of Ledgewood Drive added \$190,775, \$83,850 and \$72,500, respectively. The Union/Mill Streets Storm Drain project included complete reconstruction of sections of those streets and sidewalks, and added \$1,518,950 in total infrastructure assets. Replacement of a culvert on Hacker Road added \$134,522. Other Town projects included construction of road center islands adjacent to two railroad crossings, new paving of a parking area at the Town Commons, and Rich Road for a total of \$50,830.

A table comparing the Town's capital assets (net of depreciation) as of June 30 for this and the prior fiscal year is shown following.

Town of Brunswick's Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Capital assets not being depreciated:						
Land	\$ 6,274,408	\$ 6,252,708	\$ 115,000	\$ 115,000	\$ 6,389,408	\$ 6,367,708
Construction in progress	13,481,435	2,731,484	-	-	13,481,435	2,731,484
Intangibles	200,000	200,000	-	-	200,000	200,000
Capital assets being depreciated:						
Buildings	38,731,581	40,283,720	-	-	38,731,581	40,283,720
Improvements other than buildings	908,334	1,123,976	691,193	972,295	1,599,527	2,096,271
Machinery and equipment	1,662,594	1,638,058	349,757	397,224	2,012,351	2,035,282
Vehicles	3,846,242	3,241,781	-	-	3,846,242	3,241,781
Intangibles	245,283	320,952	7,447	9,433	252,730	330,385
Infrastructure	23,449,677	22,361,123	29,257	34,938	23,478,934	22,396,061
Total	\$88,799,554	\$78,153,802	\$1,192,654	\$1,528,890	\$89,992,208	\$79,682,692

Additional information on the Town of Brunswick's capital assets can be found in note IV.C on pages 62 and 63 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Brunswick had total bonded debt outstanding of \$19,722,829, all of which is general obligation debt.

Town of Brunswick's Outstanding Long-term Debt

	Governmental		Business-type		Total	
	<u>activities</u> <u>2019</u>	<u>2018</u>	<u>activities</u> <u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General obligation bonds	\$ 19,722,829	\$ 21,975,669	\$ -	\$ -	\$ 19,722,829	\$ 21,975,669
Total	\$ 19,722,829	\$ 21,975,669	\$ -	\$ -	\$ 19,722,829	\$ 21,975,669

The amount of principal debt retired during the year through debt service payments totaled \$2,112,806. An additional adjustment to debt was made with an amendment to the State Revolving Renovation Fund loan. This bond, with the Maine Municipal Bond Bank, was reduced by \$140,034 to reflect the actual funds provided to the school department through the SRRF program. The Town's outstanding debt continues to be rated Aa2 by Moody's Investors Service and AA+ by Standard & Poor's.

Maine law limits the amount of general obligation debt a governmental entity may issue to an amount equal to 15% of its total State assessed valuation. The current debt limitation for the Town is \$328,262,171, which is significantly in excess of the Town's outstanding general obligation debt. Within the 15% total debt limitation, there are also categorical limits. Those categories include debt limits for schools, sewers, airports, and other municipal projects. The Town is well within each of those categorical limits.

As of June 30, 2019, the Town had debt authorized but not issued for up to \$42,700,000. Of this amount, \$28,000,000 was authorized by the voters in a referendum election on June 13, 2017 and represents full local funding of a new elementary school to be built on the site of the former Jordan Acres School. Final designs and construction bidding commenced during the 2017-18 fiscal year, site work and construction began in fall 2018, and \$11,339,700 was expended as of June 30, 2019. The project is on schedule, with completion anticipated for the 2020-21 school year. The Town anticipates issuing bonds in January 2020.

On March 19, 2018, the Town authorized debt for up to \$1,200,000 as part of the funding for a new connector road in the Cook's Corner area. Also in early 2018, the Town Council established a Tax Increment Financing (TIF) District in Cook's Corner. TIF revenues from this and the Brunswick Landing and Brunswick Executive Airport TIF districts may be used to fund infrastructure improvements such as the connector road. If sufficient TIF revenues are appropriated, the Town may not issue bonds for this project.

On April 1, 2019, the Town adopted "An Ordinance Authorizing The Purchase of Property For And Construction Of A New Central Fire Station With Total Project Costs Of Up To \$13,500,000, And the Issuance of Bonds Of Up To \$13,500,000".

The debt authorization for a new fire engine was abandoned by the Treasurer as of June 30, 2019. The Town advanced the funds from the general fund to a capital project fund, and the fire engine was delivered in October, 2018. In a budget resolution in May 2019, the Town Council appropriated \$240,000 in TIF revenues to begin repayment of the advance.

Additional information on the Town's long-term debt can be found in note IV.E.1. on pages 64-66 of this report.

Economic Factors and Next Year's Budgets and Rate

The 2019-20 municipal budget was developed in the first year of the State's biennial budget, under a new State Governor. As in other years, many of the state budget initiatives had an effect on the Town's estimated revenues. Changes to the formula for State Aid to Education will result in an estimated \$1,199,509 increase in aid to Brunswick over the previous year.

Revenue sharing is a program by which, since 1972, the State has shared 5% of its income and sales tax revenues with municipalities in order to provide a measure of property tax relief. Since 2006, the State has transferred funds from the revenue sharing pool to its general fund. In 2015, the State continued the lower level of revenue sharing for four fiscal years, FY 2016 through FY 2019, pegging it at 2% of income and sales tax revenues. Past experience led the Town to expect that the proposed return to 5% in FY 2020 might be delayed further, so the Town used 2% of income and sales tax revenue to estimate revenue sharing in the 2019-20 budget.

When the State budget was adopted, the amount of State funding to be distributed through the State Revenue Sharing Program was increased to 2.5% of income and sales tax revenue. This change resulted in an estimated \$350,000 increase to the amount the Town expects to receive through the program, and on August 5, 2019, the Town Council amended the municipal budget. For the year ended June 30, 2019, Brunswick received \$1,258,491 in revenue sharing, and in the 2019-20 budget the Town anticipates receiving \$1,800,000. Raising that amount from property taxes would require an estimated 3.9% increase in the 2019-20 property tax rate.

The State's recent changes to the homestead exemption for permanent resident homeowners began with an increase of \$5,000 in the 2016-17 tax year and increased an additional \$5,000 in FY 2018 to total \$20,000. For FY 2019, based on the \$20,000 exempted property value, eligible taxpayers paid an estimated \$378 less in taxes for each homestead exemption. When these changes were originally passed in 2015, the state reimbursement to municipalities was also set to increase from 50% in FY 2017 to 62.5% in FY 2018. However, the reimbursement rate was ultimately maintained at 50% for FY 2018, and increased to 62.5% for FY 2019 and FY 2020. The Town estimated the value of the reimbursement rate increase to the Town at approximately \$200,000. For FY 2021 the State budget proposal includes an increase in the exemption amount to \$25,000, and a corresponding increase of the reimbursement rate to 70%, to have a net neutral effect on Town reimbursement revenue.

The Town Council has committed to a program of longer term financial planning to anticipate budget impacts on future property tax rates. The aim of the long-range planning effort is to anticipate capital needs through coordination of the Capital Improvement program and the annual budget, and to develop sustainable operating budgets. With the original 2019-20 municipal budget, the Town Council maintained the use of reserves (fund balance) at \$500,000, an amount which has been sustainable in recent years.

The budget as originally adopted required a property tax rate increase of 4.97%, but this was reduced to 4.49% with the budget amendment on August 5, 2019 after the Town learned of the anticipated increase in the amount of State Revenue Sharing. With the tax commitment at the end of August, increased total taxable property values resulted in a tax rate of \$19.72 per \$1,000, a 4.23% property tax rate increase.

For the fiscal year ended June 30, 2019, the unrestricted fund balance in the General Fund was \$15,875,333, with the unassigned portion of the unrestricted balance at \$12,430,140. The Town's policy for its general fund targets the unassigned fund balance at 16.67% of its GAAP revenues. For the year ended June 30, 2019, the target was \$10,873,568. The actual balance, at 19.06% of GAAP revenues, is \$1,556,571 above the target. This is the fourth consecutive year the balance was above the target, and was anticipated, as the Town had experienced balances below the target in previous years, and has made efforts to maintain the balance above the target level. The Town restored the fund balance largely through continued reductions in the amount of fund balance used in the budget. In accordance with the fund balance policy, amounts above the target have been allocated for capital improvements, or other one-time expenditures. See also "Capital Budget", herein.

Requests for Information

This financial report is designed to provide a general overview of the Town of Brunswick's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for financial information should be addressed to the Town of Brunswick, Office of the Finance Director, 85 Union Street, Brunswick, ME 04011.

BASIC FINANCIAL STATEMENTS



TOWN OF BRUNSWICK, MAINE
Statement of Net Position
June 30, 2019

Statement 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 17,272,190	\$ 5,488,309	\$ 22,760,499
Receivables (net of allowance for uncollectibles):			
Accounts	551,745	199,079	750,824
Taxes receivable - current year	836,647	-	836,647
Taxes receivable - prior year	26,982	-	26,982
Tax liens	294,929	-	294,929
Intergovernmental	1,226,809	6,750	1,233,559
Internal balances	(8,253)	8,253	-
Deposits	51,236	-	51,236
Inventories	59,074	33,375	92,449
Permanently restricted assets:			
Cash and cash equivalents	15,427	-	15,427
Investments	579,043	-	579,043
Capital assets not being depreciated:			
Land	6,274,408	115,000	6,389,408
Construction in progress	13,481,435	-	13,481,435
Intangibles	200,000	-	200,000
Capital assets (net of accumulated depreciation):			
Buildings	38,731,581	-	38,731,581
Improvements other than buildings	908,334	691,193	1,599,527
Machinery and equipment	1,662,594	349,757	2,012,351
Vehicles	3,846,242	-	3,846,242
Intangibles	245,283	7,447	252,730
Infrastructure	23,449,677	29,257	23,478,934
Total assets	<u>109,705,383</u>	<u>6,928,420</u>	<u>116,633,803</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	3,020,233	-	3,020,233
Deferred outflows of resources related to other postemployment benefits	470,146	-	470,146
Total deferred outflows of resources	<u>3,490,379</u>	<u>-</u>	<u>3,490,379</u>
LIABILITIES			
Accounts payable and other current liabilities	7,845,174	100,497	7,945,671
Interest payable	94,047	-	94,047
Payable to agency fund - student activities	105,414	-	105,414
Unearned revenues	152,644	-	152,644
Noncurrent liabilities:			
Due within one year	2,555,698	15,880	2,571,578
Due in more than one year	32,848,286	9,164,067	42,012,353
Total liabilities	<u>43,601,263</u>	<u>9,280,444</u>	<u>52,881,707</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	2,026,653	-	2,026,653
Deferred inflows of resources related to other postemployment benefits	530,571	-	530,571
Total deferred inflows of resources	<u>2,557,224</u>	<u>-</u>	<u>2,557,224</u>
NET POSITION			
Net investment in capital assets	68,970,333	1,192,654	70,162,987
Restricted for:			
Education	2,527,879	-	2,527,879
Municipal	302,851	-	302,851
Tax increment financing	734,235	-	734,235
Public safety grants	206,933	-	206,933
Development projects - impact fees	548,111	-	548,111
Permanent funds:			
Expendable	3,830	-	3,830
Nonexpendable	590,733	-	590,733
Unrestricted	(6,847,630)	(3,544,678)	(10,392,308)
Total net position	<u>\$ 67,037,275</u>	<u>\$ (2,352,024)</u>	<u>\$ 64,685,251</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Activities
For the year ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 5,603,934	\$ 790,848	\$ 550,110	\$ 56,700	\$ (4,206,276)	\$ -	\$ (4,206,276)	
Public safety	8,461,265	1,419,343	111,130	-	(6,930,792)	-	(6,930,792)	
Public works	5,752,593	91,513	210,562	1,121,976	(4,328,542)	-	(4,328,542)	
Human services	190,614	-	52,176	-	(138,438)	-	(138,438)	
Education	41,202,580	1,756,317	14,445,810	451,131	(24,549,322)	-	(24,549,322)	
Recreation and culture	3,681,856	517,906	10,000	30,413	(3,123,537)	-	(3,123,537)	
County tax	1,565,279	-	-	-	(1,565,279)	-	(1,565,279)	
Unclassified	199,922	-	-	-	(199,922)	-	(199,922)	
Interest on long-term debt	562,271	-	-	-	(562,271)	-	(562,271)	
Total governmental activities	<u>67,220,314</u>	<u>4,575,927</u>	<u>15,379,788</u>	<u>1,660,220</u>	<u>(45,604,379)</u>	<u>-</u>	<u>(45,604,379)</u>	
Business-type activities:								
Solid Waste Facilities	1,406,202	1,051,063	-	-	-	(355,139)	(355,139)	
Pay-per-bag Program	70,761	465,600	-	-	-	394,839	394,839	
Mere Point Wastewater District	30,925	36,042	-	-	-	5,117	5,117	
Train Station/ Visitors Center	86,601	31,719	-	-	-	(54,882)	(54,882)	
Total business-type activities	<u>1,594,489</u>	<u>1,584,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,065)</u>	<u>(10,065)</u>	
Total primary government	<u>\$ 68,814,803</u>	<u>\$ 6,160,351</u>	<u>\$ 15,379,788</u>	<u>\$ 1,660,220</u>	<u>\$ (45,604,379)</u>	<u>\$ (10,065)</u>	<u>\$ (45,614,444)</u>	
General revenues:								
Property taxes				45,577,899	-	45,577,899		
Vehicle, watercraft and aircraft excise taxes				3,805,224	-	3,805,224		
Grants and contributions not restricted to specific programs				1,691,877	-	1,691,877		
Unrestricted investment earnings				473,628	110,571	584,199		
Transfers				(225,000)	225,000	-		
Total general revenues and transfers				<u>51,323,628</u>	<u>335,571</u>	<u>51,659,199</u>		
Changes in net position				5,719,249	325,506	6,044,755		
Net position - beginning, as restated				<u>61,318,026</u>	<u>(2,677,530)</u>	<u>58,640,496</u>		
Net position - ending				<u>\$ 67,037,275</u>	<u>\$ (2,352,024)</u>	<u>\$ 64,685,251</u>		

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE

Balance Sheet

Governmental Funds

June 30, 2019

	General Fund	Tax Increment Financing	New Elementary School Bond	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 16,170,103	\$ -	\$ -	\$ 1,117,514	\$ 17,287,617
Investments	-	-	-	579,043	579,043
Receivables (net of allowance for uncollectibles):					
Accounts	533,117	-	-	18,628	551,745
Taxes - current	836,647	-	-	-	836,647
Taxes - prior years	26,982	-	-	-	26,982
Tax liens	294,929	-	-	-	294,929
Intergovernmental	340,138	-	-	886,671	1,226,809
Deposits	1,236	-	-	50,000	51,236
Inventory, at cost	38,156	-	-	20,918	59,074
Due from other funds	6,360,945	734,235	-	2,110,899	9,206,079
Advances to other funds	727,778	-	-	-	727,778
Total assets	\$ 25,330,031	\$ 734,235	\$ -	\$ 4,783,673	\$ 30,847,939
LIABILITIES					
Accounts payable	\$ 841,707	\$ -	\$ 1,513,701	\$ 766,600	\$ 3,122,008
Retainage payable	-	-	473,769	66,498	540,267
Accrued wages and benefits payable	3,820,607	-	-	124,864	3,945,471
Payable to agency fund - student activities	105,414	-	-	-	105,414
Other liabilities	67,250	-	-	-	67,250
Payments in escrow	131,127	-	-	-	131,127
Unearned revenue	6,000	-	-	146,644	152,644
Due to other funds	-	-	8,902,230	451,271	9,353,501
Advances from other funds	-	-	-	727,778	727,778
Total liabilities	\$ 4,972,105	\$ -	\$ 10,889,700	\$ 2,283,655	\$ 18,145,460
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	716,262	-	-	-	716,262
Unavailable revenue - miscellaneous	264,348	-	-	-	264,348
Total deferred inflows of resources	\$ 980,610	\$ -	\$ -	\$ -	\$ 980,610
FUND BALANCES (DEFICITS)					
Nonspendable:					
Long-term loans and advances	727,778	-	-	-	727,778
Inventories and deposits	39,392	-	-	70,918	110,310
Permanent funds	-	-	-	590,733	590,733
Restricted:					
Education	2,431,962	-	-	74,999	2,506,961
Municipal purposes	302,851	-	-	-	302,851
Tax increment financing	-	734,235	-	-	734,235
Capital projects funds	-	-	-	548,111	548,111
Special revenue funds	-	-	-	206,933	206,933
Permanent funds	-	-	-	3,830	3,830
Committed:					
Capital projects funds	-	-	-	1,746,370	1,746,370
Special revenue funds	-	-	-	553,909	553,909
Assigned:					
General fund	3,445,194	-	-	-	3,445,194
Unassigned:					
General fund	12,430,139	-	-	-	12,430,139
Capital improvements fund	-	-	(10,889,700)	(1,295,692)	(12,185,392)
Permanent funds	-	-	-	(93)	(93)
Total fund balances (deficits)	\$ 19,377,316	\$ 734,235	\$ (10,889,700)	\$ 2,500,018	\$ 11,721,869
Total liabilities, deferred inflows of resources, and fund balances	\$ 25,330,031	\$ 734,235	\$ -	\$ 4,783,673	

Amounts reported for governmental activities in the statement of net position are different because (see Note II.A., also):

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	88,799,554
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	980,610
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.	(35,498,031)
The internal service fund is used by management to charge the cost of printing services to the funds. The assets and liabilities of the internal service fund are not included in the governmental funds.	100,118
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	933,155
Net position of governmental activities (see Statement 1)	\$ 67,037,275

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2019

	<u>General Fund</u>	<u>Tax Increment Financing</u>	<u>New Elementary School Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 47,471,712	\$ 2,016,503	\$ -	\$ -	\$ 49,488,215
Licenses and permits	722,963	-	-	-	722,963
Intergovernmental	14,466,298	-	-	2,913,088	17,379,386
Investment income	-	-	-	22,560	22,560
Charges for services	1,574,280	-	-	1,996,505	3,570,785
Fines and penalties	43,224	-	-	-	43,224
Interest	425,712	-	-	25,818	451,530
Donations	-	-	450,000	213,651	663,651
Other	524,175	-	-	6,575	530,750
Total revenues	65,228,364	2,016,503	450,000	5,178,197	72,873,064
EXPENDITURES					
Current:					
General government	3,797,725	962,138	-	693,397	5,453,260
Public safety	9,160,603	-	-	93,076	9,253,679
Public works	3,732,136	-	-	11,919	3,744,055
Human services	202,823	-	-	-	202,823
Education	37,779,553	-	-	3,221,384	41,000,937
Recreation and culture	3,083,440	-	-	515,214	3,598,654
County tax	1,565,279	-	-	-	1,565,279
Unclassified	199,922	-	-	-	199,922
Debt service:					
Principal	2,043,806	69,000	-	-	2,112,806
Interest	584,899	5,175	-	-	590,074
Capital outlay	-	-	10,220,163	4,500,511	14,720,674
Total expenditures	62,150,186	1,036,313	10,220,163	9,035,501	82,442,163
Excess (deficiency) of revenues over (under) expenditures	3,078,178	980,190	(9,770,163)	(3,857,304)	(9,569,099)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	600,000	-	-	2,966,118	3,566,118
Transfers to other funds	(1,830,582)	(685,000)	-	-	(2,515,582)
Transfers to other funds - capital budget	(899,116)	-	-	-	(899,116)
Transfers to other funds - suppl. approp.	(250,000)	-	-	-	(250,000)
Transfers to other funds - education	(126,420)	-	-	-	(126,420)
Total other financing sources (uses)	(2,506,118)	(685,000)	-	2,966,118	(225,000)
Net changes in fund balances	572,060	295,190	(9,770,163)	(891,186)	(9,794,099)
Fund balances (deficits), beginning of year	18,805,256	439,045	(1,119,537)	3,391,204	21,515,968
Fund balances (deficits), end of year	<u>\$ 19,377,316</u>	<u>\$ 734,235</u>	<u>\$ (10,889,700)</u>	<u>\$ 2,500,018</u>	<u>\$ 11,721,869</u>

See accompanying notes to financial statements.

Statement 5

TOWN OF BRUNSWICK, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2019

Net change in fund balances - total governmental funds (from Statement 4)	\$ (9,794,099)
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because (see Note II.B., also):	
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 exceeded depreciation expense in the current period.	10,728,789
The statement of activities reports losses arising from the disposal of existing capital assets. Losses on disposal of capital assets do not appear in the governmental funds. Thus, the change in net position differs from the change in fund balance.	(83,037)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(77,326)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,114,731
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	179,490
Internal service funds are used by management to charge the costs of photocopy service to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	11,477
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	2,639,224
Change in net position of governmental activities (see Statement 2)	<u>\$ 5,719,249</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES					
Taxes:					
Real and personal property	\$ 42,782,732	\$ -	\$ 42,782,732	\$ 43,145,841	\$ 363,109
Interest on delinquent taxes	86,000	-	86,000	110,890	24,890
Tax lien costs	15,000	-	15,000	14,691	(309)
Payment in lieu of taxes	250,000	-	250,000	395,066	145,066
Vehicle excise taxes	3,300,000	-	3,300,000	3,768,844	468,844
Watercraft excise taxes	25,000	-	25,000	26,334	1,334
Aircraft excise taxes	2,800	-	2,800	10,046	7,246
Total taxes	46,461,532	-	46,461,532	47,471,712	1,010,180
Licenses and permits:					
Finance department	22,000	-	22,000	32,480	10,480
Codes enforcement	235,000	-	235,000	421,390	186,390
Town clerk	158,365	-	158,365	176,615	18,250
Planning	28,000	-	28,000	45,143	17,143
Fire department	2,000	-	2,000	2,300	300
Police department	700	-	700	689	(11)
Public works	21,000	-	21,000	44,346	23,346
Total licenses and permits	467,065	-	467,065	722,963	255,898
Intergovernmental:					
State education subsidy	9,858,866	-	9,858,866	9,973,197	114,331
MainePERS contribution	-	2,821,269	2,821,269	2,821,269	-
State revenue sharing	1,138,850	-	1,138,850	1,258,491	119,641
State highway grant	200,000	-	200,000	203,242	3,242
State snowmobile funds	1,200	-	1,200	1,529	329
State tax exemption reimbursement	45,000	-	45,000	66,062	21,062
State boat launch cooperative agreement	9,999	-	9,999	10,000	1
State general assistance reimbursement	25,000	-	25,000	52,176	27,176
State civil emergency preparedness	-	-	-	80,332	80,332
Total intergovernmental	11,278,915	2,821,269	14,100,184	14,466,298	366,114

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES, CONTINUED					
Charges for services:					
Auto registration	50,000	-	50,000	53,453	3,453
Watercraft, ATV, snowmobile registration	1,500	-	1,500	1,627	127
Municipal building rental	1,200	-	1,200	1,200	-
Fire department	1,000	-	1,000	970	(30)
Emergency medical services	900,000	-	900,000	1,079,235	179,235
Police department	100,500	-	100,500	102,607	2,107
Dispatch services fees	152,516	-	152,516	156,830	4,314
Public works	-	-	-	2,402	2,402
Recycling	15,000	-	15,000	17,883	2,883
Education - tuition, transportation, etc.	98,349	-	98,349	153,373	55,024
Recreation fees	1,500	-	1,500	4,700	3,200
Total charges for services	1,321,565	-	1,321,565	1,574,280	252,715
Fines and penalties:					
Town clerk	6,995	-	6,995	7,075	80
Fire department	1,100	-	1,100	600	(500)
Police department	31,400	-	31,400	35,549	4,149
Total fines and penalties	39,495	-	39,495	43,224	3,729
Interest earned	215,000	-	215,000	425,712	210,712
Other revenue:					
Sale of miscellaneous assets	-	-	-	5,464	5,464
Cable TV franchise fees	275,000	-	275,000	285,462	10,462
Property & casualty dividend	-	-	-	9,784	9,784
Brunswick Development Corporation subsidy	25,000	-	25,000	25,000	-
Miscellaneous - municipal	8,400	-	8,400	65,789	57,389
Miscellaneous - school	83,000	-	83,000	132,676	49,676
Total other revenue	391,400	-	391,400	524,175	132,775
Total revenues	\$ 60,174,972	\$ 2,821,269	\$ 62,996,241	\$ 65,228,364	\$ 2,232,123

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2019

	2018		Original Budget	Additional Appropriation	Final Budget	Actual	Variance Positive (Negative)	2019						
	Adopted Budget	Encumbered Balances						Encumbered Balances						
EXPENDITURES														
Current:														
General government:														
Administration	\$ 656,543	\$ -	\$ 656,543	\$ -	\$ 681,543	\$ 653,237	\$ 28,306	\$ -	\$ -					
Finance department	751,978	-	751,978	-	751,978	736,468	15,510	-	-					
Technology services	391,199	-	391,199	-	45,000	436,199	390,101	46,098	16,863					
Municipal officers	89,415	-	89,415	-	-	89,415	82,815	6,600	-					
Town hall building	177,899	-	177,899	-	-	177,899	145,124	32,775	-					
Risk management	490,172	-	490,172	-	-	490,172	446,183	43,989	-					
Cable TV	86,555	-	86,555	-	-	86,555	79,003	7,552	-					
Assessing	297,333	625	297,958	-	-	297,958	290,670	7,288	548					
Town clerk and elections	365,102	-	365,102	-	-	365,102	345,295	19,807	-					
Planning	570,612	2,272	572,884	-	6,000	578,884	521,836	57,048	27,200					
Economic development	128,139	-	128,139	-	-	128,139	106,993	21,146	-					
Total general government	4,004,947	2,897	4,007,844	-	76,000	4,083,844	3,797,725	286,119	44,611					
Public safety:														
Fire department	3,450,611	-	3,450,611	-	-	3,450,611	3,390,180	60,431	-					
Central fire station	46,500	-	46,500	-	-	46,500	34,072	12,428	-					
Emerson fire station	61,225	-	61,225	-	10,000	71,225	65,124	6,101	-					
Police department	4,077,318	-	4,077,318	-	(50,000)	4,027,318	3,905,145	122,173	-					
Emergency services dispatch	848,903	-	848,903	-	-	848,903	778,764	70,139	-					
Police station	112,098	-	112,098	-	-	112,098	105,408	6,690	-					
Marine resources	221,839	-	221,839	-	-	221,839	169,640	52,199	-					
Streetlights	220,000	-	220,000	-	-	220,000	197,340	22,660	-					
Traffic signals	31,600	-	31,600	-	5,000	36,600	30,089	6,511	-					
Fire suppression (hydrants)	493,500	-	493,500	-	-	493,500	484,841	8,659	-					
Civil emergency preparedness	2,000	-	2,000	-	-	2,000	-	2,000	-					
Total public safety	9,565,594	-	9,565,594	-	(35,000)	9,530,594	9,160,603	369,991	-					
Public works:														
Administration	586,058	-	586,058	-	-	586,058	530,288	55,770	25,404					
General maintenance	1,839,369	-	1,839,369	-	(50,000)	1,789,369	1,613,062	176,307	-					
Refuse collection	658,040	-	658,040	-	-	658,040	591,947	66,093	-					
Recycling	341,717	-	341,717	-	-	341,717	329,007	12,710	-					
Central garage	739,838	-	739,838	-	-	739,838	667,832	72,006	-					
Total public works	4,165,022	-	4,165,022	-	(50,000)	4,115,022	3,732,136	382,886	25,404					

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2019

	2018							Variance		2019
	Adopted	Encumbered	Original	Additional	Final	Actual	Positive	Encumbered		
	Budget	Balances	Budget	Appropriation	Adjustments	Budget	(Negative)	Balances		
EXPENDITURES, CONTINUED										
Human services:										
General assistance	180,999	-	180,999	-	35,000	215,999	199,972	16,027	-	
Health and social services	2,826	-	2,826	-	1,000	3,826	2,851	975	-	
Total human services	<u>183,825</u>	<u>-</u>	<u>183,825</u>	<u>-</u>	<u>36,000</u>	<u>219,825</u>	<u>202,823</u>	<u>17,002</u>	<u>-</u>	
Education:										
Education	38,132,210	-	38,132,210	2,821,269	(1,853,483)	39,099,996	37,779,553	1,320,443	-	
Recreation and culture:										
Recreation administration	455,309	-	455,309	-	8,000	463,309	456,052	7,257	-	
Buildings and grounds	895,868	18,593	914,461	30,000	-	944,461	806,348	138,113	29,180	
Rec Building Neptune Dr	211,729	17,995	229,724	-	-	229,724	182,678	47,046	44,393	
People Plus	150,275	-	150,275	-	2,000	152,275	149,895	2,380	-	
Library	1,484,360	-	1,484,360	-	6,000	1,490,360	1,488,467	1,893	-	
Total recreation and culture	<u>3,197,541</u>	<u>36,588</u>	<u>3,234,129</u>	<u>30,000</u>	<u>16,000</u>	<u>3,280,129</u>	<u>3,083,440</u>	<u>196,689</u>	<u>73,573</u>	
Intergovernmental:										
County tax	1,565,279	-	1,565,279	-	-	1,565,279	1,565,279	-	-	
Unclassified:										
Promotion and development	284,094	3,859	287,953	-	(3,500)	284,453	281,429	3,024	-	
Additional school assistance	10,000	-	10,000	-	-	10,000	10,000	-	-	
Cemetery care	3,000	-	3,000	-	1,000	4,000	3,037	963	-	
Wage & benefits adjustment	181,408	-	181,408	-	(79,308)	102,100	(94,544)	196,644	-	
Total unclassified	<u>478,502</u>	<u>3,859</u>	<u>482,361</u>	<u>-</u>	<u>(81,808)</u>	<u>400,553</u>	<u>199,922</u>	<u>200,631</u>	<u>-</u>	

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2019

	2018							Variance		2019
	Adopted	Encumbered	Original	Additional	Final	Actual	Positive	Encumbered		2019
	Budget	Balances	Budget	Appropriation	Budget	Actual	(Negative)	Balances		2019
EXPENDITURES, CONTINUED										
Debt service:										
Long-term debt, principal	820,000	-	820,000	-	1,223,806	2,043,806	2,043,806	-	-	-
Long-term debt, interest	172,458	-	172,458	-	412,441	584,899	584,899	-	-	-
Total debt service	992,458	-	992,458	-	1,636,247	2,628,705	2,628,705	-	-	-
Total expenditures	62,285,378	43,344	62,328,722	2,851,269	(256,044)	64,923,947	62,150,186	2,773,761	143,588	
Excess (deficiency) of revenues over (under) expenditures	(2,110,406)	(43,344)	(2,153,750)	(30,000)	256,044	(1,927,706)	3,078,178	5,005,884	-	
OTHER FINANCING SOURCES (USES)										
Transfers from other funds	600,000	-	600,000	-	-	600,000	600,000	-	-	-
Transfers to other funds	(1,700,958)	-	(1,700,958)	-	(129,624)	(1,830,582)	(1,830,582)	-	-	-
Transfers to other funds - capital budget	-	-	-	(1,075,500)	-	(1,075,500)	(899,116)	176,384	-	-
Transfers to other funds - supplemental appropriations	-	-	-	(250,000)	-	(250,000)	(250,000)	-	-	-
Transfers to other funds - education	-	-	-	-	(126,420)	(126,420)	(126,420)	-	-	-
Total other financing sources (uses)	(1,100,958)	-	(1,100,958)	(1,325,500)	(256,044)	(2,682,502)	(2,506,118)	176,384	-	
Net changes in fund balances	\$ (3,211,364)	\$ (43,344)	\$ (3,254,708)	\$ (1,355,500)	\$ -	\$ (4,610,208)	\$ 572,060	\$ 5,182,268	\$ -	
Fund balance, beginning of year								18,805,256		
Fund balance, end of year								\$ 19,377,316		

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities - Enterprise Funds					Governmental Activities	
	<u>Solid Waste Facilities</u>	<u>Pay-Per-Bag Program</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Internal Service Fund Printing Services</u>		
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 2,242,960	\$ 3,169,877	\$ 75,472	\$ 5,488,309	\$ -	\$ -	\$ -
Receivables:							
Accounts	67,148	128,800	3,131	199,079	-	-	-
Intergovernmental	6,750	-	-	6,750	-	-	-
Inventory	-	33,375	-	33,375	-	-	-
Due from other funds	7,107	-	1,146	8,253	102,158	-	-
Total current assets	<u>2,323,965</u>	<u>3,332,052</u>	<u>79,749</u>	<u>5,735,766</u>	<u>102,158</u>	<u>-</u>	<u>-</u>
Capital assets:							
Land	115,000	-	-	115,000	-	-	-
Buildings	54,220	-	-	54,220	-	-	-
Improvements other than buildings	7,367,865	-	74,038	7,441,903	-	-	-
Machinery and equipment	702,522	-	106,447	808,969	78,634	-	-
Intangibles	16,399	-	-	16,399	-	-	-
Infrastructure	-	-	636,738	636,738	-	-	-
Less accumulated depreciation	<u>(7,098,723)</u>	<u>-</u>	<u>(781,852)</u>	<u>(7,880,575)</u>	<u>(38,232)</u>	<u>-</u>	<u>-</u>
Net capital assets	<u>1,157,283</u>	<u>-</u>	<u>35,371</u>	<u>1,192,654</u>	<u>40,402</u>	<u>-</u>	<u>-</u>
Total assets	<u>3,481,248</u>	<u>3,332,052</u>	<u>115,120</u>	<u>6,928,420</u>	<u>142,560</u>	<u>-</u>	<u>-</u>
LIABILITIES							
Current liabilities:							
Accounts payable	83,907	-	1,235	85,142	2,040	-	-
Accrual of payroll	15,355	-	-	15,355	-	-	-
Landfill closure and postclosure	4,000	-	-	4,000	-	-	-
Compensated absences	11,880	-	-	11,880	-	-	-
Total current liabilities	<u>115,142</u>	<u>-</u>	<u>1,235</u>	<u>116,377</u>	<u>2,040</u>	<u>-</u>	<u>-</u>
Noncurrent liabilities:							
Landfill closure and postclosure	9,164,067	-	-	9,164,067	-	-	-
Total noncurrent liabilities	<u>9,164,067</u>	<u>-</u>	<u>-</u>	<u>9,164,067</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>9,279,209</u>	<u>-</u>	<u>1,235</u>	<u>9,280,444</u>	<u>2,040</u>	<u>-</u>	<u>-</u>
NET POSITION							
Net investment in capital assets	1,157,283	-	35,371	1,192,654	40,402	-	-
Unrestricted	<u>(6,955,244)</u>	<u>3,332,052</u>	<u>78,514</u>	<u>(3,544,678)</u>	<u>100,118</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ (5,797,961)</u>	<u>\$ 3,332,052</u>	<u>\$ 113,885</u>	<u>\$ (2,352,024)</u>	<u>\$ 140,520</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities	
	<u>Solid Waste Facilities</u>	<u>Pay-Per-Bag Program</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Internal Service Fund</u>	<u>Printing Services</u>
OPERATING REVENUES						
Charges for services:						
Landfill permits	\$ 15,226	\$ -	\$ -	\$ 15,226	\$ -	-
Bag purchases	- -	465,600	- -	465,600	- -	-
Service fees	- -	- -	36,042	36,042	- -	-
Rent	- -	- -	11,340	11,340	- -	-
Parking meter	- -	- -	20,379	20,379	- -	-
Printing services	- -	- -	- -	- -	43,273	-
Tipping fees	1,035,837	- -	- -	1,035,837	- -	-
Total operating revenues	<u>1,051,063</u>	<u>465,600</u>	<u>67,761</u>	<u>1,584,424</u>	<u>43,273</u>	<u>43,273</u>
OPERATING EXPENSES						
Personnel services	248,052	- -	- -	248,052	- -	-
Administrative expenses	7,423	- -	- -	7,423	- -	-
Contractual services	295,088	- -	107,362	402,450	13,090	-
Central garage costs	50,000	- -	- -	50,000	- -	-
Materials and supplies	84,521	70,761	2,694	157,976	6,661	-
Closure and postclosure costs	392,352	- -	- -	392,352	- -	-
Depreciation	328,766	- -	7,470	336,236	11,980	-
Total operating expenses	<u>1,406,202</u>	<u>70,761</u>	<u>117,526</u>	<u>1,594,489</u>	<u>31,731</u>	<u>31,731</u>
Operating income (loss)	<u>(355,139)</u>	<u>394,839</u>	<u>(49,765)</u>	<u>(10,065)</u>	<u>11,542</u>	<u>11,542</u>
NONOPERATING REVENUES (EXPENSES)						
Interest income	40,428	68,928	1,215	110,571	- -	-
Total nonoperating revenues (expenses)	<u>40,428</u>	<u>68,928</u>	<u>1,215</u>	<u>110,571</u>	<u>- -</u>	<u>- -</u>
Income (loss) before transfers	<u>(314,711)</u>	<u>463,767</u>	<u>(48,550)</u>	<u>100,506</u>	<u>11,542</u>	<u>11,542</u>
Transfers in	<u>150,000</u>	<u>- -</u>	<u>75,000</u>	<u>225,000</u>	<u>- -</u>	<u>- -</u>
Change in net position	<u>(164,711)</u>	<u>463,767</u>	<u>26,450</u>	<u>325,506</u>	<u>11,542</u>	<u>11,542</u>
Net position, beginning of year	<u>(5,633,250)</u>	<u>2,868,285</u>	<u>87,435</u>	<u>(2,677,530)</u>	<u>128,978</u>	<u>128,978</u>
Net position, end of year	<u>\$ (5,797,961)</u>	<u>\$ 3,332,052</u>	<u>\$ 113,885</u>	<u>\$ (2,352,024)</u>	<u>\$ 140,520</u>	<u>\$ 140,520</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities
	Solid Waste Facilities	Pay-Per-Bag Program	Nonmajor Funds	Totals	Internal Service Fund - Printing
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,072,729	\$ 446,000	\$ 68,946	\$ 1,587,675	\$ 43,273
Payments to employees	(251,662)	-	-	(251,662)	-
Payments to suppliers for goods and services	(354,888)	(118,693)	(110,479)	(584,060)	(21,834)
Net cash provided (used) by operating activities	<u>466,179</u>	<u>327,307</u>	<u>(41,533)</u>	<u>751,953</u>	<u>21,439</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	150,000	-	75,000	225,000	-
Increase (decrease) in due to other funds	(11,539)	-	(6,634)	(18,173)	(9,394)
Cash provided (used) by noncapital financing activities	<u>138,461</u>	<u>-</u>	<u>68,366</u>	<u>206,827</u>	<u>(9,394)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	-	-	-	(12,045)
Cash used by capital and related financing activities	-	-	-	-	(12,045)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	40,428	68,928	1,215	110,571	-
Cash provided by investing activities	<u>40,428</u>	<u>68,928</u>	<u>1,215</u>	<u>110,571</u>	<u>-</u>
Net increase (decrease) in cash	645,068	396,235	28,048	1,069,351	-
Cash, beginning of year	1,597,892	2,773,642	47,424	4,418,958	-
Cash, end of year	<u>\$ 2,242,960</u>	<u>\$ 3,169,877</u>	<u>\$ 75,472</u>	<u>\$ 5,488,309</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (355,139)	\$ 394,839	\$ (49,765)	\$ (10,065)	\$ 11,542
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	328,766	-	7,470	336,236	11,980
(Increase) decrease in accounts receivable	21,666	(19,600)	1,185	3,251	-
(Increase) decrease in inventory	-	(13,853)	-	(13,853)	-
Increase (decrease) in accounts payable	74,721	(32,302)	(423)	41,996	(2,083)
Increase (decrease) in accrued payroll	6,095	-	-	6,095	-
Increase (decrease) in other liabilities	-	(1,777)	-	(1,777)	-
Increase (decrease) in closure/postclosure	392,352	-	-	392,352	-
Increase (decrease) in compensated absences	(2,282)	-	-	(2,282)	-
Total adjustments	<u>821,318</u>	<u>(67,532)</u>	<u>8,232</u>	<u>762,018</u>	<u>9,897</u>
Net cash provided (used) by operating activities	<u>\$ 466,179</u>	<u>\$ 327,307</u>	<u>\$ (41,533)</u>	<u>\$ 751,953</u>	<u>\$ 21,439</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Net Position
Fiduciary Funds
June 30, 2019

	Private- purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 32,121	\$ -
Investments	463,309	-
Due from other funds	37,011	105,414
Total assets	<u>532,441</u>	<u>105,414</u>
LIABILITIES		
Accounts payable	3,238	6,222
Amounts held for others - student activities	-	99,192
Total liabilities	<u>3,238</u>	<u>105,414</u>
NET POSITION		
Net position held in trust for other purposes	<u>\$ 529,203</u>	<u>\$ -</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Changes in Net Position
Fiduciary Funds
For the year ended June 30, 2019

	Private- purpose Trust Funds
ADDITIONS	
Contributions	\$ 19,436
Investment earnings:	
Interest and dividends	11,064
Net increase in the fair value of investments	<u>23,841</u>
Total investment earnings	34,905
Less investment expense	<u>(6,431)</u>
Total additions	<u>47,910</u>
DEDUCTIONS	
Payment to beneficiaries	<u>437,918</u>
Total deductions	<u>437,918</u>
Change in net position	(390,008)
Net position - beginning	<u>919,211</u>
Net position - ending	<u>\$ 529,203</u>

See accompanying notes to financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Reporting Entity**

The Town of Brunswick is a municipal corporation (Town or primary government) governed by an elected nine-member council (Town Council). The accompanying financial statements present information for the primary government.

Related Organizations

The Town of Brunswick appoints a voting majority of the governing boards of each of the entities described below. However, the Town of Brunswick is not financially accountable for these organizations and therefore they are not component units under Statements 14, 39, and 61 of the Governmental Accounting Standards Board.

The Brunswick Housing Authority was established in 1965 pursuant to Maine law. It is managed by five commissioners appointed by the Brunswick Town Council.

The Brunswick Sewer District was established by the State of Maine in 1947 as a quasi-municipal corporation for the purpose of providing and maintaining, within the territorial limits of the District, a sewer system for the collection, treatment, and disposal of sewage. The District is managed by a five-member board of trustees appointed by the Brunswick Town Council.

The Brunswick-Topsham Water District was established by the State of Maine in 1903 as a body politic and corporate for the purpose of supplying the inhabitants of the District and said municipalities with pure water for domestic and municipal purposes. The affairs of the District are managed by a six-member board of trustees, four chosen by the Brunswick Town Council and two chosen by the Topsham municipal officers.

B. Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. They report information on all of the non-fiduciary activities of the Town of Brunswick. While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. The exceptions to this rule are charges between the General Fund and the Solid Waste Facilities fund for landfill disposal fees and administrative costs incurred by the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds and, if the Town had any, blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

1. Major governmental funds

The Town reports the following major governmental funds:

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

The *Tax Increment Financing Fund* accounts for resources accumulated and payments made for the Tax Increment Financing Districts established by the Town.

The *New Elementary School Bond Fund* accounts for a capital project which is funded by long-term debt obligations.

2. Major proprietary funds

The Town reports the following major enterprise funds:

The *Solid Waste Facilities Fund* accounts for the activities at the various solid waste disposal facilities throughout the Town.

The *Pay-Per-Bag Program Fund* accounts for the purchase and sale of Town trash bags.

3. Other fund types

In addition to the major funds described above, the Town reports the following fund types:

Governmental Funds. As well as the General Fund, which is always a major fund, the New Elementary School Bond Fund which is a major fund, and the Tax Increment Financing Fund, which the Town has chosen to report as a major fund, the Town reports three additional fund types in this category.

The *special revenue funds* account for revenue sources that are legally restricted or committed to expenditure for specific purposes (not including permanent funds or major capital projects). The Town reports three nonmajor special revenue funds.

The *capital projects funds* account for the acquisition of capital assets or construction of major capital projects not financed by the Town's major capital improvement funds, proprietary funds or permanent funds. The Town reports five nonmajor capital project funds.

The *permanent funds* account for resources where principal is legally restricted by a formal trust agreement and only earnings may be used for purposes that benefit the Town or its citizenry. The Town reports five nonmajor permanent funds.

Proprietary Funds. These funds can be classified into two fund types:

Enterprise funds account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The Town's enterprise funds consist of the activities of the Solid Waste Facilities operations, the Pay-per-bag Program, the Mere Point Wastewater District, and the Train Station.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. The Town's internal service fund accounts for printing services provided to departments on a cost reimbursement basis.

Fiduciary Funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide statements. The Town's fiduciary funds include the following:

Private-purpose trust funds are used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. These include Scholarship and Education Funds, Public Library Funds, a Village Improvement Fund and a Recreation Fund.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The Student Activities Fund is used to account for assets that the government holds for others in an agency capacity.

4. Inter-fund activity

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

1. Government wide financial statements

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

2. Governmental funds

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 Town 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 expenditures related to compensated absences, and claims and

judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for service, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments the State of Maine makes to the Maine Public Employee Retirement System on behalf of teachers and certain other school department employees are reflected as both revenues and expenditures in the General Fund.

3. Proprietary funds and private-purpose trust funds

The Town's proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

4. Agency funds

Agency Funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

E. Budgetary Information

1. Budgetary basis of accounting

An annual budget of the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The capital project funds are appropriated on a project-length basis. Other special revenue funds and permanent funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one year.

2. Legal level of budgetary control

The general fund budget is legally adopted by the Town Council through the passage of an appropriation resolution. By state law, that portion appropriated for educational purposes must be validated through a referendum vote. The Town charter states that the Town Manager may at any time transfer any unencumbered appropriation balance, or portion thereof, between general classifications of expenditures within an office, department or agency. Accordingly, the legal level of budgetary control is an office, department, or agency. Historically, the appropriated budget for the General Fund is prepared by department, or activity. This has been interpreted to be equivalent to the charter language of office, department, or agency. The Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund (Statement 6) reports at the legal level of control. Town Council authorization is required when expenditures exceed appropriations.

All appropriations of the General Fund lapse at the end of the fiscal year to the extent that they have not been expended or lawfully encumbered. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as an assignment of fund balance and do not constitute expenditures or liabilities. The encumbrances are re-appropriated and honored during the subsequent year.

3. Final budget amounts

The amounts reported as "Final Budget" on the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, for the General Fund, include the adopted budget as well as prior-year encumbrances, additional appropriations, and adjustments.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances

1. Cash, cash equivalents and investments

The Town's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and readily convertible to cash.

The Town has established a formal investment policy, updated in October, 2016, that governs the investment of all funds other than its permanent funds, private-purpose trust funds, and agency funds. Pursuant to its investment policy and applicable Maine law (Title 30-A, Section 5706, and 5711-5719 of the Maine Revised Statutes, as amended) all investments of the Town must be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment, considering (i) safety of principal, and to mitigate credit risk and interest rate risk, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements that may be reasonably anticipated, and (iii) objective of attaining a market rate of return, taking into account the investment risk constraints of safety and liquidity needs. Under its policy, the Town's investment practice is to invest its operating funds in short-term investments. The Town is not invested in any obligations typically referred to as derivatives.

2. Receivables and payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the General Fund to indicate that they are not expendable financial resources and are therefore not available for appropriation.

3. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital assets

Capital assets, which include property, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. All infrastructure, regardless of acquisition date, has been reported.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land, construction in progress, and intangible assets such as conservation easements are not depreciated. Property, equipment, intangibles and infrastructure of the Town is depreciated using the straight-line method over the assets' estimated useful lives ranging from 5 to 50 years.

<u>Assets</u>	<u>Years</u>
Buildings	45-50
Improvements other than buildings	5-20
Machinery and equipment	5-20
Vehicles	5-20
Intangibles	5-20
Infrastructure	20-50

5. Deferred outflows/inflows of resources

Statement of Net Position: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The Town reports two items in deferred outflows.

Deferred outflows of resources related to pensions and other postemployment benefits (OPEB). Related to the net pension and OPEB liabilities, these items include the Town's contributions subsequent to the measurement date, which will be recognized as a reduction of the liabilities in the subsequent year. Deferred outflows also account for changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town 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. Also included is the net difference between projected and actual earnings on plan investments, which is deferred and amortized over a five-year period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports two items in deferred inflows.

Deferred inflows of resources related to pensions and other postemployment benefits (OPEB). Related to the net pension and OPEB liabilities, these items include the differences between expected and actual experience, changes in proportion and differences between Town contributions and proportionate share of contributions, which is deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. Also included is the net difference between projected and actual earnings on plan investments, which is deferred and amortized over a five-year period.

For purposes of measuring the liabilities, deferred outflows of resources, deferred inflows of resources and expenses related to pension and OPEB, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Maine Public Employees Retirement System's Consolidated Plan for Participating Local Districts (PLD Plan) and State Employee and Teacher Plan (SET Plan), Maine Municipal Health Trust and the Maine Education Association Benefits Trust's Retiree Health Plan, 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.

Balance Sheet – Governmental Funds: The Town has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting as a deferred inflow of resources. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and ambulance user fees. These

amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

6. Net position flow assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. Fund balance flow assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

8. Fund balances

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable – resources which cannot be spent because they are either a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – resources which are subject to limitations the Town imposes upon itself at its highest level of decision-making, and that remain binding unless removed in the same manner. The Town Council is the highest level of decision-making authority, and can commit fund balance by ordinance.

Assigned – resources neither restricted nor committed for which the Town has a stated intended use as established by the Town Council or a body or official to which the Town Council has delegated the authority to assign amounts for specific purposes. The Town Council has a fund balance policy that requires certain items to be classified as assigned. Further, the policy gives discretion to the Town Manager and Finance Director to make assignments as they deem appropriate in their professional judgment.

Unassigned – resources which cannot be properly classified in one of the other four categories. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

9. Fund balance policy

The Town has an adopted Fund Balance Policy for the General Fund. This policy lists the criteria to be used in evaluating fund balance requirements, and establishes a minimum target balance for the unassigned category of fund balance. In addition, the policy establishes a process for reaching and maintaining the targeted level of unassigned fund balance, and the priority for the use of amounts in excess of the target.

10. Long-term obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued 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 expenditures.

11. Use of estimates

Preparation of the Town'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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

12. New pronouncements

Beginning with the fiscal year ended June 30, 2018, the Town implemented Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In the first year of implementation, the Town recognized the implicit liability for retiree health insurance through the Maine Municipal Employee Health Trust (MMEHT), and group term life insurance for retirees through two programs under the Maine Public Employees Retirement System (MainePERS). As a result of implementing Statement 75, the Town restated the June 30, 2017 beginning net position in the government-wide statement of net position.

In the fiscal year ended June 30, 2019, the Town received information on the implicit liability for retiree health insurance through the Maine Education Association Benefits Trust (MEABT), and has restated the June 30, 2018 beginning net position. Changes as of June 30, 2018 consist of a \$220,147 increase in deferred outflows of resources, a \$6,435,381 increase of net OPEB liability, and a decrease of the Town's net position by \$6,215,234.

G. Revenues and Expenditures/Expenses**1. Program revenues**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. All taxes, including those dedicated for specific purposes, are reported as general revenues.

2. Property taxes

Property taxes are typically committed on or around September 1st of each year, on the assessed value listed as of the previous April 1st. Real property taxes are due in two installments, on or near October 15th and April 15th. Personal property taxes are due in one installment on or near October 15th. Taxes unpaid by the due date are assessed interest. Tax liens are placed on real property of delinquent tax accounts within eight to twelve months following the date taxes are committed for collection.

For the fiscal year ended June 30, 2019, the Town Council authorized a delay of the tax commitment to October 29, 2018, with the first installment due November 30, 2018. All other dates remained consistent with usual practice.

3. Compensated absences

Under the terms of personnel policies and union contracts, vacation and sick leave (compensated absences) are granted in varying amounts according to length of service. Certain employees also earn compensatory time. A liability for vested or accumulated vacation, sick and compensatory leave is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. All accumulated leave is accrued when incurred in the government-wide financial statements. However, sick leave is valued based on the vesting method that calculates the amount of sick leave that is expected to become eligible for payout at termination.

4. Proprietary funds operating and non-operating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Town's enterprise funds and internal service fund are charges for services to customers. Operating expenses for the enterprise funds and the internal service fund include the cost of personnel, contractual services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains, "capital assets used in governmental activities are not financial resources and therefore are not reported in the funds." The details of this \$88,799,554 are as follows:

Capital assets	\$ 153,476,844
Accumulated depreciation	<u>(64,677,290)</u>
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 88,799,554

Another element of that reconciliation explains, "other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds." The details of this \$980,610 difference are as follows:

Deferred inflows - unavailable revenue - property tax	\$ 716,262
Deferred inflows - unavailable revenue - miscellaneous	<u>264,348</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 980,610

Another element of that reconciliation explains, "long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(35,498,031) difference are as follows:

Bonds payable	\$ (19,722,829)
Premium on bonds (to be amortized as interest expense)	(124,378)
Accrued interest	(94,047)
Compensated absences	(1,253,347)
Other post employment benefits	(8,411,867)
Net pension liability	<u>(5,891,563)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$ (35,498,031)

Another element of that reconciliation explains, "the internal service fund is used by management to charge the costs of printing services to the funds. The assets and liabilities of the internal service fund are not included in the governmental funds." The details of this \$100,118 difference are as follows:

Net position of the internal service fund	\$ 140,520
Less: Capital assets net of accumulated depreciation	<u>(40,402)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 100,118

Another element of that reconciliation explains, "deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds." The details of this \$933,155 difference are as follows:

Deferred outflows of resources related to pensions	\$ 3,020,233
Deferred outflows of resources related to other postemployment benefits	470,146
Deferred inflows of resources related to pensions	(2,026,653)
Deferred inflows of resources related to other postemployment benefits	<u>(530,571)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 933,155

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position – governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains, "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this \$10,728,789 difference are as follows:

Capital outlay	\$ 14,782,608
Depreciation expense	<u>(4,053,819)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 10,728,789

Another element of that reconciliation states, "losses arising from the disposal of existing capital assets are reported in the statement of activities but do not appear in the governmental funds." The details of this \$(83,037) difference are as follows:

Cost of disposed capital assets	\$ (2,003,180)
Less construction in progress	1,495,711
Accumulated depreciation on disposed capital assets	<u>424,432</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (83,037)

Another element of that reconciliation states, "revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds." The details of this \$(77,326) difference are as follows:

Property taxes	\$ (105,091)
Charges for services	<u>27,765</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (77,326)

Another element of that reconciliation states, "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this \$2,114,731 difference are as follows:

Reduction in deferred outflow for bond proceeds received	\$ (138,109)
Principal repayments: General obligation debt	<u>2,252,840</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position in governmental activities	\$ 2,114,731

Another element of that reconciliation states, "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$179,490 difference are as follows:

Compensated absences	\$ 211,489
Other post employment benefits with related deferred inflows and outflows of resources	(59,802)
Accrued interest	6,345
Amortization of premium on refunding and general obligation bonds	<u>21,458</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 179,490

Another element of that reconciliation states, "internal service funds are used by management to charge the costs of printing services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities." The details of this \$11,477 difference are as follows:

Change in net position of the internal service funds	\$ 11,542
Plus: depreciation on capital assets	11,980
Less: acquisition of capital assets	(12,045)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 11,477

Another element of that reconciliation states, "governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense." The details of this \$2,639,224 difference are as follows:

Net pension liability with related deferred inflows and outflows of resources	\$ 2,639,224
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	\$ 2,639,224

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Control

The accounting system is employed as a budgetary management control device to monitor the individual departments. Encumbrance accounting is employed in the governmental funds.

B. Budgetary Use of Fund Balance

The Town utilizes fund balance as a source of funds for the General Fund budget. For the year ended June 30, 2019, the Town budgeted and utilized the following amounts:

2018-19 General Fund Budget as of July 1, 2018						
	Adopted Budget	Encumbered Balances	Original Budget	Additional Appropriations	Final Budget	
Restricted fund balance:						
Educational purposes	\$ 2,611,364	\$ -	\$ 2,611,364	\$ -	\$ 2,611,364	
Municipal purposes	100,000	-	100,000	-	100,000	
Assigned fund balance:						
Municipal purposes	500,000	-	500,000	-	500,000	
Unassigned fund balance	-	-	-	1,355,500	1,355,500	
Encumbrances	-	43,344	43,344	-	43,344	
Total utilization of fund balance	\$ 3,211,364	\$ 43,344	\$ 3,254,708	\$ 1,355,500	\$ 4,610,208	

C. Additional Appropriations

The payments the State of Maine makes to the Maine Public Employees Retirement System (Maine PERS) for retirement and other benefits, on behalf of the Town for teachers and other school employees, are reported as additional appropriations in both the revenue and expenditure budgets. The amounts of on-behalf payments for fiscal year 2018-19 were \$2,090,383 for retirement, \$673,526 for other benefits, and \$57,360 for other post-employment benefits.

D. Budget Adjustments

The adjustments are generally the result of the Town's management process which monitors department budgets and the budget in total. The Town Manager is authorized, for the purpose of adjusting salaries, wages or benefits, to transfer appropriated amounts between the Contingency account and any of the functions or departments. The Town Council, upon the request of the Town Manager, may move funds

from departments with anticipated budget surpluses to those with anticipated budget shortfalls. These types of adjustments have no impact on the budget in total. During the year, the Town Manager made \$1,000 in adjustments, and the Town Council made adjustments totaling \$173,308, moving appropriations from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations.

E. Authority to Over Expend

On June 27, 2019, the Town Council adopted a resolution authorizing expenditures to exceed the gross appropriation in an appropriated account so long as the amount was \$10,000 or less.

F. Deficit Fund Balance or Net Position

The following *total fund balance deficits* exists as of June 30, 2019:

New Elementary School Bond	\$ (10,889,700)
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The New Elementary School Bond is a capital project which is authorized to be funded through general obligation bonds. The deficit balance in the fund reflects the total expenditures on this project through June 30, 2019, offset by a contribution of \$450,000 from Bowdoin College for an additional structure on the site of the school to be used as a Discovery Classroom. Initial construction was funded through an advance from the general fund, until a bond anticipation note (BAN) was issued in September, 2019. Bonds will be issued in January, 2020, refunding the BAN.

Within Other Governmental Funds, in the Nonmajor Capital Projects Funds, the Capital Improvements Projects had a deficit fund balance of \$1,060,223. Three projects made up this deficit, offset by positive balances in a number of other capital projects:

Junior High School Air Quality	\$ (90,816)
Cooks Corner Connector Road	(601,681)
Fire Engine 2	(636,962)
Balances of sixteen (16) capital projects	<u>269,236</u>
	\$ (1,060,223)

The Air Quality project was funded by an advance from the general fund, to be repaid over five years through the School Department budget. The deficit balance as of June 30, 2019 represents the final fifth of the advance and will be eliminated in fiscal 2019-20. In February 2019, the Town Council approved another School Department project, the renovation of the high school track, to be partially funded through a \$250,000 appropriation from unassigned fund balance, and up to \$750,000 in an advance from the general fund. Other funding sources include contributions from a citizens group which has raised funds for the track. Though the final amount of the advance required is not yet known, the repayment is scheduled by continuing the annual payments from the School Department budget for an additional eight years.

The Cooks Corner Connector Road was under construction as of June 30, 2019, using a variety of funding sources, including impact fees, developer contributions and a grant from Maine Department of Transportation. For the Town's share of the project, the Town Council authorized the issuance of bonds for up to \$1,200,000. The project qualifies for funding through TIF revenues, which may be used to pay debt service or to repay an advance from the general fund. The Town Council authorized the use of \$560,000 in TIF revenues for this project in fiscal 2019-20.

Fire Engine 2 was acquired in September 2018, and was originally intended to be funded through the issuance of bonds. Based on the timing and amount of the project, the truck was purchased with funds advanced from the general fund, and as of June 30, 2019, bond authority was abandoned. The Town Council authorized the use of \$240,000 in TIF revenues to repay the advance in fiscal 2019-20. It is anticipated that the advance will be repaid over a period of several years from either TIF revenues or general fund balance.

Also within Other Governmental Funds, in Nonmajor Permanent Funds, the Recreation and Cultural Fund had a deficit unassigned fund balance of \$93. This represents an overexpenditure of the annual distribution from the trust account, which will be covered by the annual distribution in fiscal 2019-20.

The following *net position deficit* exists as of June 30, 2019:

Solid Waste Facilities Fund	\$ (5,797,961)
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The deficit balance in the Solid Waste Facilities Fund is primarily the result of insufficient assets to fund the liability that the Town has accumulated for the closure and postclosure of its landfills. The Town has implemented two strategies to reduce the deficit, annual subsidies from the General Fund, and its plan to use accumulated net revenue from its pay-as-you-throw residential solid waste collection program. The Town has learned that the closure is eligible for cost sharing through the Maine Department of Environmental Protection's Landfill Closure and Remediation Program, though it is expected that this will be a reimbursement arrangement and the timing is uncertain. The Town has begun the process to close the landfill, with closure currently estimated to be in the spring of 2021. In order to utilize all the available space at the landfill and to maximize the revenues from tipping fees, the Town has entered into an agreement to accept waste from outside the Town. Should a deficit remain at the time the operating landfill is closed, debt may be issued to finance the closure costs.

IV. DETAILED NOTES ON ACTIVITIES AND FUNDS

A. Deposits and Investments

The Town 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.

As of June 30, 2019, the Town of Brunswick had the following investments, with corresponding recurring fair value measurements:

Investment Type		Fair Value	Weighted Average Maturity (Years)	Level 1 Input
Equities	\$	455,482	N/A	Yes
Other Mutual Funds		586,870	N/A	Yes

Interest rate risk. The Town does not currently have a deposit policy for interest rate risk.

Credit risk. The Town does not have a formal policy regarding credit risk. Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and certain corporate stocks and bonds. At June 30, 2019, the Town was not invested in corporate bonds.

Custodial credit risk – deposits. This is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At June 30, 2019, the bank balance of \$22,970,308 was covered by FDIC and an irrevocable stand-by letter of credit with the Federal Home Loan Bank of Boston, issued to the Town of Brunswick for People's United Bank.

Custodial credit risk – investments. This is the risk that in the event of failure of the counterparty, the Town will not be able to recover the value of its investments. The Town does not have an investment policy for custodial credit risk. None of the Town's investments are subject to custodial credit risk.

Concentration of credit risk. At June 30, 2019, the Town did not have a policy for concentration of credit risk.

B. Receivables

Receivables at June 30, 2019 consist of the following:

	Other			
	General Fund	Governmental Funds	Enterprise Funds	Total
Taxes	\$ 878,186	\$ -	\$ -	\$ 878,186
Tax liens	294,929	-	-	294,929
Accounts	590,111	18,628	199,079	807,818
Intergovernmental	340,138	886,671	6,750	1,233,559
Gross receivables	<u>2,103,364</u>	<u>905,299</u>	<u>205,829</u>	<u>3,214,492</u>
Less: Allowance for				
Uncollectibles	(71,551)	-	-	(71,551)
Net receivables	\$ 2,031,813	\$ 905,299	\$ 205,829	\$ 3,142,941

Property taxes for the current year were committed October 29, 2018 on the assessed value listed as of April 1, 2018, for all taxable real and personal property located in the Town. Real property taxes were due in two installments, November 30, 2018 and April 16, 2019. Personal property taxes were due in one installment, November 30, 2018. Interest was charged at the rate of 8% on all taxes unpaid as of the due date(s).

Assessed values are periodically established by the Tax Assessor at 100% of assumed market. The assessed values must be at least 70% of full valuation. The assessed value, net of value captured in tax increment financing districts, as of April 1, 2018, upon which the levy for the year ended June 30, 2019 was based, was \$2,183,364,700. This assessed value was 100% of the estimated market value and 96.9% of the 2018 State valuation of \$2,252,400,000.

Maine law permits the Town to levy taxes up to 105% of its net property tax requirement (budgeted expenditures less budgeted non-property tax revenues) for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$272,608 for the year ended June 30, 2019.

Tax liens are placed on real property of delinquent tax accounts within eight to twelve months following the date taxes are committed for collection. Provided the Town has followed the statutory provisions, the tax lien automatically forecloses if the tax lien and associated costs remain unpaid eighteen months from the date the lien is recorded in the Cumberland County Registry of Deeds.

Maine law authorizes municipalities to establish tax increment financing districts (TIFs). A TIF allows the municipality to capture the new, or incremental, tax revenue generated within a defined development district and use that captured tax revenue in accordance with a development plan for that district. The new, or incremental, assessed valuation and related tax revenue in the TIF district is not available to the Town's General Fund. For the year ended June 30, 2019, the Town had a total of \$106,580,500 in captured valuation for four TIF districts. The tax revenue captured in these districts totaled \$2,016,503 for the year. In early 2018, the Town established a fifth TIF district, in Cook's Corner. No tax revenues were captured in the Cook's Corner TIF district for the 2018-19 fiscal year.

C. Capital Assets

Capital asset activity for the year ended June 30, 2019 follows.

Governmental activities:

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 6,252,708	\$ 21,700	\$ -	\$ 6,274,408
Construction in progress	2,731,484	12,245,662	(1,495,711)	13,481,435
Intangibles	200,000	-	-	200,000
Total capital assets not being depreciated	9,184,192	12,267,362	(1,495,711)	19,955,843
Capital assets being depreciated:				
Buildings	65,230,394	467,092	-	65,697,486
Improvements other than buildings	3,849,530	-	-	3,849,530
Machinery and equipment	5,134,215	306,724	(20,279)	5,420,660
Vehicles	8,240,855	1,185,714	(305,252)	9,121,317
Intangibles	806,963	-	-	806,963
Infrastructure	46,755,556	2,051,427	(181,938)	48,625,045
Total capital assets being depreciated	130,017,513	4,010,957	(507,469)	133,521,001
Less accumulated depreciation for:				
Buildings	(24,946,674)	(2,019,231)	-	(26,965,905)
Improvements other than buildings	(2,725,554)	(215,642)	-	(2,941,196)
Machinery and equipment	(3,496,157)	(282,188)	20,279	(3,758,066)
Vehicles	(4,999,074)	(560,066)	284,065	(5,275,075)
Intangibles	(486,011)	(75,669)	-	(561,680)
Infrastructure	(24,394,433)	(901,023)	120,088	(25,175,368)
Total accumulated depreciation	(61,047,903)	(4,053,819)	424,432	(64,677,290)
Total capital assets being depreciated, net	68,969,610	(42,862)	(83,037)	68,843,711
Governmental activities capital assets, net	<u>\$ 78,153,802</u>	<u>\$ 12,224,500</u>	<u>\$ (1,578,748)</u>	<u>\$ 88,799,554</u>

Business-type activities:

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 115,000	\$ -	\$ -	\$ 115,000
Total capital assets not being depreciated	115,000	-	-	115,000
Capital assets being depreciated:				
Buildings	54,220	-	-	54,220
Improvements other than buildings	7,441,903	-	-	7,441,903
Machinery and equipment	808,969	-	-	808,969
Intangibles	16,399	-	-	16,399
Infrastructure	636,738	-	-	636,738
Total capital assets being depreciated	8,958,229	-	-	8,958,229
Less accumulated depreciation for:				
Buildings	(54,220)	-	-	(54,220)
Improvements other than buildings	(6,469,608)	(281,102)	-	(6,750,710)
Machinery and equipment	(411,745)	(47,467)	-	(459,212)
Intangibles	(6,966)	(1,986)	-	(8,952)
Infrastructure	(601,800)	(5,681)	-	(607,481)
Total accumulated depreciation	(7,544,339)	(336,236)	-	(7,880,575)
Total business-type capital assets being depreciated, net	1,413,890	(336,236)	-	1,077,654
Business-type activities capital assets, net	<u>\$ 1,528,890</u>	<u>\$ (336,236)</u>	<u>\$ -</u>	<u>\$ 1,192,654</u>

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

Governmental activities:

General government	\$ 402,091
Public safety	473,924
Public works, including depreciation of general infrastructure assets	1,163,077
Human services	71
Education	1,787,929
Recreation and culture	226,727
Total depreciation expense - governmental activities	\$ 4,053,819

Business-type activities:

Mere Point wastewater	\$ 5,681
Solid Waste facilities	328,766
Train Station/Visitors Center	1,789
Total depreciation expense - business-type activities	\$ 336,236

D. Leases

During the fiscal year ended June 30, 2019, the Town was a lessee in a variety of operating leases, one of which is considered material. The Town is a lessor in three operating leases, none of which are considered material.

Train Station and Visitor's Center: In June 2009, the Town executed a five-year agreement with JHR Development of Maine (JHR) to lease approximately 2,125 square feet of space at JHR's Brunswick Station development (formerly Maine Street Station). The Town uses the leased space as a train station and visitor's center, subcontracting with the Brunswick Downtown Association (BDA) to manage the operation. The term of the initial five-year lease began November 1, 2009. During the year ended June 30, 2009, the Town received a \$220,000 grant from the Brunswick Development Corporation (BDC) which allowed the Town to pre-pay all five years of the rent. In 2014, the Town and JHR signed an amendment to the lease, extending the agreement five years, to November 1, 2019. The parties are currently negotiating an extension, but the terms have not been determined. For the year ended June 30, 2019, the lease expense was \$44,000. For the 2019-20 fiscal year, under the current lease, expenses will be recognized as follows:

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2020	\$ 14,667
	<u>\$ 14,667</u>

E. Long-term Liabilities

1. General obligation bonds

The Town issues general obligation debt to provide funds for acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Annual Principal Payments</u>	<u>Amount Outstanding</u>
<u>Governmental Activities</u>						
2006 Fire Station & Truck	2006	\$ 3,125,000	4%	2021	\$200,000 to 275,000	\$ 400,000
2010 Elementary School	2010	21,462,250	2% to 5.5%	2031	1,073,113	12,877,350
2011 GO Bonds	2011	4,120,000	2% to 3%	2021	270,000 to 555,000	540,000
2013 Police Station	2013	5,500,000	2% to 3.5%	2033	275,000	3,850,000
2016 School Renovation (SRRF)	2016	772,862	0%	2027	77,286	501,208
2017 School Renovation (SRRF)	2017	87,038	0%	2022	17,408	29,271
2017 GO Bonds	2017	1,781,000	2% to 3.5%	2033	35,000 to 200,000	<u>1,525,000</u>
						<u>\$ 19,722,829</u>

All long-term debt of the Town of Brunswick has been issued as general obligation. The 2010 Elementary School Bonds, 2016 School Revolving Renovation Bond, and 2017 School Revolving Renovation Bond were all issued through the Maine Municipal Bond Bank (MMBB). The School Revolving Renovation Fund (SRRF) is a Maine Department of Education program to finance school renovation projects through a combination of zero-interest bonds and grant funding. The Brunswick School Department was originally

authorized for a total of \$1,662,149 in reimbursement for renovation projects, of which \$1,021,767 was issued in bonds, with the balance to be subsidized by the Department of Education in grant funding. The School Department's renovation projects were completed in August, 2018, and as the full authorized amount of funding was not required, the bonds were amended. The 2016 SRRF bond was amended twice, and the 2017 SRRF bond was amended with the final accounting of the projects. The resulting total funds received over two years was \$1,171,136, of which \$451,270 was in grants, and the bonds were amended to total \$719,866.

Eighty percent (80%) of the 2010 Elementary School Bonds were issued as Build America Bonds (BABs). Interest on BABs is taxable. The issuer, in this case MMBB, files annually for an interest subsidy from the US Treasury. The subsidy lowers the effective interest rate. Further, 87% of the debt service on the 2010 Elementary School Bonds is eligible for State subsidy.

The amounts required to amortize all bonds and notes outstanding as of June 30, 2019 are as follows:

Year Ending June 30	Governmental Activities					Net Total
	Principal	Interest	Total	BABs Subsidy		
2020	\$ 2,090,520	\$ 712,594	\$ 2,803,114	\$ (174,409)	\$ 2,628,705	
2021	2,090,520	647,929	2,738,449	(162,195)	2,576,254	
2022	1,620,520	589,991	2,210,511	(149,629)	2,060,882	
2023	1,610,764	538,150	2,148,914	(136,533)	2,012,381	
2024	1,530,764	485,277	2,016,041	(123,086)	1,892,955	
2025-2029	7,388,516	1,549,324	8,937,840	(388,065)	8,549,775	
2030-2033	3,391,225	193,388	3,584,613	(35,047)	3,549,566	
Total	\$ 19,722,829	\$ 4,716,653	\$ 24,439,482	\$ (1,168,964)	\$ 23,270,518	

For the year ended June 30, 2019, the Town paid \$2,112,806 in principal and \$590,073 in interest (net of \$185,862 BABs subsidy) for a total of \$2,702,879 in debt service payments. Due to federal sequestration, the BABs subsidy was reduced in FY 19 by a total of \$12,722, or a 6.2% reduction. 87% of the sequestration reduction is eligible for State subsidy. The Town anticipates BABs subsidy reductions in future years, and has estimated a 6.2% reduction going forward.

Additional debt authorizations: On June 13, 2017, the voters approved "An Ordinance Authorizing the Planning, Design, and Construction of a New Elementary School on the Site of the Former Jordan Acres School, with Total Project Costs Not to Exceed Twenty-eight Million Dollars, (\$28,000,000) Plus Other Authorized Costs." Construction began in the fall of 2018 with an estimated completion date in time for the 2020-21 school year. On September 5, 2019, the Town issued a Bond Anticipation Note for \$20,000,000, with bonds to be issued in January, 2020.

On March 19, 2018, the Town Council adopted "An Ordinance Authorizing the Planning, Construction and Funding of a New Connector Road at Cooks Corner Between Admiral Fitch Avenue and Gurnet Road, with Total Project Costs Not to Exceed \$2,550,000 (plus any other costs authorized hereunder), and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$1,200,000 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder." Construction began in late fall of 2018, and the road, named Landing Drive, was completed in September, 2019. TIF revenues from the Cook's Corner, Brunswick Landing, and Brunswick Executive Airport TIF Districts may be used to fund the project either directly or through payment of debt service. While the Town retains the option to issue debt for this project, in the 2019-20 Capital Budget the Town Council appropriated \$560,000 in TIF revenues for this project.

On April 1, 2019, the Town Council adopted "An Ordinance Authorizing The Purchase of Property For And Construction Of A New Central Fire Station With Total Project Costs Of Up To \$13,500,000, And the Issuance of Bonds of Up To \$13,500,000."

In 2017, the Town Council adopted a bond ordinance to fund the acquisition of a new fire engine. The ordinance authorized the Town to make advances from the general fund to a capital projects fund, and the fire engine was delivered in September, 2018 at a total cost of \$636,236. As of June 30, 2019, the Treasurer has established an advance from the general fund to the capital project fund, to be repaid over several years through TIF revenues, and has determined that bonds will not be issued for this project. With the 2019-20 Capital Budget, the Town Council appropriated \$240,000 in TIF revenues for the first repayment of the advance.

State reimbursement for debt service expenditures: The State of Maine currently subsidizes the Town for debt service costs for state approved school construction projects. The subsidy is based on formulas prescribed in Title 20-A M.R.S.A. Continuation of such subsidy is dependent upon the formulas and continued appropriations by the state legislature.

Legal debt limit: The amount of debt a Maine municipality may have is governed by Title 30-A M.R.S.A. section 5702. The law limits total debt and debt for specific categories. The Town's debt is within both the total and categorical limits prescribed in the law. A full presentation of the debt limit calculations can be found in the statistical section of this Comprehensive Annual Financial Report (CAFR).

2. Compensated absences

Recorded long-term compensated absences are as follows:

Type of Leave	Governmental Activities	Business-type Activities
Sick paid upon termination	\$ 393,120	\$ 4,359
Vacation	497,207	7,521
Compensatory time	64,565	-
School retirement stipend	298,455	-
Totals	\$ 1,253,347	\$ 11,880

3. Pension obligations

Plan descriptions: For its participating municipal employees and certain participating School Department employees, the Town of Brunswick contributes to the Consolidated Plan for Participating Local Districts (PLD Plan) a cost-sharing multiple-employer, defined benefit pension plan administered by the Maine Public Employees Retirement System (MainePERS). Teachers and certain other School Department employees also participate in the Maine Public Employees Retirement System (MainePERS) through the State Employee and Teacher Plan (SET Plan), a cost-sharing multiple-employer, defined benefit pension plan with a special funding situation established by the Maine Legislature. The MainePERS is established and administered under Maine law, and the authority to establish and amend benefit provisions rests with the State legislature. The MainePERS issues a publicly available financial report which may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046 or at www.mainepers.org.

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

also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD Plan) or by statute (SET Plan).

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

PLD Plan - Employees are required to contribute 8.0%-9.5% of their annual pay depending on the plan they participate in. The Town's contractually required contribution rate for the year ended June 30, 2019, ranged from 5.0%-16.3%, depending on the plan, and came in at an average 11.89% of annual payroll. Contributions to the pension plan from the Town were \$1,203,139 for the year ended June 30, 2019.

SET Plan - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2019, was 15.05% of annual payroll of which 3.97% of payroll was required from the Town and 11.08% was required from the State. Contributions to the pension plan from the Town were \$748,991 for the year ended June 30, 2019.

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

PLD Plan - At June 30, 2019, the Town reported a liability of \$5,564,296 for its proportionate share of the net pension liability. At June 30, 2018, the Town's proportion of the PLD Plan was 2.0332%.

SET Plan - At June 30, 2019, the Town reported a liability of \$327,267 for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 327,267
State's proportionate share of the net pension liability associated with the Town	20,112,311
Total	<u>\$ 20,439,578</u>

At June 30, 2018, the Town's proportion of the SET Plan was 0.0243%.

For the year ended June 30, 2019, the Town recognized pension gain of \$1,334,996 for the PLD Plan and pension expense of \$2,738,285 for the SET Plan. Additionally, the Town recognized revenue of \$2,090,000 for support provided by the State for the SET Plan.

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 17,422	\$ 61,114
Differences between projected and actual investment earnings on pension plan investments	- -	1,343,555
Changes of assumptions	888,099	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	132,002	447,761
Town contributions subsequent to the measurement date	<u>1,203,139</u>	-
	<u>\$ 2,240,662</u>	<u>\$ 1,852,430</u>

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the SET Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,995	\$ -
Differences between projected and actual investment earnings on pension plan investments	- -	42,545
Changes of assumptions	20,586	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	(1)	131,678
Town contributions subsequent to the measurement date	<u>748,991</u>	-
	<u>\$ 779,571</u>	<u>\$ 174,223</u>

A portion of deferred outflows of resources related to pensions, \$1,203,139 for the PLD Plan and \$748,991 for the SET Plan, results from Town contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	Pension Expense	
	<u>PLD Plan</u>	<u>SET Plan</u>
2020	\$ 462,439	\$ (69,289)
2021	(16,084)	(32,636)
2022	(914,015)	(30,287)
2023	<u>(347,247)</u>	<u>(11,431)</u>
	<u>\$ (814,907)</u>	<u>\$ (143,643)</u>

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

	PLD Plan	SET Plan
Inflation	2.75%	2.75%
Salary increases, per year	2.75% to 9.00%	2.75% to 14.5%
Investment return, per annum, compounded annually	6.75%	6.75%
Cost of living benefit increases, per annum	1.91%	2.2%

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study covering the period from June 30, 2012 to June 30, 2015 and the economic assumptions are based on this experience study along with advice of the MainePERS investment consultants.

The long-term expected rate of return on pension plan assets 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 class of assets. 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 Plan's target asset allocation as of June 30, 2018 are summarized in the following table. Assets for each of the defined benefit plans are commingled for investment purposes.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public Equities	30.0%	6.0%
US Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Assets:		
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	4.2%
Diversifiers	<u>10.0%</u>	5.9%
Total	<u>100.0%</u>	

Discount rate: The discount rate used to measure the collective total pension liability was 6.75% for 2018 for each of the Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liabilities to changes in the discount rate: The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75% for the PLD Plan and 6.75% for the SET Plan, as well as what the Town'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 Plan and 5.75% for SET Plan) or 1 percentage-point higher (7.75% for PLD Plan and 7.75% for SET Plan) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
<u>PLD Plan</u>			
Town's proportionate share of the net pension liability	\$ 13,114,307	\$ 5,564,296	\$ (1,492,893)
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
<u>SET Plan</u>			
Town's proportionate share of the net pension liability	\$ 604,789	\$ 327,267	\$ 96,136

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued MainePERS financial report, which can be obtained from Maine Public Employees Retirement System at www.mainepers.org.

Payables to the pension plan: The Town reported no payables to the pension plan as of June 30, 2019.

4. Other postemployment benefits

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

Additionally, the Town offers two post-retirement benefit plans providing health insurance to retiring employees. For municipal employees, the Town sponsors a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (hereafter referred to as the MMEHT Health Plan). The Town 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*.

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

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

Under the MMEHT Health Plan, healthcare and life insurance benefits are provided for retirees and their dependents. Town employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

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

Employees Covered by Benefit Terms – At June 30, 2019, the following employees were covered by the benefit terms of the MMEHT and MEABT Health Plans:

	<u>MMEHT</u> <u>Health Plan</u>	<u>MEABT</u> <u>Health Plan</u>
Inactive employees or beneficiaries currently receiving benefits	8	167
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	123	333
Total	131	500

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

PLD OPEB Plan - The Town 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 Town were \$10,180 for the year ended June 30, 2019. Employees are not required to contribute to the PLD OPEB plan.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the Town were \$57,360 for the year ended June 30, 2019. Employers and employees are not required to contribute to the SET OPEB plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: The net OPEB liabilities for both the PLD and SET OPEB plans were measured as of June 30, 2018, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of that date. The Town's proportion of the net OPEB liabilities was based on a projection of the Town's long-term share of contributions to the PLD and SET OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan – At June 30, 2019, the Town reported a liability of \$437,455 for its proportionate share of the net OPEB liability. At June 30, 2018, the Town's proportion was 2.1655%.

SET OPEB Plan – At June 30, 2019, the Town reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the Town was \$628,613 as of June 30, 2019. At June 30, 2018, the Town's proportion was 0.00%.

The Town's total MMEHT Health Plan OPEB liability of \$1,763,610 and was measured as of January 1, 2019 and the Town's total MEABT Health Plan OPEB liability of \$6,210,802 as measured as of June 30, 2018. Both OPEB liabilities were determined by an actuarial valuation as of their corresponding measurement dates.

Changes in Health Plan OPEB Liabilities:

	<u>MMEHT Health Plan</u> <u>OPEB Liability</u>	<u>MEABT Health Plan</u> <u>OPEB Liability</u>
Balance at June 30, 2018	\$ 1,893,785	\$ 6,435,381
Changes for the year:		
Service cost	44,817	41,709
Interest	65,988	227,974
Changes in assumptions	(199,919)	(274,115)
Benefit payments	(41,061)	(220,147)
Net Changes	<u>(130,175)</u>	<u>(224,579)</u>
Balance at June 30, 2019	<u>\$ 1,763,610</u>	<u>\$ 6,210,802</u>

Change in assumptions under the MMEHT Health Plan reflects a change in the discount rate from 3.44% in 2018 to 4.10% in 2019. There were no other changes to data, assumptions and methodology.

Change in assumptions under the MEABT Health Plan reflects a change in the discount rate from 3.58% to 3.87%.

For the year ended June 30, 2019, the Town recognized OPEB expense of \$2,832 for the PLD OPEB Plan. For the year ended June 30, 2019, the Town recognized OPEB expense of \$57,360 and revenues of \$57,360 for support provided by the State related to the SET OPEB plan. At June 30, 2019, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan.

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 36,917	\$ -
Differences between projected and actual earnings on OPEB plan investments	-	22,956
Changes of assumptions	28,044	80,720
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	19,334
Town contributions subsequent to the measurement date	10,180	-
	<u>\$ 75,141</u>	<u>\$ 123,010</u>

\$10,180 is reported as deferred outflows of resources related to the PLD OPEB plan resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,

2020	\$ (18,307)
2021	(18,307)
2022	(18,307)
2023	(13,973)
2024	<u>10,845</u>
	<u>\$ (58,049)</u>

For the year ended June 30, 2019, the Town recognized OPEB expense of \$71,181 related to the MMEHT Health Plan and OPEB gain of \$4,031 related to the MEABT Health Plan. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plans from the following sources:

	<u>MMEHT Health Plan</u>	<u>MEABT Health Plan</u>		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,426	\$ -	\$ -
Changes of assumptions or other inputs	166,977	177,706	-	228,429
Town contributions subsequent to the measurement date	-	-	228,028	-
	<u>\$ 166,977</u>	<u>\$ 179,132</u>	<u>\$ 228,028</u>	<u>\$ 228,429</u>

\$228,028 is reported as deferred outflows of resources related to MEABT Health Plan OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plans OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>MMEHT Health Plan</u>	<u>MEABT Health Plan</u>
2020	\$ 1,437	\$ (45,686)
2021	1,437	(45,686)
2022	1,437	(45,686)
2023	1,437	(45,686)
2024	1,437	(45,685)
Thereafter	<u>(19,340)</u>	<u>-</u>
	<u>\$ (12,155)</u>	<u>\$ (228,429)</u>

Actuarial assumptions: The total OPEB liabilities in the June 30, 2018 actuarial valuations for both the PLD and SET OPEB plans were determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>PLD OPEB Plan</u>	<u>SET OPEB Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75% to 9.00%	2.75% to 14.50%
Investment return, per annum, compounded annually	6.750%	6.750%

Mortality rates for both the PLD and SET OPEB plans were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, with adjustments ranging 104% to 120% based on actuarially determined demographic differences.

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

The total OPEB liability in the January 1, 2019 actuarial valuation for the MMEHT Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

MMEHT	
<u>Health Plan</u>	
Inflation	3.00%
Salary increases	2.75% average, including inflation
Discount Rate	4.10%
Healthcare cost trend rates (applied in FYE 2018 grading over 15 years to 4% per annum)	
Pre-Medicare Medical:	7.90%
Pre-Medicare Drug:	9.20%
Medicare Medical:	4.87%
Medicare Drug:	9.20%
Retirees' share of the benefit related costs	100.00% of projected health insurance premiums

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

The actuarial assumptions used in the January 1, 2019 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

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

MEABT	
<u>Health Plan</u>	
Inflation	Not reported
Salary increases	2.75% - 14.50% per year
Discount Rate	3.87%
Healthcare cost trend rates	
Pre-Medicare:	5.55% for 2018 grading over 15 years to 3.73%
Medicare:	3.72% for 2018 grading over 15 years to 2.81%
Retirees' share of the benefit related costs	55.00% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

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

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public Equities	70.0%	6.0%
Real Estate	5.0%	5.2%
Traditional Credit	15.0%	3.0%
US Government Securities	10.0%	2.3%
Total	<u>100.0%</u>	

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

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 the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the OPEB plans fiduciary net position was projected to be available to make all future benefit payments to current plan members. Therefore, the long-term expected rate of return on SET OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The discount rate for the MMEHT Health Plan 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 index. Using the Bond Buyer 20-Bond GO Index, the discount rate as of June 30, 2019 is based upon an earlier measurement date, as of December 27, 2018, and is 4.10% per annum.

The rate used to measure the total MEABT OPEB liability was 3.87% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Town's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents the Town's proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 5.13%, as well as what the Town's proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.13%) or 1 percentage-point higher (6.13%) than the current rate:

	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>(4.13%)</u>	<u>(5.13%)</u>	<u>(6.13%)</u>
Net OPEB liability	\$ 577,944	\$ 437,455	\$ 326,690

Sensitivity of the Town's proportionate share of the net SET OPEB plan liability to the changes in the discount rate are not presented as the Town 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 Health Plans OPEB Liability to Changes in the Discount Rate: The following presents the Town's total OPEB liability related to the MMEHT Health Plan calculated using the discount rate of 4.10%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.10%) or 1 percentage-point higher (5.10%) than the current rate:

	1% Decrease <u>(3.10%)</u>	Current Discount Rate <u>(4.10%)</u>	1% Increase <u>(5.10%)</u>
Total OPEB liability	\$ 2,079,194	\$ 1,763,610	\$ 1,512,623

The following presents the Town's total OPEB liability related to the MEABT Health Plan calculated using the discount rate of 3.87%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.87%) or 1 percentage-point higher (4.87%) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
Total OPEB liability	\$ 7,236,763	\$ 6,210,802	\$ 5,388,259

Sensitivity of the Total Health Plans OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the Town's total OPEB liability related to the MMEHT Health Plan calculated using the healthcare cost trend rates as well as what the Town'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:

	Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 1,611,058	\$ 1,763,610	\$ 1,960,698

The following presents the Town's total OPEB liability related to the MEABT Health Plan calculated using the healthcare cost trend rates as well as what the Town'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:

	Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 5,347,359	\$ 6,210,802	\$ 7,286,256

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 MainePERS financial report.

5. Landfill closure and postclosure care cost

Statement No. 18 of the Government Accounting Standards Board (GASB) entitled "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs" requires the Town to record a liability for the estimated costs of landfill closure and postclosure care, as required by governmental authorities. State and federal regulations require that the Town place a final cover on its current operating landfill when waste is no longer accepted, and to perform certain maintenance and monitoring functions at the landfill for a period of thirty years after closure. In addition to operating expenditures related to current activities of the landfill, a related liability is recognized based on the future closure and postclosure care costs that will be paid near or after the date that the landfill stops accepting waste. The Town reports a portion of these closure and postclosure care costs as a liability in the statement of net position based on landfill capacity used as of June 30, 2019.

The actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in laws or regulations. The Town intends to pay for the actual closure and postclosure costs with

funds collected and retained in the solid waste enterprise fund. Where those funds are not sufficient, the Town will look to other funding sources including the pay-as-you-throw enterprise fund, long-term debt, subsidies from the General Fund, and reimbursement from the state under the Maine Landfill Closure and Remediation Program.

The Town has the following solid waste facilities:

Graham Road Landfill: This facility was designed with three cells, with construction and use of the individual cells to be phased in over the life of the facility. As of June 30, 2019, the Town estimates the facility has a remaining capacity of 8.81%, or 36,044 tons. The Town estimates the final closure cost for the entire facility to be approximately \$7,830,000, and the total postclosure care costs are estimated at \$2,145,000, which is an average annual cost of \$71,500 for 30 years. Of the total estimated liability, \$9,975,000, the Town estimates that \$9,096,067 is applicable to this facility based on the estimated capacity used as of June 30, 2019.

The landfill operates under strict environmental regulations and its operation is dependent on continued compliance with existing and future regulations. Licensing for operations and wastewater discharge are regulated by two divisions of the Maine Department of Environmental Protection (MDEP): the Bureau of Remediation and Waste Management, and the Bureau of Land and Water Quality.

For several years, the Town has worked with the MDEP Bureau of Land and Water Quality to comply with, or seek waivers from, certain discharge parameters set by the United States Environmental Protection Agency (EPA), including exploring water treatment options. In 2014, while the Town was working on resolving issues with its wastewater license, the Maine DEP Bureau of Remediation and Waste Management notified the Town of concerns about groundwater contamination trends at the landfill. The recorded trends did not require immediate action, but positioned the Town for consideration of landfill closure funding from the State's Landfill Closure and Remediation Program.

Based on its collaboration with MDEP, the Town has actively moved forward with plans for closing the landfill. In October, 2016, the Town received confirmation from the Maine DEP that the landfill closure met the requirements for cost-sharing through the Maine Landfill Closure and Remediation Program, in accordance with 38 MRS §1310-F. Eventual funding could be reimbursement of up to 75% of closure costs after the landfill closure is complete. Reimbursement is contingent both on the Town's compliance with its closure agreement with MDEP, and funds being available within the state program.

In December 2016, the Council authorized the Town Manager to negotiate and execute documents related to the accelerated closure of the landfill. These included an agreement to accept out-of-town trash, and a Schedule of Compliance (SOC) with MDEP, establishing a schedule for cessation of use of the landfill and implementation of a MDEP-approved alternative solid waste management plan. The Town is currently proceeding with the schedule established in the SOC, and is on a timeline to discontinue use of the landfill in April 2021.

The Town has faced potential fines for its failure to comply with wastewater discharge limits and other violations, and while the Town and MDEP were pursuing a collaborative solution, MDEP chose not to pursue enforcement action. MDEP will provide an Administrative Consent Agreement (ACA) to resolve the past violations, and this may include a penalty to the Town. The MDEP's preliminary estimate of this penalty is in the range of \$10,000 to \$12,000, but the final penalty amount will be based on a review by MDEP management, the Office of the Attorney General, and discussions with the Town.

Wood & Masonry Landfill: This facility ceased operations on October 29, 2005. Work to close the facility in accordance with Maine Department of Environmental Protection guidelines was completed as of September 1, 2006. Of the total liability estimated for landfill closure and postclosure care as of June 30, 2019, the Town estimates that \$72,000 is applicable to this facility. This represents annual monitoring at \$4,000 per year for 18 years. The portion of the liability reported as due within one year is \$4,000.

F. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018 (as restated)	Additions	Deductions	Balance June 30, 2019	Due Within One Year
<u>Governmental Activities</u>					
Bonds payable:					
General obligation	\$ 21,975,669	\$ -	\$(2,252,840)	\$ 19,722,829	\$ 2,090,520
Plus premium on bonds	145,836	-	(21,458)	124,378	21,458
Compensated absences	1,464,836	796,569	(1,008,058)	1,253,347	443,720
Other postemployment benefits	8,700,975	-	(289,108)	8,411,867	-
Net pension liability	8,932,380	-	(3,040,817)	5,891,563	-
	<u>\$ 41,219,696</u>	<u>\$ 796,569</u>	<u>\$(6,612,281)</u>	<u>\$ 35,403,984</u>	<u>\$ 2,555,698</u>
 <u>Business-type Activities</u>					
Compensated absences	\$ 14,162	\$ 10,793	\$ (13,075)	\$ 11,880	\$ 11,880
Landfill closure and postclosure care	8,775,715	396,352	(4,000)	9,168,067	4,000
	<u>\$ 8,789,877</u>	<u>\$ 407,145</u>	<u>\$ (17,075)</u>	<u>\$ 9,179,947</u>	<u>\$ 15,880</u>

As a result of the implementation of the Government Accounting Standards Board Statement 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Town has restated the June 30, 2018 other postemployment (OPEB) liability balance. In the fiscal year ended June 30, 2019, the Town received information on the implicit liability for retiree health insurance through the Maine Education Association Benefits Trust (MEABT). The change as of June 30, 2018 consists of a \$6,435,381 increase of net OPEB liability. This increase, and the corresponding \$220,147 increase in deferred outflows of resources, resulted in a decrease of the Town's June 30, 2018 net position by \$6,215,234.

For the governmental activities, compensated absences, net pension and OPEB obligations are generally liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Solid Waste Facilities Fund. General government bonds payable are predominantly paid from the General Fund, with a portion paid from the TIF fund.

G. Components of Fund Balances

The components of the June 30, 2019 fund balance are as follows:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Advances to other funds	\$ 727,778	\$ -	\$ -	\$ -
Inventories and deposits	39,392	-	-	-
Education purposes	-	2,431,962	-	-
State road assistance funds	-	79,399	-	-
State revenue sharing funds	-	223,452	-	-
Encumbrances	-	-	-	143,588
Budget appropriation	-	-	-	500,000
Budget amendments and advances	-	-	-	1,530,000
Supplemental appropriations	-	-	-	902,500
Compensated absences	-	-	-	369,106
Tax increment financing	-	734,235	-	-
Capital projects funds:				
Advances and deposits	50,000	-	-	-
Restricted capital project funding	-	548,111	-	-
Appropriated for capital projects	-	-	1,746,370	-
Special revenue funds:				
Recreation programs	-	-	372,998	-
Town restricted programs	-	206,933	180,911	-
School restricted programs	20,918	74,999	-	-
Permanent funds	590,733	3,830	-	-
Total	\$ 1,428,821	\$ 4,302,921	\$ 2,300,279	\$ 3,445,194

The Town has a Fund Balance Policy for the General Fund. The policy lists criteria to be used in establishing a minimum fund balance target and sets the minimum *unassigned* fund balance at 16.67% of annual GAAP revenues. At June 30, 2019, the Town's unassigned fund balance was at 19.06% of revenues. The policy states that amounts in excess of the target balance shall be used for capital improvements or other one-time expenditures as approved by the Town Council.

H. Interfund Balances

Interfund balances are composed of two types – advances and due to/due from balances. The advances are interfund loans, and are anticipated to be eliminated as funds are received from appropriations or other sources. The due to/from balances result from receipts and disbursements being made through the consolidated cash accounts held by the General Fund. These balances will be eliminated when cash transfers are made to the appropriate funds.

1. Advances to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Projects	\$ 727,778

Of the \$727,778 advances to the Capital Improvement Projects Fund, \$90,816 will be repaid through the School Department 2019-20 budget, and the remaining \$636,962 will be repaid with TIF revenues or general fund balance over the next several years.

2. Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	School Restricted Fund	\$ 451,271
General Fund	New Elementary School Fund	8,902,230
		\$ 9,353,501
Tax Increment Financing	General Fund	\$ 734,235
Recreation Program Funds	General Fund	4,350
Town Restricted Funds	General Fund	350,205
Public Works Projects	General Fund	495,994
Capital Reserve Fund	General Fund	1,089,658
Capital Improvement Projects	General Fund	170,692
Private-purpose Trust Funds	General Fund	37,011
Enterprise Funds	General Fund	8,253
Internal Service Fund	General Fund	102,158
		\$ 2,992,556

I. **Interfund transfers**

	Transfers In:			
	General Fund	Nonmajor Governmental Funds	Enterprise Funds	Total transfers out
<u>Transfers Out:</u>				
General Fund	\$ -	\$ 2,881,118	\$ 225,000	\$ 3,106,118
Tax Increment Financing	600,000	85,000	-	685,000
<u>Total Transfers In</u>	<u>\$ 600,000</u>	<u>\$ 2,966,118</u>	<u>\$ 225,000</u>	<u>\$ 3,791,118</u>

Of the \$3,106,118 transferred out of the General Fund, \$2,750,198 was made for a variety of capital projects. The largest of these include \$975,958 for the Capital Reserve Fund, \$974,240 for the Capital Improvement Fund, and \$800,000 for the Street Resurfacing Program and Sidewalk Program. The \$225,000 transfer to Enterprise Funds represents General Fund subsidies of the Graham Road Landfill operations of \$150,000 and the Train Station/Visitors Center of \$75,000. Of the remaining \$130,920, \$126,420 was the annual subsidy of the school cafeteria, within the School Restricted programs, and \$4,500 was the annual contribution to the Memorial Day program to match small grants.

Transfers in to the General Fund include a combined transfer of \$600,000 from the Tax Increment Financing Districts. Of the \$600,000 transferred in to the General Fund, \$150,000 was used to subsidize the Capital Reserve Fund for police and fire vehicles, \$100,000 was used to support a portion of the Street Resurfacing Program for qualified road work, \$100,000 funded the Brunswick Downtown Association appropriation, \$62,356 was used to offset professional and admin costs, \$112,644 was used to support transit projects, and the remaining \$75,000 went to fund the train station and visitors center operations.

J. **Donor-restricted Endowments**

The Town maintains several permanent funds and private-purpose trust funds with donor-restricted endowments. Prior to 2017-18, the Town's spending policy for these funds authorized only interest and dividends on investments, less fees, for spending. Any appreciation on investments was added to the original endowment and was not authorized for spending. Beginning in 2017-18, the Town received approval from the State Attorney General to manage the funds in accordance with the Uniform Prudent

Management Act (UPMIFA). The Trust Fund Advisory Committee adopted an Investment Policy Statement which outlines investment objectives and constraints, and annual disbursement guidelines. For 2018-19, the Trust Fund Advisory Committee recommended spending levels at 4.5% of the 20-quarter rolling average balance of the funds.

V. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and other risks for which the Town and its School Department carry insurance. There have been no significant changes in insurance coverage during the past fiscal year. For the three fiscal years ended June 30, 2019, 2018 and 2017, there have been no settlements in excess of coverage.

The Town belongs to the Maine Municipal Association (MMA) Property and Casualty Pool, for most of its municipal property and liability exposures. The Town's School Department, which obtains coverage separately from the remainder of Town government, continues to insure most of its exposures with a commercial insurance underwriter.

For worker's compensation, both the Town and its School Department participate in the Maine Municipal Association (MMA) Worker's Compensation Pool.

If the assets of either the MMA Property and Casualty Pool or the Worker's Compensation Pool are at any time actuarially determined to be insufficient to enable either pool to discharge its legal liability and other obligations and to maintain actuarially sound reserves, either pool has the power to make up the deficiency by the levy of a prorated assessment upon its members for the amount needed to make up the deficiency. There has been no such deficiency in the past three years. Management believes that no such deficiency exists at June 30, 2019.

Further information including financial statements for the Maine Municipal Association Pools may be obtained from MMA Risk Management Services, 60 Community Drive, P.O. Box 9109, Augusta, ME 04332.

B. Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although, except for the items mentioned in the following paragraph, the Town expects such amounts, if any, to be immaterial.

There are various claims and suits pending against the Town that arise in the normal course of the Town's activities. In the opinion of counsel and Town management, the ultimate disposition of these various claims and suits will have no material effect on the financial position of the Town.

C. Deferred Compensation Plan

The Town offers its non-school employees a deferred compensation plan (the "Plan"), created in accordance with Internal Revenue Code Section 457. The Plan, available to all non-school employees, permits the employees to defer a portion of their salary until future years. All assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

D. Overlapping Debt

1. Cumberland County

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment. The Town's share is determined as the percentage of its equalized state valuation of the total equalized state valuation of all municipalities in the County. At June 30, 2019, the Town's equalized state valuation of \$2,319,900,000 was 4.95% of the County's equalized state valuation of \$46,892,350,000. The Town's share of Cumberland County's principal debt as of June 30, 2019 is \$1,874,726 or 4.95% of the total outstanding long-term County debt of \$37,893,997.

2. Maine Region 10 Technical High School

The Town of Brunswick is a participant along with Regional School Unit 5 (RSU 5) and Regional School Unit 75 (RSU 75) in a joint venture to operate Maine Region 10 Technical High School (MR10). MR10 was established by a cooperative agreement pursuant to Maine law to deliver a program of vocational education to students of the member units. As of June 30, 2019, MR10 held no outstanding debt obligations. Should MR10 authorize and issue debt in the future, the Town of Brunswick's share of MR10's debt is 38.29%. See the "Joint Venture" footnote for additional information.

E. Quasi-municipal Debt

Two districts, as quasi-municipal entities, provide certain services to their respective customers, most of whom are within the territorial boundaries of the Town of Brunswick. Although the indebtedness of these districts is not an obligation of the Town nor is it guaranteed by the Town, many of the ratepayers of the districts are also taxpayers of the Town.

The following disclosure as of June 30, 2019 is provided as an indication of the combined debt burden of the constituent ratepayer/taxpayer base.

	Total Principal Debt	% Applicable to Brunswick	Amt Applicable to Brunswick
Brunswick and Topsham Water District	\$ 9,577,638	66.67%	\$ 6,385,411
Brunswick Sewer District	<u>21,819,404</u>	100.00%	<u>21,819,404</u>
Total	<u>\$ 31,397,042</u>		<u>\$ 28,204,815</u>

F. Joint Venture

The Town of Brunswick is a participant along with Regional School Unit 5 (RSU 5) and Regional School Unit 75 (RSU 75) in a joint venture to operate Maine Region 10 Technical High School (MR10). MR10 was established by a cooperative agreement pursuant to Maine law to deliver a program of vocational education to students of the member units. MR10 is governed by a nine-member board of directors. The Town of Brunswick has four members, RSU 75 has three members, and RSU 5 has two members. However, the votes for each board member are weighted according to population determined by the most recent Federal Decennial Census.

With the exception of direct federal and state revenues, balances, and other miscellaneous receipts, MR10 funds its operations, debt service requirements and other programs through an annual assessment to each of the member units. The assessments are also based on the population of the units as determined by the most recent Federal Decennial Census. Each member unit must also approve its assessment through its own budgetary process. The Town of Brunswick currently has an on-going financial responsibility to fund 38.29% of MR10's budget. For the year ended June 30, 2019, the total budget of MR10 was \$2,589,752. After MR10 deducted state subsidies, certain balances and miscellaneous revenues, the Town of Brunswick was assessed and paid \$152,697. At June 30, 2019, MR10 held no outstanding debt obligation balances. Should MR10 authorize and issue debt in the future, the Town of Brunswick's share of MR10's

debt is 38.29%. A copy of MR10's audited financial statements may be obtained from Maine Region 10 Technical High School, 68 Church Road, Brunswick, Maine 04011.

G. Credit Enhancement Agreements

GASB Statement 77, *Tax Abatement Disclosures*, defines tax abatement, for financial reporting purposes, as a reduction in tax revenue resulting from "an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments". While not called 'tax abatements', the Town of Brunswick does currently have certain Credit Enhancement Agreements (CEAs) which fit this definition.

The Town of Brunswick has entered into several Credit Enhancement Agreements (CEAs) with individual organizations as permitted within its five Tax Increment Financing (TIF) District development programs, established under the State of Maine Title 30-A M.R.S. § 5221-5235. The CEAs outline conditions for the reimbursement of a percentage of the tax revenues generated through the increased values of certain parcels within the district. The agreements and payments are intended to promote economic development through real estate development and job creation, as well as infrastructure improvements and business incentives within the former Brunswick Naval Air Station. Based on compliance with the terms of the agreement, and the calculation methods established in the CEAs, the Town returns to the organization a portion of the taxes paid.

On June 30, 2019, the Town had three executed CEAs. For the purpose of calculating CEA payments to the Midcoast Regional Redevelopment Authority (MRRA), the Brunswick Landing and Brunswick Executive Airport TIF Districts are administered together. For the fiscal year ended June 30, 2019, the Town remitted a total of \$962,138 in Credit Enhancement payments. Though only the MRRA payment exceeded 10 percent of the total amount paid, we have chosen to report on all three CEAs as follows:

<u>TIF District</u>	<u>Beginning; Duration</u>	<u>CEA Entity</u>	<u>CEA reimbursement basis</u>	<u>Amount paid during the fiscal year</u>
Downtown Development	2011-12; 10 years	JHR Development of Maine	TIF revenues on one parcel:, five years at 100%, two years at 80%, two years at 70%, final year at 50%	\$ 56,658
Molnlycke Manufacturing	2013-14; 20 years	Molnlycke Manufacturing, LLC	TIF revenues on one parcel:, 35% - 55% based on employment levels	98,029
Brunswick Landing & Brunswick Executive Airport	2013-14; 30 years	Midcoast Regional Redevelopment Authority	Up to 50% of TIF revenues within districts; for use on authorized projects; 30 year total capped at \$15 million.	807,451
				\$ 962,138

The Town has proposed an amendment to the Molnlycke TIF District which changes the name to the Seahawk Omnibus Municipal Development and TIF District, and allows for additional Credit Enhancement Agreements within the district. The amendment includes a CEA with Natural Selection, Inc., DBA Wild Oats Bakery & Café.

H. Construction and Other Significant Commitments

As of June 30, 2019, the Town had various contractual commitments. The significant commitments are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Retainage Held</u>	<u>Remaining Commitment</u>
Elementary School Architect Contract	\$ 1,294,737	\$ -	\$ 227,500
Elementary School Construction	9,039,603	473,769	10,949,434
Brunswick High School Track	161,826	-	762,813
Cooks Corner Connector Road	1,263,466	66,498	932,282
	<hr/>	<hr/>	<hr/>
	\$ 11,759,632	\$ 540,267	\$ 12,872,029

Upon performance by the vendor in the next year, the encumbrances associated with these commitments are expected to be honored from the following funds:

<u>Governmental Fund</u>	<u>Contract balances</u>
New Elementary School Bond Fund	\$ 11,176,934
Other Governmental Funds	<hr/> 1,695,095
	\$ 12,872,029

I. Subsequent Events

Budget Amendment – On August 5, 2019, the Town Council adopted “A Resolution Amending the Municipal Budget for the Period July 1, 2019 to June 30, 2020”. Subsequent to the adoption of the Town’s 2019-20 budget, the Maine Legislature adopted a budget for the State of Maine. The adopted State budget increased the amount of State funding to be distributed to the municipalities through the State Revenue Sharing Program. The Town’s budget amendment recognized an additional \$350,000 in Revenue Sharing, increased the appropriations for street resurfacing/rehabilitation and the contingency reserve by \$100,000 and \$35,000, respectively, and decreased the amount to be raised from property taxes by \$215,000. The amendment was projected to decrease the 2019-20 tax rate increase by one-half percent, from 4.97% to 4.49%.

TIF Amendment – On October 21, 2019, the Town Council approved a resolution “Adopting the Amended and Restated Molnlycke Manufacturing Municipal Development and Tax Increment Financing District Development Program (to be renamed the “Seahawk Omnibus Municipal Development and Tax Increment Financing District Development Program”)”. By adding omnibus capacity to the district, the development program allows credit enhancement agreements (CEAs) to be used to attract new business and encourage business expansion. The amended development program includes the parameters for a CEA to Natural Selection Inc. DBA Wild Oats Bakery & Cafe, which is relocating and expanding its downtown business to Brunswick Landing. Following Town Council adoption, the Town submits the TIF amendment to the Maine Department of Economic and Community Development for final approval.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

Schedule of Changes in the Total Health Plan OPEB Liability and Related Ratios

Schedule of Proportionate Share of the Net OPEB Liability

Schedule of OPEB Contributions

Notes to Required Supplementary Information



Required Supplementary Information

TOWN OF BRUNSWICK, MAINE
Schedule of Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

**Maine Public Employees Retirement System Consolidated Plan (PLD)
and State Employee and Teacher Plan (SET)**

	<u>2019**</u>	<u>2018**</u>	<u>2017**</u>	<u>2016**</u>	<u>2015**</u>
<u>PLD Plan</u>					
Town's proportion of the net pension liability	2.03%	2.07%	2.15%	2.28%	2.30%
Town's proportionate share of the net pension liability	\$ 5,564,296	\$ 8,470,270	\$ 11,433,992	\$ 7,269,492	\$ 3,536,451
Town's covered payroll	9,869,991	9,780,190	9,672,593	9,702,984	9,245,552
Town's proportion share of the net pension liability as a percentage of its covered payroll	56.38%	86.61%	118.21%	74.92%	38.25%
Plan fiduciary net position as a percentage of the total pension liability	91.14%	86.43%	81.61%	88.27%	94.10%
 <u>SET Plan</u>					
Town's proportion of the net pension liability	0.02%	0.03%	0.04%	0.04%	0.04%
Town's proportionate share of the net pension liability	\$ 327,267	\$ 462,110	\$ 779,097	\$ 521,645	\$ 426,374
State's proportionate share of the net pension liability associated with the Town	<u>\$ 20,112,311</u>	<u>\$ 20,957,681</u>	<u>\$ 24,285,768</u>	<u>\$ 18,852,281</u>	<u>\$ 15,095,418</u>
Total	<u>\$ 20,439,578</u>	<u>\$ 21,419,791</u>	<u>\$ 25,064,865</u>	<u>\$ 19,373,926</u>	<u>\$ 15,521,792</u>
Town's covered payroll	\$ 18,315,139	\$ 17,450,661	\$ 16,136,902	\$ 15,980,002	\$ 15,644,285
Town's proportion share of the net pension liability as a percentage of its covered payroll	1.79%	2.65%	4.83%	3.26%	2.73%
Plan fiduciary net position as a percentage of the total pension liability	82.90%	80.78%	76.21%	81.18%	83.91%

* Only five years of information available.

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

See accompanying notes to required supplementary information.

Required Supplementary Information, Continued

TOWN OF BRUNSWICK, MAINE
Schedule of Pension Contributions
Last Ten Fiscal Years*

**Maine Public Employees Retirement System Consolidated Plan (PLD)
and State Employee and Teacher Plan (SET)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>PLD Plan</u>						
Contractually required contribution	\$ 1,203,139	\$ 1,128,830	\$ 1,060,357	\$ 1,009,803	\$ 931,375	\$ 796,662
Contributions in relation to the contractually required contribution	<u>(1,203,139)</u>	<u>(1,128,830)</u>	<u>(1,060,357)</u>	<u>(1,009,803)</u>	<u>(931,375)</u>	<u>(796,662)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Town's covered payroll	\$ 10,122,031	\$ 9,869,991	\$ 9,780,190	\$ 9,672,593	\$ 9,702,984	\$ 9,245,552
Contributions as a percentage of covered payroll	11.89%	11.44%	10.84%	10.44%	9.60%	8.62%
<u>SET Plan</u>						
Contractually required contribution	\$ 748,991	\$ 727,111	\$ 586,342	\$ 542,200	\$ 423,470	\$ 414,573
Contributions in relation to the contractually required contribution	<u>(748,991)</u>	<u>(727,111)</u>	<u>(586,342)</u>	<u>(542,200)</u>	<u>(423,470)</u>	<u>(414,573)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Town's covered payroll	\$ 18,866,276	\$ 18,315,139	\$ 17,450,661	\$ 16,136,902	\$ 15,980,002	\$ 15,644,285
Contributions as a percentage of covered payroll	3.97%	3.97%	3.36%	3.36%	2.65%	2.65%

* Only six years of information available.

See accompanying notes to required supplementary information.

Required Supplementary Information, Continued

TOWN OF BRUNSWICK, MAINE
Schedule of Changes in the Total Health Plan OPEB Liability and Related Ratios
Last Ten Fiscal Years

Maine Municipal Employees Health Trust (MMEHT)

	2019	2018
Total MMEHT Health Plan OPEB Liability*		
Service cost	\$ 44,817	\$ 35,837
Interest	65,988	61,834
Differences between expected and actual experience	-	(1,834)
Changes of assumptions or other inputs	(199,919)	214,685
Benefit payments	(41,061)	(33,157)
Net change in Total MMEHT Health Plan OPEB liability	(130,175)	277,365
Total MMEHT Health Plan OPEB liability - beginning	1,893,785	1,616,420
Total MMEHT Health Plan OPEB liability - ending	<u>\$ 1,763,610</u>	<u>\$ 1,893,785</u>
Covered-employee payroll	\$ 6,629,170	\$ 6,629,170
Total MMEHT Health Plan OPEB liability as a percentage of covered-employee payroll	26.60%	28.57%

Maine Education Association Benefit Trust (MEABT)

	2019***
Total MEABT Health Plan OPEB Liability**	
Service cost	\$ 41,709
Interest	227,974
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(274,115)
Benefit payments	(220,147)
Net change in Total Health Plan OPEB liability	(224,579)
Total Health Plan OPEB liability - beginning	6,435,381
Total Health Plan OPEB liability - ending	<u>\$ 6,210,802</u>
Covered-employee payroll	\$ 15,682,183
Total MEABT Health Plan OPEB liability as a percentage of covered-employee payroll	39.60%

* Only two years of information available.

** Only one year of information available.

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

See accompanying notes to required supplementary information.

Required Supplementary Information, Continued

TOWN OF BRUNSWICK, MAINE
Schedule of Proportionate Share of the Net OPEB Liability
Last Ten Fiscal Years*

**Maine Public Employees Retirement System Consolidated Plan (PLD)
and State Employee and Teacher Plan (SET)**

PLD OPEB Plan

	<u>2019**</u>	<u>2018**</u>
Town's proportion of the net OPEB liability	2.17%	2.22%
Town's proportionate share of the net OPEB liability	\$ 437,455	\$ 371,809
Town's covered-employee payroll	\$ 5,143,649	\$ 5,129,533
Town's proportionate share of net OPEB liability as a percentage of covered-employee payroll	8.50%	7.25%
Plan fiduciary net position as a percentage of the net OPEB liability	43.92%	47.42%

SET OPEB Plan

Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>628,613</u>	<u>572,376</u>
Total	<u><u>\$ 628,613</u></u>	<u><u>\$ 572,376</u></u>
Plan fiduciary net position as a percentage of the net OPEB liability	48.04%	47.29%

* Only two years of information available.

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

See accompanying notes to required supplementary information.

Required Supplementary Information, Continued

TOWN OF BRUNSWICK, MAINE
Schedule of OPEB Contributions
Last Ten Fiscal Years*

Maine Public Employees Retirement System Consolidated Plan (PLD)

<u>PLD OPEB Plan</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 10,180	\$ 11,301	\$ 9,923
Contributions in relation to the contractually required contribution	<u>10,180</u>	<u>11,301</u>	<u>9,923</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 4,983,338	\$ 5,143,649	\$ 5,129,533
Contributions as a percentage of covered-employee payroll	0.20%	0.22%	0.19%

* Only three years of information available.

See accompanying notes to required supplementary information.

Net Pension Liability –**Changes of benefit terms**

There were no changes in benefit terms in the Maine Public Employees Retirement System Plans.

Changes of assumptions

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

	Actuarial Assumptions*		
	June 30, 2018	June 30, 2016	June 30, 2015
Discount rate – PLD	6.750%	6.875%	7.125%
Discount rate – SET	6.750%	6.875%	7.125%
Inflation rate	2.75%	2.75%	3.50%
Salary increases – PLD	2.75 - 9.00%	2.75 - 9.00%	3.50 - 9.50%
Salary increases – SET	2.75 - 14.50%	2.75 - 14.50%	3.50 - 13.50%
Cost of living increases – PLD	1.91%	2.20%	2.55%
Cost of living increases – SET	2.20%	2.20%	2.55%

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

Mortality rates:

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

Net OPEB Liability –**Changes of benefit terms**

None related to the PLD and SET OPEB plans nor the MMEHT Health Plan and MEABT Health Plan.

Changes of assumptions

Under the PLD and SET OPEB plans, the discount rate was reduced from 6.875% to 6.75% for each plan. Under the MMEHT and MEABT Health Plans, changes of assumptions and other inputs reflect the changes in the discount rate each period. The following are the discount rates used in each period:

<u>Year Ending June 30,</u>	<u>MMEHT</u>	<u>MEABT</u>
	<u>Health Plan</u>	<u>Health Plan</u>
2019	4.10%	3.87%
2018	3.44%	3.58%
2017	3.78%	

The first valuation was performed under the MEABT Health Plan. The changes that are provided in the deferred inflows and outflows are related to the change in the discount rate between the beginning of the measurement date and the end of the measurement date. No other changes in assumptions were made.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

Special revenue funds have been established for the following purposes:

Recreation Programs

To account for all user-supported recreation programs.

Town Restricted Programs

To account for grants and other programs where revenues are restricted for a specific purpose.

School Restricted Programs

To account for grants and other programs where revenues are restricted for a specific purpose related to educational expenditures.

CAPITAL PROJECTS FUNDS

Capital projects funds are used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital projects funds have been established for the following purposes:

Impact Fees

To account for a variety of capital improvements for which an impact fee has been levied to fund all or a portion of the improvement. The fees are collected through the Town's site development and subdivision review process.

Public Works Projects

To account for public works projects related to street resurfacing and sidewalk repair.

Capital Reserves

To account for vehicle and equipment replacement, facilities maintenance projects, and cable TV/information technology projects.

Capital Improvement Projects

To account for capital projects that are supported by appropriations and/or advances from the General Fund or donations from private or public sources.

2017 Bond Fund

To account for capital projects funded by long-term debt obligations (the only ongoing capital projects for fiscal year ended June 30, 2019 were the Property Revaluation and Town Hall Exterior Trim projects. All other projects had been completed before fiscal 2019):

Nancy Drive, Patricia Road and Pierce Lane – Storm drain improvements on Nancy Drive, and reconstruct Nancy Drive, Patricia Road and Pierce Lane.

HVAC upgrade for Emerson Station – Acquisition and installation of heating, ventilation, cooling, and related improvements to Emerson Station.

Property Revaluation – Complete reappraisal and revaluation of all taxable and tax-exempt real property in the Town of Brunswick.

Brunswick High School Boiler – Replacement and upgrade of the boiler and domestic hot water system at the high school.

Town Hall Exterior Trim – Project to remove and replace exterior trim elements on the Brunswick Town Hall.

PERMANENT FUNDS

Permanent funds are used to account for resources where principal is legally restricted by a formal trust agreement and earnings may be used for purposes that benefit the government or its citizenry.

Permanent funds have been established for the following purposes:

Education Funds:

Brunswick School Fund

This fund was established to be used by the school department.

Brunswick High Class of 1920 Fund

This fund was established for the purpose of purchasing books for the Brunswick High School Library.

Community Improvements Fund:

Joshua Chamberlain Fund

This fund was established for the maintenance of the Joshua Chamberlain Statue.

Recreation and Cultural Fund:

Nathaniel Davis Recreation Fund

This fund was established to provide funds each year for the pleasure of the inhabitants of the Town of Brunswick as the government of Brunswick shall decide.

Social Services Fund:

George H. and Josephine Runnels Underprivileged Children's Fund

This fund was established for the benefit of underprivileged children of the Town of Brunswick.

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
All Other Governmental Funds
June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 535,990	\$ 566,097	\$ 15,427	\$ 1,117,514
Investments	-	-	579,043	579,043
Receivables:				
Accounts	18,628	-	-	18,628
Intergovernmental	694,347	192,324	-	886,671
Deposits	-	50,000	-	50,000
Inventory	20,918	-	-	20,918
Due from other funds	354,555	1,756,344	-	2,110,899
Total assets	<u>\$ 1,624,438</u>	<u>\$ 2,564,765</u>	<u>\$ 594,470</u>	<u>\$ 4,783,673</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 44,900	\$ 721,700	\$ -	\$ 766,600
Retainage payable	-	66,498	-	66,498
Accrued payroll	124,864	-	-	124,864
Unearned revenue	146,644	-	-	146,644
Due to other funds	451,271	-	-	451,271
Advances from other funds	-	727,778	-	727,778
Total liabilities	<u>767,679</u>	<u>1,515,976</u>	-	2,283,655
Fund balances (deficits):				
Nonspendable	20,918	50,000	590,733	661,651
Restricted	281,932	548,111	3,830	833,873
Committed	553,909	1,746,370	-	2,300,279
Unassigned	-	(1,295,692)	(93)	(1,295,785)
Total fund balances	<u>856,759</u>	<u>1,048,789</u>	<u>594,470</u>	<u>2,500,018</u>
Total liabilities and fund balances	<u>\$ 1,624,438</u>	<u>\$ 2,564,765</u>	<u>\$ 594,470</u>	<u>\$ 4,783,673</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Other Governmental Funds
For the year ended June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
REVENUES				
Intergovernmental	\$ 2,154,120	\$ 758,968	\$ -	\$ 2,913,088
Investment income	-	-	22,560	22,560
Charges for services	1,996,505	-	-	1,996,505
Interest	12,824	12,994	-	25,818
Donations	123,425	90,226	-	213,651
Other	-	6,575	-	6,575
Total revenues	<u>4,286,874</u>	<u>868,763</u>	<u>22,560</u>	<u>5,178,197</u>
EXPENDITURES				
Current:				
General government	691,151	-	2,246	693,397
Public safety	93,076	-	-	93,076
Public works	11,919	-	-	11,919
Education	3,220,730	-	654	3,221,384
Recreation and culture	493,311	-	21,903	515,214
Capital outlay	-	4,500,511	-	4,500,511
Total expenditures	<u>4,510,187</u>	<u>4,500,511</u>	<u>24,803</u>	<u>9,035,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(223,313)</u>	<u>(3,631,748)</u>	<u>(2,243)</u>	<u>(3,857,304)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	130,920	2,835,198	-	2,966,118
Total other financing sources (uses)	<u>130,920</u>	<u>2,835,198</u>	<u>-</u>	<u>2,966,118</u>
Net changes in fund balances	(92,393)	(796,550)	(2,243)	(891,186)
Fund balances, beginning of year	949,152	1,845,339	596,713	3,391,204
Fund balances, end of year	<u>\$ 856,759</u>	<u>\$ 1,048,789</u>	<u>\$ 594,470</u>	<u>\$ 2,500,018</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	Recreation Programs	Town Restricted Programs	School Restricted Programs	Totals
ASSETS				
Cash and cash equivalents	\$ 528,077	\$ 7,913	\$ -	\$ 535,990
Receivables:				
Accounts	2,301	11,002	5,325	18,628
Intergovernmental	- 32,043		662,304	694,347
Inventory	- -		20,918	20,918
Due from other funds	4,350	350,205	- -	354,555
Total assets	<u>\$ 534,728</u>	<u>\$ 401,163</u>	<u>\$ 688,547</u>	<u>\$ 1,624,438</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 8,092	\$ 12,584	\$ 24,224	\$ 44,900
Accrued payroll	13,036	735	111,093	124,864
Unearned revenue	140,602	- -	6,042	146,644
Due to other funds	- -		451,271	451,271
Total liabilities	<u>161,730</u>	<u>13,319</u>	<u>592,630</u>	<u>767,679</u>
Fund balances:				
Nonspendable	- -		20,918	20,918
Restricted	- 206,933		74,999	281,932
Committed	372,998	180,911	- -	553,909
Total fund balances	<u>372,998</u>	<u>387,844</u>	<u>95,917</u>	<u>856,759</u>
Total liabilities and fund balances	<u>\$ 534,728</u>	<u>\$ 401,163</u>	<u>\$ 688,547</u>	<u>\$ 1,624,438</u>

Statement B-2

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2019

	<u>Recreation Programs</u>	<u>Town Restricted Programs</u>	<u>School Restricted Programs</u>	<u>Totals</u>
REVENUES				
Intergovernmental	\$ -	\$ 577,836	\$ 1,576,284	\$ 2,154,120
Charges for services	512,146	14,091	1,470,268	1,996,505
Interest	12,634	190	-	12,824
Donations	-	48,365	75,060	123,425
Total revenues	<u>524,780</u>	<u>640,482</u>	<u>3,121,612</u>	<u>4,286,874</u>
EXPENDITURES				
Current:				
General government	-	691,151	-	691,151
Public safety	-	93,076	-	93,076
Public works	-	11,919	-	11,919
Education	-	-	3,220,730	3,220,730
Recreation and culture	491,327	1,984	-	493,311
Total expenditures	<u>491,327</u>	<u>798,130</u>	<u>3,220,730</u>	<u>4,510,187</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,453</u>	<u>(157,648)</u>	<u>(99,118)</u>	<u>(223,313)</u>
OTHER FINANCING SOURCES				
Transfer from other funds	-	4,500	126,420	130,920
Total other financing sources	-	4,500	126,420	130,920
Net changes in fund balances	33,453	(153,148)	27,302	(92,393)
Fund balances, beginning of year	339,545	540,992	68,615	949,152
Fund balances, end of year	<u>\$ 372,998</u>	<u>\$ 387,844</u>	<u>\$ 95,917</u>	<u>\$ 856,759</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2019

	Impact Fees	Public Works Projects	Capital Reserve Fund	Capital Improvement Projects	2017 Bond Fund	Totals
ASSETS						
Cash and cash equivalents	\$ 548,111	\$ -	\$ -	\$ -	\$ 17,986	\$ 566,097
Receivables:						
Intergovernmental	-	-	-	192,324	-	192,324
Deposits	-	-	-	50,000	-	50,000
Due from other funds	-	495,994	1,089,658	170,692	-	1,756,344
Total assets	<u>\$ 548,111</u>	<u>\$ 495,994</u>	<u>\$ 1,089,658</u>	<u>\$ 413,016</u>	<u>\$ 17,986</u>	<u>\$ 2,564,765</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 38,286	\$ 4,451	\$ 678,963	\$ -	\$ 721,700
Retainage payable	-	-	-	66,498	-	66,498
Advances from other funds	-	-	-	727,778	-	727,778
Total liabilities	<u>-</u>	<u>38,286</u>	<u>4,451</u>	<u>1,473,239</u>	<u>-</u>	<u>1,515,976</u>
Fund balances (deficits):						
Nonspendable	-	-	-	50,000	-	50,000
Restricted	548,111	-	-	-	-	548,111
Committed	-	457,708	1,085,207	185,469	17,986	1,746,370
Unassigned	-	-	-	(1,295,692)	-	(1,295,692)
Total fund balances (deficits)	<u>548,111</u>	<u>457,708</u>	<u>1,085,207</u>	<u>(1,060,223)</u>	<u>17,986</u>	<u>1,048,789</u>
Total liabilities and fund balances	<u>\$ 548,111</u>	<u>\$ 495,994</u>	<u>\$ 1,089,658</u>	<u>\$ 413,016</u>	<u>\$ 17,986</u>	<u>\$ 2,564,765</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the year ended June 30, 2019

	<u>Impact Fees</u>	<u>Public Works Projects</u>	<u>Capital Reserve Fund</u>	<u>Capital Improvement Projects</u>	<u>2017 Bond Fund</u>	<u>Totals</u>
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 758,968	\$ -	\$ 758,968
Interest	12,285	-	-	-	709	12,994
Donations	47,426	7,800	35,000	-	-	90,226
Other	-	-	6,575	-	-	6,575
Total revenues	<u>59,711</u>	<u>7,800</u>	<u>41,575</u>	<u>758,968</u>	<u>709</u>	<u>868,763</u>
EXPENDITURES						
Capital outlay	-	772,040	351,252	3,339,593	37,626	4,500,511
Total expenditures	<u>-</u>	<u>772,040</u>	<u>351,252</u>	<u>3,339,593</u>	<u>37,626</u>	<u>4,500,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59,711</u>	<u>(764,240)</u>	<u>(309,677)</u>	<u>(2,580,625)</u>	<u>(36,917)</u>	<u>(3,631,748)</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	800,000	975,958	1,059,240	-	2,835,198
Total other financing sources (uses)	<u>-</u>	<u>800,000</u>	<u>975,958</u>	<u>1,059,240</u>	<u>-</u>	<u>2,835,198</u>
Net changes in fund balances	<u>59,711</u>	<u>35,760</u>	<u>666,281</u>	<u>(1,521,385)</u>	<u>(36,917)</u>	<u>(796,550)</u>
Fund balances, beginning of year	<u>488,400</u>	<u>421,948</u>	<u>418,926</u>	<u>461,162</u>	<u>54,903</u>	<u>1,845,339</u>
Fund balances (deficits), end of year	<u>\$ 548,111</u>	<u>\$ 457,708</u>	<u>\$ 1,085,207</u>	<u>\$ (1,060,223)</u>	<u>\$ 17,986</u>	<u>\$ 1,048,789</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2019

	Education Funds	Community Improvements Fund	Recreation and Cultural Fund	Social Services Fund	Totals
ASSETS					
Cash and cash equivalents	\$ 521	\$ 1,310	\$ 12,234	\$ 1,362	\$ 15,427
Investments	<u>19,568</u>	<u>49,155</u>	<u>459,196</u>	<u>51,124</u>	<u>579,043</u>
Total assets	<u><u>\$ 20,089</u></u>	<u><u>\$ 50,465</u></u>	<u><u>\$ 471,430</u></u>	<u><u>\$ 52,486</u></u>	<u><u>\$ 594,470</u></u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	19,721	47,003	471,523	52,486	590,733
Restricted	368	3,462	-	-	3,830
Unassigned	<u>-</u>	<u>-</u>	<u>(93)</u>	<u>-</u>	<u>(93)</u>
Total fund balances	<u>20,089</u>	<u>50,465</u>	<u>471,430</u>	<u>52,486</u>	<u>594,470</u>
Total liabilities and fund balances	<u><u>\$ 20,089</u></u>	<u><u>\$ 50,465</u></u>	<u><u>\$ 471,430</u></u>	<u><u>\$ 52,486</u></u>	<u><u>\$ 594,470</u></u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2019

	Education Funds	Community Improvements Fund	Recreation and Cultural Fund	Social Services Fund	Totals
REVENUES					
Investment earnings:					
Interest and dividends	\$ 414	\$ 1,010	\$ 9,879	\$ 1,093	\$ 12,396
Net increase in the fair value of investments	534	1,360	13,320	1,387	16,601
Total investment earnings	948	2,370	23,199	2,480	28,997
Less investment expense	(216)	(524)	(5,127)	(570)	(6,437)
Total revenues	732	1,846	18,072	1,910	22,560
EXPENDITURES					
Current:					
Recreation and culture	-	-	903	-	903
Payment to beneficiaries	654	-	21,000	2,246	23,900
Total expenditures	654	-	21,903	2,246	24,803
Net changes in fund balances	78	1,846	(3,831)	(336)	(2,243)
Fund balances, beginning of year	20,011	48,619	475,261	52,822	596,713
Fund balances, end of year	<u>\$ 20,089</u>	<u>\$ 50,465</u>	<u>\$ 471,430</u>	<u>\$ 52,486</u>	<u>\$ 594,470</u>

Statement D-3

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
Education Funds
June 30, 2019

	Brunswick School Fund	Brunswick High Class of 1920 Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 396	\$ 125	\$ 521
Investments	14,883	4,685	19,568
Total assets	<u>\$ 15,279</u>	<u>\$ 4,810</u>	<u>\$ 20,089</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	15,279	4,442	19,721
Restricted	-	368	368
Total fund balances	<u>15,279</u>	<u>4,810</u>	<u>20,089</u>
Total liabilities and fund balances	<u>\$ 15,279</u>	<u>\$ 4,810</u>	<u>\$ 20,089</u>

Statement D-4

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
Education Funds
For the year ended June 30, 2019

	Brunswick School Fund	Brunswick High Class of 1920 Fund	Totals
REVENUES			
Investment earnings:			
Interest and dividends	\$ 318	\$ 96	\$ 414
Net increase in the fair value of investments	<u>404</u>	<u>130</u>	<u>534</u>
Total investment earnings	722	226	948
Less investment expense	<u>(166)</u>	<u>(50)</u>	<u>(216)</u>
Total revenues	556	176	732
EXPENDITURES			
Payment to beneficiaries	<u>654</u>	<u>-</u>	<u>654</u>
Total expenditures	<u>654</u>	<u>-</u>	<u>654</u>
Net changes in fund balances	(98)	176	78
Fund balances, beginning of year	<u>15,377</u>	<u>4,634</u>	<u>20,011</u>
Fund balances, end of year	<u>\$ 15,279</u>	<u>\$ 4,810</u>	<u>\$ 20,089</u>

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PROPRIETARY FUNDS

Enterprise Funds:

These funds are used to report activities for which a fee is charged to external users for goods or services. In addition to its Solid Waste Facilities and Pay-per-bag major funds, the Town reports the following nonmajor enterprise funds:

Mere Point Wastewater
Operation of a wastewater district serving 35 households.

Train Station/Visitors Center
Operation of a downtown train station and visitors center.



TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Nonmajor Proprietary Funds
Enterprise Funds
June 30, 2019

	<u>Mere Point</u>	<u>Train Station/</u>	<u>Visitors Center</u>	<u>Totals</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,993	\$ 70,479	\$ 75,472	
Accounts receivable	3,131	-	3,131	
Due from other funds	-	1,146	1,146	
Total current assets	<u>8,124</u>	<u>71,625</u>	<u>79,749</u>	
Capital assets:				
Improvements other than buildings	-	74,038	74,038	
Machinery and equipment	97,500	8,947	106,447	
Infrastructure	636,738	-	636,738	
Less accumulated depreciation	(704,981)	(76,871)	(781,852)	
Net capital assets	<u>29,257</u>	<u>6,114</u>	<u>35,371</u>	
Total assets	<u>37,381</u>	<u>77,739</u>	<u>115,120</u>	
LIABILITIES				
Current liabilities:				
Accounts payable	<u>950</u>	<u>285</u>	<u>1,235</u>	
Total liabilities	<u>950</u>	<u>285</u>	<u>1,235</u>	
NET POSITION				
Net investment in capital assets	29,257	6,114	35,371	
Unrestricted	7,174	71,340	78,514	
Total net position	<u>\$ 36,431</u>	<u>\$ 77,454</u>	<u>\$ 113,885</u>	

Statement E-2

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
Enterprise Funds
For the year ended June 30, 2019

	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services:			
Service fees	\$ 36,042	\$ -	\$ 36,042
Rent	-	11,340	11,340
Parking meter	-	20,379	20,379
Total operating revenues	<u>36,042</u>	<u>31,719</u>	<u>67,761</u>
OPERATING EXPENSES			
Contractual services	25,244	82,118	107,362
Materials and supplies	-	2,694	2,694
Depreciation	<u>5,681</u>	<u>1,789</u>	<u>7,470</u>
Total operating expenses	<u>30,925</u>	<u>86,601</u>	<u>117,526</u>
Operating income (loss)	<u>5,117</u>	<u>(54,882)</u>	<u>(49,765)</u>
NONOPERATING REVENUES			
Interest income	<u>9</u>	<u>1,206</u>	<u>1,215</u>
Total nonoperating revenues	<u>9</u>	<u>1,206</u>	<u>1,215</u>
Income (loss) before transfers	<u>5,126</u>	<u>(53,676)</u>	<u>(48,550)</u>
Transfers in	<u>-</u>	<u>75,000</u>	<u>75,000</u>
Change in net position	<u>5,126</u>	<u>21,324</u>	<u>26,450</u>
Net position, beginning of year	<u>31,305</u>	<u>56,130</u>	<u>87,435</u>
Net position, end of year	<u>\$ 36,431</u>	<u>\$ 77,454</u>	<u>\$ 113,885</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Enterprise Funds
For the year ended June 30, 2019

	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 37,227	\$ 31,719	\$ 68,946
Payments to suppliers for goods and services	<u>(25,897)</u>	<u>(84,582)</u>	<u>(110,479)</u>
Net cash provided (used) by operating activities	<u>11,330</u>	<u>(52,863)</u>	<u>(41,533)</u>
CASH FLOWS FROM NONCAPITAL			
FINANCING ACTIVITIES			
Transfer from other funds	-	75,000	75,000
Increase (decrease) in due to other funds	<u>(6,346)</u>	<u>(288)</u>	<u>(6,634)</u>
Cash provided (used) by noncapital financing activities	<u>(6,346)</u>	<u>74,712</u>	<u>68,366</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	9	1,206	1,215
Cash provided by investing activities	<u>9</u>	<u>1,206</u>	<u>1,215</u>
Net increase in cash	4,993	23,055	28,048
Cash, beginning of year	-	47,424	47,424
Cash, end of year	<u>\$ 4,993</u>	<u>\$ 70,479</u>	<u>\$ 75,472</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ 5,117	\$ (54,882)	\$ (49,765)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	5,681	1,789	7,470
(Increase) decrease in accounts receivable	1,185	-	1,185
Increase (decrease) in accounts payable	<u>(653)</u>	<u>230</u>	<u>(423)</u>
Total adjustments	<u>6,213</u>	<u>2,019</u>	<u>8,232</u>
Net cash provided (used) by operating activities	<u>\$ 11,330</u>	<u>\$ (52,863)</u>	<u>\$ (41,533)</u>

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and which cannot be used to support the government's own programs.

Private-purpose Trust Funds:

These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Scholarships and Education Funds:

Samuel G. Davis School Prize Fund

Provides one boy and one girl from each high school class and the highest class in each grammar school in Brunswick a prize for "kind good manners".

Solon E. and Lydia Skolfield Turner Scholarship Fund

Provides scholarships to assist worthy graduates or students of the Brunswick High School in pursuing advanced studies in approved secondary schools.

Pearl H. Baker Scholarship Fund

Provides scholarships to encourage and assist deserving and needy graduates of Brunswick High School to continue their education.

Lewis P. Gallagher Scholarship Fund

Provides scholarships to selected graduates of Brunswick High School to attend a vocational institution, college or university.

Doris C. Bibber Memorial Fund

Provides an award to a high school senior who has demonstrated outstanding ability and excellence in history class.

Elizabeth A. Nickerson Scholarship Fund

Provides a need-based scholarship to attend a four-year college or university to a graduating female student of Brunswick High School.

John Bibber Scholarship Fund

Provides a scholarship to a graduate of Brunswick High School or a resident of Brunswick who intends to pursue a degree in Public Administration.

Lester Rogers Memorial Fund

Provides a memorial award for eighth grade technology students.

Brunswick Junior High School Personal Growth Award Fund

Provides an award to recognize Junior High School students who have shown growth in the face of adversity over the course of the school year.

Public Library Funds: For the benefit of Curtis Memorial Library

L. Augusta Curtis Library Fund

W. J. Curtis Library Fund

Letitia A. Curtis Library Fund

E. H. Pennel Village Improvement Fund

For the use of the Village Improvement Association.

Alex Labbe Recreation Fund

Provides summer vacation camp scholarships for children participating in the Brunswick Parks and Recreation Department program.

Agency Funds:

The Student Activities Agency Fund is used to report resources held by the Town in a purely custodial capacity.

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Fiduciary Funds
Private-purpose Trust Funds
June 30, 2019

Private-purpose Trust Funds					
	Scholarship and Education Funds	Public Library Funds	E. H. Pennell Village Improvement Fund	Alex Labbe Recreation Fund	Totals
ASSETS					
Cash and cash equivalents	\$ 29,019	\$ 2,369	\$ 733	\$ -	\$ 32,121
Investments	346,868	88,914	27,527	-	463,309
Due from other funds	-	-	-	37,011	37,011
Total assets	<u>375,887</u>	<u>91,283</u>	<u>28,260</u>	<u>37,011</u>	<u>532,441</u>
LIABILITIES					
Accounts payable	3,238	-	-	-	3,238
Total liabilities	<u>3,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,238</u>
NET POSITION					
Net position held in trust for other purposes	<u>\$ 372,649</u>	<u>\$ 91,283</u>	<u>\$ 28,260</u>	<u>\$ 37,011</u>	<u>\$ 529,203</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Changes in Net Position
Fiduciary Funds
Private-purpose Trust Funds
For the year ended June 30, 2019

Private-purpose Trust Funds					
	Scholarship and Education Funds	Public Library Funds	E. H. Pennell Village Improvement Fund	Alex Labbe Recreation Fund	Totals
ADDITIONS					
Contributions	\$ -	\$ -	\$ -	\$ 19,436	\$ 19,436
Investment earnings:					
Interest and dividends	8,575	1,900	589	-	11,064
Net increase in the fair value of investments	20,683	2,412	746	-	23,841
Total investment earnings	29,258	4,312	1,335	-	34,905
Less investment expense	(5,134)	(990)	(307)	-	(6,431)
Total additions	<u>24,124</u>	<u>3,322</u>	<u>1,028</u>	<u>19,436</u>	<u>47,910</u>
DEDUCTIONS					
Payment to beneficiaries	427,952	3,909	1,228	4,829	437,918
Total deductions	<u>427,952</u>	<u>3,909</u>	<u>1,228</u>	<u>4,829</u>	<u>437,918</u>
Changes in net position	(403,828)	(587)	(200)	14,607	(390,008)
Net position - beginning of year	776,477	91,870	28,460	22,404	919,211
Net position - end of year	<u>\$ 372,649</u>	<u>\$ 91,283</u>	<u>\$ 28,260</u>	<u>\$ 37,011</u>	<u>\$ 529,203</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Fiduciary Funds
Private-purpose Trust Funds
Scholarship and Education Funds
June 30, 2019

	Samuel Davis School Prize Fund	Skolfield Turner Scholarship Fund	Pearl Baker Scholarship Fund	Lewis Gallagher Scholarship Fund	Doris Bibber Memorial Fund	Elizabeth Nickerson Scholarship Fund	John Bibber Scholarship Fund	Lester Rogers Memorial Fund	Brunswick JHS Personal Growth Award Fund	Totals
ASSETS										
Cash and cash equivalents	\$ 1,142	\$ -	\$ -	\$ 25,591	\$ -	\$ 2,075	\$ -	\$ 144	\$ 67	\$ 29,019
Investments	42,868	-	-	218,202	-	77,890	-	5,405	2,503	346,868
Total assets	44,010	-	-	243,793	-	79,965	-	5,549	2,570	375,887
LIABILITIES										
Accounts payable	-	-	-	-	-	3,238	-	-	-	3,238
Total liabilities	-	-	-	-	-	3,238	-	-	-	3,238
NET POSITION										
Net position held in trust for other purposes	\$ 44,010	\$ -	\$ -	\$ 243,793	\$ -	\$ 76,727	\$ -	\$ 5,549	\$ 2,570	\$ 372,649

TOWN OF BRUNSWICK, MAINE
Combining Statement of Changes in Net Position
Fiduciary Funds
Private-purpose Trust Funds
Scholarship and Education Funds
For the year ended June 30, 2019

	Samuel Davis School Prize Fund	Skolfield Turner Scholarship Fund	Pearl Baker Scholarship Fund	Lewis Gallagher Scholarship Fund	Doris Bibber Memorial Fund	Elizabeth Nickerson Scholarship Fund	John Bibber Scholarship Fund	Lester Rogers Memorial Fund	Brunswick JHS Personal Growth Award Fund	Totals
ADDITIONS										
Investment earnings:										
Interest and dividends	\$ 920	\$ 508	\$ 6	\$ 5,252	\$ 3	\$ 1,676	\$ 41	\$ 116	\$ 53	\$ 8,575
Net increase in fair value of investments	1,237	8,586	116	7,682	41	2,106	688	156	71	20,683
Total investment earnings	2,157	9,094	122	12,934	44	3,782	729	272	124	29,258
Less investment expense	(477)	(396)	(5)	(3,258)	(2)	(875)	(32)	(61)	(28)	(5,134)
Total additions	1,680	8,698	117	9,676	42	2,907	697	211	96	24,124
DEDUCTIONS										
Payment to beneficiaries	1,900	379,177	5,107	6,000	1,811	3,238	30,404	240	75	427,952
Total deductions	1,900	379,177	5,107	6,000	1,811	3,238	30,404	240	75	427,952
Changes in net position	(220)	(370,479)	(4,990)	3,676	(1,769)	(331)	(29,707)	(29)	21	(403,828)
Net position - beginning of year	44,230	370,479	4,990	240,117	1,769	77,058	29,707	5,578	2,549	776,477
Net position - end of year	\$ 44,010	\$ -	\$ -	\$ 243,793	\$ -	\$ 76,727	\$ -	\$ 5,549	\$ 2,570	\$ 372,649

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Fiduciary Funds
Private-purpose Trust Funds
Public Library Funds
June 30, 2019

	L. Augusta Curtis Library Fund	W. J. Curtis Library Fund	Letitia A. Curtis Library Fund	Totals
ASSETS				
Cash and cash equivalents	\$ 1,155	\$ 957	\$ 257	\$ 2,369
Investments	43,375	35,899	9,640	88,914
Total assets	<u>44,530</u>	<u>36,856</u>	<u>9,897</u>	<u>91,283</u>
LIABILITIES				
Accounts payable	-	-	-	-
Total liabilities	-	-	-	-
NET POSITION				
Net position held in trust for other purposes	<u>\$ 44,530</u>	<u>\$ 36,856</u>	<u>\$ 9,897</u>	<u>\$ 91,283</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Changes in Net Position
Fiduciary Funds
Private-purpose Trust Funds
Public Library Funds
For the year ended June 30, 2019

	L. Augusta Curtis Library Fund	W. J. Curtis Library Fund	Letitia A. Curtis Library Fund	Totals
ADDITIONS				
Investment earnings:				
Interest and dividends	\$ 927	\$ 767	\$ 206	\$ 1,900
Net increase in the fair value of investments	1,176	974	262	2,412
Total investment earnings	2,103	1,741	468	4,312
Less investment expense	(483)	(400)	(107)	(990)
Total additions	1,620	1,341	361	3,322
DEDUCTIONS				
Payment to beneficiaries	1,907	1,578	424	3,909
Total deductions	<u>1,907</u>	<u>1,578</u>	<u>424</u>	<u>3,909</u>
Changes in net position	(287)	(237)	(63)	(587)
Net position - beginning of year	44,817	37,093	9,960	91,870
Net position - end of year	<u>\$ 44,530</u>	<u>\$ 36,856</u>	<u>\$ 9,897</u>	<u>\$ 91,283</u>

TOWN OF BRUNSWICK, MAINE
Statement of Changes in Assets and Liabilities
Fiduciary Funds
Agency Fund
For the year ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
ASSETS				
Due from other funds	\$ 107,428	\$ 92,036	\$ 94,050	\$ 105,414
Total assets	<u>107,428</u>	<u>92,036</u>	<u>94,050</u>	<u>105,414</u>
LIABILITIES				
Accounts payable	2,892	3,330	-	6,222
Amounts held for others - student activities	104,536	88,706	94,050	99,192
Total liabilities	<u>\$ 107,428</u>	<u>\$ 92,036</u>	<u>\$ 94,050</u>	<u>\$ 105,414</u>

STATISTICAL SECTION



The following statistical tables are provided to give a historical perspective and to assist in assessing the current financial status of the Town of Brunswick. The tables do not provide full financial information for prior years and are provided for supplementary analysis purposes only.

<u>Contents</u>	<u>Tables</u>
Financial Trends	1-5
<i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	
Revenue Capacity	6-11
<i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	
Debt Capacity	12-14
<i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	15-16
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	
Operating Information	17-19
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i>	

Table 1

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

	Fiscal Year									
	<u>2010</u>	<u>2011(a)</u>	<u>2012</u>	<u>2013</u>	<u>2014(b)</u>	<u>2015</u>	<u>2016</u>	<u>2017(c)</u>	<u>2018(c)</u>	<u>2019</u>
Governmental activities										
Net investment in capital assets	\$ 45,552,625	\$ 45,183,666	\$ 45,338,934	\$ 47,805,066	\$ 55,925,927	\$ 56,815,236	\$ 56,294,978	\$ 54,166,077	\$ 56,225,310	\$ 68,970,333
Restricted	10,935,859	12,444,106	9,412,416	9,100,700	7,494,688	6,601,576	7,006,212	6,708,645	5,571,415	4,914,572
Unrestricted	7,423,485	7,612,316	11,150,181	10,836,336	3,280,822	3,683,415	2,825,122	4,687,565	(478,699)	(6,847,630)
Total governmental activities net position	<u>\$ 63,911,969</u>	<u>\$ 65,240,088</u>	<u>\$ 65,901,531</u>	<u>\$ 67,742,102</u>	<u>\$ 66,701,437</u>	<u>\$ 67,100,227</u>	<u>\$ 66,126,312</u>	<u>\$ 65,562,287</u>	<u>\$ 61,318,026</u>	<u>\$ 67,037,275</u>
Business-type activities										
Net investment in capital assets	\$ 2,405,839	\$ 2,494,242	\$ 2,525,417	\$ 2,432,176	\$ 2,269,672	\$ 2,235,365	\$ 2,095,120	\$ 1,915,310	\$ 1,528,890	\$ 1,192,654
Unrestricted	(4,573,897)	(4,650,533)	(4,797,321)	(4,522,385)	(4,291,756)	(4,203,593)	(4,135,381)	(4,051,279)	(4,206,420)	(3,544,678)
Total business-type activities net position	<u>\$ (2,168,058)</u>	<u>\$ (2,156,291)</u>	<u>\$ (2,271,904)</u>	<u>\$ (2,090,209)</u>	<u>\$ (2,022,084)</u>	<u>\$ (1,968,228)</u>	<u>\$ (2,040,261)</u>	<u>\$ (2,135,969)</u>	<u>\$ (2,677,530)</u>	<u>\$ (2,352,024)</u>
Primary government										
Net investment in capital assets	\$ 47,958,464	\$ 47,677,908	\$ 47,864,351	\$ 50,237,242	\$ 58,195,599	\$ 59,050,601	\$ 58,390,098	\$ 56,081,387	\$ 57,754,200	\$ 70,162,987
Restricted	10,935,859	12,444,106	9,412,416	9,100,700	7,494,688	6,601,576	7,006,212	6,708,645	5,571,415	4,914,572
Unrestricted	2,849,588	2,961,783	6,352,860	6,313,951	(1,010,934)	(520,178)	(1,310,259)	636,286	(4,685,119)	(10,392,308)
Total primary government net position	<u>\$ 61,743,911</u>	<u>\$ 63,083,797</u>	<u>\$ 63,629,627</u>	<u>\$ 65,651,893</u>	<u>\$ 64,679,353</u>	<u>\$ 65,131,999</u>	<u>\$ 64,086,051</u>	<u>\$ 63,426,318</u>	<u>\$ 58,640,496</u>	<u>\$ 64,685,251</u>

(a) Net position has been restated as a result of implementing GASB Statements 63 & 65 in 2012. Years prior to 2011 have not been restated.

(b) Net position has been restated as a result of implementing GASB Statements 68 & 71 in 2015. Years prior to 2014 have not been restated.

(c) Net position has been restated as a result of implementing GASB Statement 75 in 2018 and 2019. Years prior to 2017 have not been restated.

Table 2

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

	Fiscal Year									
	2010	2011(a)	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 3,950,035	\$ 4,368,816	\$ 4,414,316	\$ 4,144,050	\$ 4,382,918	\$ 5,006,091	\$ 5,849,369	\$ 5,803,581	\$ 4,950,780	\$ 5,603,934
Public safety	7,493,862	7,656,381	7,650,053	8,095,189	8,643,119	8,144,886	9,952,015	9,446,469	9,211,812	8,461,265
Public works	5,099,104	4,809,787	4,991,362	5,740,333	5,180,234	5,401,071	5,417,529	5,569,343	5,545,346	5,752,593
Human services	134,805	150,279	168,829	154,429	168,706	165,884	191,042	147,830	166,430	190,614
Education	36,967,698	35,576,224	34,590,451	34,366,120	36,080,222	37,759,011	37,889,171	41,486,812	41,908,434	41,202,580
Recreation and culture	2,660,828	2,447,708	2,619,742	2,749,776	3,319,591	3,336,957	3,417,837	3,536,584	3,733,011	3,681,856
County tax	1,149,612	1,171,049	1,187,020	1,183,264	1,249,487	1,333,350	1,360,042	1,410,855	1,517,700	1,565,279
Unclassified	133,725	120,725	296,682	281,424	36,996	8,683	29,082	29,868	130,537	199,922
Interest on long term debt	251,625	644,723	785,569	698,508	741,999	698,977	655,622	622,579	613,636	562,271
Total governmental activities expenses	<u>57,841,294</u>	<u>56,945,692</u>	<u>56,704,024</u>	<u>57,413,093</u>	<u>59,803,272</u>	<u>61,854,910</u>	<u>64,761,709</u>	<u>68,053,921</u>	<u>67,777,686</u>	<u>67,220,314</u>
Business-type activities:										
Solid waste facilities	693,496	1,260,786	876,942	614,661	712,042	730,574	881,459	857,971	2,325,237	1,406,202
Pay-per-bag program	72,789	83,584	80,969	80,200	85,259	90,666	92,079	88,785	121,459	70,761
Other business-type activities	87,635	94,121	97,773	127,122	143,733	143,221	124,633	137,868	140,113	117,526
Total business-type activities	<u>853,920</u>	<u>1,438,491</u>	<u>1,055,684</u>	<u>821,983</u>	<u>941,034</u>	<u>964,461</u>	<u>1,098,171</u>	<u>1,084,624</u>	<u>2,586,809</u>	<u>1,594,489</u>
Total primary government expenses	<u>\$ 58,695,214</u>	<u>\$ 58,384,183</u>	<u>\$ 57,759,708</u>	<u>\$ 58,235,076</u>	<u>\$ 60,744,306</u>	<u>\$ 62,819,371</u>	<u>\$ 65,859,880</u>	<u>\$ 69,138,545</u>	<u>\$ 70,364,495</u>	<u>\$ 68,814,803</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Education	\$ 1,468,047	\$ 887,731	\$ 605,689	\$ 679,596	\$ 417,018	\$ 727,312	\$ 700,162	\$ 1,966,093	\$ 1,872,506	\$ 1,756,317
Other activities	2,328,099	2,518,376	1,961,989	2,080,643	2,192,461	2,238,103	2,343,611	2,397,047	2,667,996	2,819,610
Operating grants and contributions	21,959,665	19,758,529	18,275,484	15,249,827	15,533,543	15,462,170	15,340,194	15,481,276	15,233,409	15,379,788
Capital grants and contributions	897,073	1,069,654	247,704	2,487,876	5,961,817	452,248	54,913	603,529	925,815	1,660,220
Total governmental activities program revenues	<u>26,652,884</u>	<u>24,234,290</u>	<u>21,090,866</u>	<u>20,497,942</u>	<u>24,104,839</u>	<u>18,879,833</u>	<u>18,438,880</u>	<u>20,447,945</u>	<u>20,699,726</u>	<u>21,615,935</u>
Business-type activities:										
Charges for services:										
Solid waste facilities	411,035	380,115	351,918	321,153	370,030	398,407	475,110	425,768	1,282,838	1,051,063
Pay-per-bag program	308,900	328,100	303,400	299,100	315,900	317,800	322,300	311,165	414,300	465,600
Other business-type activities	21,883	34,005	35,669	35,806	35,669	33,173	31,753	42,187	55,218	67,761
Operating grants and contributions	29,333	44,000	44,000	44,000	44,000	14,667	-	-	-	-
Capital grants and contributions	25,000	-	-	53,430	-	-	-	-	-	-
Total business-type activities program revenues	<u>796,151</u>	<u>786,220</u>	<u>734,987</u>	<u>753,489</u>	<u>765,599</u>	<u>764,047</u>	<u>829,163</u>	<u>779,120</u>	<u>1,752,356</u>	<u>1,584,424</u>
Total primary government program revenues	<u>\$ 27,449,035</u>	<u>\$ 25,020,510</u>	<u>\$ 21,825,853</u>	<u>\$ 21,251,431</u>	<u>\$ 24,870,438</u>	<u>\$ 19,643,880</u>	<u>\$ 19,268,043</u>	<u>\$ 21,227,065</u>	<u>\$ 22,452,082</u>	<u>\$ 23,200,359</u>

Table 2, continued

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

	Fiscal Year									
	2010	2011(a)	2012	2013	2014	2015	2016	2017	2018	2019
Net (expense) revenue										
Governmental activities	\$(31,188,410)	\$(32,711,402)	\$(35,613,158)	\$(36,915,151)	\$(35,698,433)	\$(42,975,077)	\$(46,322,829)	\$(47,605,976)	\$(47,077,960)	\$(45,604,379)
Business-type activities	(57,769)	(652,271)	(320,697)	(68,494)	(175,435)	(200,414)	(269,008)	(305,504)	(834,453)	(10,065)
Total primary government net expenses	<u>\$(31,246,179)</u>	<u>\$(33,363,673)</u>	<u>\$(35,933,855)</u>	<u>\$(36,983,645)</u>	<u>\$(35,873,868)</u>	<u>\$(43,175,491)</u>	<u>\$(46,591,837)</u>	<u>\$(47,911,480)</u>	<u>\$(47,912,413)</u>	<u>\$(45,614,444)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 29,348,586	\$ 30,047,418	\$ 31,373,355	\$ 34,120,685	\$ 36,850,361	\$ 39,007,676	\$ 40,903,778	\$ 42,687,078	\$ 43,785,337	\$ 45,577,899
Vehicle, watercraft and aircraft excise taxes	2,496,579	2,549,546	2,653,928	2,904,995	2,950,348	3,071,620	3,170,899	3,473,674	3,618,811	3,805,224
Unrestricted grants and contributions	1,850,600	1,764,401	1,791,677	1,815,749	1,319,069	1,392,084	1,432,041	1,429,859	1,452,665	1,691,877
Investment earnings	83,101	387,470	27,287	55,750	83,537	9,856	30,496	204,277	385,437	473,628
Other	9,600	43,950	365,434	3,261	17,965	136,631	5,700	477,767	31,683	-
Special items	-	-	267,920	105,282	225,000	-	-	-	-	-
Transfers	(120,000)	(664,000)	(205,000)	(250,000)	(240,000)	(244,000)	(194,000)	(194,000)	(225,000)	(225,000)
Total governmental activities	<u>33,668,466</u>	<u>34,128,785</u>	<u>36,274,601</u>	<u>38,755,722</u>	<u>41,206,280</u>	<u>43,373,867</u>	<u>45,348,914</u>	<u>48,078,655</u>	<u>49,048,933</u>	<u>51,323,628</u>
Business type activities:										
Investment earnings	29	38	84	189	232	270	2,975	15,796	60,892	110,571
Other	20,000	-	-	-	3,328	10,000	-	-	7,000	-
Transfers	120,000	664,000	205,000	250,000	240,000	244,000	194,000	194,000	225,000	225,000
Total business-type activities	<u>140,029</u>	<u>664,038</u>	<u>205,084</u>	<u>250,189</u>	<u>243,560</u>	<u>254,270</u>	<u>196,975</u>	<u>209,796</u>	<u>292,892</u>	<u>335,571</u>
Total primary government	<u>\$ 33,808,495</u>	<u>\$ 34,792,823</u>	<u>\$ 36,479,685</u>	<u>\$ 39,005,911</u>	<u>\$ 41,449,840</u>	<u>\$ 43,628,137</u>	<u>\$ 45,545,889</u>	<u>\$ 48,288,451</u>	<u>\$ 49,341,825</u>	<u>\$ 51,659,199</u>
Change in Net Position										
Governmental activities	\$ 2,480,056	\$ 1,417,383	\$ 661,443	\$ 1,840,571	\$ 5,507,847	\$ 398,790	\$ (973,915)	\$ 472,679	\$ 1,970,973	\$ 5,719,249
Business-type activities	82,260	11,767	(115,613)	181,695	68,125	53,856	(72,033)	(95,708)	(541,561)	325,506
Total primary government	<u>\$ 2,562,316</u>	<u>\$ 1,429,150</u>	<u>\$ 545,830</u>	<u>\$ 2,022,266</u>	<u>\$ 5,575,972</u>	<u>\$ 452,646</u>	<u>\$ (1,045,948)</u>	<u>\$ 376,971</u>	<u>\$ 1,429,412</u>	<u>\$ 6,044,755</u>

(a) As a result of implementing GASB Statements 63 & 65 in 2012, 2011 expenses have been restated to reflect a change in the accounting for debt issuance costs. Years prior to 2011 have not been restated.

Table 3

TOWN OF BRUNSWICK, MAINE
Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function/Program										
Governmental activities:										
General government	\$ 1,411,158	\$ 1,666,819	\$ 1,029,607	\$ 726,191	\$ 744,758	\$ 1,585,959	\$ 1,432,364	\$ 667,026	\$ 812,066	\$ 1,397,658
Public safety	981,767	1,253,600	1,235,942	1,341,026	1,399,505	1,315,187	1,334,520	1,328,824	1,529,603	1,530,473
Public works	1,111,713	1,135,478	390,552	2,121,817	1,128,833	677,835	292,592	548,949	987,977	1,424,051
Human services	29,566	29,538	38,337	29,305	26,976	37,298	36,313	30,755	41,111	52,176
Education	22,784,394	19,780,838	18,005,614	15,309,950	15,390,597	14,773,175	14,810,694	17,311,964	16,761,505	16,653,258
Recreation and culture	334,286	368,017	390,814	969,653	5,414,170	490,379	532,397	560,427	567,464	558,319
Total governmental activities	<u>26,652,884</u>	<u>24,234,290</u>	<u>21,090,866</u>	<u>20,497,942</u>	<u>24,104,839</u>	<u>18,879,833</u>	<u>18,438,880</u>	<u>20,447,945</u>	<u>20,699,726</u>	<u>21,615,935</u>
Business-type activities:										
Solid waste facilities	411,035	380,115	351,918	321,153	370,030	398,407	475,110	425,768	1,282,838	1,051,063
Pay-per-bag program	308,900	328,100	303,400	299,100	315,900	317,800	322,300	311,165	414,300	465,600
Other business-type activities	<u>76,216</u>	<u>78,005</u>	<u>79,669</u>	<u>133,236</u>	<u>79,669</u>	<u>47,840</u>	<u>31,753</u>	<u>42,187</u>	<u>55,218</u>	<u>67,761</u>
Total business-type activities	<u>796,151</u>	<u>786,220</u>	<u>734,987</u>	<u>753,489</u>	<u>765,599</u>	<u>764,047</u>	<u>829,163</u>	<u>779,120</u>	<u>1,752,356</u>	<u>1,584,424</u>
Total primary government	<u>\$ 27,449,035</u>	<u>\$ 25,020,510</u>	<u>\$ 21,825,853</u>	<u>\$ 21,251,431</u>	<u>\$ 24,870,438</u>	<u>\$ 19,643,880</u>	<u>\$ 19,268,043</u>	<u>\$ 21,227,065</u>	<u>\$ 22,452,082</u>	<u>\$ 23,200,359</u>

Table 4

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

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund										
Nonspendable										
Long-term loans and advances	\$ 2,053,201	\$ 2,685,795	\$ 495,297	\$ 450,580	\$ -	\$ 454,080	\$ 363,264	\$ 272,448	\$ 181,632	\$ 727,778
Inventories and prepaids	30,054	34,266	23,925	55,570	36,767	37,711	25,220	26,523	28,015	39,392
Restricted										
Education	7,952,876	7,269,640	6,202,796	4,968,986	4,773,172	4,240,381	4,242,058	3,885,181	3,503,852	2,431,962
Municipal purposes	129,721	281,669	370,351	210,670	207,738	211,045	240,201	253,542	278,968	302,851
Assigned	1,626,364	1,014,339	1,987,354	1,824,835	1,619,378	1,525,233	1,130,790	1,700,864	3,324,678	3,445,194
Unassigned	7,484,221	8,508,525	9,028,572	10,001,974	8,488,177	8,670,334	10,316,602	11,792,687	11,488,111	12,430,139
Total general fund	<u>\$ 19,276,437</u>	<u>\$ 19,794,234</u>	<u>\$ 18,108,295</u>	<u>\$ 17,512,615</u>	<u>\$ 15,125,232</u>	<u>\$ 15,138,784</u>	<u>\$ 16,318,135</u>	<u>\$ 17,931,245</u>	<u>\$ 18,805,256</u>	<u>\$ 19,377,316</u>
All other governmental funds										
Nonspendable										
Special revenues funds	\$ 27,896	\$ 13,640	\$ 23,109	\$ 15,797	\$ 13,075	\$ 19,554	\$ 14,475	\$ 25,280	\$ 21,133	\$ 20,918
Capital improvements fund	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Permanent funds	414,534	478,429	455,125	489,301	557,770	553,619	535,605	585,319	593,902	590,733
Restricted										
Tax increment financing	-	-	-	-	208,318	609,506	1,116,433	1,061,577	439,045	734,235
Special revenues funds	996,936	993,665	841,722	535,723	545,462	355,093	299,816	317,750	243,304	281,932
Impact fee fund	1,103,566	631,845	824,059	580,862	558,619	535,995	524,286	558,836	488,400	548,111
Capital projects funds	-	2,755,373	674,476	2,293,969	609,657	185,678	17,022	-	-	-
Permanent funds	21,826	19,845	20,778	21,189	20,877	21,603	22,408	21,160	2,811	3,830
Committed										
Capital improvements fund	1,942,117	1,624,805	2,149,690	1,866,798	1,276,859	708,636	202,393	202,171	601,865	185,469
Special revenues funds	98,440	108,355	167,422	203,617	178,164	255,901	319,521	730,068	684,715	553,909
Capital projects funds	1,355,914	950,421	1,238,270	1,634,358	995,828	496,685	259,659	405,734	895,777	1,560,901
Unassigned										
Capital improvements fund	(7,780,477)	(2,453,705)	(498,142)	(225,430)	-	(454,512)	(1,632,537)	(267,897)	(190,703)	(1,295,692)
Downtown TIF district	-	(1,486,278)	(1,490,853)	(1,413,629)	(945,524)	(240,401)	-	-	-	-
Capital projects funds	(11,347,552)	-	-	-	-	-	-	-	(1,119,537)	(10,889,700)
Permanent funds	-	(1,108)	(2,157)	(5,437)	(12,056)	(15,603)	(12,394)	(18,496)	-	(93)
Total all other governmental funds	<u><u>\$ (13,166,800)</u></u>	<u><u>\$ 3,685,287</u></u>	<u><u>\$ 4,453,499</u></u>	<u><u>\$ 6,047,118</u></u>	<u><u>\$ 4,057,049</u></u>	<u><u>\$ 3,081,754</u></u>	<u><u>\$ 1,716,687</u></u>	<u><u>\$ 3,671,502</u></u>	<u><u>\$ 2,710,712</u></u>	<u><u>\$ (7,655,447)</u></u>

Table 5

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

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Taxes	\$ 31,689,472	\$ 32,488,432	\$ 34,021,307	\$ 37,040,074	\$ 39,613,007	\$ 41,973,364	\$ 44,079,945	\$ 46,056,875	\$ 47,320,162	\$ 49,488,215
Licenses and permits	267,450	337,927	310,181	372,259	399,359	387,127	438,731	497,091	542,223	722,963
Intergovernmental	23,158,881	20,272,445	18,727,482	16,497,591	15,510,495	16,423,413	16,363,756	16,963,580	16,732,272	17,379,386
Investment income (loss)	29,066	67,955	(18,420)	36,307	69,563	(472)	(8,119)	50,126	28,219	22,560
Charges for services	3,663,930	3,832,176	2,908,738	2,427,793	2,632,025	2,247,651	2,426,780	3,665,106	3,651,523	3,570,785
Fines and penalties	22,148	29,063	20,019	34,756	39,511	56,197	43,135	42,220	50,515	43,224
Interest	54,036	319,515	45,707	19,440	13,975	10,328	38,616	154,149	357,219	451,530
Donations	582,786	989,051	317,071	265,575	311,824	134,863	95,132	111,473	218,541	663,651
Other	828,785	583,613	920,986	744,501	731,055	736,595	519,261	992,427	642,187	530,750
Total revenues	60,296,554	58,920,177	57,253,071	57,438,296	59,320,814	61,969,066	63,997,237	68,533,047	69,542,861	72,873,064
Expenditures										
General government	3,513,241	3,741,931	3,929,459	3,738,745	3,808,446	4,726,521	5,080,137	5,061,291	4,522,380	5,453,260
Public safety	7,063,771	7,163,104	7,455,083	7,755,060	8,126,462	8,372,751	8,431,176	8,605,110	8,877,128	9,253,679
Public works	3,075,136	3,226,444	3,051,783	3,394,481	3,703,154	4,120,313	3,566,623	3,702,441	3,848,598	3,744,055
Human services	134,829	150,281	168,813	154,425	168,723	171,606	176,406	139,921	163,348	202,823
Education	36,302,217	34,998,644	32,669,127	32,690,215	34,655,815	36,206,987	36,431,641	39,693,990	39,912,853	41,000,937
Recreation and culture	2,535,604	2,313,753	2,496,881	2,669,560	2,955,429	3,071,931	3,102,206	3,257,130	3,505,357	3,598,654
County tax	1,149,612	1,171,049	1,187,020	1,183,264	1,249,487	1,333,350	1,360,042	1,410,855	1,517,700	1,565,279
Unclassified	133,725	120,725	296,682	281,424	36,996	8,683	29,082	29,868	130,537	199,922
Debt service										
Principal	1,525,000	1,120,000	2,738,113	2,728,113	2,888,113	2,103,113	2,098,113	1,818,112	1,968,806	2,112,806
Interest	256,465	533,417	818,911	704,610	763,215	725,117	680,732	639,914	644,367	590,074
Capital outlay	15,924,714	12,039,460	3,219,832	6,490,340	5,327,426	1,846,437	3,032,795	2,733,467	4,539,282	14,720,674
Total expenditures	71,614,314	66,578,808	58,031,704	61,790,237	63,683,266	62,686,809	63,988,953	67,092,099	69,630,356	82,442,163
Excess (deficiencies) of revenues over (under) expenditures	(11,317,760)	(7,658,631)	(778,633)	(4,351,941)	(4,362,452)	(717,743)	8,284	1,440,948	(87,495)	(9,569,099)

Table 5, continued

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

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Other financing sources (uses)										
Bond proceeds	-	25,582,250	-	5,500,000	-	-	-	2,277,075	225,716	-
Premium on bonds	-	110,265	-	99,880	-	-	-	43,902	-	-
Transfers from other funds	2,737,090	5,269,207	4,135,515	4,613,380	4,339,887	2,158,360	2,965,098	2,076,108	4,220,002	3,566,118
Transfers to other funds	(2,241,590)	(5,542,161)	(3,974,324)	(3,424,833)	(2,703,457)	(2,366,360)	(2,911,617)	(2,140,108)	(3,754,795)	(2,515,582)
Transfers to other funds - capital budget	-	-	-	(462,250)	(465,000)	-	(50,000)	(40,000)	(480,207)	(899,116)
Transfers to other funds - supplemental appropriations	(615,500)	(319,500)	(147,000)	(845,580)	(1,100,000)	-	(136,481)	-	(100,000)	(250,000)
Transfers to other funds - education	-	(71,546)	(219,191)	(130,717)	(311,430)	(36,000)	(61,000)	(90,000)	(110,000)	(126,420)
Sale of assets	-	-	65,906	-	225,000	-	-	-	-	-
Total other financing sources (uses)	<u>(120,000)</u>	<u>25,028,515</u>	<u>(139,094)</u>	<u>5,349,880</u>	<u>(15,000)</u>	<u>(244,000)</u>	<u>(194,000)</u>	<u>2,126,977</u>	<u>716</u>	<u>(225,000)</u>
Net change in fund balances	<u><u>\$ (11,437,760)</u></u>	<u><u>\$ 17,369,884</u></u>	<u><u>\$ (917,727)</u></u>	<u><u>\$ 997,939</u></u>	<u><u>\$ (4,377,452)</u></u>	<u><u>\$ (961,743)</u></u>	<u><u>\$ (185,716)</u></u>	<u><u>\$ 3,567,925</u></u>	<u><u>\$ (86,779)</u></u>	<u><u>\$ (9,794,099)</u></u>
Debt service as a percentage of noncapital expenditures	3.19%	3.03%	6.66%	6.34%	6.90%	4.64%	4.53%	3.82%	4.00%	3.99%

Table 6

TOWN OF BRUNSWICK, MAINE
Governmental Activities Tax Revenue by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Taxes	Vehicle Taxes	Watercraft Taxes	Aircraft Taxes	Other	Subtotal	TIF Property Taxes	Total
2010	\$ 28,818,278	\$ 2,469,748	\$ 26,831	\$ -	\$ 313,066	\$ 31,627,923	\$ 191,838	\$ 31,819,761
2011	29,197,918	2,524,770	24,776	-	317,778	32,065,242	504,158	32,569,400
2012	30,611,542	2,626,177	27,750	-	411,003	33,676,472	319,305	33,995,777
2013	33,278,146	2,746,331	25,477	133,187	393,279	36,576,420	410,155	36,986,575
2014	35,383,401	2,920,776	25,976	3,595	299,976	38,633,724	1,122,690	39,756,414
2015	37,272,769	3,042,291	25,269	4,060	298,801	40,643,190	1,390,457	42,033,647
2016	38,980,897	3,141,600	26,464	2,835	324,172	42,475,968	1,548,535	44,024,503
2017	40,426,940	3,445,237	25,539	2,897	367,584	44,268,197	1,841,710	46,109,907
2018	41,405,083	3,591,504	22,944	4,363	362,226	45,386,120	1,976,302	47,362,422
2019	43,040,749	3,768,844	26,334	10,046	520,647	47,366,620	2,016,503	49,383,123

Table 7

TOWN OF BRUNSWICK, MAINE
Governmental Activities Tax Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Vehicle Taxes	Watercraft Taxes	Aircraft Taxes	Other	Subtotal	TIF Property Taxes	Total
2010	\$ 28,784,236	\$ 2,469,748	\$ 26,831	\$ -	313,178	\$ 31,593,993	\$ 95,479	\$ 31,689,472
2011	29,147,629	2,524,770	24,776	-	317,778	32,014,953	473,479	32,488,432
2012	30,510,035	2,626,177	27,750	-	411,003	33,574,965	446,342	34,021,307
2013	33,331,645	2,746,331	25,477	133,187	393,279	36,629,919	410,155	37,040,074
2014	35,239,994	2,920,776	25,976	3,595	299,976	38,490,317	1,122,690	39,613,007
2015	37,212,486	3,042,291	25,269	4,060	298,801	40,582,907	1,390,457	41,973,364
2016	39,036,339	3,141,600	26,464	2,835	324,172	42,531,410	1,548,535	44,079,945
2017	40,373,908	3,445,237	25,539	2,897	367,584	44,215,165	1,841,710	46,056,875
2018	41,362,823	3,591,504	22,944	4,363	362,226	45,343,860	1,976,302	47,320,162
2019	43,145,841	3,768,844	26,334	10,046	520,647	47,471,712	2,016,503	49,488,215

Table 8

TOWN OF BRUNSWICK, MAINE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Taxable Real Property		Taxable Personal Property	Total Taxable Assessed Value		Less TIF Property Values		Total Taxable General	Total Direct Tax Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial									
2010	\$ 904,220,600	\$ 310,846,200	\$ 51,868,100	\$ 1,266,934,900	\$ 8,511,000	\$ 1,258,423,900	22.54	\$ 2,097,373,167		60.00%	
2011	913,791,250	315,010,700	52,768,800	1,281,570,750	22,044,500	1,259,526,250	22.87	2,031,493,952		62.00%	
2012	924,335,340	321,920,200	49,578,800	1,295,834,340	13,484,180	1,282,350,160	23.68	1,942,954,788		66.00%	
2013	932,031,750	344,908,040	55,428,400	1,332,368,190	16,472,100	1,315,896,090	24.90	1,879,851,557		70.00%	
2014	942,358,200	362,093,700	52,331,700	1,356,783,600	42,301,800	1,314,481,800	26.54	1,877,831,143		70.00%	
2015	952,243,200	378,758,600	48,776,700	1,379,778,500	50,746,600	1,329,031,900	27.40	1,898,617,000		70.00%	
2016	971,853,600	376,011,300	46,385,100	1,394,250,000	54,602,800	1,339,647,200	28.36	1,913,781,714		70.00%	
2017	963,357,200	391,521,700	46,241,100	1,401,120,000	62,776,800	1,338,343,200	29.35	1,911,918,857		70.00%	
2018 (a)	1,634,631,100	593,475,400	72,257,000	2,300,363,500	107,583,100	2,192,780,400	18.37	2,192,780,400		100.00%	
2019 (b)	1,621,806,600	604,190,100	63,948,500	2,289,945,200	106,580,500	2,183,364,700	18.92	2,183,364,700		100.00%	

(a) In fiscal 2018 the Town conducted a revaluation of real property, bringing the assessed value to 100% of market. The tax rate was reduced accordingly.
 (b) In fiscal 2019 a property valued at \$1,589,900 in the Brunswick Executive Airport TIF was omitted from the tax commitment, but was assessed as a supplemental. This amount has been included in Taxable Real Property - Commercial, and TIF Property Values.

	Homestead Assessed Values	Homestead Estimated Actual Values	
2010	\$ 17,028,100	\$ 28,380,167	
2011	13,500,700	21,775,323	
2012	14,319,950	21,696,894	
2013	15,359,950	21,942,786	
2014	15,426,200	22,037,429	
2015	15,492,550	22,132,214	
2016	15,400,250	22,000,357	
2017	22,845,700	32,636,714	
2018	43,154,750	43,154,750	
2019	55,633,250	55,633,250	

For qualifying taxpayers the Homestead Exemption exempts a portion of the assessed value of a residence from property taxation.

Table 9

TOWN OF BRUNSWICK, MAINE
Direct and Overlapping Property Tax Rates (Per \$1,000 of Assessed Value)
Direct and Overlapping Governments
Last Ten Fiscal Years

Direct Rates				
Fiscal Year	General Municipal	Education (a)	County Tax (b)	Total
2010	9.54	12.10	0.90	22.54
2011	9.95	12.00	0.92	22.87
2012	9.90	12.87	0.91	23.68
2013	9.72	14.30	0.88	24.90
2014	9.42	16.18	0.94	26.54
2015	10.07	16.35	0.98	27.40
2016	10.41	16.96	0.99	28.36
2017	10.99	17.34	1.02	29.35
2018 (c)	6.84	10.86	0.67	18.37
2019	7.04	11.19	0.69	18.92

The Town annually adopts an annual budget for which property taxes are levied. The Education and County Tax are a part of the total property tax levy. The distribution shown above reflects the amount each component requires of the total tax levy.

(a) The Town is a member of the Maine Region 10 Technical High School (MR10). MR10 does not have taxing authority. However MR10 does assess the Town for participation in the Region. That assessment becomes part of the Town's education budget. The amount of the direct tax rate attributable to education expenditures is shown above.

(b) Cumberland County assesses a county tax to the Town of Brunswick. The Town includes the county assessment in the Town's total direct tax rate. The rate shown here reflects the portion of the Town's total direct tax rate levied by the Town to pay the county tax assessment.

(c) In fiscal 2018 the Town conducted a revaluation of real property, bringing the assessed value to 100% of market. The tax rate was reduced accordingly.

Table 10

TOWN OF BRUNSWICK, MAINE
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2018-19				2009-10			
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Percentage of Total Taxable Municipal Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Percentage of Total Taxable Municipal Valuation
Brunswick Landing Ventures LLC	\$ 34,949,400	1	1.53%	1.60%	\$ -	-	N/A	N/A
BIF II US Renewable LLC (formerly Maine Hydro)	33,154,600	2	1.45%	1.52%	17,205,000	3	1.36%	1.37%
Bath Iron Works Corporation	28,856,200	3	1.26%	1.32%	24,806,600	1	1.96%	1.97%
Central Maine Power Co.	26,868,300	4	1.17%	1.23%	6,723,200	9	0.53%	0.53%
Midcoast Regional Redevelopment Authority	24,191,000	5	1.06%	1.11%	-	-	N/A	N/A
Brunswick MZL LLC (formerly Dev. Diversified)	22,678,300	6	0.99%	1.04%	18,946,400	2	1.50%	1.51%
Walmart Real Estate Business Trust	18,773,600	7	0.82%	0.86%	13,032,200	4	1.03%	1.04%
Thornton Oaks Homeowners Assn. Corp.	14,949,700	8	0.65%	0.68%	11,895,700	6	0.94%	0.95%
Maine Natural Gas	14,660,000	9	0.64%	0.67%	-	-	N/A	N/A
W/S Brunswick Properties LP	13,640,100	10	0.60%	0.62%	12,195,600	5	0.96%	0.97%
Bowdoin College	-		N/A	N/A	7,841,900	7	0.62%	0.62%
Cooper Industries Inc. (Arrowhart Division)	-		N/A	N/A	7,568,700	8	0.60%	0.60%
LHC Brunswick ME LLC (Lowes)	-		N/A	N/A	6,461,300	10	0.51%	0.51%
	\$ 232,721,200		10.16%	10.66%	\$ 126,676,600		10.00%	10.07%
Total Assessed Valuation *	\$ 2,289,945,200				\$ 1,266,934,900			
* Includes:								
Municipal valuation	\$ 2,183,364,700				\$ 1,258,423,900			
TIF valuation	106,580,500				8,511,000			
	\$ 2,289,945,200				\$ 1,266,934,900			

Source: Office of the Tax Assessor, Brunswick, Maine

Table 11

TOWN OF BRUNSWICK, MAINE
Total Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Municipal Tax Levy	TIF Levy	Total Tax Levy	Supplemental Taxes	Abatements	Net Collectible	Amount Collected within the Fiscal Year
2010	28,364,875	191,838	28,556,713	17,321	(51,765)	28,522,269	27,698,194
2011	28,805,365	504,158	29,309,523	30,300	(72,416)	29,267,407	28,598,906
2012	30,366,052	319,305	30,685,357	43,478	(132,701)	30,596,134	29,777,364
2013	32,765,813	410,155	33,175,968	18,269	(36,884)	33,157,353	32,348,601
2014	34,886,347	1,122,690	36,009,037	92,470	(139,502)	35,962,005	35,177,642
2015	36,415,474	1,390,457	37,805,931	54,983	(41,071)	37,819,843	36,821,979
2016	37,992,395	1,548,535	39,540,930	55,732	(60,225)	39,536,437	38,702,091
2017	39,280,373	1,842,499	41,122,872	223,789	(363,975)	40,982,686	40,116,510
2018	40,281,376	1,976,302	42,257,678	32,913	(288,008)	42,002,583	41,102,234
2019	41,309,260	1,986,422	43,295,682	36,514	(28,041)	43,304,155	42,467,493

Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date			
	Amount	Percentage of Levy	Percentage of Net Collectible	Collected in Subsequent Years	Amount	Percentage of Levy	Percentage of Net Collectible
2010	\$ 27,698,194	96.99%	97.11%	\$ 823,088	28,521,282	99.88%	100.00%
2011	28,598,906	97.58%	97.72%	666,757	29,265,663	99.85%	99.99%
2012	29,777,364	97.04%	97.32%	817,383	30,594,747	99.70%	100.00%
2013	32,348,601	97.51%	97.56%	806,396	33,154,997	99.94%	99.99%
2014	35,177,642	97.69%	97.82%	781,286	35,958,928	99.86%	99.99%
2015	36,821,979	97.40%	97.36%	994,234	37,816,213	100.03%	99.99%
2016	38,702,091	97.88%	97.89%	827,849	39,529,940	99.97%	99.98%
2017	40,116,510	97.55%	97.89%	846,493	40,963,003	99.61%	99.95%
2018	41,102,234	97.27%	97.86%	622,465	41,724,699	98.74%	99.34%
2019	42,467,493	98.09%	98.07%	-	42,467,493	98.09%	98.07%

Table 12

TOWN OF BRUNSWICK, MAINE
Ratios of Outstanding Debt
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Ratios of Net General Bonded Debt</u>		
	<u>General Obligation Bonds (a)(b)</u>	<u>Percentage of Personal Income (c)</u>	<u>Per Capita</u>	<u>Percentage of Estimated Actual Taxable Value of Property (d)</u>
2010	5,719,181	1.33%	270.13	0.27%
2011	30,290,602	5.44%	1,430.69	1.49%
2012	27,578,697	4.95%	1,360.03	1.42%
2013	30,416,098	5.46%	1,499.96	1.62%
2014	27,502,694	4.94%	1,356.28	1.46%
2015	25,381,118	4.56%	1,251.66	1.34%
2016	23,264,541	4.18%	1,147.28	1.22%
2017	24,111,769	4.33%	1,189.06	1.26%
2018	22,121,505	3.97%	1,090.91	1.01%
2019	19,847,207	3.57%	978.76	0.91%

(a) Presented net of original issuance discounts and premiums.

(b) General Bonded Debt includes debt issued as General Obligation Tax Increment Financing Bonds. Although the debt has been issued as general obligations, it is anticipated that it will be fully paid from Tax Increment Financing (TIF) revenues.

(c) Per capita income and population can be found in Table 16.

(d) For taxable property value data see Table 8.

Table 13

TOWN OF BRUNSWICK, MAINE
Direct and Overlapping Governmental Activities Debt
June 30, 2019

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
Town of Brunswick General Obligation	\$ 19,722,829	100.00%	\$ 19,722,829
Premium on bonds	<u>124,378</u>	100.00%	<u>124,378</u>
Total direct debt	19,847,207		19,847,207
Overlapping:			
Cumberland County	<u>37,893,997</u>	4.95%	<u>1,874,726</u>
Total direct and overlapping debt	<u>\$ 57,741,204</u>		<u>\$ 21,721,933</u>

Note: Annually, Cumberland County assesses each municipality its proportionate share of the County tax required to fund the County budget. The County tax assessment applicable to the Town of Brunswick is included in the total property tax levy of the Town of Brunswick.

Sources: The outstanding debt for Cumberland County has been provided by the County. The percentage applicable to the Town of Brunswick is based on the ratio of the State equalized assessed valuation for the Town of Brunswick versus the equalized state valuation for Cumberland County in total.

Table 14

TOWN OF BRUNSWICK, MAINE
Legal Debt Margin Information
June 30, 2019

Debt Limit by Category										
			<u>Type of Debt</u>		<u>Maximum Percent Allowable</u>		<u>Maximum Allowable Amount</u>		<u>Principal Amount Outstanding</u>	<u>Legal Debt Margin</u>
The amount of debt a Maine municipality may have is governed by Title 30-A M.R.S.A. section 5702. The law limits total debt and debt for specific categories. Total debt cannot exceed 15% of the Town's last full State Valuation. Debt for specific categories is limited to a percentage of State valuation. As the following table indicates, based on a 2019 State Valuation of \$2,319,900,000, the Town is in compliance with the total and categorical debt limits:			School		10.00%	\$ 231,990,000	\$ 13,848,329	\$ 218,141,671		
			Storm or Sanitary Sewer		7.50%	173,992,500		-	173,992,500	
			Municipal Airport Special District		3.00%	69,597,000		-	69,597,000	
			Municipal		7.50%	173,992,500	\$ 5,874,500		168,118,000	
Legal Debt Margin Calculation for Fiscal Year 2019										
State Valuation	\$ 2,319,900,000									
Debt Limit - 15% of State Valuation	347,985,000									
Less outstanding debt applicable to debt limit	<u>(19,722,829)</u>									
Legal Debt Margin	<u>\$ 328,262,171</u>									
			Total		Maximum Debt					
					15.00%	\$ 347,985,000	\$ 19,722,829	\$ 328,262,171		

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 330,720,000	\$ 321,225,000	\$ 304,207,500	\$ 297,517,500	\$ 303,937,500	\$ 300,060,000	\$ 312,390,000	\$ 327,607,500	\$ 337,860,000	\$ 347,985,000
Total debt applicable to limit	5,715,000	30,177,250	27,439,138	30,211,025	27,322,912	25,219,800	23,121,688	23,944,475	21,975,669	19,722,829
Legal debt margin	\$ 325,005,000	\$ 291,047,750	\$ 276,768,362	\$ 267,306,475	\$ 276,614,588	\$ 274,840,200	\$ 289,268,312	\$ 303,663,025	\$ 315,884,331	\$ 328,262,171
Total debt applicable to the limit as a percentage of debt limit	1.73%	9.39%	9.02%	10.15%	8.99%	8.40%	7.40%	7.31%	6.50%	5.67%

Table 15

TOWN OF BRUNSWICK, MAINE
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees (a)</u>	<u>Rank</u>	<u>Employees (a)</u>	<u>Rank</u>
Bath Iron Works	1400	1	1800	1
Mid Coast-Parkview Health	1250	2	1470	2
Bowdoin College	962	3	949	3
Town of Brunswick	577	4	690	5
Wayfair	460	5		
L.L. Bean Inc., Manufacturing Div.	407	6	230	8
Wal-Mart Stores, Inc.	254	7	357	7
Savilinx	178	8		
Hannaford Brothers	160	9	189	9
Pathways (formerly Providence Service Corp)	123	10		
Naval Air Station, Brunswick (civilian employment only)			700	4
Parkview Memorial Hospital			374	6
Bank of America, formerly MBNA			183	10

(a) Telephone Survey of Employers, March 2010 and March 2019. The employee counts were determined by the employers and may or may not represent full-time equivalents (FTEs).

Note: Each employer's percentage of total employment is not indicated, as there is no reliable source of data for total employment within the Town.

Table 16

TOWN OF BRUNSWICK, MAINE
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (a)	Per Capita			Median Age (a)	School Enrollment (c)	Unemployment Rate (d)
		Personal Income (b)	Personal Income (a)				
2010	21,172	\$ 430,257,384	\$ 20,322		35.50	2,648	7.0%
2011	20,278	556,691,934	27,453		41.40	2,556	6.6%
2012	20,278	556,691,934	27,453		41.40	2,463	6.7%
2013	20,278	556,691,934	27,453		41.40	2,363	6.4%
2014	20,278	556,691,934	27,453		41.40	2,390	5.6%
2015	20,278	556,691,934	27,453		41.40	2,358	4.6%
2016	20,278	556,691,934	27,453		41.40	2,336	3.5%
2017	20,278	556,691,934	27,453		41.40	2,313	3.1%
2018	20,278	556,691,934	27,453		41.40	2,349	2.8%
2019	20,278	556,691,934	27,453		41.40	2,327	2.8%

(a) U.S. Department of Commerce, Bureau of Census. Years prior to 2011 from the 2000 Census; Fiscal years 2011 and later from the 2010 Census

(b) Personal income equals per capita income times the population.

(c) State of Maine Department of Education, October 1 Census

(d) State of Maine Department of Labor, Center for Workforce Research and Information as of 12/31 prior to fiscal year end.

Table 17

TOWN OF BRUNSWICK, MAINE
Full-time Employees by Function/Program
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government										
Administration	4	4	4	4	4	4	4	4	4	5
Finance	8	8	8	8	8	8	8	8	8	8
Technology	0	1	1	1	1	1	1	1	1	1
Assessing	3	3	3	3	3	3	3	3	3	3
Town Clerk	4	4	4	4	4	4	3.5	3.5	3.5	4
Planning and Codes	5	5	5	5	5	5	5	5	5.5	5.5
Economic development	3	2	2	1	1	1	1	1	1	1
Municipal building	1.5	1.5	1.5	1.5	1	1	1	1	0	0
Public safety										
Fire department	36	36	36	36	36	36	36	36	36	36
Police department	51	48	50	50	51	51	51	51	50.5	50.5
Public works										
Administration	5	5	5	5	5	5	5	5	6	6
General maintenance	17	17	15.5	11.5	16	15.5	14.5	14.5	14.5	14.5
Landfill	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Central garage	3.5	3.5	3.5	3.5	3.5	3.5	3.5	2.5	2.5	2.5
Human services	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Education	402	396	390	392	394	406	422	425	424	423
Recreation										
Administration	5	5	5	5	5	5	5	5	5	5
Buildings and grounds	6	5	5	5	5	5.5	5.5	5.5	7.5	7.5
Cable TV	1	1	1	1	1	1	1	1	1	1
Totals	559	549	543.5	540.5	547.5	559.5	574	576	577	577.5

Note: Neither the municipal nor the education departments have maintained their employment numbers on a full-time equivalents basis. The above represents the departments best estimates of full-time positions for the various fiscal years. Many seasonal and part-time positions have not been included or converted to full-time equivalents. Further, the determination of which positions have been counted as full-time may have varied from year to year. All of the positions may or may not have been filled as of June 30 of any given year.

Table 18

TOWN OF BRUNSWICK, MAINE
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fire Department										
Fire calls	835	975	985	1,144	1,098	1,135	1,131	1,133	1,271	1,021
Medical calls	2,406	N/A	2,549	2,823	2,737	2,867	2,997	3,103	3,379	3,415
Inspections	249	N/A	300	342	356	264	268	267	261	208
Police										
Calls for service (a)	33,358	36,254	45,060	43,815	42,332	44,426	46,758	45,593	44,519	45,563
Crash reports	713	679	767	713	715	787	814	838	1,017	853
Field interviews (b)	N/A	N/A	508	464	444	251	79	46	49	23
Offense reports	1,243	1,133	1,230	1,304	714	1,224	1,382	1,344	1,405	1,252
Physical arrests	1,150	1,069	1,098	1,184	1,022	1,035	922	962	899	1,435
Public Works										
Street resurfacing (miles)	5	8	5	4	4	3	5	4	5	6
Recyclables collected (tons)	1,804	1,754	1,711	1,548	1,622	2,402	2,829	2,482	3,095	2,453
Codes Enforcement										
Residential permits issued	291	258	249	249	293	267	293	310	351	347
Commercial/Industrial permits issued	39	34	55	52	58	58	52	70	73	46

(a) Beginning in 2011, the police department calls for service include calls for the Town of Freeport which are handled by the Town of Brunswick dispatch center.

(b) Police department began tracking additional categories of service in later years.

Table 19

TOWN OF BRUNSWICK, MAINE
Capital Assets Statistics by Function
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police Department										
Stations	0	0	0	0	1	1	1	1	1	1
Patrol units	18	18	16	17	17	16	16	16	16	16
Fire Department										
Stations	2	2	2	2	2	2	2	2	2	2
Emergency vehicles	14	14	12	12	12	13	13	13	14	16
Public Works Department										
Streets (miles)	137	138	139	140	141	141	141	141	141	142
School Department										
Schools	6	6	4	4	4	4	4	4	4	4
School buses	26	26	26	26	26	26	26	29	29	29

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