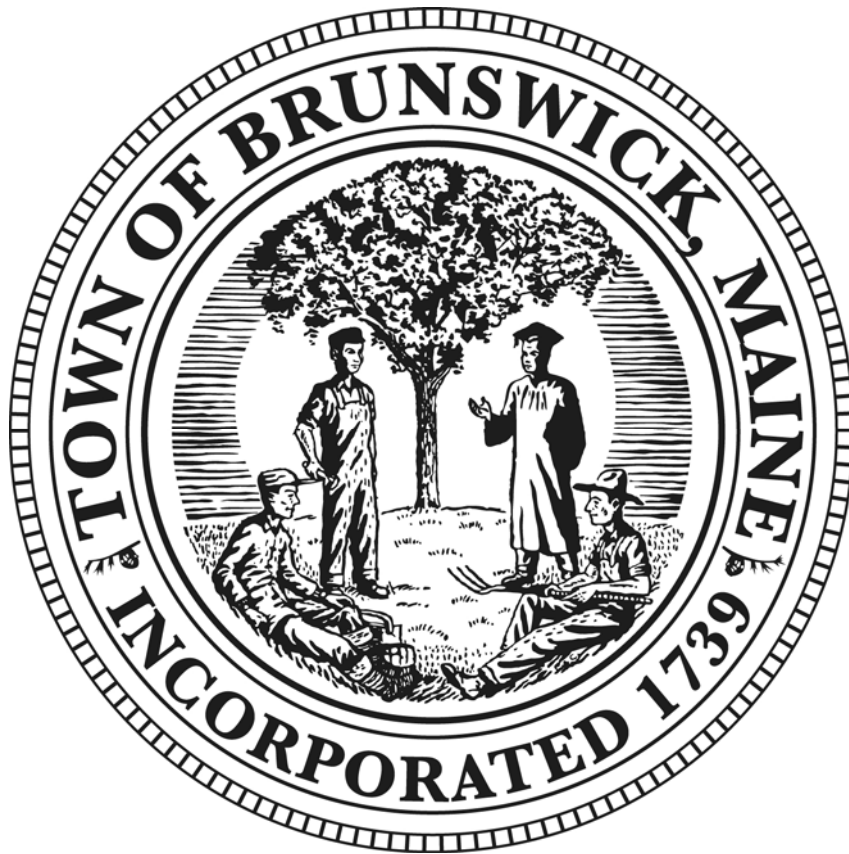


TOWN OF BRUNSWICK, MAINE



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

TOWN OF BRUNSWICK, MAINE
Comprehensive Annual Financial Report
Year ended June 30, 2020



Prepared by:
Town of Brunswick
Department of Finance

Town of Brunswick, Maine
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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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

December 9, 2020

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, 2020. 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. Mid Coast – Parkview Health, along with Bath Iron Works (BIW) and Bowdoin College, are the area's largest employers.

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 2,000 employees throughout all its operations, MCPH is the 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, 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. In 2019, MCPH became a clinical affiliate of MaineHealth, a regional network of healthcare organizations which includes Maine Medical Center and several midcoast Maine hospitals. More information can be found on Mid Coast – Parkview's website at www.midcoastparkviewhealth.com.

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 six of these ships under construction with five 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.

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 nearing completion at BIW.

Given the restart of the DDG-51 program and changes related to the DDG-1000 program, BIW has 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. Concurrent with the onset of the COVID-19 pandemic in the spring of 2020, BIW was in contract negotiations with the International Association of Machinist and Aerospace Workers Local Lodge S6 (LS6). The LS6 union of 4,300 members in Bath initiated a strike on June 22, 2020, which continued for nine weeks. Regarding employment levels, it should be noted that 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.

Bowdoin College. Bowdoin College (Bowdoin or College) is an undergraduate liberal arts college located in Brunswick. Bowdoin employs approximately 961 full-time equivalent (FTE) employees, including 189 FTE faculty members. Over the past year, Bowdoin has completed a number of building and facilities improvements, including construction of four 22-bed upperclass residence halls along Park Row, completed in August 2019. Each structure is three stories high and approximately 11,000 square feet. In August 2020 the College completed an additional three 44-bed residence halls on Harpswell Road, each approximately 17,700 square feet and with 21 apartments. The college also continued development of the Schiller Coastal Studies Center, a 118 acre research and teaching lab located on a former farm on Orr's Island, Harpswell. Beginning with the initial gift of the farm in 1981, the Center is now home to a marine laboratory, a research pier, a sailing center, and most recently a 'dry' laboratory building and residential housing/meeting space. In response to the COVID-19 pandemic, Bowdoin College initially transitioned to a fully remote model, with all students sent home in March, 2020 to complete the spring semester online. For the 2020 fall semester, the College has adopted a hybrid system, with first year and fourth year students on campus, and all others attending online classes. 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 2021-25 was adopted on June 15, 2020, and recommended funding projects totaling \$43,636,303. Projects newly added to the CIP included \$10,385,000 in multi-year plans for road construction projects, to be funded with assistance through the Maine Department of Transportation Planning Partnership and Municipal Partnership Initiatives. Total debt financing on recommended projects is estimated at \$7,373,483, with \$6,255,833 of that to be repaid from Tax Increment Financing (TIF) revenues. Projects in development (those that may eventually be considered for funding) totaled \$34,244,770. Two large projects, a public works facility for \$12,000,000, and a downtown parking structure for \$15,000,000, are in year five of the plan, and will require further analysis and development to move forward. 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, 2020, the amount of unassigned fund balance was \$12,002,583 or 17.28% of general fund revenues, a total of \$420,701 above the policy target. 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 limit its use of fund balance in the annual budget to \$500,000 each year. In the past three years, balances above the target have enabled the Town to use unassigned fund balance for capital projects through the Capital Improvement Program. For the 2020-21 fiscal year, due to anticipated revenue reductions associated with the COVID-19 pandemic, the amount of fund balance used in the budget was increased by \$150,000 to \$650,000. Despite this increase, the Town plans to maintain its unassigned fund balance at, or above, the target level established in the policy.

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 and long-term financial planning, 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 Elementary School (grades 3-5) in 2011, the school department turned its attention to the aging Coffin Elementary and Brunswick Junior High Schools. In November, 2016, the school department proposed major repairs to the Junior High School and construction of a new elementary school. Based on the status and timing of the 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.

In the fall of 2018, construction began on the new school on the site of the former Jordan Acres Elementary School. The Kate Furbish Elementary School, built to serve 660 pre-K to grade 2 students, was completed in time for the 2020-21 school year. In January, 2020, the Town issued \$24,450,000 in general obligation bonds, with \$2,014,000 in premium, to be repaid over 25 years. Additional funding for this project was provided by Bowdoin College, which contributed \$450,000 for the construction of a Discovery Classroom adjacent to the school.

Downtown Streetscape Enhancement Project. For several years the Town has recognized the deterioration of the sidewalk pavers downtown, specifically on Maine Street from Station Avenue to Mill Street. A project has been, and continues to be included in the CIP. In May, 2019, the Town Council appropriated TIF revenues to fund the planning and design of a solution. Beginning with a condition survey, which was completed in December, 2019, the Town has engaged in a public process to understand needs, issues and preferences for Brunswick's downtown. The COVID-19 pandemic slowed progress on the public input phase for several months. More information is available at: <https://www.planmainestreet.com/overview>.

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, when the Council voted to become a member municipality of Portland METRO and maintain the bus service. Prior to current schedule changes related to the COVID-19 pandemic, bus service included approximately fourteen roundtrip runs between Portland and Brunswick on weekdays, and six or seven runs on Saturdays.

Cook's 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. Landing Drive, a new road connecting Admiral Fitch Avenue on Brunswick Landing to Gurnet Road in Cook's Corner, opened in September, 2019, thereby improving traffic conditions to facilitate economic growth in the area. Project funding was from a Business Partnership Initiative grant from the Maine Department of Transportation, contributions of land and funds from MRRA and local developers, and an advance from the Town's general fund which will be repaid with TIF revenues over several years.

Central Fire Station. The Town's downtown fire station was built in 1919, and has been included in the CIP for many years, as it was recognized that the station was undersized and no longer suitable for the demands of the Town's fire protection service. 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 since designed a station and acquired property at the selected site on Pleasant and Webster Streets. Final permitting is expected to be completed by the end of 2020, with construction to begin in 2021. Bonds could be issued in late 2021.

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 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 agreed that the Town has had technical violations, without significant environmental impact. In August, 2020 the Department of Environmental Protection approved the Administrative Consent Agreement (ACA) that was negotiated between the DEP and the Town. The ACA, along with a fine of \$10,000, resolves the discharge violations that have occurred at the landfill.

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. Reimbursement from the state will be 75% of eligible closure costs, with the payments dependent on the availability of funding in the program.

Participation in the Closure Program is based on written agreements with DEP, including a Schedule of Compliance (SOC) outlining the closure steps and timeline. The SOC between the Town and DEP was finalized in June 2017, and outlines the 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. The Town has contracted with Woodard & Curran to manage the closure process, including design and bidding. The closure project includes site preparation, grading of municipal solid waste, installing a geosynthetic final cover system including gas collection, and establishing vegetation. A construction contract will be finalized in late 2020, with the majority of the construction to occur in the 2021-22 fiscal year. The cost of closure is expected to be funded through reserves in the Landfill and Pay-per-bag Program funds, solid waste impact fees, and general fund balance. While the closure qualifies for 75% reimbursement through the State's Closure Program at some point in the future, the Town is not able to estimate timing or amounts.

The Town has signed a three-year contract with Pine Tree Waste for both collection and disposal of household waste and recycling. The Town's Solid Waste and Recycling Committee is continuing to explore alternatives for future solid waste management.

Bond Issues and Debt Authorization. During the fiscal year ended June 30, 2020, the Town issued bonds totaling \$24,450,000 for the Kate Furbish Elementary School. In 2019, the Town Council authorized up to \$13,500,000 in debt for the new central fire station. Also authorized but unissued as of June 30, 2020 was \$95,511 in School Revolving Renovation Fund (SRRF) bonds for improvements to the Brunswick Junior High School. Subsequent to June 30, 2020, the Town Council authorized an additional \$183,849 in SRRF bonds for improvements to the Coffin School. SRRF bonds totaling \$279,360 were issued on September 18, 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, 2019. 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 effort and skills 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

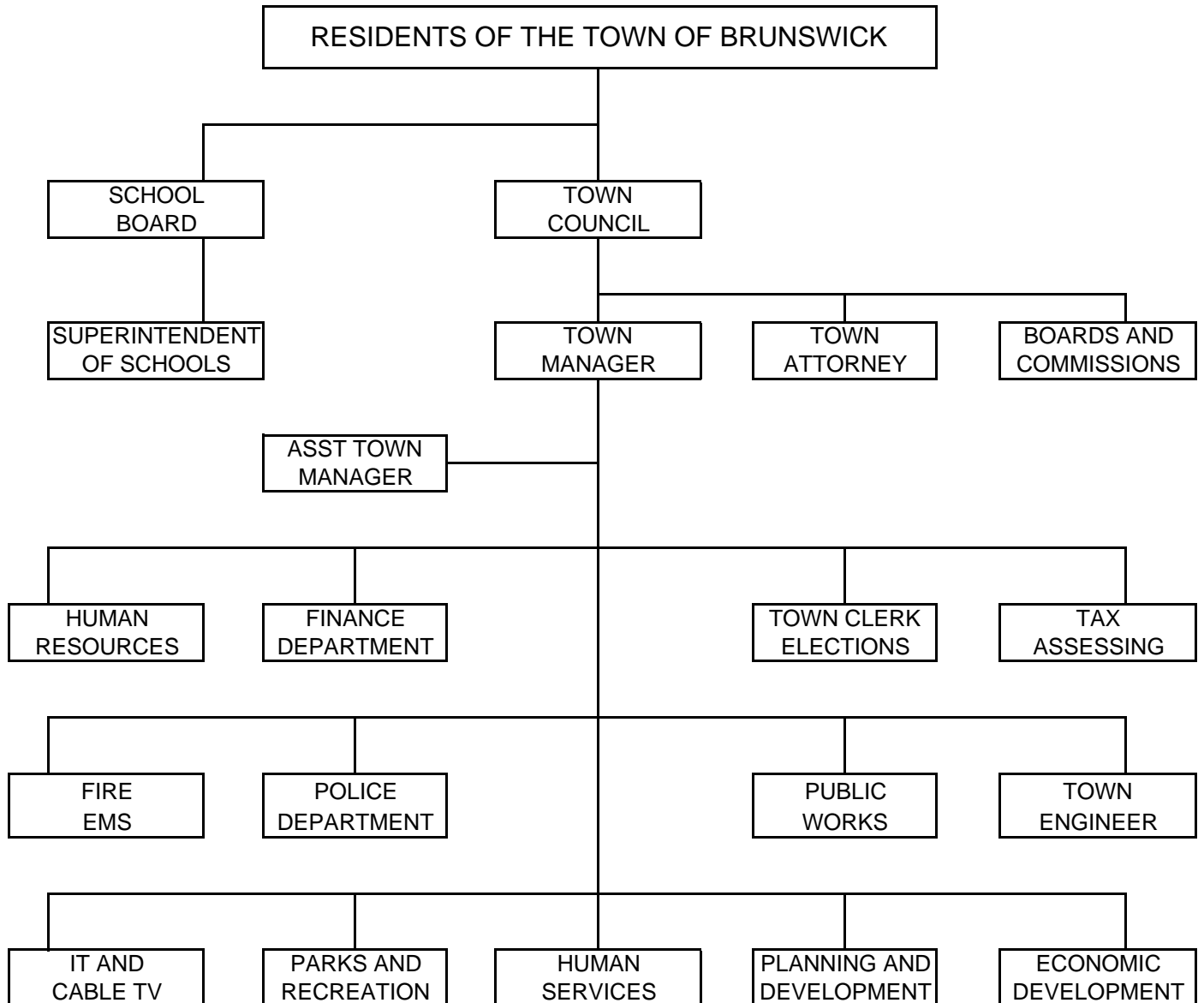
June 30, 2019

Christopher P. Morrell

Executive Director/CEO

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Town of Brunswick, Maine Organizational Chart



TOWN OF BRUNSWICK, MAINE
ELECTED AND APPOINTED OFFICIALS

June 30, 2020

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		Toby McGrath
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	Taylor Burns
Town Clerk	Frances M. Smith
Director of Planning and Development	Matthew Panfil
Fire Chief	Kenneth A. Brilliant
Police Chief	Richard J. Rizzo
Director of Public Works	Jay Astle
Director of Parks and Recreation	Thomas M. Farrell
Superintendent of Schools	Dr. Phillip Potenziano

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, 2020 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, 2020, 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 the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2020, 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, reading "Remya Kristen Ouellette". The signature is written in a cursive, flowing style.

December 9, 2020
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, 2020. 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, 2020, the Town of Brunswick's total net position increased by \$874,169 from the previous year's net position, to total \$65,559,420. Of this amount, \$4,864,171 is classified as *restricted net position*, of which the largest portion, \$2,859,416 is restricted for education purposes. Unrestricted net position increased from the previous year's deficit balance to a deficit balance of \$1,936,820 as of June 30, 2020.
- Net investment in capital assets decreased by \$7,530,918, while restricted net position decreased by \$50,401 and unrestricted net position increased by \$8,455,488 from the previous year. The decrease in net investment in capital assets and increase in unrestricted net position is primarily due to the bond proceeds received for the new elementary school, the construction of which had been funded through an advance from available cash.
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$25,264,631, an increase of \$13,542,762 in comparison with the prior fiscal year. Bond proceeds and premium totaling \$26,464,200 for the new elementary school was the primary driver of the increase, offset by expenditures for the new central fire station, funded through an advance from available cash.
- The unassigned fund balance for the General Fund at June 30, 2020 was \$12,002,583. The Town's policy is to maintain the unassigned fund balance at 16.67% of revenues. At June 30, 2020, this portion of the fund balance is approximately 18.32% and 17.28% of the total General Fund expenditures and revenues, respectively.
- The Town's total outstanding long-term principal debt increased by \$22,359,479 during the current fiscal year. Of this, \$24,450,000 was the issuance of bonds for the new elementary school, offset by \$2,090,521 in debt retirement.

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 34 and 35 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 eighteen 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, New Elementary School Bond Fund and New Central Fire Station 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 36-38 of this report. Individual fund data for each of the non-major governmental funds is provided in *combining statements* found on pages 96-109 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 39-43 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 44-46. The combining statements can be found on pages 111-114.

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 and education awards, 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 47 and 48 of this report. The combining statements can be found on pages 115-121.

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 49-87 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 89 of this report, with the notes to the RSI following on page 95.

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 98-114 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 \$65,559,420 at the close of the most recent fiscal year, which is an increase of \$874,169 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 34,200,712	\$ 20,905,829	\$ 6,586,286	\$ 5,735,766	\$ 40,786,998	\$ 26,641,595
Capital assets	<u>102,957,409</u>	<u>88,799,554</u>	<u>668,707</u>	<u>1,192,654</u>	<u>103,626,116</u>	<u>89,992,208</u>
Total assets	<u>137,158,121</u>	<u>109,705,383</u>	<u>7,254,993</u>	<u>6,928,420</u>	<u>144,413,114</u>	<u>116,633,803</u>
Deferred outflows of resources	<u>4,459,253</u>	<u>3,490,379</u>	<u>-</u>	<u>-</u>	<u>4,459,253</u>	<u>3,490,379</u>
Long-term liabilities outstanding	60,515,849	35,403,984	11,482,511	9,179,947	71,998,360	44,583,931
Other liabilities	<u>8,128,858</u>	<u>8,197,279</u>	<u>94,980</u>	<u>100,497</u>	<u>8,223,838</u>	<u>8,297,776</u>
Total liabilities	<u>68,644,707</u>	<u>43,601,263</u>	<u>11,577,491</u>	<u>9,280,444</u>	<u>80,222,198</u>	<u>52,881,707</u>
Deferred inflows of resources	<u>3,090,749</u>	<u>2,557,224</u>	<u>-</u>	<u>-</u>	<u>3,090,749</u>	<u>2,557,224</u>
Net investment in capital assets	61,963,362	68,970,333	668,707	1,192,654	62,632,069	70,162,987
Restricted	4,864,171	4,914,572	-	-	4,864,171	4,914,572
Unrestricted	<u>3,054,385</u>	<u>(6,847,630)</u>	<u>(4,991,205)</u>	<u>(3,544,678)</u>	<u>(1,936,820)</u>	<u>(10,392,308)</u>
Total net position	<u>\$ 69,881,918</u>	<u>\$ 67,037,275</u>	<u>\$ (4,322,498)</u>	<u>\$ (2,352,024)</u>	<u>\$ 65,559,420</u>	<u>\$ 64,685,251</u>

The largest portion of the Town's net position, \$62,632,069, 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, \$4,864,171 or 7.42% 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 \$1,936,820 is categorized as unrestricted net position. The deficit in business-type activities is primarily the result of the liability recognized for anticipated landfill closure and post-closure costs. In governmental activities, the largest liabilities offsetting current assets are net pension liability and OPEB liabilities related to retiree life insurance and implicit subsidies of retiree health, resulting in an unrestricted net position of \$3,054,385.

Town of Brunswick's Change in Net Position

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues						
Charges for services	\$ 4,128,414	\$ 4,575,927	\$ 1,661,281	\$ 1,584,424	\$ 5,789,695	\$ 6,160,351
Operating grants and contributions	17,257,603	15,379,788	-	-	17,257,603	15,379,788
Capital grants and contributions	1,995,033	1,660,220	-	-	1,995,033	1,660,220
General revenues						
Property taxes	48,219,683	45,577,899	-	-	48,219,683	45,577,899
Vehicle, watercraft and aircraft excise taxes	3,598,448	3,805,224	-	-	3,598,448	3,805,224
Grants and contributions not restricted to specific programs	2,330,033	1,691,877	-	-	2,330,033	1,691,877
Unrestricted investment earnings	392,216	473,628	90,516	110,571	482,732	584,199
Total revenues	<u>77,921,430</u>	<u>73,164,563</u>	<u>1,751,797</u>	<u>1,694,995</u>	<u>79,673,227</u>	<u>74,859,558</u>
Expenses:						
General government	6,331,703	5,603,934	-	-	6,331,703	5,603,934
Public safety	10,711,151	8,461,265	-	-	10,711,151	8,461,265
Public works	6,791,120	5,752,593	-	-	6,791,120	5,752,593
Human services	375,519	190,614	-	-	375,519	190,614
Education	44,061,737	41,202,580	-	-	44,061,737	41,202,580
Recreation and culture	3,898,655	3,681,856	-	-	3,898,655	3,681,856
County tax	1,590,123	1,565,279	-	-	1,590,123	1,565,279
Unclassified	103,265	199,922	-	-	103,265	199,922
Interest on long-term debt	988,514	562,271	-	-	988,514	562,271
Solid waste facilities	-	-	3,742,135	1,406,202	3,742,135	1,406,202
Pay-per-bag program	-	-	82,552	70,761	82,552	70,761
Wastewater treatment	-	-	33,432	30,925	33,432	30,925
Train station/ visitors center	-	-	89,152	86,601	89,152	86,601
Total expenses	<u>74,851,787</u>	<u>67,220,314</u>	<u>3,947,271</u>	<u>1,594,489</u>	<u>78,799,058</u>	<u>68,814,803</u>
Increase (decrease) in net position before transfers	3,069,643	5,944,249	(2,195,474)	100,506	874,169	6,044,755
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	2,844,643	5,719,249	(1,970,474)	325,506	874,169	6,044,755
Net position beginning of year	<u>67,037,275</u>	<u>61,318,026</u>	<u>(2,352,024)</u>	<u>(2,677,530)</u>	<u>64,685,251</u>	<u>58,640,496</u>
Net position end of year	\$ 69,881,918	\$ 67,037,275	\$ (4,322,498)	\$ (2,352,024)	\$ 65,559,420	\$ 64,685,251

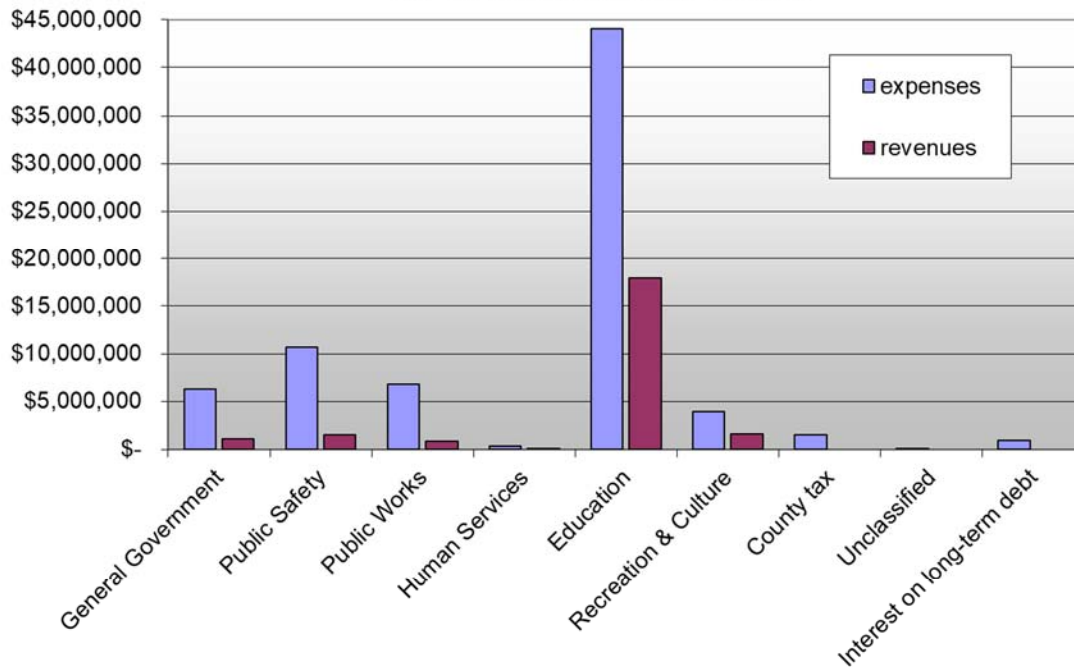
While in total the Town's net position is positive, balances are very different for the governmental activities and the business-type activities. Readers should review the following analysis pertaining to those portions to fully understand the Town's financial reports.

Governmental activities. Governmental activities, including transfers, increased the Town of Brunswick's total net position by \$2,844,643. The following points highlight the significant changes in revenues compared with the previous year:

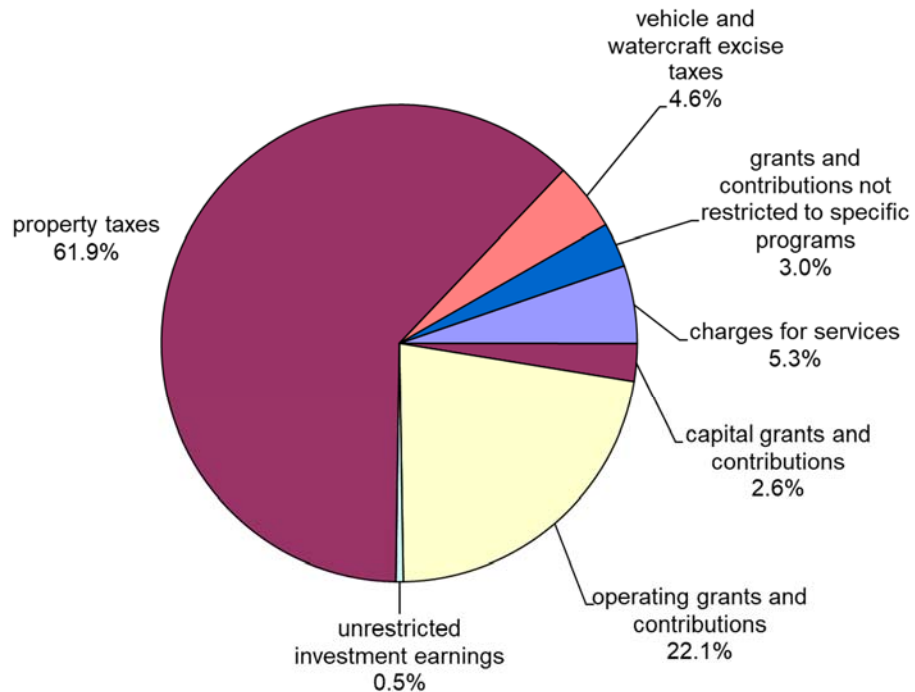
- Property tax revenue, the Town's largest revenue, increased by \$2,641,781, or 5.8%. This increase was anticipated in the 2019-20 budget, as the tax rate increased by 4.23% and total taxable valuation increased by 1.62%. Property taxes made up 61.88% of the total revenue, down slightly from 62.35% of the total in the previous year. The percentage decrease was the result of shifts in proportion of the total revenues, primarily due to the increase in operating grants and contributions.
- Excise tax revenue decreased by \$206,776 from the prior year, which represents a decrease of 5.4%. This was a result of the sharp drop-off of excise tax collections in mid-March, 2020 when Town Hall closed to the public due to the COVID-19 pandemic. The Town began processing selected motor vehicle and boat registrations in May, and Town Hall re-opened to the public on June 1st, and was able to catch up to some degree. Prior to March, motor vehicle excise tax collections were ahead of the previous year by \$38,603, but as of June 30, 2020, that revenue line was less than the previous year by \$188,508.
- Charges for services revenue decreased by \$447,513. The Town experienced decreases in most functions, though Public Safety increased by \$96,223 due to higher ambulance revenue, and the animal control officer service contract with the Town of Freeport. The decreases in charges for service were primarily due to closures associated with the COVID-19 pandemic. In the School Department, for example, cafeteria receipts from students were down by approximately \$150,000, or 30%. In General Government, Codes permits and fees decreased by approximately \$133,000, or 32%. In Recreation and Culture, recreation program revenues were \$107,112 less than the previous year. This reflects the suspension of programs beginning in March, 2020.
- Operating grants and contributions increased by \$1,877,815. This category of revenues increased to 22.15% of the total revenue, from 21.02% in the previous year. The largest driver of the increase was State Aid to Education, which was \$1,085,178 more than the prior year, primarily due to more funds distributed by the Maine Department of Education. Also in the Education function, the on-behalf amount paid by the State for teacher retirement increased by nearly \$780,000. State reimbursement for general assistance increased by \$62,324, reflecting the increase in general assistance distributed by the Town.
- Capital grants and contributions increased by \$334,813. The largest capital contributions were in the Recreation & Culture category. Five parcels totaling 163.4 acres, and valued at \$908,200, were donated to the Town by Maine Gravel Company for recreation purposes. Also in this category, the Town accepted \$275,000 in contributions from the American Legion to fund the Veteran's Plaza project. Offsetting these, capital grants in Education and Public Works show decreases due to large grants in the prior year.
- Grants and contributions not restricted to specific programs increased by \$638,156. This increase was driven by State Revenue Sharing, which increased by \$681,468 as a result of the higher percentage of sales and income tax distributed into the pool by the State in the fiscal year ended June 30, 2020.
- Unrestricted investment earnings decreased by \$81,412, a result of the decreasing interest rates based on the federal funds target rate which was reduced during the year from 2.5% to 0.25%.

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, 2020

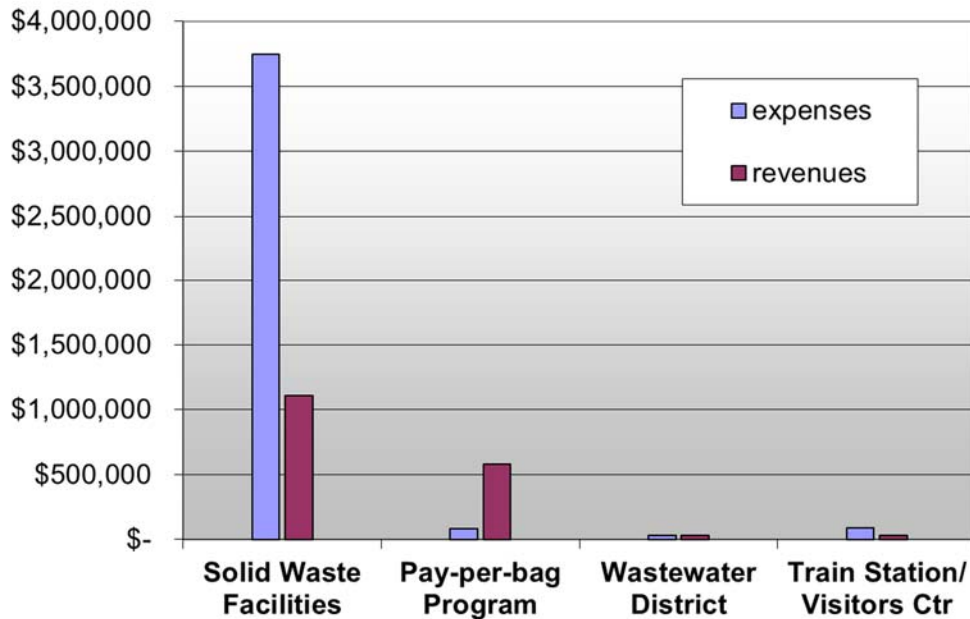


General and Program Revenues - Governmental Activities
For the year ended June 30, 2020

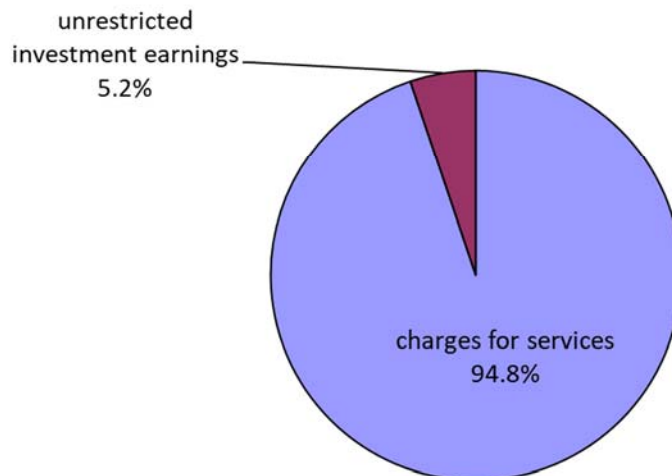


Business-type activities. The Town's business-type activities consist of four enterprise funds: two major funds accounting for its solid waste facilities and its pay-per-bag program, and two non-major funds, including a small wastewater district and the train station/visitors center. The following charts 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 received budgeted subsidies from the General Fund in 2019-20.

**Expenses and Program Revenues - Business-type Activities
For the year ended June 30, 2020**



**Revenues by Source - Business-type Activities
For the year ended June 30, 2020**



The Town's business-type activities decreased the Town's total net position by \$1,970,474. This was a result of decreases in the Solid Waste Facilities Fund of \$2,485,379, offset by increases in the Pay-per-bag Program Fund, the Train Station/Visitors Center Fund and the Mere Point Wastewater Fund of \$498,978, \$15,246 and \$681, 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, 2020, the landfill experienced a \$2,672,370 operating loss. The major driver for this is the projected closure of the landfill in the spring of 2021, and the estimate of liability for closure. During the year, consulting engineers Woodard & Curran provided landfill closure planning services for \$286,501. In addition, each year the Town recognizes expenses and books an estimated closure/post closure liability based on the landfill capacity. To calculate the expense and liability, the Town uses estimates from Woodard & Curran, and for the fiscal year ended June 30, 2020, the closure construction estimate increased by \$1,758,500. The Town currently estimates eventual landfill closure costs at \$9,588,500, and post closure costs at \$2,145,000, and estimates remaining capacity at approximately 11,660 tons or 2.85%. For the fiscal year, the amount of expense related to closure and post closure estimates was \$2,298,980, and the total liability is estimated at \$11,399,046. Also as of June 30, 2020, the Town recognized a liability of \$68,000 for 17 years of post closure monitoring of the wood and masonry landfill, which was closed in 2006.

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 bag fee and single-stream recycling were implemented in 2007 to encourage recycling. While these programs decreased the volume of solid waste delivered to the landfill, the Town was not able to sufficiently reduce operating costs to meet the reduction in revenue, and the Town Council voted its intent that the net funds generated by the pay-per-bag program be used toward future landfill closure costs. Recognizing the need to further reduce the deficit, the Town's FY 2020 budget included a \$150,000 General Fund subsidy for the Solid Waste Facilities Fund. In May, 2018, the Town Council voted to increase the cost of the trash bags, with the increase effective July 1, 2018. By June 30, 2020, the Pay-per-bag Program Fund had net position of \$3,831,030.

The Town's Mere Point Wastewater System realized operating income of \$598. 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 realized small operating gains. 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. As of June 30, 2020, the fund had \$12,537 in unrestricted net position.

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 five years at the same rental rate of \$44,000 per year. In 2019 the Town and JHR extended the lease an additional five years, commencing on January 1, 2020, at a rate of \$51,939.12 per year. 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, and in FY 2018 the Council increased the annual appropriation of TIF revenues to \$75,000 to cover other operating expenses as well. 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, but in FY 2020 collections dropped off completely in March due to COVID-19, and ended the year at \$16,492. As of June 30, 2020, the Train Station/Visitor's Center Fund had a net position totaling \$92,700, with \$4,325 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 \$25,264,631. Of that amount, \$2,316,455 is classified as nonspendable. Another \$7,373,193 is restricted, \$3,604,206 is committed and \$4,597,167 is assigned.

The largest portion of the \$2,316,455 nonspendable fund balance consists of \$1,582,610 in advances made by the General Fund to the Central Fire Station Fund, and two projects in the Capital Improvement Projects Fund. An additional \$629,931 is nonspendable because it is held in permanent funds for education, community improvements, recreation, and cultural and social services. Finally, \$103,914 is held in inventories and prepaid deposit items.

Of the \$7,373,193 in restricted fund balance, \$5,998,369, or approximately 81%, is restricted for education purposes. This includes \$3,621,472 in bond proceeds for the new elementary school. An additional \$639,133, or approximately 8.7%, is impact fees restricted for capital projects, and balances of state revenue sharing and highway revenues total \$338,920. Funds restricted in the permanent and special revenue funds total \$293,795, and the Tax Increment Financing Fund makes up the final \$102,976 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, 2020, the targeted unassigned fund balance for the General Fund was \$11,581,882. At \$12,002,583, the actual unassigned fund balance was 17.28% of revenues, and \$420,701 over the target. As a percentage of expenditures, the unassigned fund balance was 18.32%.

Despite a planned and budgeted reduction of \$2,723,364, plus additional reductions in the form of 2019 carry-forward encumbrances of \$143,588, capital budget of \$902,500 and supplemental appropriations of \$75,000, the fund balance of the Town of Brunswick's General Fund actually increased by \$1,244,522

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 of the Town’s five tax increment financing (TIF) districts. TIF funds must be used for eligible projects as defined within the development programs, in accordance with Maine State law. As of June 30, 2020, the fund had a balance of \$102,976, 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 2020 expenditures in this fund included \$859,169 in payments under credit enhancement agreements, \$72,105 in debt service payments, and \$25,000 to Brunswick Development Corporation in support of the Pandemic Emergency Relief Loan program. Transfers to other funds for development program purposes totaled \$2,021,319. 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 general fund advance for the Landing Drive project, and \$240,000 to begin repayment of the general fund advance for Fire Engine 2, which was acquired in October, 2018.

During FY 2020, the Council approved an additional \$182,719 from TIF revenues, of which \$128,000 was to match the MDOT grant for phase 1 of the Cedar Street Parking project, \$34,719 was to replace the banner poles on Maine Street as part of the Veteran’s Plaza project, and \$20,000 was used to fund a Transit Service study.

In the 2020-21 budget, the Town Council appropriated \$673,969 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 a total of \$721,922. This included \$15,000 to match the MDOT grant for phase 2 of the Cedar Street Parking project, \$46,922 to match the MDOT grant for the Pleasant Street Corridor Study, \$100,000 for downtown improvements, \$120,000 for the Bath Road Traffic Signal Upgrade project, \$200,000 toward the Landing Drive advance, and \$240,000 toward the Fire Engine 2 advance.

The *Elementary School Bond Fund* had a balance of \$3,621,472 as of June 30, 2020. Construction on the Kate Furbish Elementary School began in September, 2018, and the school opened on schedule in September, 2020. This locally-funded school was financed through the issuance of \$24,450,000 in general obligation bonds, which sold at a premium and generated proceeds totaling \$26,464,200. An additional \$450,000 was contributed by Bowdoin College, to be used for the construction of a Discovery Classroom connected to the school. The bond anticipation note, which was issued and retired during the year, generated premium totaling \$65,000, cost of issuance fees of \$188,356 and interest at \$174,444, for a net cost of \$297,800.

The *Central Fire Station Bond Fund* had a balance of (\$2,488,574), reflecting expenditures to design the new fire station and acquire properties at the proposed site. It is anticipated that bid documents will be finalized in November, 2020, with construction to commence in the spring of 2021. Until bonds are issued, possibly in March, 2021, this project will be funded with cash advanced from the General Fund.

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 \$8,923,147. The Pay-per-bag Program Fund had unrestricted net position of \$3,831,030. The Mere Point Wastewater District Fund and the Train Station/Visitors Center Fund had unrestricted net position of \$12,537 and \$88,375, 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 \$460,000 were made from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations. These adjustments were:

- \$140,000 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.
- \$100,000 for Health and Social Services to cover the cost of the Cultural Broker position.
- \$100,000 for the Fire Department to cover costs associated with COVID-19 response, and higher than anticipated vehicle repair costs.
- \$35,000 for Risk Management to cover unanticipated Workers Compensation insurance costs.
- \$20,000 for Administration to cover unanticipated professional services and human resources costs.
- \$20,000 for Public Works Administration to cover personnel costs.
- \$15,000 for the Municipal Officers to cover the cost of the increase in Councilors' annual stipends.
- \$15,000 for the Police Station to cover unanticipated maintenance costs.
- \$10,000 for the Town Clerk and Elections to cover costs associated with absentee voting.
- \$5,000 for the People Plus Center to cover unanticipated building repair costs.

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 \$3,667,142. Of that amount, \$3,592,142 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 \$75,000 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 \$75,000 emergency appropriation was made by the Town Council on June 15, 2020, to fund replacement of a failed catch basin on Mill Street.

Capital Budget

The Town Council adopted a capital budget in conjunction with the operating budget for the fiscal year ended June 30, 2020. The capital budget authorized the use of \$902,500 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.
- \$252,500 to fund a comprehensive upgrade and restructuring of the Town's IT Network.
- \$200,000 for the Street Resurfacing/Rehabilitation Program, to supplement the annual funding of road paving.
- \$100,000 for the reconstruction and re-paving of the People Plus parking lot.
- \$50,000 for the initial planning of a solution to traffic management at Cook's Corner.

Revenues - actual vs. final budget

For the year, actual revenues exceeded budgeted revenues by \$1,317,610. The following paragraphs discuss the various categories of revenues and the variances within each category.

In total, actual tax revenues exceeded the budget by \$703,804. Of this amount, property tax revenue was more than budgeted by \$583,695. This is the result of several factors. The total actual taxable valuation of real and personal property tax available for the general fund was more than the estimate used in the development of the budget, resulting in \$433,020 more property tax revenue than projected. In addition, the actual amount of property tax deferred was less than budgeted by \$149,587, and supplemental tax assessments were \$14,875 more than budgeted. Offsetting these, the actual amount of tax abatements granted was \$13,787 more than budgeted. Interest on delinquent taxes, and payments in lieu of taxes were \$8,501 and \$31,504 more than budgeted, respectively, while tax lien costs were \$1,344 less than budgeted. Excise tax revenues on vehicles, watercraft and aircraft were \$81,448 more than budgeted. The Town has regularly increased the budget for vehicle excise tax over the past several years, and actual collections continue to exceed expectations, even with the delays in collection this year due to COVID-19 closures.

In total, actual license and permit revenues were \$48,348 less than the amount budgeted. This category of revenues was impacted the most by the COVID-19 pandemic in March through May, 2020. Of the Codes Enforcement permits, only plumbing permit revenue came in over budget by \$15,935, while actual building and electrical permit revenues were \$40,716 and \$4,376 less than budgeted, respectively. In Planning and Development, revenues from planning board application fees were below the budget by \$11,674, again reflecting the drop-off in applications received due to COVID-19. Following re-opening of Town Hall in June, applications resumed and revenues are on track for 2020-21.

The Town Clerk's licenses and permit revenues were also short of projections by \$8,981, reflecting the Town's forgiveness of business licenses due to COVID-19, and a drop in vital records for \$11,844 and \$8,359, respectively. Fees from dog licenses, hunting/fishing licenses and shellfish licenses were less than anticipated by \$45. Offsetting these, revenue from mooring fees and marijuana licenses exceeded the budget by \$1,842 and \$9,425, respectively. In the Finance Department, revenues from processing passport applications and passport photos were \$1,995 less than budgeted, due to the closure of Town Hall and suspension of passport service effective March 17, 2020. The remaining revenues of this category were a total of \$3,459 more than budgeted.

Actual intergovernmental revenues were more than the budget by \$262,402. State revenue sharing exceeded estimates by \$139,959. 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 budget was based on the State's estimate from February, 2019, and this was the exact amount received by the school department. State general reimbursement was more than budgeted by \$79,501. This increase was expected, as this revenue is based on the amount of general assistance distributed, and the Town's distributions more than doubled over the prior year. In May, 2020 the Town received \$32,980 from the US Department of Health and Human Services under the CARES Act Provider Relief Fund. This allocation was based on the Town's 2019 Medicare billing for ambulance service. The state tax exemption reimbursement was \$17,059 more than budgeted whereas the state agency client fell short of projections by \$16,397 primarily due to a reduction in placed children under the care or custody of DHHS. The remaining intergovernmental revenues were more than budgeted by a total of \$9,299.

Actual charges for services exceeded the budget by \$214,829, for a variety of reasons. Ambulance service fees were more than anticipated by \$84,172, primarily due to increased efficiencies in collection. Tuition and transportation revenues received by the school department were more than budgeted by \$98,474. 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 estimate tuition revenues conservatively. Charges for service in the Police Department were more than anticipated by \$20,406. Of this, \$17,904 was for Animal Control Officer services provided to the Town of Freeport under an agreement dated July 24, 2019, after the budget was adopted, and the balance of Police services brought in \$2,502 more than

budgeted. Dispatch services fees were less than anticipated by \$6,403, due to Pownal's withdrawal from the agreement with Freeport. Agent fees for registering motor vehicles, boats, ATVs and snowmobiles were \$9,988 more than budgeted, due to an increase in the number of registrations processed. Revenues from the sale of recycled materials was \$3,557 more than budgeted. The remaining variances in this category result in a net positive variance of \$4,635.

Fines and penalties collected were more than budgeted by \$5,465. In total, Police Department fines exceeded the budget by \$7,720. Parking tickets, ordinance fines and leash law fines were higher than budgeted, offset by false alarm fines. The overage in parking fines was due largely to stricter enforcement of parking regulations in the downtown area. Unlicensed dog fines and fire department permits were less than anticipated by \$2,900 and \$1,000, respectively. The other revenues in this category totaled \$1,645 more than budgeted.

Interest on investments exceeded the budget estimate by \$80,692. This was largely the result of efforts to monitor cash flow and maximize interest earnings on available cash balances. The interest rates on the Town's cash investments are based on the Federal Funds rate. Despite the relatively high rates at the beginning of the fiscal year, the Town has continued to budget conservatively.

Finally, the other revenues category exceeded the budget by \$98,766. Miscellaneous revenues for the municipal departments were more than budgeted by \$58,429. The three main contributors to this were \$24,000 in training cost reimbursement by the Waldo County Sheriff for a police officer who left Brunswick to work for Waldo County, an unanticipated \$17,305 in worker's compensation proceeds, and a higher margin on public works fuel based on favorable contract costs. The City of Portland contributed \$35,000 toward the new Cultural Broker position, which was created with the arrival of over one hundred asylum seekers in Brunswick in August and September, 2019. The Town budgets conservatively for Cable TV franchise fees, and this line came in \$13,446 over budget. School miscellaneous revenues were less than the budget by \$9,749, and the remaining lines in this category were a total of \$1,640 more than expected.

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 \$638,000. 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, 2020 amounts to \$103,626,116, 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 15.5%. Governmental capital assets increased,

while business-type capital assets decreased as the result of depreciation. Major capital asset events during the current fiscal year are listed below.

- Land additions totaled \$587,300. This represents the assessed value of five parcels, totaling approximately 163.4 acres and located adjacent to the Captain Fitzgerald Recreation and Conservation Area in east Brunswick, which were donated to the Town for recreation purposes. The structures on two of the parcels were added in the building category.
- Construction projects in progress totaled \$25,818,148 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 \$23,026,114 expended as of June 30, 2020. Approved for up to \$28,000,000, the new school opened in September, 2020.

Other ongoing projects were the Central Fire Station at \$2,488,574, the Downtown Streetscape Enhancement project at \$87,162, the Cedar Street Parking project at \$76,456, LED Lighting upgrades at the Library and the People Plus Center for \$66,152 and the Veteran's Plaza project at \$15,320. The increases in this category were offset by the completion and capitalization of the Cook's Corner Connector Road (Landing Drive), the rehabilitation and paving of Moody Road and Merryman Lane, the Brunswick High School Track, and the Municipal Dark Fiber Network project.

- Additions to building assets totaled \$947,712, of which \$506,302 was associated with school buildings. Coffin School added \$300,272, which included \$210,874 for boiler plant upgrades, \$76,219 for roofing, and \$13,179 for a phone system. At the Brunswick Junior High School, additions totaled \$166,711, which consisted of roofing for \$76,965, flooring upgrades for 45,400, wall construction in the tunnel wing for \$31,340, and a generator connection for \$13,006. Projects at the High School totaled \$34,279 for flooring and window upgrades, while a generator connection at the Harriet Beecher Stowe School added \$5,070. Municipal building additions were \$441,410, of which \$320,900 was contributed to the Town along with the recreation land in east Brunswick. Two of the parcels were originally residential, and the two houses, a mobile home and a barn were added for their assessed value. Other additions included HVAC controls at the library and LED lighting upgrades at the public building for \$91,900 and \$28,610, respectively.
- Improvements other than buildings increased by \$974,964 with the completion of the Brunswick High School Track renovation project.
- Machinery and equipment additions in governmental activities totaled \$496,752. The school department added \$251,601 in machinery and equipment. This included \$87,109 for ten copiers, and \$79,414 for information technology and security system equipment district-wide. A Bobcat Toolcast utility machine was purchased for \$69,382, and Brunswick High School acquired a vertical lift and an English horn for \$10,208 and \$5,488, respectively. A municipal information technology network project was completed during the year, adding servers and storage totaling \$117,470. Specialized servers for Cable TV and the police department added \$27,823 and \$5,415, respectively. The Fire department added ambulance equipment totaling \$49,438 and fire-fighting equipment for \$15,395. Finally, the recreation department added an anchor system for the roof which cost \$13,421, and a scissor lift for \$16,189.
- Vehicles were replaced in the public works, fire, police and school departments during the year, retiring \$233,009 and adding \$823,513 in value. The public works department acquired an International tandem axle truck for \$214,153. The fire department replaced the chassis on Rescue 1 at a cost of \$114,040 and the police department replaced five cruisers for \$176,920. The school department added three new buses, and refurbished two buses, for a total of \$309,700. Retired assets were the Rescue 1 chassis at \$176,257 and two police cruisers at \$56,752. Two police cruisers were transferred to the Parks and Recreation Department in July, 2020.

- The Town added intangible assets totaling \$123,450. The Town's assessing software was upgraded for \$20,000, and access to fiber connectivity between the municipal buildings purchased for \$103,450.
- Governmental activities added infrastructure during the year totaling \$2,225,851. Landing Drive, the new road in Cook's Corner connecting Gurnet Road and Admiral Fitch Avenue, added infrastructure assets totaling \$1,632,235. Paving Moody Road and Merryman Drive, formerly gravel roads, added \$304,700 and \$85,250 respectively. Other Town projects included paving and adding new drainage to the parking lot at the People Plus Center for \$84,366, four new crosswalk signals for \$88,400, a new section of sidewalk along Park Row for \$18,000, and four new drainage structures on Union Street for \$12,900.

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	
	2020	2019	2020	2019	2020	2019
Capital assets not being depreciated:						
Land	\$ 6,861,708	\$ 6,274,408	\$ 115,000	\$ 115,000	\$ 6,976,708	\$ 6,389,408
Construction in progress	25,818,148	13,481,435	-	-	25,818,148	13,481,435
Intangibles	200,000	200,000	-	-	200,000	200,000
Capital assets being depreciated:						
Buildings	37,595,357	38,731,581	-	-	37,595,357	38,731,581
Improvements other than buildings	1,654,658	908,334	221,381	691,193	1,876,039	1,599,527
Machinery and equipment	1,823,435	1,662,594	302,289	349,757	2,125,724	2,012,351
Vehicles	4,005,002	3,846,242	-	-	4,005,002	3,846,242
Intangibles	270,041	245,283	5,461	7,447	275,502	252,730
Infrastructure	24,729,060	23,449,677	24,576	29,257	24,753,636	23,478,934
Total	\$ 102,957,409	\$ 88,799,554	\$ 668,707	\$ 1,192,654	\$ 103,626,116	\$ 89,992,208

Additional information on the Town of Brunswick's capital assets can be found in note IV.C on pages 64 and 65 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Brunswick had total bonded debt and notes from direct borrowings outstanding of \$42,082,308, all of which is general obligation debt.

Town of Brunswick's Outstanding Long-term Debt

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 29,820,000	\$ 6,315,000	\$ -	\$ -	\$ 29,820,000	\$ 6,315,000
Notes from direct borrowings	12,262,308	13,407,829	-	-	12,262,308	13,407,829
Total	\$ 42,082,308	\$ 19,722,829	\$ -	\$ -	\$ 42,082,308	\$ 19,722,829

In January, 2020, the Town issued \$24,450,000 in general obligation debt to fund construction of the Kate Furbish Elementary School. The amount of principal debt retired during the year through debt service payments totaled \$2,090,521. 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 \$376,425,000, 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, 2020, the Town had debt authorized but not issued for up to \$13,595,511. Of this amount, \$13,500,000 was authorized on April 1, 2019, for the purchase of property and construction of a new fire station. To be located on Pleasant Street, this station will replace the Town's 100 year old Central Fire Station. As of June 30, 2020, the Town had expended \$2,488,574 for acquisition of property and design of the station. It is expected that construction will begin, and debt will be issued in 2021.

Also authorized but not issued as of June 30, 2020 was \$95,511 in School Revolving Renovation Fund (SRRF) loans through Maine Municipal Bond Bank (MMBB). Authorized by the Town Council on April 21, 2020, this funding is for improvements at the Junior High School. The SRRF program is administered by the Maine Department of Education, and provides financing through zero-interest loans and grant funds for qualifying school renovation projects. The Brunswick school department has utilized this funding over the past several years for projects at the Coffin Elementary School and the Brunswick Junior High School. Subsequent to June 30th, on July 20, 2020, the Town Council authorized borrowing \$183,849 for improvements at the Coffin School. In total, SRRF funding was approved for \$449,783 on a reimbursement basis, with \$279,360 to be issued as debt, and \$170,423 in grant funding. The MMBB bond for \$279,360 was issued on September 18, 2020.

The debt authorization for Landing Drive was abandoned by the Treasurer as of June 30, 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. The Town advanced the funds from the general fund to a capital project fund, and Landing Drive was completed and put in service in the fall of 2019. 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 are expected to fund infrastructure improvements such as the connector road, with the understanding that if sufficient TIF revenues are generated, the Town would not issue bonds for this project. With the 2019-20 budget, the Town Council appropriated \$560,000 in TIF revenues to begin repayment of the advance. With the 2020-21 budget adoption on June 15, 2020, the Council appropriated an additional \$220,000, and it is expected that TIF revenues in future years will be appropriated to repay the balance of the advance for this project.

Additional information on the Town's long-term debt can be found in note IV.F.1. on pages 67-69 of this report.

Economic Factors and Next Year's Budgets and Rate

The 2020-21 municipal budget was developed in the spring of 2020, during the onset of the COVID-19 pandemic. Due to the many challenges facing the State, Governor Mills changed the date of the school budget referendum election from June 12th to July 15th, and the Town delayed adoption of the budget by one month, until June 15th. Between the Town Manager's preliminary budget presentation to the Town Council on March 5th, and the adopted budget, the Town made significant changes to the estimated revenues. Based on an analysis of the effects of past recessions, the Town reduced its estimate of motor vehicle excise tax, to decrease 6.2% from the 2019-20 budget. Estimated interest revenue was reduced as well, recognizing the drop in the Federal Funds Rate. When budgeting for State Aid to Education, the school department uses the calculations provided by the State in the ED 279 formula. Changes to the formula, and additional funds available, will result in an estimated \$1,341,607 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. When the 2019-20 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, and for the year ended June 30, 2020, Brunswick received \$1,939,959 in revenue sharing.

With the State's proposed increase to distribute 3.75% of income and sales tax revenue in 2020-21, the original estimate provided by the State on March 4, 2020 would have increased Brunswick's revenue to \$2,328,144. The State's August 3, 2020 calculations, based on estimated reductions in State revenues due to COVID-19, calculated Brunswick's distribution at \$2,058,611. In the final adopted budget, the Town estimated more conservatively, and anticipates receiving \$1,800,000. Raising that amount from property taxes would require an estimated 3.95% increase in the 2020-21 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 that reimbursement rate increase to the Town at approximately \$200,000. For FY 2021 the State budget proposal included 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 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. Over the past several years, the Town has planned the debt service on the new elementary school to begin in the 2020-21 fiscal year, and financial modeling estimated the associated tax rate increase in the range of 3.5% to 4.5%. With the issuance of bonds in January, 2020, the first year debt service of \$1,428,658 translated into an estimated tax rate increase of 3.14%. As was anticipated, the Town Council, in an effort to minimize the impact on the taxpayers, required municipal and school department staff to adjust the revenue and expenditure budgets to accommodate this increase.

The Town Council adopted a 2020-21 budget which was calculated to limit the property tax rate increase to 3.3%, covering the cost of the debt service on the new elementary school and the year-over-year increase in the Cumberland County tax. With the revenue adjustments prompted by the COVID-19 pandemic, the Town Council increased the use of reserves (unassigned fund balance) in the budget by \$150,000, to \$650,000. As noted below, this increase in use of reserves did not drop the unassigned fund balance below the target for June 30, 2020 as established by the fund balance policy. On September 4, 2020, taxes were committed with a tax rate of \$20.37 per \$1,000, a 3.30% property tax rate increase.

For the fiscal year ended June 30, 2020, the unrestricted fund balance in the General Fund was \$16,599,750, with the unassigned portion of the unrestricted balance at \$12,002,583. 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, 2020, the target was \$11,581,882. The actual balance, at 17.28% of GAAP revenues, is \$420,701 above the target. This is the fifth 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. 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.

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BASIC FINANCIAL STATEMENTS



TOWN OF BRUNSWICK, MAINE
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 30,077,099	\$ 6,391,461	\$ 36,468,560
Receivables (net of allowance for uncollectibles):			
Accounts	587,299	127,647	714,946
Taxes receivable - current year	1,389,727	-	1,389,727
Taxes receivable - prior year	26,088	-	26,088
Tax liens	300,001	-	300,001
Intergovernmental	1,055,713	8,407	1,064,120
Internal balances	7,776	(7,776)	-
Deposits	51,236	-	51,236
Inventories	52,678	66,547	119,225
Permanently restricted assets:			
Cash and cash equivalents	38,927	-	38,927
Investments	614,168	-	614,168
Capital assets not being depreciated:			
Land	6,861,708	115,000	6,976,708
Construction in progress	25,818,148	-	25,818,148
Intangibles	200,000	-	200,000
Capital assets (net of accumulated depreciation):			
Buildings	37,595,357	-	37,595,357
Improvements other than buildings	1,654,658	221,381	1,876,039
Machinery and equipment	1,823,435	302,289	2,125,724
Vehicles	4,005,002	-	4,005,002
Intangibles	270,041	5,461	275,502
Infrastructure	24,729,060	24,576	24,753,636
Total assets	<u>137,158,121</u>	<u>7,254,993</u>	<u>144,413,114</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	3,228,465	-	3,228,465
Deferred outflows of resources related to other postemployment benefits	1,230,788	-	1,230,788
Total deferred outflows of resources	<u>4,459,253</u>	<u>-</u>	<u>4,459,253</u>
LIABILITIES			
Accounts payable and other current liabilities	7,558,873	94,980	7,653,853
Interest payable	425,569	-	425,569
Payable to agency fund - student activities	99,846	-	99,846
Unearned revenues	44,570	-	44,570
Noncurrent liabilities:			
Due within one year	3,108,708	19,465	3,128,173
Due in more than one year	57,407,141	11,463,046	68,870,187
Total liabilities	<u>68,644,707</u>	<u>11,577,491</u>	<u>80,222,198</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	1,853,476	-	1,853,476
Deferred inflows of resources related to other postemployment benefits	1,237,273	-	1,237,273
Total deferred inflows of resources	<u>3,090,749</u>	<u>-</u>	<u>3,090,749</u>
NET POSITION			
Net investment in capital assets	61,963,362	668,707	62,632,069
Restricted for:			
Education	2,859,416	-	2,859,416
Municipal	338,920	-	338,920
Tax increment financing	102,976	-	102,976
Public safety grants	287,914	-	287,914
Development projects - impact fees	639,133	-	639,133
Permanent funds:			
Expendable	5,881	-	5,881
Nonexpendable	629,931	-	629,931
Unrestricted	3,054,385	(4,991,205)	(1,936,820)
Total net position	<u>\$ 69,881,918</u>	<u>\$ (4,322,498)</u>	<u>\$ 65,559,420</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Activities
For the year ended June 30, 2020

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	\$ 6,331,703	\$ 592,421	\$ 528,232	\$ 55,000	\$ (5,156,050)	\$ -	\$ (5,156,050)
Public safety	10,711,151	1,515,566	73,286	-	(9,122,299)	-	(9,122,299)
Public works	6,791,120	67,395	214,622	591,135	(5,917,968)	-	(5,917,968)
Human services	375,519	1,599	114,500	-	(259,420)	-	(259,420)
Education	44,061,737	1,540,639	16,316,963	100,000	(26,104,135)	-	(26,104,135)
Recreation and culture	3,898,655	410,794	10,000	1,248,898	(2,228,963)	-	(2,228,963)
County tax	1,590,123	-	-	-	(1,590,123)	-	(1,590,123)
Unclassified	103,265	-	-	-	(103,265)	-	(103,265)
Interest on long-term debt	988,514	-	-	-	(988,514)	-	(988,514)
Total governmental activities	74,851,787	4,128,414	17,257,603	1,995,033	(51,470,737)	-	(51,470,737)
Business-type activities:							
Solid Waste Facilities	3,742,135	1,069,765	-	-	-	(2,672,370)	(2,672,370)
Pay-per-bag Program	82,552	529,254	-	-	-	446,702	446,702
Mere Point Wastewater District	33,432	34,030	-	-	-	598	598
Train Station/ Visitors Center	89,152	28,232	-	-	-	(60,920)	(60,920)
Total business-type activities	3,947,271	1,661,281	-	-	-	(2,285,990)	(2,285,990)
Total primary government	\$ 78,799,058	\$ 5,789,695	\$ 17,257,603	\$ 1,995,033	\$ (51,470,737)	\$ (2,285,990)	\$ (53,756,727)
General revenues:							
Property taxes					48,219,683	-	48,219,683
Vehicle, watercraft and aircraft excise taxes					3,598,448	-	3,598,448
Grants and contributions not restricted to specific programs					2,330,033	-	2,330,033
Unrestricted investment earnings					392,216	90,516	482,732
Transfers					(225,000)	225,000	-
Total general revenues and transfers					54,315,380	315,516	54,630,896
Changes in net position					2,844,643	(1,970,474)	874,169
Net position - beginning					67,037,275	(2,352,024)	64,685,251
Net position - ending					\$ 69,881,918	\$ (4,322,498)	\$ 65,559,420

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Tax Increment Financing	New Elementary School Bond	New Central Fire Station	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 24,174,102	\$ -	\$ 4,816,278	\$ -	\$ 1,125,646	\$ 30,116,026
Investments	-	-	-	-	614,168	614,168
Receivables (net of allowance for uncollectibles):						
Accounts	581,007	-	-	-	6,292	587,299
Taxes - current	1,389,727	-	-	-	-	1,389,727
Taxes - prior years	26,088	-	-	-	-	26,088
Tax liens	300,001	-	-	-	-	300,001
Intergovernmental	389,708	-	-	-	666,005	1,055,713
Deposits	1,236	-	-	-	50,000	51,236
Inventory, at cost	20,159	-	-	-	32,519	52,678
Due from other funds	-	102,976	450,000	-	3,571,299	4,124,275
Advances to other funds	1,582,610	-	-	-	-	1,582,610
Total assets	<u>\$ 28,464,638</u>	<u>\$ 102,976</u>	<u>\$ 5,266,278</u>	<u>\$ -</u>	<u>\$ 6,065,929</u>	<u>\$ 39,899,821</u>
LIABILITIES						
Accounts payable	\$ 1,096,646	\$ -	\$ 632,387	\$ 856	\$ 173,499	\$ 1,903,388
Retainage payable	-	-	1,012,419	-	143,835	1,156,254
Accrued wages and benefits payable	4,035,079	-	-	-	124,457	4,159,536
Payable to agency fund - student activities	99,846	-	-	-	-	99,846
Other liabilities	88,061	-	-	-	-	88,061
Payments in escrow	201,145	-	-	-	-	201,145
Unearned revenue	-	-	-	-	44,570	44,570
Due to other funds	1,211,257	-	-	2,487,718	590,039	4,289,014
Advances from other funds	-	-	-	-	1,582,610	1,582,610
Total liabilities	<u>6,732,034</u>	<u>-</u>	<u>1,644,806</u>	<u>2,488,574</u>	<u>2,659,010</u>	<u>13,524,424</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	764,028	-	-	-	-	764,028
Unavailable revenue - miscellaneous	346,738	-	-	-	-	346,738
Total deferred inflows of resources	<u>1,110,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,110,766</u>
FUND BALANCES (DEFICITS)						
Nonspendable:						
Long-term loans and advances	1,582,610	-	-	-	-	1,582,610
Inventories and deposits	21,395	-	-	-	82,519	103,914
Permanent funds	-	-	-	-	629,931	629,931
Restricted:						
Education	2,079,163	-	3,621,472	-	297,734	5,998,369
Municipal purposes	338,920	-	-	-	-	338,920
Tax increment financing	-	102,976	-	-	-	102,976
Capital projects funds	-	-	-	-	639,133	639,133
Special revenue funds	-	-	-	-	287,914	287,914
Permanent funds	-	-	-	-	5,881	5,881
Committed:						
Capital projects funds	-	-	-	-	3,008,042	3,008,042
Special revenue funds	-	-	-	-	596,164	596,164
Assigned:						
General fund	4,597,167	-	-	-	-	4,597,167
Unassigned:						
General fund	12,002,583	-	-	-	-	12,002,583
Special revenue funds	-	-	-	-	(433,190)	(433,190)
Capital improvements fund	-	-	-	(2,488,574)	(1,706,692)	(4,195,266)
Permanent funds	-	-	-	-	(517)	(517)
Total fund balances (deficits)	<u>20,621,838</u>	<u>102,976</u>	<u>3,621,472</u>	<u>(2,488,574)</u>	<u>3,406,919</u>	<u>25,264,631</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 28,464,638</u>	<u>\$ 102,976</u>	<u>\$ 5,266,278</u>	<u>\$ -</u>	<u>\$ 6,065,929</u>	

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.	102,957,409
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	1,110,766
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.	(60,941,418)
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.	122,026
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	1,368,504
Net position of governmental activities (see Statement 1)	<u>\$ 69,881,918</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2020

	<u>General Fund</u>	<u>Tax Increment Financing</u>	<u>New Elementary School Bond</u>	<u>New Central Fire Station</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 49,424,031	\$ 2,346,334	\$ -	\$ -	\$ -	\$ 51,770,365
Licenses and permits	535,870	-	-	-	-	535,870
Intergovernmental	17,038,818	-	-	-	2,464,656	19,503,474
Investment income	-	-	-	-	42,441	42,441
Charges for services	1,683,273	-	-	-	1,685,620	3,368,893
Fines and penalties	43,860	-	-	-	-	43,860
Interest	300,692	-	31,186	-	18,356	350,234
Donations	-	-	-	-	816,487	816,487
Other	450,850	-	-	-	600	451,450
Total revenues	<u>69,477,394</u>	<u>2,346,334</u>	<u>31,186</u>	<u>-</u>	<u>5,028,160</u>	<u>76,883,074</u>
EXPENDITURES						
Current:						
General government	4,184,097	884,169	-	-	476,885	5,545,151
Public safety	9,952,658	-	-	-	76,851	10,029,509
Public works	3,771,060	-	-	-	10,692	3,781,752
Human services	374,486	-	-	-	-	374,486
Education	39,756,590	-	188,356	-	3,249,277	43,194,223
Recreation and culture	3,230,972	-	-	-	393,624	3,624,596
County tax	1,590,123	-	-	-	-	1,590,123
Unclassified	103,265	-	-	-	-	103,265
Debt service:						
Principal	2,021,521	69,000	-	-	-	2,090,521
Interest	534,810	3,105	174,444	-	-	712,359
Capital outlay	-	-	11,686,414	2,474,440	4,437,673	18,598,527
Total expenditures	<u>65,519,582</u>	<u>956,274</u>	<u>12,049,214</u>	<u>2,474,440</u>	<u>8,645,002</u>	<u>89,644,512</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,957,812</u>	<u>1,390,060</u>	<u>(12,018,028)</u>	<u>(2,474,440)</u>	<u>(3,616,842)</u>	<u>(12,761,438)</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	678,946	-	-	-	4,610,213	5,289,159
Transfers to other funds	(2,288,316)	-	-	-	(100,604)	(2,388,920)
Transfers to other funds - capital budget	(902,500)	(1,838,600)	-	-	-	(2,741,100)
Transfers to other funds - suppl. approp.	(75,000)	(182,719)	-	-	-	(257,719)
Transfers to other funds - education	(126,420)	-	-	-	-	(126,420)
Bonds issued	-	-	24,450,000	-	-	24,450,000
Premium on bonds	-	-	2,014,200	-	-	2,014,200
Premium on bond anticipation note	-	-	65,000	-	-	65,000
Total other financing sources (uses)	<u>(2,713,290)</u>	<u>(2,021,319)</u>	<u>26,529,200</u>	<u>-</u>	<u>4,509,609</u>	<u>26,304,200</u>
Net changes in fund balances	1,244,522	(631,259)	14,511,172	(2,474,440)	892,767	13,542,762
Fund balances (deficits), beginning of year	19,377,316	734,235	(10,889,700)	(14,134)	2,514,152	11,721,869
Fund balances (deficits), end of year	<u>\$ 20,621,838</u>	<u>\$ 102,976</u>	<u>\$ 3,621,472</u>	<u>\$ (2,488,574)</u>	<u>\$ 3,406,919</u>	<u>\$ 25,264,631</u>

See accompanying notes to financial statements.

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, 2020

Net change in fund balances - total governmental funds (from Statement 4)	\$	13,542,762
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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.		14,223,449
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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.		(65,594)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		130,156
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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.		(24,373,679)
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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.		(537,440)
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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.		21,908
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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.		(96,919)
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Change in net position of governmental activities (see Statement 2)	\$	<u>2,844,643</u>
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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, 2020

	<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	\$ 44,727,227	\$ -	\$ 44,727,227	\$ 45,310,922	\$ 583,695
Interest on delinquent taxes	82,000	-	82,000	90,501	8,501
Tax lien costs	14,000	-	14,000	12,656	(1,344)
Payment in lieu of taxes	380,000	-	380,000	411,504	31,504
Vehicle excise taxes	3,490,000	-	3,490,000	3,553,115	63,115
Watercraft excise taxes	24,000	-	24,000	24,000	-
Aircraft excise taxes	3,000	-	3,000	21,333	18,333
Total taxes	<u>48,720,227</u>	<u>-</u>	<u>48,720,227</u>	<u>49,424,031</u>	<u>703,804</u>
Licenses and permits:					
Finance department	24,000	-	24,000	22,005	(1,995)
Codes enforcement	317,500	-	317,500	288,343	(29,157)
Town clerk	165,525	-	165,525	156,544	(8,981)
Planning	44,493	-	44,493	32,819	(11,674)
Fire department	2,000	-	2,000	3,520	1,520
Police department	700	-	700	700	-
Public works	30,000	-	30,000	31,939	1,939
Total licenses and permits	<u>584,218</u>	<u>-</u>	<u>584,218</u>	<u>535,870</u>	<u>(48,348)</u>
Intergovernmental:					
State education subsidy	11,058,375	-	11,058,375	11,058,375	-
State agency client	29,500	-	29,500	13,103	(16,397)
MainePERS contribution	-	3,592,142	3,592,142	3,592,142	-
State revenue sharing	1,800,000	-	1,800,000	1,939,959	139,959
State highway grant	200,000	-	200,000	209,110	9,110
State snowmobile funds	1,400	-	1,400	1,589	189
State tax exemption reimbursement	50,000	-	50,000	67,059	17,059
State boat launch cooperative agreement	9,999	-	9,999	10,000	1
State general assistance reimbursement	35,000	-	35,000	114,501	79,501
State civil emergency preparedness	-	-	-	32,980	32,980
Total intergovernmental	<u>13,184,274</u>	<u>3,592,142</u>	<u>16,776,416</u>	<u>17,038,818</u>	<u>262,402</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, 2020

	<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	60,293	10,293
Watercraft, ATV, snowmobile registration	1,500	-	1,500	1,195	(305)
Municipal building rental	1,200	-	1,200	4,151	2,951
Fire department	1,500	-	1,500	726	(774)
Emergency medical services	1,000,000	-	1,000,000	1,084,172	84,172
Police department	101,200	-	101,200	121,606	20,406
Dispatch services fees	157,195	-	157,195	150,792	(6,403)
Public works	-	-	-	1,908	1,908
Recycling	15,000	-	15,000	18,557	3,557
Education - tuition, transportation, etc.	138,849	-	138,849	237,323	98,474
Recreation facility rentals	2,000	-	2,000	2,550	550
Total charges for services	<u>1,468,444</u>	<u>-</u>	<u>1,468,444</u>	<u>1,683,273</u>	<u>214,829</u>
Fines and penalties:					
Town clerk	6,995	-	6,995	5,640	(1,355)
Fire department	1,000	-	1,000	100	(900)
Police department	30,400	-	30,400	38,120	7,720
Total fines and penalties	<u>38,395</u>	<u>-</u>	<u>38,395</u>	<u>43,860</u>	<u>5,465</u>
Interest earned	<u>220,000</u>	<u>-</u>	<u>220,000</u>	<u>300,692</u>	<u>80,692</u>
Other revenue:					
Sale of miscellaneous assets	-	-	-	41	41
Cable TV franchise fees	275,000	-	275,000	288,446	13,446
General assistance recovery	-	-	-	1,599	1,599
Brunswick Development Corporation subsidy	25,000	-	25,000	25,000	-
Portland contribution for asylum seekers	-	-	-	35,000	35,000
Miscellaneous - municipal	9,084	-	9,084	67,513	58,429
Miscellaneous - school	43,000	-	43,000	33,251	(9,749)
Total other revenue	<u>352,084</u>	<u>-</u>	<u>352,084</u>	<u>450,850</u>	<u>98,766</u>
Total revenues	<u>\$ 64,567,642</u>	<u>\$ 3,592,142</u>	<u>\$ 68,159,784</u>	<u>\$ 69,477,394</u>	<u>\$ 1,317,610</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, 2020

	<u>Adopted Budget</u>	<u>2019 Encumbered Balances</u>	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2020 Encumbered Balances</u>
EXPENDITURES									
Current:									
General government:									
Administration	\$ 595,913	\$ -	\$ 595,913	\$ -	\$ 20,000	\$ 615,913	\$ 597,856	\$ 18,057	\$ -
Finance	774,536	-	774,536	-	-	774,536	723,310	51,226	-
Technology services	355,386	16,863	372,249	-	-	372,249	328,900	43,349	-
Municipal officers	237,915	-	237,915	-	15,000	252,915	225,153	27,762	-
Town Hall building	177,899	-	177,899	-	-	177,899	171,704	6,195	-
Risk management	505,005	-	505,005	-	35,000	540,005	534,037	5,968	-
Cable TV	92,001	-	92,001	-	-	92,001	82,442	9,559	-
Assessing	299,905	548	300,453	-	-	300,453	257,923	42,530	-
Town Clerk & elections	401,760	-	401,760	-	10,000	411,760	371,790	39,970	-
Engineering	256,566	-	256,566	-	-	256,566	232,219	24,347	-
Planning	627,392	27,200	654,592	-	-	654,592	547,552	107,040	67,649
Economic development	129,906	-	129,906	-	-	129,906	111,211	18,695	-
Total general government	<u>4,454,184</u>	<u>44,611</u>	<u>4,498,795</u>	<u>-</u>	<u>80,000</u>	<u>4,578,795</u>	<u>4,184,097</u>	<u>394,698</u>	<u>67,649</u>
Public safety:									
Fire department	3,837,278	-	3,837,278	-	100,000	3,937,278	3,850,817	86,461	3,300
Central fire station	46,600	-	46,600	-	-	46,600	31,905	14,695	-
Emerson fire station	61,675	-	61,675	-	-	61,675	54,170	7,505	-
Police department	4,397,148	-	4,397,148	-	(100,000)	4,297,148	4,172,036	125,112	8,970
Emergency services dispatch	927,827	-	927,827	-	-	927,827	849,119	78,708	-
Police station	114,619	-	114,619	-	15,000	129,619	114,941	14,678	-
Marine resources	120,082	-	120,082	-	-	120,082	98,370	21,712	1,972
Streetlights	216,000	-	216,000	-	-	216,000	200,253	15,747	-
Traffic signals	32,500	-	32,500	-	-	32,500	23,593	8,907	-
Fire suppression (hydrants)	550,000	-	550,000	-	-	550,000	556,384	(6,384)	-
Civil emergency preparedness	2,000	-	2,000	-	-	2,000	1,070	930	-
Total public safety	<u>10,305,729</u>	<u>-</u>	<u>10,305,729</u>	<u>-</u>	<u>15,000</u>	<u>10,320,729</u>	<u>9,952,658</u>	<u>368,071</u>	<u>14,242</u>
Public works:									
Administration	361,004	25,404	386,408	-	20,000	406,408	380,558	25,850	-
General maintenance	1,882,842	-	1,882,842	-	(50,000)	1,832,842	1,780,483	52,359	-
Refuse collection	654,554	-	654,554	-	(50,000)	604,554	547,633	56,921	-
Recycling	479,491	-	479,491	-	-	479,491	451,197	28,294	-
Central garage	742,785	-	742,785	-	(50,000)	692,785	611,189	81,596	-
Total public works	<u>4,120,676</u>	<u>25,404</u>	<u>4,146,080</u>	<u>-</u>	<u>(130,000)</u>	<u>4,016,080</u>	<u>3,771,060</u>	<u>245,020</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, 2020

	<u>Adopted Budget</u>	<u>2019 Encumbered Balances</u>	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2020 Encumbered Balances</u>
EXPENDITURES, CONTINUED									
Human services:									
General assistance	195,411	-	195,411	-	140,000	335,411	284,756	50,655	2,354
Health and social services	2,836	-	2,836	-	100,000	102,836	89,730	13,106	-
Total human services	<u>198,247</u>	<u>-</u>	<u>198,247</u>	<u>-</u>	<u>240,000</u>	<u>438,247</u>	<u>374,486</u>	<u>63,761</u>	<u>2,354</u>
Education:									
Education	<u>40,153,709</u>	<u>-</u>	<u>40,153,709</u>	<u>3,592,142</u>	<u>(1,803,024)</u>	<u>41,942,827</u>	<u>39,756,590</u>	<u>2,186,237</u>	<u>-</u>
Recreation and culture:									
Recreation administration	471,504	-	471,504	-	-	471,504	458,550	12,954	-
Buildings and grounds	984,929	29,180	1,014,109	-	-	1,014,109	878,545	135,564	29,367
Rec Building Neptune Dr	248,877	44,393	293,270	-	-	293,270	215,650	77,620	-
People Plus	154,604	-	154,604	-	5,000	159,604	155,778	3,826	-
Library	<u>1,533,441</u>	<u>-</u>	<u>1,533,441</u>	<u>-</u>	<u>-</u>	<u>1,533,441</u>	<u>1,522,449</u>	<u>10,992</u>	<u>-</u>
Total recreation and culture	<u>3,393,355</u>	<u>73,573</u>	<u>3,466,928</u>	<u>-</u>	<u>5,000</u>	<u>3,471,928</u>	<u>3,230,972</u>	<u>240,956</u>	<u>29,367</u>
Intergovernmental:									
County tax	<u>1,590,123</u>	<u>-</u>	<u>1,590,123</u>	<u>-</u>	<u>-</u>	<u>1,590,123</u>	<u>1,590,123</u>	<u>-</u>	<u>-</u>
Unclassified:									
Promotion and development	282,840	-	282,840	-	(4,500)	278,340	267,554	10,786	-
Additional school assistance	10,000	-	10,000	-	-	10,000	10,000	-	-
Cemetery care	3,200	-	3,200	-	-	3,200	500	2,700	-
Wage & benefits adjustment	<u>254,000</u>	<u>-</u>	<u>254,000</u>	<u>-</u>	<u>(210,000)</u>	<u>44,000</u>	<u>(174,789)</u>	<u>218,789</u>	<u>-</u>
Total unclassified	<u>550,040</u>	<u>-</u>	<u>550,040</u>	<u>-</u>	<u>(214,500)</u>	<u>335,540</u>	<u>103,265</u>	<u>232,275</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, 2020

	<u>Adopted Budget</u>	<u>2019 Encumbered Balances</u>	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2020 Encumbered Balances</u>
EXPENDITURES, CONTINUED									
Debt service:									
Long-term debt, principal	820,500	-	820,500	-	1,201,021	2,021,521	2,021,521	-	-
Long-term debt, interest	150,043	-	150,043	-	384,767	534,810	534,810	-	-
Total debt service	<u>970,543</u>	<u>-</u>	<u>970,543</u>	<u>-</u>	<u>1,585,788</u>	<u>2,556,331</u>	<u>2,556,331</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>65,736,606</u>	<u>143,588</u>	<u>65,880,194</u>	<u>3,592,142</u>	<u>(221,736)</u>	<u>69,250,600</u>	<u>65,519,582</u>	<u>3,731,018</u>	<u>113,612</u>
Excess (deficiency) of revenues over (under) expenditures	(1,168,964)	(143,588)	(1,312,552)	-	221,736	(1,090,816)	3,957,812	5,048,628	-
OTHER FINANCING SOURCES (USES)									
Transfers from other funds	638,600	-	638,600	-	-	638,600	678,946	40,346	-
Transfers to other funds	(2,193,000)	-	(2,193,000)	-	(95,316)	(2,288,316)	(2,288,316)	-	-
Transfers to other funds - capital budget	-	-	-	(902,500)	-	(902,500)	(902,500)	-	-
Transfers to other funds - supplemental appropriations	-	-	-	(75,000)	-	(75,000)	(75,000)	-	-
Transfers to other funds - education	-	-	-	-	(126,420)	(126,420)	(126,420)	-	-
Total other financing sources (uses)	<u>(1,554,400)</u>	<u>-</u>	<u>(1,554,400)</u>	<u>(977,500)</u>	<u>(221,736)</u>	<u>(2,753,636)</u>	<u>(2,713,290)</u>	<u>40,346</u>	<u>-</u>
Net changes in fund balances	<u>\$ (2,723,364)</u>	<u>\$ (143,588)</u>	<u>\$ (2,866,952)</u>	<u>\$ (977,500)</u>	<u>\$ -</u>	<u>\$ (3,844,452)</u>	<u>\$ 1,244,522</u>	<u>\$ 5,088,974</u>	<u>\$ -</u>
Fund balance, beginning of year							19,377,316		
Fund balance, end of year							<u>\$ 20,621,838</u>		

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2020

	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	\$ 2,608,340	\$ 3,681,381	\$ 101,740	\$ 6,391,461	\$ -
Receivables:					
Accounts	1,726	120,556	5,365	127,647	-
Intergovernmental	8,407	-	-	8,407	-
Inventory	-	66,547	-	66,547	-
Due from other funds	-	-	324	324	124,190
Total current assets	<u>2,618,473</u>	<u>3,868,484</u>	<u>107,429</u>	<u>6,594,386</u>	<u>124,190</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>(7,616,199)</u>	<u>-</u>	<u>(788,323)</u>	<u>(8,404,522)</u>	<u>(51,559)</u>
Net capital assets	<u>639,807</u>	<u>-</u>	<u>28,900</u>	<u>668,707</u>	<u>27,075</u>
Total assets	<u>3,258,280</u>	<u>3,868,484</u>	<u>136,329</u>	<u>7,263,093</u>	<u>151,265</u>
LIABILITIES					
Current liabilities:					
Accounts payable	42,986	37,454	6,517	86,957	2,164
Accrual of payroll	8,023	-	-	8,023	-
Landfill closure and postclosure	4,000	-	-	4,000	-
Compensated absences	15,465	-	-	15,465	-
Due to other funds	8,100	-	-	8,100	-
Total current liabilities	<u>78,574</u>	<u>37,454</u>	<u>6,517</u>	<u>122,545</u>	<u>2,164</u>
Noncurrent liabilities:					
Landfill closure and postclosure	<u>11,463,046</u>	<u>-</u>	<u>-</u>	<u>11,463,046</u>	<u>-</u>
Total noncurrent liabilities	<u>11,463,046</u>	<u>-</u>	<u>-</u>	<u>11,463,046</u>	<u>-</u>
Total liabilities	<u>11,541,620</u>	<u>37,454</u>	<u>6,517</u>	<u>11,585,591</u>	<u>2,164</u>
NET POSITION					
Net investment in capital assets	639,807	-	28,900	668,707	27,075
Unrestricted	<u>(8,923,147)</u>	<u>3,831,030</u>	<u>100,912</u>	<u>(4,991,205)</u>	<u>122,026</u>
Total net position	<u>\$ (8,283,340)</u>	<u>\$ 3,831,030</u>	<u>\$ 129,812</u>	<u>\$ (4,322,498)</u>	<u>\$ 149,101</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, 2020

	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>
OPERATING REVENUES					
Charges for services:					
Landfill permits	\$ 15,323	\$ -	\$ -	\$ 15,323	\$ -
Bag purchases	-	529,254	-	529,254	-
Service fees	-	-	34,030	34,030	-
Rent	-	-	11,740	11,740	-
Parking meter	-	-	16,492	16,492	-
Printing services	-	-	-	-	42,311
Tipping fees	1,054,442	-	-	1,054,442	-
Total operating revenues	<u>1,069,765</u>	<u>529,254</u>	<u>62,262</u>	<u>1,661,281</u>	<u>42,311</u>
OPERATING EXPENSES					
Personnel services	276,200	-	-	276,200	-
Administrative expenses	7,155	-	-	7,155	-
Contractual services	162,253	-	113,947	276,200	14,259
Central garage costs	50,000	-	-	50,000	-
Materials and supplies	143,570	82,552	2,166	228,288	6,144
Closure and postclosure costs	2,585,481	-	-	2,585,481	-
Depreciation	517,476	-	6,471	523,947	13,327
Total operating expenses	<u>3,742,135</u>	<u>82,552</u>	<u>122,584</u>	<u>3,947,271</u>	<u>33,730</u>
Operating income (loss)	<u>(2,672,370)</u>	<u>446,702</u>	<u>(60,322)</u>	<u>(2,285,990)</u>	<u>8,581</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	36,991	52,276	1,249	90,516	-
Total nonoperating revenues (expenses)	<u>36,991</u>	<u>52,276</u>	<u>1,249</u>	<u>90,516</u>	<u>-</u>
Income (loss) before transfers	<u>(2,635,379)</u>	<u>498,978</u>	<u>(59,073)</u>	<u>(2,195,474)</u>	<u>8,581</u>
Transfers in	<u>150,000</u>	<u>-</u>	<u>75,000</u>	<u>225,000</u>	<u>-</u>
Change in net position	<u>(2,485,379)</u>	<u>498,978</u>	<u>15,927</u>	<u>(1,970,474)</u>	<u>8,581</u>
Net position, beginning 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>
Net position, end of year	<u>\$ (8,283,340)</u>	<u>\$ 3,831,030</u>	<u>\$ 129,812</u>	<u>\$ (4,322,498)</u>	<u>\$ 149,101</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2020

	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</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,133,530	\$ 537,498	\$ 60,029	\$ 1,731,057	\$ 42,311
Payments to employees	(287,102)	-	-	(287,102)	-
Payments to suppliers for goods and services	(683,246)	(78,270)	(110,832)	(872,348)	(20,279)
Net cash provided (used) by operating activities	<u>163,182</u>	<u>459,228</u>	<u>(50,803)</u>	<u>571,607</u>	<u>22,032</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	150,000	-	75,000	225,000	-
Increase (decrease) in due to other funds	15,207	-	822	16,029	(22,032)
Cash provided (used) by noncapital financing activities	<u>165,207</u>	<u>-</u>	<u>75,822</u>	<u>241,029</u>	<u>(22,032)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	36,991	52,276	1,249	90,516	-
Cash provided by investing activities	<u>36,991</u>	<u>52,276</u>	<u>1,249</u>	<u>90,516</u>	<u>-</u>
Net increase in cash	365,380	511,504	26,268	903,152	-
Cash, beginning of year	<u>2,242,960</u>	<u>3,169,877</u>	<u>75,472</u>	<u>5,488,309</u>	<u>-</u>
Cash, end of year	<u>\$ 2,608,340</u>	<u>\$ 3,681,381</u>	<u>\$ 101,740</u>	<u>\$ 6,391,461</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	<u>\$ (2,672,370)</u>	<u>\$ 446,702</u>	<u>\$ (60,322)</u>	<u>\$ (2,285,990)</u>	<u>\$ 8,581</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	517,476	-	6,471	523,947	13,327
(Increase) decrease in accounts receivable	63,765	8,244	(2,233)	69,776	-
(Increase) decrease in inventory	-	(33,172)	-	(33,172)	-
Increase (decrease) in accounts payable	(40,921)	37,454	5,281	1,814	124
Increase (decrease) in accrued payroll	(7,332)	-	-	(7,332)	-
Increase (decrease) in closure/postclosure	2,298,979	-	-	2,298,979	-
Increase (decrease) in compensated absences	3,585	-	-	3,585	-
Total adjustments	<u>2,835,552</u>	<u>12,526</u>	<u>9,519</u>	<u>2,857,597</u>	<u>13,451</u>
Net cash provided (used) by operating activities	<u>\$ 163,182</u>	<u>\$ 459,228</u>	<u>\$ (50,803)</u>	<u>\$ 571,607</u>	<u>\$ 22,032</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Net Position
Fiduciary Funds
June 30, 2020

	Private- purpose Trust Funds	Agency Funds
	<hr/>	<hr/>
ASSETS		
Cash and cash equivalents	\$ 44,421	\$ -
Investments	465,212	-
Due from other funds	<hr/> 48,325	<hr/> 99,846
Total assets	<hr/> 557,958	<hr/> 99,846
LIABILITIES		
Accounts payable	4,676	679
Amounts held for others - student activities	<hr/> -	<hr/> 99,167
Total liabilities	<hr/> 4,676	<hr/> 99,846
NET POSITION		
Net position held in trust for other purposes	<hr/> <hr/> \$ 553,282	<hr/> <hr/> \$ -

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Changes in Net Position
Fiduciary Funds
For the year ended June 30, 2020

	Private- purpose Trust Funds
ADDITIONS	
Contributions	\$ 12,834
Investment earnings:	
Interest and dividends	11,250
Net increase in the fair value of investments	<u>18,718</u>
Total investment earnings	29,968
Less investment expense	<u>(4,300)</u>
Total additions	<u>38,502</u>
DEDUCTIONS	
Payment to beneficiaries	<u>14,423</u>
Total deductions	<u>14,423</u>
Change in net position	24,079
Net position - beginning	<u>529,203</u>
Net position - ending	<u><u>\$ 553,282</u></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.

The *New Central Fire Station 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 and the New Central Fire Station Fund which are major funds, 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 six 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 changes in assumptions, 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

For the fiscal year ended June 30, 2020, the Town has implemented *Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

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, 2020, due to the COVID-19 pandemic, the Town Council authorized a one month delay of the second installment payment date of the 2019-20 property taxes, to May 15, 2020. 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 \$102,957,409 difference are as follows:

Capital assets	\$ 171,593,359
Accumulated depreciation	<u>(68,635,950)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 102,957,409

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 \$1,110,766 difference are as follows:

Deferred inflows - unavailable revenue - property tax	\$ 764,028
Deferred inflows - unavailable revenue - miscellaneous	<u>346,738</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 1,110,766

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 \$(60,941,418) difference are as follows:

Bonds payable and notes from direct borrowings	\$ (42,082,308)
Premium on bonds (to be amortized as interest expense)	(2,083,211)
Accrued interest	(425,569)
Compensated absences	(1,473,690)
Other post employment benefits	(8,506,749)
Net pension liability	<u>(6,369,891)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$ (60,941,418)

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 \$122,026 difference are as follows:

Net position of the internal service fund	\$ 149,101
Less: Capital assets net of accumulated depreciation	<u>(27,075)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 122,026

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 \$1,368,504 difference are as follows:

Deferred outflows of resources related to pensions	\$ 3,228,465
Deferred outflows of resources related to other postemployment benefits	1,230,788
Deferred inflows of resources related to pensions	(1,853,476)
Deferred inflows of resources related to other postemployment benefits	<u>(1,237,273)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 1,368,504

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 \$14,223,449 difference are as follows:

Capital outlay	\$ 18,516,255
Depreciation expense	<u>(4,292,806)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 14,223,449

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 \$(65,594) difference are as follows:

Cost of disposed capital assets	\$	(2,457,594)
Less construction in progress		2,057,854
Accumulated depreciation on disposed capital assets		<u>334,146</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	(65,594)

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 \$130,156 difference are as follows:

Property taxes	\$	47,766
Charges for services		<u>82,390</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	130,156

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 \$(24,373,679) difference are as follows:

Issuance of general obligation bonds	\$	(24,450,000)
Premium on general obligation bonds		(2,014,200)
Principal repayments: General obligation debt and notes from direct borrowings		<u>2,090,521</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position in governmental activities	\$	(24,373,679)

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 \$(537,440) difference are as follows:

Compensated absences	\$	(220,343)
Other post employment benefits with related deferred inflows and outflows of resources		(40,942)
Accrued interest		(331,522)
Amortization of premium on refunding and general obligation bonds		<u>55,367</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	(537,440)

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 \$21,908 difference are as follows:

Change in net position of the internal service funds	\$	8,581
Plus: depreciation on capital assets		<u>13,327</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	21,908

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 \$(96,919) difference are as follows:

Net pension liability with related deferred inflows and outflows of resources	\$	(96,919)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	\$	(96,919)

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, 2020, the Town budgeted and utilized the following amounts:

	2019-20 General Fund Budget as of July 1, 2019				
	Adopted Budget	Encumbered Balances	Original Budget	Additional Appropriations	Final Budget
Restricted fund balance:					
Educational purposes	\$ 2,111,364	\$ -	\$ 2,111,364	\$ -	\$ 2,111,364
Municipal purposes	112,000	-	112,000	-	112,000
Assigned fund balance:					
Municipal purposes	500,000	-	500,000	-	500,000
Unassigned fund balance	-	-	-	977,500	977,500
Encumbrances	-	143,588	143,588	-	143,588
Total utilization of fund balance	\$ 2,723,364	\$ 143,588	\$ 2,866,952	\$ 977,500	\$ 3,844,452

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 2019-20 were \$2,830,362 for retirement, \$703,147 for other benefits, and \$58,633 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 Council made adjustments totaling \$460,000, 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 25, 2020, 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, 2020:

The New Central Fire Station Fund had a deficit fund balance of \$2,488,574. The fire station 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, 2020. The Town has acquired property at the future site of the station, and expects to bid the construction contract in December, 2020, with construction to begin in the spring of 2021. Bonds could be issued shortly after construction commences.

Within Other Governmental Funds, in the Nonmajor Special Revenue Funds, the School Restricted Fund had a deficit balance of \$102,937. The REAL School had a deficit balance of \$433,190, offset by positive balances in six other school department restricted funds. The REAL School (Relevant, Experiential, Authentic Learning), has been operated by the Brunswick school department since September 2016, and is reliant on tuition payments from out-of-district students. Beginning late in the 2019-20 school year, the school department implemented a restructuring, with a plan to minimize expenditures and increase revenues, and anticipates that the deficit balance will be eliminated over 2-3 years.

Within Other Governmental Funds, in the Nonmajor Capital Projects Funds, the Capital Improvements Projects had a deficit fund balance of \$758,179. Four projects made up this deficit, offset by positive balances in a number of other capital projects:

Cook's Corner Connector Road	\$	(659,644)
Fire Engine 2		(396,962)
Brunswick High School Track		(638,905)
Pleasant St Corridor Planning PPI grant		(11,181)
Balances of twelve (12) capital projects		948,513
	\$	(758,179)

The Cook's Corner Connector Road was completed and put in service in September, 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, with the option to advance the funds from the general fund. The project qualifies for funding through TIF revenues, which may be used to repay an advance from the general fund. As of June 30, 2020, the bond authority was abandoned. In fiscal 2019-20, the Town Council authorized the use of \$560,000 in TIF revenues for this project, leaving a deficit balance of \$659,644 as of June 30, 2020. With the 2020-21 budget, the Town Council appropriated \$200,000 from TIF revenues to further pay down the advance.

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, and \$240,000 in fiscal 2020-21. It is anticipated that the advance will be repaid within three years from either TIF revenues or general fund balance.

In February 2019, the Town Council approved the Brunswick High School Track renovation project, 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 raised \$100,000 for the track. The June 30, 2020 deficit balance in the capital project fund represents the

general fund advance, which is scheduled to be repaid over seven years through the School Department budget. The first payment of \$92,857 is in the 2020-21 budget.

Also within Other Governmental Funds, in Nonmajor Permanent Funds, the Recreation and Cultural Fund had a deficit unassigned fund balance of \$517. This represents an overexpenditure of the annual distribution from the trust account, which will be covered by the annual distribution in fiscal 2020-21.

The following *net position deficit* exists as of June 30, 2020:

Solid Waste Facilities Fund	\$ (8,283,340)
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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 several strategies to reduce the deficit, including annual subsidies from the General Fund, to use of accumulated net revenue from its pay-as-you-throw residential solid waste collection program, and possible use of fund balance. 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, 2020, the Town of Brunswick had the following investments, with corresponding recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Level 1 Input</u>
Equities	\$ 376,011	N/A	Yes
Other Mutual Funds	703,369	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, 2020, 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, 2020, the bank balance of \$36,673,058 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, 2020, the Town did not have a policy for concentration of credit risk.

B. Receivables

Receivables at June 30, 2020 consist of the following:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Taxes	\$ 1,433,717	\$ -	\$ -	\$ 1,433,717
Tax liens	300,001	-	-	300,001
Accounts	596,423	6,292	127,647	730,362
Intergovernmental	389,708	666,005	8,407	1,064,120
Gross receivables	2,719,849	672,297	136,054	3,528,200
Less: Allowance for Uncollectibles	(33,318)	-	-	(33,318)
Net receivables	\$ 2,686,531	\$ 672,297	\$ 136,054	\$ 3,494,882

Property taxes for the current year were committed August 28, 2019 on the assessed value listed as of April 1, 2019, for all taxable real and personal property located in the Town. Real property taxes were due in two installments, October 15, 2019 and April 15, 2020 with a 30 day extension granted on the second installment due to the novel coronavirus COVID-19. Personal property taxes were due in one installment, October 15, 2019. Interest was charged at the rate of 9% 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, 2019, upon which the levy for the year ended June 30, 2020 was based, was \$2,208,128,793. This assessed value was 100% of the estimated market value and 95.2% of the 2019 State valuation of \$2,319,900,000.

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 \$708,330 for the year ended June 30, 2020.

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, 2020, the Town had a total of \$118,982,473 in captured valuation for five TIF districts. The tax revenue captured in these districts totaled \$2,346,334 for the year.

C. Capital Assets

Capital asset activity for the year ended June 30, 2020 follows.

Governmental activities:

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 6,274,408	\$ 587,300	\$ -	\$ 6,861,708
Construction in progress	13,481,435	14,394,567	(2,057,854)	25,818,148
Intangibles	200,000	-	-	200,000
Total capital assets not being depreciated	19,955,843	14,981,867	(2,057,854)	32,879,856
Capital assets being depreciated:				
Buildings	65,697,486	947,712	-	66,645,198
Improvements other than buildings	3,849,530	974,964	-	4,824,494
Machinery and equipment	5,420,660	496,752	(154,394)	5,763,018
Vehicles	9,121,317	823,513	(233,009)	9,711,821
Intangibles	806,963	123,450	-	930,413
Infrastructure	48,625,045	2,225,851	(12,337)	50,838,559
Total capital assets being depreciated	133,521,001	5,592,242	(399,740)	138,713,503
Less accumulated depreciation for:				
Buildings	(26,965,905)	(2,083,936)	-	(29,049,841)
Improvements other than buildings	(2,941,196)	(228,640)	-	(3,169,836)
Machinery and equipment	(3,758,066)	(331,366)	149,849	(3,939,583)
Vehicles	(5,275,075)	(603,704)	171,960	(5,706,819)
Intangibles	(561,680)	(98,692)	-	(660,372)
Infrastructure	(25,175,368)	(946,468)	12,337	(26,109,499)
Total accumulated depreciation	(64,677,290)	(4,292,806)	334,146	(68,635,950)
Total capital assets being depreciated, net	68,843,711	1,299,436	(65,594)	70,077,553
Governmental activities capital assets, net	<u>\$ 88,799,554</u>	<u>\$ 16,281,303</u>	<u>\$ (2,123,448)</u>	<u>\$ 102,957,409</u>

Business-type activities:

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020
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	(6,750,710)	(469,812)	-	(7,220,522)
Machinery and equipment	(459,212)	(47,468)	-	(506,680)
Intangibles	(8,952)	(1,986)	-	(10,938)
Infrastructure	(607,481)	(4,681)	-	(612,162)
Total accumulated depreciation	(7,880,575)	(523,947)	-	(8,404,522)
Total business-type capital assets being depreciated, net	1,077,654	(523,947)	-	553,707
Business-type activities capital assets, net	<u>\$ 1,192,654</u>	<u>\$ (523,947)</u>	<u>\$ -</u>	<u>\$ 668,707</u>

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

Governmental activities:

General government	\$ 449,309
Public safety	498,645
Public works, including depreciation of general infrastructure assets	1,217,969
Human services	158
Education	1,874,208
Recreation and culture	252,517
Total depreciation expense - governmental activities	<u>\$ 4,292,806</u>

Business-type activities:

Mere Point wastewater	\$ 4,681
Solid Waste facilities	517,476
Train Station/Visitors Center	1,790
Total depreciation expense - business-type activities	<u>\$ 523,947</u>

D. Leases

During the fiscal year ended June 30, 2020, the Town was a lessee in a variety of operating leases, one of which is considered material. The Town is a lessor in four operating leases, one of which is considered material.

1. Town as Lessee

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 extended the agreement five years at the same rate. In December, 2019, the Town and JHR negotiated two agreements, including an additional amendment to the Train Station/Visitor's Center lease, extending it to December 31, 2024 at a rate of \$51,939 per year. For the year ended June 30, 2020, the lease expense was \$47,970, and as of June 30, 2020, the future lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2021	\$ 51,939
2022	51,939
2023	51,939
2024	51,939
2025	25,970
	<hr/>
	\$ 233,726

2. Town as Lessor

Town Hall Parking Lot: In December, 2019, concurrent with the Train Station/Visitor's Center lease, the Town and JHR signed a parking lease agreement granting JHR the right to access and use four spaces in the Town Hall parking lot for the sole purpose of parking for JHR, JHR's tenants and visitors. The annual rent for the four parking spaces was set at \$5,902. For the year ended June 30, 2020, the lease revenue was \$2,951 and future lease payments are projected as follows:

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2021	\$ 5,902
2022	5,902
2023	5,902
2024	5,902
2025	2,951
	<hr/>
	\$ 26,559

E. Short-term debt

On September 5, 2019, the Town issued a Bond Anticipation Note (BAN) for \$20,000,000. Issued in advance of the issuance of long-term debt, the BAN provided interim funding for the construction of the new elementary school. The BAN was retired shortly after the issuance of \$24,450,000 in general obligation bonds on January 30, 2020.

The details related to short-term debt BAN activity for the fiscal year ended June 30, 2020 are as follows:

<u>Description</u>	<u>Issue Date</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Balance 6/30/19</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 6/30/20</u>
Elementary School	9/5/19	2/12/20	2.00%	-	20,000,000	20,000,000	-
Total				<u>\$ -</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ -</u>

F. Long-term liabilities

1. General obligation bonds and direct borrowings

The Town issues general obligation debt and direct borrowings 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 and notes from direct borrowing 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 - General obligation bonds</u>						
2006 Fire Station & Truck	2006	\$ 3,125,000	4%	2021	\$200,000 to 275,000	\$ 200,000
2011 GO Bonds	2011	4,120,000	2% to 3%	2021	270,000 to 555,000	270,000
2013 Police Station	2013	5,500,000	2% to 3.5%	2033	275,000	3,575,000
2017 GO Bonds	2017	1,781,000	2% to 3.5%	2033	35,000 to 200,000	1,325,000
2020 GO Bonds	2020	24,450,000	2% to 5%	2045	420,000 to 1,195,000	24,450,000
						29,820,000
<u>Governmental Activities - Notes from direct borrowings</u>						
2010 Elementary School (MMBB)	2010	21,462,250	2% to 5.5%	2031	1,073,113	11,804,237
2017 School Renovation (SRRF)	2017	64,086	0%	2022	17,408	19,514
2016 School Renovation (SRRF)	2016	655,780	0%	2027	77,286	438,557
						12,262,308
Total long-term debt						<u>\$ 42,082,308</u>

The Town's outstanding notes from direct borrowings 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 SRRF 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, 2020 are as follows:

Year Ending June 30	Governmental Activities					
	Bonds		Notes from Direct Borrowings			Total
	Principal	Interest	Principal	Interest	BABs Subsidy	
2021	\$ 1,365,000	\$ 1,145,641	\$ 1,145,520	\$ 510,946	\$ (162,714)	\$ 4,004,393
2022	1,165,000	894,201	1,145,520	471,059	(150,107)	3,525,673
2023	1,200,000	848,483	1,135,764	429,562	(136,970)	3,476,839
2024	1,160,000	800,929	1,135,764	386,991	(123,479)	3,360,205
2025	1,200,000	751,439	1,135,763	343,079	(109,547)	3,320,734
2026-2030	6,430,000	2,933,061	5,490,865	957,662	(306,128)	15,505,460
2031-2035	6,650,000	1,666,488	1,073,112	27,493	(8,790)	9,408,303
2036-2040	5,325,000	991,781	-	-	-	6,316,781
2041-2045	5,325,000	338,137	-	-	-	5,663,137
Total	\$29,820,000	\$10,370,160	\$12,262,308	\$ 3,126,792	\$ (997,735)	\$ 54,581,525

For the year ended June 30, 2020, the Town paid \$2,090,021 in principal and \$537,915 in interest (net of \$174,678 BABs subsidy) for a total of \$2,627,935 in debt service payments. Due to federal sequestration, the BABs subsidy was reduced in FY 20 by a total of \$11,528, or a 5.9% reduction. 87% of the sequestration reduction is eligible for State subsidy. The Town anticipates BABs subsidy reductions in future years, and has estimated a 5.9% reduction going forward.

Additional debt authorizations: 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 January, 2020, the Brunswick School Department received approval from the Maine Department of Education (DOE) for additional funding through the School Revolving Renovation Fund (SRRF) for health, safety and ADA compliance improvements to the Brunswick Junior High School (BJHS) and the Coffin Elementary School. On April 21, 2020, the Town Council held public hearings on proposed bond ordinances for BJHS projects totaling \$153,777 and a Coffin School project for \$296,006. That evening, the Council adopted the ordinance for the BJHS projects, authorizing issuance of bonds for \$95,511 following loan forgiveness of \$58,266. On July 20, 2020, the Council adopted the ordinance for the Coffin School health safety project, authorizing issuance of bonds for \$183,849 following loan forgiveness of \$112,157. The bond/loan agreement with Maine Municipal Bond Bank, totaling \$279,360 at zero interest for a five-year term, closed on September 18, 2020.

Additional debt authorizations: Additional debt was authorized after June 30, 2020, as follows. Also see Note "V. ADDITIONAL INFORMATION – I. Subsequent Events" herein.

On October 19, 2020, the Town Council adopted "An Ordinance Authorizing the Funding and Acquisition of a New Fire Tank Truck, With Total Project Costs Not to Exceed \$425,000 (plus any other costs authorized hereunder), and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$425,000 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder."

Debt authorizations abandoned as of June 30, 2020: In 2018, the Town Council adopted an ordinance to fund a new connector road in Cook's Corner. Construction began in late fall of 2018, and the road, named Landing Drive, was completed in September, 2019. As of June 30, 2020, 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 2020-21 Capital Budget, the Town Council appropriated \$200,000 in TIF revenues for partial repayment of the advance.

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, 2020, 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 2020-21 Capital Budget, the Town Council appropriated \$240,000 in TIF revenues for partial 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:

<u>Type of Leave</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Sick paid upon termination	\$ 434,064	\$ 5,656
Vacation	526,621	9,809
Compensatory time	65,908	-
School retirement stipend	447,097	-
Totals	\$ 1,473,690	\$ 15,465

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.maineopers.org.

Benefits provided: The PLD and SET Plans provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of 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 7.35%-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, 2020, ranged from 5.0%-16.2%, depending on the plan, and came in at an average 11.8% of annual payroll. Contributions to the pension plan from the Town were \$1,286,117 for the year ended June 30, 2020.

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, 2020, was 18.49% of annual payroll of which 4.16% of payroll was required from the Town and 14.33% was required from the State. Contributions to the pension plan from the Town were \$821,654 for the year ended June 30, 2020.

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, 2019, 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, 2020, the Town reported a liability of \$6,014,929 for its proportionate share of the net pension liability. At June 30, 2019, the Town's proportion of the PLD Plan was 1.9678%.

SET Plan - At June 30, 2020, the Town reported a liability of \$354,962 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	\$ 354,962
State's proportionate share of the net pension liability associated with the Town	21,637,973
Total	<u>\$ 21,992,935</u>

At June 30, 2019, the Town's proportion of the SET Plan was 0.0242%.

For the year ended June 30, 2020, the Town recognized pension expense of \$1,522,901 for the PLD Plan and pension expense of \$3,512,151 for the SET Plan. Additionally, the Town recognized revenue of \$2,830,362 for support provided by the State for the SET Plan.

At June 30, 2020, 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	\$ 712,187	\$ -
Net difference between expected and actual investment earnings on pension plan investments	-	1,506,589
Changes of assumptions	304,618	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	66,001	260,253
Town contributions subsequent to the measurement date	1,286,117	-
	<u>\$ 2,368,923</u>	<u>\$ 1,766,842</u>

At June 30, 2020, 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	\$ 27,611	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	50,105
Changes of assumptions	10,277	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	36,529
Town contributions subsequent to the measurement date	821,654	-
	<u>\$ 859,542</u>	<u>\$ 86,634</u>

A portion of deferred outflows of resources related to pensions, \$1,286,117 for the PLD Plan and \$821,654 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, 2021. 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>	<u>Pension Expense</u>	
	<u>PLD Plan</u>	<u>SET Plan</u>
2021	\$ 167,809	\$ (20,020)
2022	(699,723)	(17,619)
2023	(151,170)	(11,260)
2024	(952)	153
	<u>\$ (684,036)</u>	<u>\$ (48,746)</u>

Actuarial assumptions: The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75% to 9.00%	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, 2019 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 investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major 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, 2019 are summarized in the following table. Assets for each of the defined benefit plans are commingled for investment purposes.

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

Discount rate: The discount rate used to measure the collective total pension liability was 6.75% for 2019 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	\$ 13,701,622	\$ 6,014,929	\$ (1,175,236)
	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	\$ 641,762	\$ 354,962	\$ 115,966

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.maineopers.org.

Payables to the pension plan: The Town reported no payables to the pension plan as of June 30, 2020.

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.maineopers.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, 2020, the following employees were covered by the benefit terms of the MMEHT and MEABT Health Plans:

	<u>MMEHT Health Plan</u>	<u>MEABT Health Plan</u>
Inactive employees or beneficiaries currently receiving benefits	9	167
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	<u>132</u>	<u>333</u>
Total	<u><u>141</u></u>	<u><u>500</u></u>

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

PLD OPEB Plan - The 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 \$10,614 for the year ended June 30, 2020. Employees are not required to contribute to the PLD OPEB plan.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the Town were \$58,633 for the year ended June 30, 2020. 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, 2019, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of June 30, 2018. 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, 2020, the Town reported a liability of \$451,360 for its proportionate share of the net OPEB liability. At June 30, 2019, the Town's proportion was 2.1094%.

SET OPEB Plan – At June 30, 2020, 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 \$637,006 as of June 30, 2020. At June 30, 2019, the Town's proportion was 0.00%.

The Town's total MMEHT Health Plan OPEB liability of \$1,447,806 and was measured as of January 1, 2020 and the Town's total MEABT Health Plan OPEB liability of \$6,607,583 as measured as of June 30, 2019. The total MMEHT Health Plan OPEB liability was determined by an actuarial valuation as of the measurement date whereas the total MEABT Health Plan OPEB liability was determined by an actuarial valuation as of June 30, 2018.

Changes in Health Plan OPEB Liabilities:

	MMEHT Health Plan OPEB Liability	MEABT Health Plan OPEB Liability
Balance at June 30, 2019	\$ 1,763,610	\$ 6,210,802
Changes for the year:		
Service cost	38,497	38,602
Interest	73,020	237,481
Changes of benefit terms	(22,964)	-
Differences between expected and actual experience	(890,906)	-
Changes in assumptions	529,252	348,726
Benefit payments	(42,703)	(228,028)
Net Changes	(315,804)	396,781
Balance at June 30, 2020	\$ 1,447,806	\$ 6,607,583

Change in assumptions under the MMEHT Health Plan reflects a change in the discount rate from 4.10% in 2019 to 2.74% in 2020. In addition, medical and prescription drug trend arrays were updated. Finally, the repeal of the "Cadillac Tax" was reflected in this valuation by removing the previously planned excise tax. 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 3.87% in 2019 to 3.50% in 2020. This is a roll forward valuation year so 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 to data, assumptions and methodology were made.

For the year ended June 30, 2020, the Town recognized OPEB expense of \$4,172 for the PLD OPEB Plan. For the year ended June 30, 2020, the Town recognized OPEB expense of \$58,633 and revenues of \$58,633 for support provided by the State related to the SET OPEB plan. At June 30, 2020, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan.

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,768	\$ -
Differences between projected and actual earnings on OPEB plan investments	-	20,181
Changes of assumptions	37,566	58,971
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,429	26,747
Town contributions subsequent to the measurement date	10,614	-
	<u>\$ 78,377</u>	<u>\$ 105,899</u>

\$10,614 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2021	\$ (17,974)
2022	(17,974)
2023	(13,753)
2024	10,480
2025	<u>1,085</u>
	\$ (38,136)

For the year ended June 30, 2020, the Town recognized OPEB expense of \$7,103 related to the MMEHT Health Plan and OPEB expense of \$288,518 related to the MEABT Health Plan. At June 30, 2020, 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>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 793,138	\$ -	\$ -
Changes of assumptions or other inputs	613,569	155,493	290,605	182,743
Town contributions subsequent to the measurement date	-	-	248,237	-
	<u>\$ 613,569</u>	<u>\$ 948,631</u>	<u>\$ 538,842</u>	<u>\$ 182,743</u>

\$248,237 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, 2021. 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>
2021	\$ (38,747)	\$ 12,435
2022	(38,747)	12,435
2023	(38,747)	12,435
2024	(38,747)	12,435
2025	(38,747)	58,122
Thereafter	(141,327)	-
	<u>\$ (335,062)</u>	<u>\$ 107,862</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, 2020 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 Health Plan	
Inflation	3.00%	
Salary increases	2.75%	average, including inflation
Discount Rate	2.74%	
Healthcare cost trend rates (applied in FYE 2020 grading over 20 years to 3.53% per annum)		
Pre-Medicare Medical:	8.50%	
Pre-Medicare Drug:	8.75%	
Medicare Medical:	5.00%	
Medicare Drug:	8.75%	
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, 2020 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, 2019 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 Health Plan	
Inflation	Not reported	
Salary increases	2.75% - 14.50%	per year
Discount Rate	3.50%	
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, 2019 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
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 4.98%, which is a blend of the assumed long-term expected rate of return of 6.75% and a municipal bond index rate of 3.5%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2019. Projections of the plan's fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2050. Therefore, the portion of the future projected benefit payments after 2050 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The rate used to measure the total OPEB liability for the SET OPEB plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at 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, 2020 is based upon an earlier measurement date, as of December 26, 2019, and is 2.74% per annum.

The rate used to measure the total MEABT OPEB liability was 3.5% 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 4.98%, 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 (3.98%) or 1 percentage-point higher (5.98%) than the current rate:

	1% Decrease <u>(3.98%)</u>	Current Discount Rate <u>(4.98%)</u>	1% Increase <u>(5.98%)</u>
Net OPEB liability	\$ 596,063	\$ 451,360	\$ 337,281

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 2.74%, 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 (1.74%) or 1 percentage-point higher (3.74%) than the current rate:

	1% Decrease <u>(1.74%)</u>	Current Discount Rate <u>(2.74%)</u>	1% Increase <u>(3.74%)</u>
Total OPEB liability	\$ 1,697,697	\$ 1,447,806	\$ 1,245,369

The following presents the Town's total OPEB liability related to the MEABT Health Plan calculated using the discount rate of 2.5%, 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 (2.5%) or 1 percentage-point higher (4.5%) than the current rate:

	1% Decrease <u>(2.5%)</u>	Current Discount Rate <u>(3.5%)</u>	1% Increase <u>(4.5%)</u>
Total OPEB liability	\$ 7,708,861	\$ 6,607,583	\$ 5,725,962

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	\$ 1,230,852	\$ 1,447,806	\$ 1,724,410

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	\$ 5,628,201	\$ 6,607,583	\$ 7,835,079

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, 2020 and an estimate of the closure and postclosure costs. The Town intends to pay for the actual closure and postclosure costs with funds collected and retained in the solid waste enterprise fund, the pay-as-you-throw enterprise fund and landfill impact fees. Where those funds are not sufficient, the Town will look to other funding sources including long-term debt and subsidies from the General Fund. At some point in the future, the Town expects to receive reimbursement of up to 75% of closure costs 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, 2020, the Town estimates the facility has a remaining capacity of 2.85%, or 11,660 tons. The Town estimates the final closure cost for the entire facility to be approximately \$9,588,500, 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, \$11,733,500, the Town estimates that \$11,399,046 is applicable to this facility based on the estimated capacity used as of June 30, 2020.

The landfill operates under strict environmental regulations, with its licensing for operations and wastewater discharge 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 related to wastewater discharge limits and other violations between 2011 and 2019, and while the Town and MDEP were pursuing a collaborative solution, MDEP chose not to pursue enforcement action. In August, 2020, the Town and MDEP entered into an Administrative Consent Agreement (ACA) to resolve the past violations. The ACA included a \$17,000 penalty to the Town, with all but \$10,000 suspended.

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,

2020, the Town estimates that \$68,000 is applicable to this facility. This represents annual monitoring at \$4,000 per year for 17 years. The portion of the liability reported as due within one year is \$4,000.

G. Changes in Long-term Liabilities

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

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities</u>					
Bonds payable:					
General obligation bonds	\$ 6,315,000	\$ 24,450,000	\$ (945,000)	\$ 29,820,000	\$1,365,000
Plus premium on bonds	124,378	2,014,200	(55,367)	2,083,211	93,859
Notes from direct borrowings	13,407,829	-	(1,145,521)	12,262,308	1,145,520
Compensated absences	1,253,347	1,100,390	(880,047)	1,473,690	504,329
Other postemployment benefits	8,411,867	94,882	-	8,506,749	-
Net pension liability	5,891,563	478,328	-	6,369,891	-
	<u>\$ 35,403,984</u>	<u>\$ 28,137,800</u>	<u>\$ (3,025,935)</u>	<u>\$ 60,515,849</u>	<u>\$3,108,708</u>
	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
<u>Business-type Activities</u>					
Compensated absences	\$ 11,880	\$ 11,621	\$ (8,036)	\$ 15,465	\$ 15,465
Landfill closure and postclosure care	9,168,067	2,302,979	(4,000)	11,467,046	4,000
	<u>\$ 9,179,947</u>	<u>\$ 2,314,600</u>	<u>\$ (12,036)</u>	<u>\$ 11,482,511</u>	<u>\$ 19,465</u>

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 and notes payable are predominantly paid from the General Fund, with a portion paid from the TIF fund.

H. Components of Fund Balances

The components of the June 30, 2020 fund balance are as follows:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Advances to other funds	\$ 1,582,610	\$ -	\$ -	\$ -
Inventories and deposits	21,395	-	-	-
Education purposes	-	2,079,163	-	-
State road assistance funds	-	87,509	-	-
State revenue sharing funds	-	251,411	-	-
Encumbrances	-	-	-	113,612
Budget appropriation	-	-	-	650,000
Budget amendments and advances	-	-	-	2,800,000
Supplemental appropriations	-	-	-	641,000
Compensated absences	-	-	-	392,555
Tax increment financing	-	102,976	-	-
Capital projects funds:				
Prepaid deposits	50,000	-	-	-
Restricted capital project funding	-	639,133	-	-
New elementary school	-	3,621,472	-	-
Appropriated for capital projects	-	-	3,008,042	-
Special revenue funds:				
Recreation programs	-	-	415,253	-
Town restricted programs	-	287,914	180,911	-
School restricted programs	32,519	297,734	-	-
Permanent funds	629,931	5,881	-	-
Total	\$ 2,316,455	\$ 7,373,193	\$ 3,604,206	\$ 4,597,167

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, 2020, the Town's unassigned fund balance was at 17.28% 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.

I. 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	\$ 1,582,610

Of the \$1,582,610 advances to the Capital Improvement Projects Fund, \$638,905 will be repaid through the School Department budget over the next several years, and the remaining \$943,705 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	\$ 590,039
General Fund	New Central Fire Station Fund	2,487,718
General Fund	Enterprise Funds	7,776
		<u>\$ 3,085,533</u>
Tax Increment Financing	General Fund	\$ 102,976
New Elementary School Fund	General Fund	450,000
Recreation Program Funds	General Fund	1,456
Town Restricted Funds	General Fund	459,586
Public Works Projects	General Fund	787,897
Capital Reserve Fund	General Fund	1,418,692
Capital Improvement Projects	General Fund	903,668
Private-purpose Trust Funds	General Fund	48,325
Internal Service Fund	General Fund	124,190
		<u>\$ 4,296,790</u>

J. **Interfund transfers**

	<u>Transfers In:</u>			
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total transfers out</u>
<u>Transfers Out:</u>				
General Fund	\$ -	\$ 3,167,236	\$ 225,000	\$ 3,392,236
Tax Increment Financing	638,600	1,382,719	-	2,021,319
Nonmajor Governmental Funds				
Public Works Projects	-	60,258	-	60,258
Capital Improvement Projects	40,346	-	-	40,346
Total Transfers In	<u>\$ 678,946</u>	<u>\$ 4,610,213</u>	<u>\$ 225,000</u>	<u>\$ 5,514,159</u>

Of the \$3,392,236 transferred out of the General Fund, \$2,966,316 was made for a variety of capital projects. The largest of these include \$1,150,000 for the Street Resurfacing Program and Sidewalk Program, \$1,048,000 for the Capital Reserve Fund, and \$768,316 for the Capital Improvement Fund. 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 \$200,920, \$126,420 was the annual subsidy of the school cafeteria, within the School Restricted programs, \$70,000 was funding to establish a tax assistance program, 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 \$678,946 of which \$638,600 was from the Tax Increment Financing Districts and \$40,346 was unused Capital Improvement Project balances transferred back to the General Fund. Of the \$638,600 TIF transfers to the General Fund, \$150,000 was used to subsidize the Capital Reserve Fund for police and fire vehicles, \$150,000 was used to support a portion of the Street Resurfacing Program for qualified road work, \$105,000 funded the Brunswick Downtown Association appropriation, \$103,600 was used to support transit projects, \$75,000 went to fund the train station and visitors center operations, and the remaining \$55,000 was used to offset professional and admin costs.

K. 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 2019-20, the Trust Fund Advisory Committee recommended spending levels at 4% 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, 2020, 2019 and 2018, 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, 2020.

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, 2020, the Town's equalized state valuation of \$2,509,500,000 was 4.98% of the County's equalized state valuation of \$50,417,650,000. The Town's share of Cumberland County's principal debt as of June 30, 2020 is \$1,763,253 or 4.98% of the total outstanding long-term County debt of \$35,425,000.

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, 2020, MR10 had total principal debt outstanding of \$31,557. The Town of Brunswick's share of MR10's debt is 38.29% or \$12,083. 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, 2020 is provided as an indication of the combined debt burden of the constituent ratepayer/taxpayer base.

	<u>Total Principal Debt</u>	<u>% Applicable to Brunswick</u>	<u>Amt Applicable to Brunswick</u>
Brunswick and Topsham Water District	\$ 10,157,455	66.67%	\$ 6,771,975
Brunswick Sewer District	<u>20,663,023</u>	100.00%	<u>20,663,023</u>
Total	<u>\$ 30,820,478</u>		<u>\$ 27,434,998</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, 2020, the total budget of MR10 was \$2,646,348.

After MR10 deducted state subsidies, certain balances and miscellaneous revenues, the Town of Brunswick was assessed and paid \$152,697. At June 30, 2020, MR10 had total principal debt outstanding of \$31,557. The Town of Brunswick's share of MR10's debt is 38.29% or \$12,083. 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, 2020, the Town had four 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, 2020, the Town remitted a total of \$859,170 in Credit Enhancement payments. Though only the MRRA payment exceeded 10 percent of the total amount paid, we have chosen to report on all four 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%	\$ 59,054
Seahawk (formerly Molnlycke)	2013-14; 20 years	Molnlycke Manufacturing, LLC	TIF revenues on one parcel: 35% - 55% based on employment levels	107,216
Seahawk (formerly Molnlycke)	2021-22; 10 years	Shepherd Prop, LLC (Wild Oats Bakery)	TIF revenues on one parcel: 35% - 50% based on employment levels	-
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.	692,900 \$ 859,170

In November, 2019, the Maine Department of Economic and Community Development (DECD) approved an amendment to the Molnlycke TIF District, changing the name to the Seahawk Omnibus Municipal Development and TIF District, and adding a CEA with Shepherd Properties, LLC, based on employment at Wild Oats Bakery & Café. The first CEA payment to Shepherd Properties is scheduled for the fiscal year ending June 30, 2022.

H. Construction and Other Significant Commitments

As of June 30, 2020, 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	\$ 1,404,869	\$ -	\$ 12,368
Elementary School Construction	19,235,958	1,012,419	723,725
Kate Furbish Area Overlay Project	278,409	30,934	27,687
Cooks Corner Connector Road	2,145,123	112,901	36,682
	<u>\$ 23,064,359</u>	<u>\$ 1,156,254</u>	<u>\$ 800,462</u>

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	\$ 736,093
Other Governmental Funds	64,369
	<u>\$ 800,462</u>

I. Subsequent Events

Supplemental Appropriation – On September 8, 2020, the Town Council adopted “A Resolution Authorizing an Emergency Appropriation and Expenditure of up to \$300,000 from Available Unassigned General Fund Revenues to Fund Unanticipated Expenditures to Replace Three Rooftop HVAC Units on Town Hall”.

Appropriation of Tax Increment Financing (TIF) revenues and creation of position – On September 8, 2020, the Town Council adopted “A Resolution Authorizing the Creation of an Economic Development Specialist/Grant Writer Position, and Appropriating \$63,000 from Cook’s Corner Tax Increment Financing (TIF) Revenues for the Purpose of Funding the Position Beginning November 1, 2020”.

Debt Issuance - School Revolving Renovation Fund Bond – On September 18, 2020 the Town closed on a \$279,360 bond with the Maine Municipal Bond Bank through the Maine Department of Education’s School Revolving Renovation Fund (SRRF) program. The debt was authorized by the Town Council on April 21, 2020 to fund \$153,777 in renovations to the Brunswick Junior High School, and on July 8, 2020 to fund \$296,006 for air quality improvements in the gym at the Coffin School. The SRRF program qualified the School Department for a loan of \$449,783, of which \$279,360 was issued in the form of a bond, and the balance of which is not expected to be repaid.

Debt Authorization - On October 19, 2020, the Town Council adopted a bond ordinance authorizing the issuance of up to \$425,000 in debt to finance the acquisition of a tanker truck to replace the Fire Department’s Tank 2.

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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>2020**</u>	<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	1.97%	2.03%	2.07%	2.15%	2.28%	2.30%
Town's proportionate share of the net pension liability	\$ 6,014,929	\$ 5,564,296	\$ 8,470,270	\$ 11,433,992	\$ 7,269,492	\$ 3,536,451
Town's covered payroll	10,122,031	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	59.42%	56.38%	86.61%	118.21%	74.92%	38.25%
Plan fiduciary net position as a percentage of of the total pension liability	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%
<u>SET Plan</u>						
Town's proportion of the net pension liability	0.02%	0.02%	0.03%	0.04%	0.04%	0.04%
Town's proportionate share of the net pension liability	\$ 354,962	\$ 327,267	\$ 462,110	\$ 779,097	\$ 521,645	\$ 426,374
State's proportionate share of the net pension liability associated with the Town	<u>21,637,973</u>	<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>\$ 21,992,935</u>	<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	\$ 18,866,276	\$ 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	1.88%	1.79%	2.65%	4.83%	3.26%	2.73%
Plan fiduciary net position as a percentage of the total pension liability	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

* Only six 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>2020</u>	<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	\$ 1,286,117	\$ 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>(1,286,117)</u>	<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>	<u>\$ -</u>
Town's covered payroll	\$ 10,897,916	\$ 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	11.80%	11.89%	11.44%	10.84%	10.44%	9.60%	8.62%
<u>SET Plan</u>							
Contractually required contribution	\$ 821,654	\$ 748,991	\$ 727,111	\$ 586,342	\$ 542,200	\$ 423,470	\$ 414,573
Contributions in relation to the contractually required contribution	<u>(821,654)</u>	<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>	<u>\$ -</u>
Town's covered payroll	\$ 19,751,307	\$ 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	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%	2.65%

* Only seven 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)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Total MMEHT Health Plan OPEB Liability*</u>			
Service cost	\$ 38,497	\$ 44,817	\$ 35,837
Interest	73,020	65,988	61,834
Changes of benefits	(22,964)	-	-
Differences between expected and actual experience	(890,906)	-	(1,834)
Changes of assumptions or other inputs	529,252	(199,919)	214,685
Benefit payments	<u>(42,703)</u>	<u>(41,061)</u>	<u>(33,157)</u>
Net change in Total MMEHT Health Plan OPEB liability	(315,804)	(130,175)	277,365
Total MMEHT Health Plan OPEB liability - beginning	<u>1,763,610</u>	<u>1,893,785</u>	<u>1,616,420</u>
Total MMEHT Health Plan OPEB liability - ending	<u>\$ 1,447,806</u>	<u>\$ 1,763,610</u>	<u>\$ 1,893,785</u>
Covered-employee payroll	\$ 7,306,516	\$ 6,629,170	\$ 6,629,170
Total MMEHT Health Plan OPEB liability as a percentage of covered-employee payroll	19.82%	26.60%	28.57%

Maine Education Association Benefit Trust (MEABT)

	<u>2020***</u>	<u>2019***</u>
<u>Total MEABT Health Plan OPEB Liability**</u>		
Service cost	\$ 38,602	\$ 41,709
Interest	237,481	227,974
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	348,726	(274,115)
Benefit payments	<u>(228,028)</u>	<u>(220,147)</u>
Net change in Total Health Plan OPEB liability	396,781	(224,579)
Total Health Plan OPEB liability - beginning	<u>6,210,802</u>	<u>6,435,381</u>
Total Health Plan OPEB liability - ending	<u>\$ 6,607,583</u>	<u>\$ 6,210,802</u>
Covered-employee payroll	\$ 16,113,443	\$ 15,682,183
Total MEABT Health Plan OPEB liability as a percentage of covered-employee payroll	41.01%	39.60%

* Only three years of information available.

** Only two 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)**

	<u>2020**</u>	<u>2019**</u>	<u>2018**</u>
<u>PLD OPEB Plan</u>			
Town's proportion of the net OPEB liability	2.11%	2.17%	2.22%
Town's proportionate share of the net OPEB liability	\$ 451,360	\$ 437,455	\$ 371,809
Town's covered-employee payroll	4,983,338	5,143,649	5,129,533
Town's proportionate share of net OPEB liability as a percentage of covered-employee payroll	9.06%	8.50%	7.25%
Plan fiduciary net position as a percentage of the net OPEB liability	43.18%	43.92%	47.42%
<u>SET OPEB Plan</u>			
Town's proportion of the net OPEB liability	0.00%	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	637,006	628,613	572,376
Total	<u>\$ 637,006</u>	<u>\$ 628,613</u>	<u>\$ 572,376</u>
Plan fiduciary net position as a percentage of the net OPEB liability	49.22%	48.04%	47.29%

* Only three 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 10,614	\$ 10,180	\$ 11,301	\$ 9,923
Contributions in relation to the contractually required contribution	<u>10,614</u>	<u>10,180</u>	<u>11,301</u>	<u>9,923</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 4,596,565	\$ 4,983,338	\$ 5,143,649	\$ 5,129,533
Contributions as a percentage of covered-employee payroll	0.23%	0.20%	0.22%	0.19%

* Only four 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 OPEB plan, the blended discount rate was reduced from 5.13% to 4.98%. 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>
2020	2.74%	3.50%
2019	4.10%	3.87%
2018	3.44%	3.58%
2017	3.78%	

Under the MMEHT Health Plan, medical and prescription drug trend arrays were updated as well as the repeal of the “Cadillac Tax” was reflected in the valuation by removing the previously planned excise tax.

The MEABT Health Plan was a roll forward valuation. The changes that were 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 (All projects had been completed by the end of fiscal 2020):

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.

Robert L Morrell Fund

This fund was established for the planting and/or maintenance of trees in the Town of Brunswick.

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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 447,586	\$ 639,133	\$ 38,927	\$ 1,125,646
Investments	-	-	614,168	614,168
Receivables:				
Accounts	6,292	-	-	6,292
Intergovernmental	666,005	-	-	666,005
Deposits	-	50,000	-	50,000
Inventory	32,519	-	-	32,519
Due from other funds	461,042	3,110,257	-	3,571,299
Total assets	<u>\$ 1,613,444</u>	<u>\$ 3,799,390</u>	<u>\$ 653,095</u>	<u>\$ 6,065,929</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 73,237	\$ 82,462	\$ 17,800	\$ 173,499
Retainage payable	-	143,835	-	143,835
Accrued payroll	124,457	-	-	124,457
Unearned revenue	44,570	-	-	44,570
Due to other funds	590,039	-	-	590,039
Advances from other funds	-	1,582,610	-	1,582,610
Total liabilities	<u>832,303</u>	<u>1,808,907</u>	<u>17,800</u>	<u>2,659,010</u>
Fund balances (deficits):				
Nonspendable	32,519	50,000	629,931	712,450
Restricted	585,648	639,133	5,881	1,230,662
Committed	596,164	3,008,042	-	3,604,206
Unassigned	(433,190)	(1,706,692)	(517)	(2,140,399)
Total fund balances	<u>781,141</u>	<u>1,990,483</u>	<u>635,295</u>	<u>3,406,919</u>
Total liabilities and fund balances	<u>\$ 1,613,444</u>	<u>\$ 3,799,390</u>	<u>\$ 653,095</u>	<u>\$ 6,065,929</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, 2020

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>	<u>Nonmajor Permanent Funds</u>	<u>Total Other Governmental Funds</u>
REVENUES				
Intergovernmental	\$ 2,088,529	\$ 376,127	\$ -	\$ 2,464,656
Investment income	-	-	42,441	42,441
Charges for services	1,685,620	-	-	1,685,620
Interest	9,246	9,110	-	18,356
Donations	105,780	690,707	20,000	816,487
Other	-	600	-	600
Total revenues	<u>3,889,175</u>	<u>1,076,544</u>	<u>62,441</u>	<u>5,028,160</u>
EXPENDITURES				
Current:				
General government	474,842	-	2,043	476,885
Public safety	76,851	-	-	76,851
Public works	10,692	-	-	10,692
Education	3,248,682	-	595	3,249,277
Recreation and culture	374,646	-	18,978	393,624
Capital outlay	-	4,437,673	-	4,437,673
Total expenditures	<u>4,185,713</u>	<u>4,437,673</u>	<u>21,616</u>	<u>8,645,002</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(296,538)</u>	<u>(3,361,129)</u>	<u>40,825</u>	<u>(3,616,842)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	220,920	4,389,293	-	4,610,213
Transfer to other funds	-	(100,604)	-	(100,604)
Total other financing sources (uses)	<u>220,920</u>	<u>4,288,689</u>	<u>-</u>	<u>4,509,609</u>
Net changes in fund balances	(75,618)	927,560	40,825	892,767
Fund balances, beginning of year	<u>856,759</u>	<u>1,062,923</u>	<u>594,470</u>	<u>2,514,152</u>
Fund balances, end of year	<u>\$ 781,141</u>	<u>\$ 1,990,483</u>	<u>\$ 635,295</u>	<u>\$ 3,406,919</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	<u>Recreation Programs</u>	<u>Town Restricted Programs</u>	<u>School Restricted Programs</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 447,586	\$ -	\$ -	\$ 447,586
Receivables:				
Accounts	623	5,394	275	6,292
Intergovernmental	-	48,790	617,215	666,005
Inventory	-	-	32,519	32,519
Due from other funds	1,456	459,586	-	461,042
Total assets	<u>\$ 449,665</u>	<u>\$ 513,770</u>	<u>\$ 650,009</u>	<u>\$ 1,613,444</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 14,209	\$ 38,857	\$ 20,171	\$ 73,237
Accrued payroll	267	6,088	118,102	124,457
Unearned revenue	19,936	-	24,634	44,570
Due to other funds	-	-	590,039	590,039
Total liabilities	<u>34,412</u>	<u>44,945</u>	<u>752,946</u>	<u>832,303</u>
Fund balances (deficits):				
Nonspendable	-	-	32,519	32,519
Restricted	-	287,914	297,734	585,648
Committed	415,253	180,911	-	596,164
Unassigned	-	-	(433,190)	(433,190)
Total fund balances (deficits)	<u>415,253</u>	<u>468,825</u>	<u>(102,937)</u>	<u>781,141</u>
Total liabilities and fund balances	<u>\$ 449,665</u>	<u>\$ 513,770</u>	<u>\$ 650,009</u>	<u>\$ 1,613,444</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2020

	<u>Recreation Programs</u>	<u>Town Restricted Programs</u>	<u>School Restricted Programs</u>	<u>Totals</u>
REVENUES				
Intergovernmental	\$ -	\$ 483,279	\$ 1,605,250	\$ 2,088,529
Charges for services	407,783	7,862	1,269,975	1,685,620
Interest	9,118	128	-	9,246
Donations	-	57,597	48,183	105,780
Total revenues	<u>416,901</u>	<u>548,866</u>	<u>2,923,408</u>	<u>3,889,175</u>
EXPENDITURES				
Current:				
General government	-	474,842	-	474,842
Public safety	-	76,851	-	76,851
Public works	-	10,692	-	10,692
Education	-	-	3,248,682	3,248,682
Recreation and culture	374,646	-	-	374,646
Total expenditures	<u>374,646</u>	<u>562,385</u>	<u>3,248,682</u>	<u>4,185,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,255</u>	<u>(13,519)</u>	<u>(325,274)</u>	<u>(296,538)</u>
OTHER FINANCING SOURCES				
Transfer from other funds	-	94,500	126,420	220,920
Total other financing sources	<u>-</u>	<u>94,500</u>	<u>126,420</u>	<u>220,920</u>
Net changes in fund balances	42,255	80,981	(198,854)	(75,618)
Fund balances, beginning of year	<u>372,998</u>	<u>387,844</u>	<u>95,917</u>	<u>856,759</u>
Fund balances (deficits), end of year	<u>\$ 415,253</u>	<u>\$ 468,825</u>	<u>\$ (102,937)</u>	<u>\$ 781,141</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020

	<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>
ASSETS						
Cash and cash equivalents	\$ 639,133	\$ -	\$ -	\$ -	\$ -	\$ 639,133
Deposits	-	-	-	50,000	-	50,000
Due from other funds	-	787,897	1,418,692	903,668	-	3,110,257
Total assets	<u>\$ 639,133</u>	<u>\$ 787,897</u>	<u>\$ 1,418,692</u>	<u>\$ 953,668</u>	<u>\$ -</u>	<u>\$ 3,799,390</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 48,156	\$ 17,970	\$ 16,336	\$ -	\$ 82,462
Retainage payable	-	30,934	-	112,901	-	143,835
Advances from other funds	-	-	-	1,582,610	-	1,582,610
Total liabilities	<u>-</u>	<u>79,090</u>	<u>17,970</u>	<u>1,711,847</u>	<u>-</u>	<u>1,808,907</u>
Fund balances (deficits):						
Nonspendable	-	-	-	50,000	-	50,000
Restricted	639,133	-	-	-	-	639,133
Committed	-	708,807	1,400,722	898,513	-	3,008,042
Unassigned	-	-	-	(1,706,692)	-	(1,706,692)
Total fund balances (deficits)	<u>639,133</u>	<u>708,807</u>	<u>1,400,722</u>	<u>(758,179)</u>	<u>-</u>	<u>1,990,483</u>
Total liabilities and fund balances	<u>\$ 639,133</u>	<u>\$ 787,897</u>	<u>\$ 1,418,692</u>	<u>\$ 953,668</u>	<u>\$ -</u>	<u>\$ 3,799,390</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, 2020

	<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	\$ -	\$ -	\$ -	\$ 376,127	\$ -	\$ 376,127
Interest	9,035	-	-	-	75	9,110
Donations	95,987	-	185,000	409,720	-	690,707
Other	-	-	600	-	-	600
Total revenues	<u>105,022</u>	<u>-</u>	<u>185,600</u>	<u>785,847</u>	<u>75</u>	<u>1,076,544</u>
EXPENDITURES						
Capital outlay	<u>14,000</u>	<u>1,038,643</u>	<u>918,085</u>	<u>2,448,884</u>	<u>18,061</u>	<u>4,437,673</u>
Total expenditures	<u>14,000</u>	<u>1,038,643</u>	<u>918,085</u>	<u>2,448,884</u>	<u>18,061</u>	<u>4,437,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>91,022</u>	<u>(1,038,643)</u>	<u>(732,485)</u>	<u>(1,663,037)</u>	<u>(17,986)</u>	<u>(3,361,129)</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	1,350,000	1,048,000	1,991,293	-	4,389,293
Transfers to other funds	<u>-</u>	<u>(60,258)</u>	<u>-</u>	<u>(40,346)</u>	<u>-</u>	<u>(100,604)</u>
Total other financing sources (uses)	<u>-</u>	<u>1,289,742</u>	<u>1,048,000</u>	<u>1,950,947</u>	<u>-</u>	<u>4,288,689</u>
Net changes in fund balances	91,022	251,099	315,515	287,910	(17,986)	927,560
Fund balances (deficits), beginning of year	<u>548,111</u>	<u>457,708</u>	<u>1,085,207</u>	<u>(1,046,089)</u>	<u>17,986</u>	<u>1,062,923</u>
Fund balances (deficits), end of year	<u>\$ 639,133</u>	<u>\$ 708,807</u>	<u>\$ 1,400,722</u>	<u>\$ (758,179)</u>	<u>\$ -</u>	<u>\$ 1,990,483</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2020

	<u>Education Funds</u>	<u>Community Improvements Fund</u>	<u>Recreation and Cultural Fund</u>	<u>Social Services Fund</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 1,245	\$ 4,484	\$ 29,975	\$ 3,223	\$ 38,927
Investments	19,640	70,756	472,919	50,853	614,168
Total assets	<u>\$ 20,885</u>	<u>\$ 75,240</u>	<u>\$ 502,894</u>	<u>\$ 54,076</u>	<u>\$ 653,095</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 17,800	\$ -	\$ 17,800
Total liabilities	<u>-</u>	<u>-</u>	<u>17,800</u>	<u>-</u>	<u>17,800</u>
Fund balances (deficits):					
Nonspendable	20,337	69,907	485,611	54,076	629,931
Restricted	548	5,333	-	-	5,881
Unassigned	<u>-</u>	<u>-</u>	<u>(517)</u>	<u>-</u>	<u>(517)</u>
Total fund balances	<u>20,885</u>	<u>75,240</u>	<u>485,094</u>	<u>54,076</u>	<u>635,295</u>
Total liabilities and fund balances	<u>\$ 20,885</u>	<u>\$ 75,240</u>	<u>\$ 502,894</u>	<u>\$ 54,076</u>	<u>\$ 653,095</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2020

	<u>Education Funds</u>	<u>Community Improvements Funds</u>	<u>Recreation and Cultural Fund</u>	<u>Social Services Fund</u>	<u>Totals</u>
REVENUES					
Contributions	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
Investment earnings:					
Interest and dividends	435	1,157	10,219	1,137	12,948
Net increase in the fair value of investments	956	3,618	22,423	2,496	29,493
Total investment earnings	1,391	4,775	32,642	3,633	42,441
Less investment expense	-	-	-	-	-
Total revenues	1,391	24,775	32,642	3,633	62,441
EXPENDITURES					
Current:					
Recreation and culture	-	-	1,178	-	1,178
Payment to beneficiaries	595	-	17,800	2,043	20,438
Total expenditures	595	-	18,978	2,043	21,616
Net changes in fund balances	796	24,775	13,664	1,590	40,825
Fund balances, beginning of year	20,089	50,465	471,430	52,486	594,470
Fund balances, end of year	<u>\$ 20,885</u>	<u>\$ 75,240</u>	<u>\$ 485,094</u>	<u>\$ 54,076</u>	<u>\$ 635,295</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
Education Funds
June 30, 2020

	Brunswick School Fund	Brunswick High Class of 1920 Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 938	\$ 307	\$ 1,245
Investments	14,804	4,836	19,640
Total assets	<u>\$ 15,742</u>	<u>\$ 5,143</u>	<u>\$ 20,885</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	15,742	4,595	20,337
Restricted	<u>-</u>	<u>548</u>	<u>548</u>
Total fund balances	<u>15,742</u>	<u>5,143</u>	<u>20,885</u>
Total liabilities and fund balances	<u>\$ 15,742</u>	<u>\$ 5,143</u>	<u>\$ 20,885</u>

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, 2020

	<u>Brunswick School Fund</u>	<u>Brunswick High Class of 1920 Fund</u>	<u>Totals</u>
REVENUES			
Investment earnings:			
Interest and dividends	\$ 331	\$ 104	\$ 435
Net increase in the fair value of investments	<u>727</u>	<u>229</u>	<u>956</u>
Total investment earnings	1,058	333	1,391
Less investment expense	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,058</u>	<u>333</u>	<u>1,391</u>
EXPENDITURES			
Payment to beneficiaries	<u>595</u>	<u>-</u>	<u>595</u>
Total expenditures	<u>595</u>	<u>-</u>	<u>595</u>
Net changes in fund balances	463	333	796
Fund balances, beginning of year	<u>15,279</u>	<u>4,810</u>	<u>20,089</u>
Fund balances, end of year	<u>\$ 15,742</u>	<u>\$ 5,143</u>	<u>\$ 20,885</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
Community Improvement Funds
June 30, 2020

	Joshua Chamberlain Fund	Robert L Morrell Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 3,216	\$ 1,268	\$ 4,484
Investments	50,743	20,013	70,756
Total assets	<u>\$ 53,959</u>	<u>\$ 21,281</u>	<u>\$ 75,240</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	48,626	21,281	69,907
Restricted	5,333	-	5,333
Total fund balances	<u>53,959</u>	<u>21,281</u>	<u>75,240</u>
Total liabilities and fund balances	<u>\$ 53,959</u>	<u>\$ 21,281</u>	<u>\$ 75,240</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
Community Improvement Funds
For the year ended June 30, 2020

	<u>Joshua Chamberlain Fund</u>	<u>Robert L Morrell Fund</u>	<u>Totals</u>
REVENUES			
Contributions	\$ -	\$ 20,000	\$ 20,000
Investment earnings:			
Interest and dividends	1,094	63	1,157
Net increase in the fair value of investments	<u>2,400</u>	<u>1,218</u>	<u>3,618</u>
Total investment earnings	3,494	1,281	4,775
Less investment expense	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,494</u>	<u>21,281</u>	<u>24,775</u>
EXPENDITURES			
Payment to beneficiaries	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	3,494	21,281	24,775
Fund balances, beginning of year	<u>50,465</u>	<u>-</u>	<u>50,465</u>
Fund balances, end of year	<u>\$ 53,959</u>	<u>\$ 21,281</u>	<u>\$ 75,240</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, 2020

	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,639	\$ 93,101	\$ 101,740
Accounts receivable	5,365	-	5,365
Due from other funds	-	324	324
Total current assets	<u>14,004</u>	<u>93,425</u>	<u>107,429</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	<u>(709,663)</u>	<u>(78,660)</u>	<u>(788,323)</u>
Net capital assets	<u>24,575</u>	<u>4,325</u>	<u>28,900</u>
Total assets	<u>38,579</u>	<u>97,750</u>	<u>136,329</u>
LIABILITIES			
Current liabilities:			
Accounts payable	<u>1,467</u>	<u>5,050</u>	<u>6,517</u>
Total liabilities	<u>1,467</u>	<u>5,050</u>	<u>6,517</u>
NET POSITION			
Net investment in capital assets	24,575	4,325	28,900
Unrestricted	<u>12,537</u>	<u>88,375</u>	<u>100,912</u>
Total net position	<u>\$ 37,112</u>	<u>\$ 92,700</u>	<u>\$ 129,812</u>

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, 2020

	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services:			
Service fees	\$ 34,030	\$ -	\$ 34,030
Rent	-	11,740	11,740
Parking meter	-	16,492	16,492
Total operating revenues	<u>34,030</u>	<u>28,232</u>	<u>62,262</u>
OPERATING EXPENSES			
Contractual services	28,750	85,197	113,947
Materials and supplies	-	2,166	2,166
Depreciation	4,682	1,789	6,471
Total operating expenses	<u>33,432</u>	<u>89,152</u>	<u>122,584</u>
Operating income (loss)	<u>598</u>	<u>(60,920)</u>	<u>(60,322)</u>
NONOPERATING REVENUES			
Interest income	83	1,166	1,249
Total nonoperating revenues	<u>83</u>	<u>1,166</u>	<u>1,249</u>
Income (loss) before transfers	681	(59,754)	(59,073)
Transfers in	-	75,000	75,000
Change in net position	681	15,246	15,927
Net position, beginning of year	36,431	77,454	113,885
Net position, end of year	<u>\$ 37,112</u>	<u>\$ 92,700</u>	<u>\$ 129,812</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Enterprise Funds
For the year ended June 30, 2020

	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 31,797	\$ 28,232	\$ 60,029
Payments to suppliers for goods and services	(28,234)	(82,598)	(110,832)
Net cash provided (used) by operating activities	<u>3,563</u>	<u>(54,366)</u>	<u>(50,803)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	-	75,000	75,000
Increase (decrease) in due to other funds	-	822	822
Cash provided (used) by noncapital financing activities	<u>-</u>	<u>75,822</u>	<u>75,822</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	83	1,166	1,249
Cash provided by investing activities	<u>83</u>	<u>1,166</u>	<u>1,249</u>
Net increase in cash	3,646	22,622	26,268
Cash, beginning of year	4,993	70,479	75,472
Cash, end of year	<u>\$ 8,639</u>	<u>\$ 93,101</u>	<u>\$ 101,740</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 598	\$ (60,920)	\$ (60,322)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	4,682	1,789	6,471
(Increase) decrease in accounts receivable	(2,233)	-	(2,233)
Increase (decrease) in accounts payable	516	4,765	5,281
Total adjustments	<u>2,965</u>	<u>6,554</u>	<u>9,519</u>
Net cash provided (used) by operating activities	<u>\$ 3,563</u>	<u>\$ (54,366)</u>	<u>\$ (50,803)</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".

Lewis P. Gallagher Scholarship Fund

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

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.

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, 2020

	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	\$ 37,080	\$ 5,606	\$ 1,735	\$ -	\$ 44,421
Investments	349,397	88,444	27,371	-	465,212
Due from other funds	-	-	-	48,325	48,325
Total assets	<u>386,477</u>	<u>94,050</u>	<u>29,106</u>	<u>48,325</u>	<u>557,958</u>
LIABILITIES					
Accounts payable	<u>4,676</u>	-	-	-	<u>4,676</u>
Total liabilities	<u>4,676</u>	-	-	-	<u>4,676</u>
NET POSITION					
Net position held in trust for other purposes	<u>\$ 381,801</u>	<u>\$ 94,050</u>	<u>\$ 29,106</u>	<u>\$ 48,325</u>	<u>\$ 553,282</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Changes in Net Position
Fiduciary Funds
Private-purpose Trust Funds
For the year ended June 30, 2020

	Private-purpose Trust Funds				
	Scholarship and Education Funds	Public Library Funds	E. H. Pennell Village Improvement Fund	Alex Labbe Recreation Fund	Totals
ADDITIONS					
Contributions	\$ -	\$ -	\$ -	\$ 12,834	\$ 12,834
Investment earnings:					
Interest and dividends	8,657	1,980	613	-	11,250
Net increase in the fair value of investments	13,033	4,341	1,344	-	18,718
Total investment earnings	21,690	6,321	1,957	-	29,968
Less investment expense	(4,300)	-	-	-	(4,300)
Total additions	17,390	6,321	1,957	12,834	38,502
DEDUCTIONS					
Payment to beneficiaries	8,238	3,554	1,111	1,520	14,423
Total deductions	8,238	3,554	1,111	1,520	14,423
Changes in net position	9,152	2,767	846	11,314	24,079
Net position - beginning of year	372,649	91,283	28,260	37,011	529,203
Net position - end of year	\$ 381,801	\$ 94,050	\$ 29,106	\$ 48,325	\$ 553,282

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Fiduciary Funds
Private-purpose Trust Funds
Scholarship and Education Funds
June 30, 2020

	Samuel Davis School Prize Fund	Lewis Gallagher Scholarship Fund	Elizabeth Nickerson Scholarship Fund	Lester Rogers Memorial Fund	Brunswick JHS Personal Growth Award Fund	Totals
ASSETS						
Cash and cash equivalents	\$ 2,784	\$ 28,902	\$ 4,889	\$ 341	\$ 164	\$ 37,080
Investments	<u>43,929</u>	<u>220,372</u>	<u>77,137</u>	<u>5,375</u>	<u>2,584</u>	<u>349,397</u>
Total assets	<u>46,713</u>	<u>249,274</u>	<u>82,026</u>	<u>5,716</u>	<u>2,748</u>	<u>386,477</u>
LIABILITIES						
Accounts payable	<u>1,376</u>	<u>-</u>	<u>3,300</u>	<u>-</u>	<u>-</u>	<u>4,676</u>
Total liabilities	<u>1,376</u>	<u>-</u>	<u>3,300</u>	<u>-</u>	<u>-</u>	<u>4,676</u>
NET POSITION						
Net position held in trust for other purposes	<u>\$ 45,337</u>	<u>\$ 249,274</u>	<u>\$ 78,726</u>	<u>\$ 5,716</u>	<u>\$ 2,748</u>	<u>\$ 381,801</u>

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, 2020

	Samuel Davis School Prize Fund	Lewis Gallagher Scholarship Fund	Elizabeth Nickerson Scholarship Fund	Lester Rogers Memorial Fund	Brunswick JHS Personal Growth Award Fund	Totals
ADDITIONS						
Investment earnings:						
Interest and dividends	\$ 954	\$ 5,858	\$ 1,668	\$ 121	\$ 56	\$ 8,657
Net increase in fair value of investments	2,093	6,923	3,631	264	122	13,033
Total investment earnings	3,047	12,781	5,299	385	178	21,690
Less investment expense	-	(4,300)	-	-	-	(4,300)
Total additions	3,047	8,481	5,299	385	178	17,390
DEDUCTIONS						
Payment to beneficiaries	1,720	3,000	3,300	218	-	8,238
Total deductions	1,720	3,000	3,300	218	-	8,238
Changes in net position	1,327	5,481	1,999	167	178	9,152
Net position - beginning of year	44,010	243,793	76,727	5,549	2,570	372,649
Net position - end of year	<u>\$ 45,337</u>	<u>\$ 249,274</u>	<u>\$ 78,726</u>	<u>\$ 5,716</u>	<u>\$ 2,748</u>	<u>\$ 381,801</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Fiduciary Funds
Private-purpose Trust Funds
Public Library Funds
June 30, 2020

	L. Augusta Curtis Library Fund	W. J. Curtis Library Fund	Letitia A. Curtis Library Fund	Totals
ASSETS				
Cash and cash equivalents	\$ 2,735	\$ 2,263	\$ 608	\$ 5,606
Investments	43,146	35,709	9,589	88,444
Total assets	<u>45,881</u>	<u>37,972</u>	<u>10,197</u>	<u>94,050</u>
LIABILITIES				
Accounts payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net position held in trust for other purposes	<u>\$ 45,881</u>	<u>\$ 37,972</u>	<u>\$ 10,197</u>	<u>\$ 94,050</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, 2020

	<u>L. Augusta Curtis Library Fund</u>	<u>W. J. Curtis Library Fund</u>	<u>Letitia A. Curtis Library Fund</u>	<u>Totals</u>
ADDITIONS				
Investment earnings:				
Interest and dividends	\$ 966	\$ 799	\$ 215	\$ 1,980
Net increase in the fair value of investments	<u>2,118</u>	<u>1,752</u>	<u>471</u>	<u>4,341</u>
Total investment earnings	3,084	2,551	686	6,321
Less investment expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>3,084</u>	<u>2,551</u>	<u>686</u>	<u>6,321</u>
DEDUCTIONS				
Payment to beneficiaries	<u>1,733</u>	<u>1,435</u>	<u>386</u>	<u>3,554</u>
Total deductions	<u>1,733</u>	<u>1,435</u>	<u>386</u>	<u>3,554</u>
Changes in net position	1,351	1,116	300	2,767
Net position - beginning of year	<u>44,530</u>	<u>36,856</u>	<u>9,897</u>	<u>91,283</u>
Net position - end of year	<u><u>\$ 45,881</u></u>	<u><u>\$ 37,972</u></u>	<u><u>\$ 10,197</u></u>	<u><u>\$ 94,050</u></u>

TOWN OF BRUNSWICK, MAINE
Statement of Changes in Assets and Liabilities
Fiduciary Funds
Agency Fund
For the year ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
ASSETS				
Due from other funds	\$ 105,414	\$ 57,057	\$ 62,625	\$ 99,846
Total assets	<u>105,414</u>	<u>57,057</u>	<u>62,625</u>	<u>99,846</u>
LIABILITIES				
Accounts payable	6,222	-	5,543	679
Amounts held for others - student activities	<u>99,192</u>	<u>57,057</u>	<u>57,082</u>	<u>99,167</u>
Total liabilities	<u>\$ 105,414</u>	<u>\$ 57,057</u>	<u>\$ 62,625</u>	<u>\$ 99,846</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>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>	<u>2020</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 61,963,362
Restricted	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	4,864,171
Unrestricted	<u>7,612,316</u>	<u>11,150,181</u>	<u>10,836,336</u>	<u>3,280,822</u>	<u>3,683,415</u>	<u>2,825,122</u>	<u>4,687,565</u>	<u>(478,699)</u>	<u>(6,847,630)</u>	<u>3,054,385</u>
Total governmental activities net position	<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>	<u>\$ 69,881,918</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 668,707
Unrestricted	<u>(4,650,533)</u>	<u>(4,797,321)</u>	<u>(4,522,385)</u>	<u>(4,291,756)</u>	<u>(4,203,593)</u>	<u>(4,135,381)</u>	<u>(4,051,279)</u>	<u>(4,206,420)</u>	<u>(3,544,678)</u>	<u>(4,991,205)</u>
Total business-type activities net position	<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>	<u>\$ (4,322,498)</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 62,632,069
Restricted	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	4,864,171
Unrestricted	<u>2,961,783</u>	<u>6,352,860</u>	<u>6,313,951</u>	<u>(1,010,934)</u>	<u>(520,178)</u>	<u>(1,310,259)</u>	<u>636,286</u>	<u>(4,685,119)</u>	<u>(10,392,308)</u>	<u>(1,936,820)</u>
Total primary government net position	<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>	<u>\$ 65,559,420</u>

(a) Net position has been restated as a result of implementing GASB Statements 63 & 65 in 2012.

(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									
	<u>2011(a)</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>	<u>2020</u>
Expenses										
Governmental activities:										
General government	\$ 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	\$ 6,331,703
Public safety	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	10,711,151
Public works	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	6,791,120
Human services	150,279	168,829	154,429	168,706	165,884	191,042	147,830	166,430	190,614	375,519
Education	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	44,061,737
Recreation and culture	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	3,898,655
County tax	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	1,590,123
Unclassified	120,725	296,682	281,424	36,996	8,683	29,082	29,868	130,537	199,922	103,265
Interest on long term debt	644,723	785,569	698,508	741,999	698,977	655,622	622,579	613,636	562,271	988,514
Total governmental activities expenses	<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>	<u>74,851,787</u>
Business-type activities:										
Solid waste facilities	1,260,786	876,942	614,661	712,042	730,574	881,459	857,971	2,325,237	1,406,202	3,742,135
Pay-per-bag program	83,584	80,969	80,200	85,259	90,666	92,079	88,785	121,459	70,761	82,552
Other business-type activities	94,121	97,773	127,122	143,733	143,221	124,633	137,868	140,113	117,526	122,584
Total business-type activities	<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>	<u>3,947,271</u>
Total primary government expenses	<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>	<u>\$ 78,799,058</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Education	\$ 887,731	\$ 605,689	\$ 679,596	\$ 417,018	\$ 727,312	\$ 700,162	\$ 1,966,093	\$ 1,872,506	\$ 1,756,317	\$ 1,540,639
Other activities	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	2,587,775
Operating grants and contributions	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	17,257,603
Capital grants and contributions	1,069,654	247,704	2,487,876	5,961,817	452,248	54,913	603,529	925,815	1,660,220	1,995,033
Total governmental activities program revenues	<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>	<u>23,381,050</u>
Business-type activities:										
Charges for services:										
Solid waste facilities	380,115	351,918	321,153	370,030	398,407	475,110	425,768	1,282,838	1,051,063	1,069,765
Pay-per-bag program	328,100	303,400	299,100	315,900	317,800	322,300	311,165	414,300	465,600	529,254
Other business-type activities	34,005	35,669	35,806	35,669	33,173	31,753	42,187	55,218	67,761	62,262
Operating grants and contributions	44,000	44,000	44,000	44,000	14,667	-	-	-	-	-
Capital grants and contributions	-	-	53,430	-	-	-	-	-	-	-
Total business-type activities program revenues	<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>	<u>1,661,281</u>
Total primary government program revenues	<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>	<u>\$ 25,042,331</u>

Table 2, continued

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

	Fiscal Year									
	<u>2011(a)</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>	<u>2020</u>
Net (expense) revenue										
Governmental activities	\$(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)	\$(51,470,737)
Business-type activities	(652,271)	(320,697)	(68,494)	(175,435)	(200,414)	(269,008)	(305,504)	(834,453)	(10,065)	(2,285,990)
Total primary government net expenses	<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>	<u>\$(53,756,727)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 48,219,683
Vehicle, watercraft and aircraft excise taxes	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	3,598,448
Unrestricted grants and contributions	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	2,330,033
Investment earnings	387,470	27,287	55,750	83,537	9,856	30,496	204,277	385,437	473,628	392,216
Other	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	(664,000)	(205,000)	(250,000)	(240,000)	(244,000)	(194,000)	(194,000)	(225,000)	(225,000)	(225,000)
Total governmental activities	<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>	<u>54,315,380</u>
Business type activities:										
Investment earnings	38	84	189	232	270	2,975	15,796	60,892	110,571	90,516
Other	-	-	-	3,328	10,000	-	-	7,000	-	-
Transfers	664,000	205,000	250,000	240,000	244,000	194,000	194,000	225,000	225,000	225,000
Total business-type activities	<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>	<u>315,516</u>
Total primary government	<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>	<u>\$ 54,630,896</u>
Change in Net Position										
Governmental activities	\$ 1,417,383	\$ 661,443	\$ 1,840,571	\$ 5,507,847	\$ 398,790	\$ (973,915)	\$ 472,679	\$ 1,970,973	\$ 5,719,249	\$ 2,844,643
Business-type activities	11,767	(115,613)	181,695	68,125	53,856	(72,033)	(95,708)	(541,561)	325,506	(1,970,474)
Total primary government	<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>	<u>\$ 874,169</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.

Table 3

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

	Fiscal Year									
	<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>	<u>2020</u>
Function/Program										
Governmental activities:										
General government	\$ 1,666,819	\$ 1,029,607	\$ 726,191	\$ 744,758	\$ 1,585,959	\$ 1,432,364	\$ 667,026	\$ 812,066	\$ 1,397,658	\$ 1,175,653
Public safety	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	1,588,852
Public works	1,135,478	390,552	2,121,817	1,128,833	677,835	292,592	548,949	987,977	1,424,051	873,152
Human services	29,538	38,337	29,305	26,976	37,298	36,313	30,755	41,111	52,176	116,099
Education	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	17,957,602
Recreation and culture	368,017	390,814	969,653	5,414,170	490,379	532,397	560,427	567,464	558,319	1,669,692
Total governmental activities	<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>	<u>23,381,050</u>
Business-type activities:										
Solid waste facilities	380,115	351,918	321,153	370,030	398,407	475,110	425,768	1,282,838	1,051,063	1,069,765
Pay-per-bag program	328,100	303,400	299,100	315,900	317,800	322,300	311,165	414,300	465,600	529,254
Other business-type activities	78,005	79,669	133,236	79,669	47,840	31,753	42,187	55,218	67,761	62,262
Total business-type activities	<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>	<u>1,661,281</u>
Total primary government	<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>	<u>\$ 25,042,331</u>

Table 4

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

	Fiscal Year									
	<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>	<u>2020</u>
General fund										
Nonspendable										
Long-term loans and advances	\$ 2,685,795	\$ 495,297	\$ 450,580	\$ -	\$ 454,080	\$ 363,264	\$ 272,448	\$ 181,632	\$ 727,778	\$ 1,582,610
Inventories and prepaids	34,266	23,925	55,570	36,767	37,711	25,220	26,523	28,015	39,392	21,395
Restricted										
Education	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	2,079,163
Municipal purposes	281,669	370,351	210,670	207,738	211,045	240,201	253,542	278,968	302,851	338,920
Assigned	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	4,597,167
Unassigned	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	12,002,583
Total general fund	<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>	<u>\$ 20,621,838</u>
All other governmental funds										
Nonspendable										
Special revenues funds	\$ 13,640	\$ 23,109	\$ 15,797	\$ 13,075	\$ 19,554	\$ 14,475	\$ 25,280	\$ 21,133	\$ 20,918	\$ 32,519
Capital improvements fund	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Permanent funds	478,429	455,125	489,301	557,770	553,619	535,605	585,319	593,902	590,733	629,931
Restricted										
Tax increment financing	-	-	-	208,318	609,506	1,116,433	1,061,577	439,045	734,235	102,976
Special revenues funds	993,665	841,722	535,723	545,462	355,093	299,816	317,750	243,304	281,932	585,648
Impact fee fund	631,845	824,059	580,862	558,619	535,995	524,286	558,836	488,400	548,111	639,133
Capital projects funds	2,755,373	674,476	2,293,969	609,657	185,678	17,022	-	-	-	3,621,472
Permanent funds	19,845	20,778	21,189	20,877	21,603	22,408	21,160	2,811	3,830	5,881
Committed										
Capital improvements fund	1,624,805	2,149,690	1,866,798	1,276,859	708,636	202,393	202,171	601,865	185,469	898,513
Special revenues funds	108,355	167,422	203,617	178,164	255,901	319,521	730,068	684,715	553,909	596,164
Capital projects funds	950,421	1,238,270	1,634,358	995,828	496,685	259,659	405,734	895,777	1,560,901	2,109,529
Unassigned										
Capital improvements fund	(2,453,705)	(498,142)	(225,430)	-	(454,512)	(1,632,537)	(267,897)	(190,703)	(1,295,692)	(1,706,692)
Downtown TIF district	(1,486,278)	(1,490,853)	(1,413,629)	(945,524)	(240,401)	-	-	-	-	-
Special revenues funds	-	-	-	-	-	-	-	-	-	(433,190)
Capital projects funds	-	-	-	-	-	-	-	(1,119,537)	(10,889,700)	(2,488,574)
Permanent funds	(1,108)	(2,157)	(5,437)	(12,056)	(15,603)	(12,394)	(18,496)	-	(93)	(517)
Total all other governmental funds	<u>\$ 3,685,287</u>	<u>\$ 4,453,499</u>	<u>\$ 6,047,118</u>	<u>\$ 4,057,049</u>	<u>\$ 3,081,754</u>	<u>\$ 1,716,687</u>	<u>\$ 3,671,502</u>	<u>\$ 2,710,712</u>	<u>\$ (7,655,447)</u>	<u>\$ 4,642,793</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>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>	<u>2020</u>
Revenues										
Taxes	\$ 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	\$ 51,770,365
Licenses and permits	337,927	310,181	372,259	399,359	387,127	438,731	497,091	542,223	722,963	535,870
Intergovernmental	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	19,503,474
Investment income (loss)	67,955	(18,420)	36,307	69,563	(472)	(8,119)	50,126	28,219	22,560	42,441
Charges for services	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	3,368,893
Fines and penalties	29,063	20,019	34,756	39,511	56,197	43,135	42,220	50,515	43,224	43,860
Interest	319,515	45,707	19,440	13,975	10,328	38,616	154,149	357,219	451,530	350,234
Donations	989,051	317,071	265,575	311,824	134,863	95,132	111,473	218,541	663,651	816,487
Other	<u>583,613</u>	<u>920,986</u>	<u>744,501</u>	<u>731,055</u>	<u>736,595</u>	<u>519,261</u>	<u>992,427</u>	<u>642,187</u>	<u>530,750</u>	<u>451,450</u>
Total revenues	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	76,883,074
Expenditures										
General government	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	5,545,151
Public safety	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	10,029,509
Public works	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	3,781,752
Human services	150,281	168,813	154,425	168,723	171,606	176,406	139,921	163,348	202,823	374,486
Education	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	43,194,223
Recreation and culture	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	3,624,596
County tax	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	1,590,123
Unclassified	120,725	296,682	281,424	36,996	8,683	29,082	29,868	130,537	199,922	103,265
Debt service										
Principal	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	2,090,521
Interest	533,417	818,911	704,610	763,215	725,117	680,732	639,914	644,367	590,074	712,359
Capital outlay	<u>12,039,460</u>	<u>3,219,832</u>	<u>6,490,340</u>	<u>5,327,426</u>	<u>1,846,437</u>	<u>3,032,795</u>	<u>2,733,467</u>	<u>4,539,282</u>	<u>14,720,674</u>	<u>18,598,527</u>
Total expenditures	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	89,644,512
Excess (deficiencies) of revenues over (under) expenditures	(7,658,631)	(778,633)	(4,351,941)	(4,362,452)	(717,743)	8,284	1,440,948	(87,495)	(9,569,099)	(12,761,438)

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>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>	<u>2020</u>
Other financing sources (uses)										
Bond proceeds	25,582,250	-	5,500,000	-	-	-	2,277,075	225,716	-	24,450,000
Premium on bonds	110,265	-	99,880	-	-	-	43,902	-	-	2,079,200
Transfers from other funds	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	5,289,159
Transfers to other funds	(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)	(2,388,920)
Transfers to other funds - capital budget	-	-	(462,250)	(465,000)	-	(50,000)	(40,000)	(480,207)	(899,116)	(2,741,100)
Transfers to other funds - supplemental appropriations	(319,500)	(147,000)	(845,580)	(1,100,000)	-	(136,481)	-	(100,000)	(250,000)	(257,719)
Transfers to other funds - education	(71,546)	(219,191)	(130,717)	(311,430)	(36,000)	(61,000)	(90,000)	(110,000)	(126,420)	(126,420)
Sale of assets	-	65,906	-	225,000	-	-	-	-	-	-
Total other financing sources (uses)	25,028,515	(139,094)	5,349,880	(15,000)	(244,000)	(194,000)	2,126,977	716	(225,000)	26,304,200
Net change in fund balances	<u>\$ 17,369,884</u>	<u>\$ (917,727)</u>	<u>\$ 997,939</u>	<u>\$ (4,377,452)</u>	<u>\$ (961,743)</u>	<u>\$ (185,716)</u>	<u>\$ 3,567,925</u>	<u>\$ (86,779)</u>	<u>\$ (9,794,099)</u>	<u>\$ 13,542,762</u>
Debt service as a percentage of noncapital expenditures	3.03%	6.66%	6.34%	6.90%	4.64%	4.53%	3.82%	4.00%	3.99%	3.94%

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
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
2020	45,358,688	3,553,115	24,000	21,333	514,661	49,471,797	2,346,334	51,818,131

Table 7

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Vehicle Taxes</u>	<u>Watercraft Taxes</u>	<u>Aircraft Taxes</u>	<u>Other</u>	<u>Subtotal</u>	<u>TIF Property Taxes</u>	<u>Total</u>
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
2020	45,310,922	3,553,115	24,000	21,333	514,661	49,424,031	2,346,334	51,770,365

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							
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%
2020	1,706,636,900	562,566,666	57,907,700	2,327,111,266	118,982,473	2,208,128,793	19.72	2,208,128,793	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
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
2020	90,258,900	90,258,900

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

Fiscal Year	Direct Rates			
	<u>General Municipal</u>	<u>Education (a)</u>	<u>County Tax (b)</u>	<u>Total</u>
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
2020	7.40	11.63	0.69	19.72

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	2019-20				2010-11			
	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
BIF II US Renewable LLC (formerly Maine Hydro)	\$ 33,154,600	1	1.42%	1.50%	\$ 17,205,000	3	1.34%	1.37%
Bath Iron Works Corporation	32,195,800	2	1.38%	1.46%	24,478,800	1	1.91%	1.94%
Midcoast Regional Redevelopment Authority	30,215,812	3	1.30%	1.37%	-		N/A	N/A
Central Maine Power Co.	27,375,800	4	1.18%	1.24%	7,228,200	9	0.56%	0.57%
Brunswick Landing Ventures, LLC	24,268,500	5	1.04%	1.10%	-		N/A	N/A
Brunswick MZL LLC (formerly Dev. Diversified)	22,678,300	6	0.97%	1.03%	18,946,300	2	1.48%	1.50%
Walmart Real Estate Business Trust	21,565,400	7	0.93%	0.98%	12,986,600	4	1.01%	1.03%
Maine Natural Gas	16,208,400	8	0.70%	0.73%	-		N/A	N/A
Thornton Oakes Homeowners Assn. Corp.	15,160,800	9	0.65%	0.69%	12,102,300	6	0.94%	0.96%
W/S Brunswick Properties II LLC	13,640,100	10	0.59%	0.62%	12,195,600	5	0.95%	0.97%
Bowdoin College	-		N/A	N/A	7,712,400	8	0.60%	0.61%
Cooper Industries Inc. (Arrowhart Division)	-		N/A	N/A	7,038,900	10	0.55%	0.56%
LHC Brunswick ME LLC (Lowes)	-		N/A	N/A	7,813,800	7	0.61%	0.62%
	<u>\$ 236,463,512</u>		<u>10.16%</u>	<u>10.71%</u>	<u>\$ 127,707,900</u>		<u>9.96%</u>	<u>10.14%</u>
Total Assessed Valuation *	\$ 2,327,111,266				\$ 1,281,570,750			
* Includes:								
Municipal valuation	\$ 2,208,128,793				\$ 1,259,526,250			
TIF valuation	118,982,473				22,044,500			
	<u>\$ 2,327,111,266</u>				<u>\$ 1,281,570,750</u>			

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
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	(36,945)	33,157,292	32,348,601
2014	34,886,347	1,122,690	36,009,037	92,470	(139,537)	35,961,970	35,177,642
2015	36,415,474	1,390,457	37,805,931	54,983	(41,109)	37,819,805	36,821,979
2016	37,992,395	1,548,535	39,540,930	55,732	(60,348)	39,536,314	38,702,091
2017	39,280,373	1,842,499	41,122,872	223,789	(368,397)	40,978,264	40,116,510
2018	40,281,376	1,976,302	42,257,678	32,913	(303,682)	41,986,909	41,102,234
2019	41,309,260	1,986,422	43,295,682	36,828	(45,989)	43,286,521	42,467,493
2020	43,544,300	2,346,334	45,890,634	14,561	(50,487)	45,854,708	44,464,982

Fiscal Year	Collected within the Fiscal Year of the Levy			Collected in Subsequent Years	Total Collections to Date		
	Amount	Percentage of Levy	Percentage of Net Collectible		Amount	Percentage of Levy	Percentage of Net Collectible
2011	\$ 28,598,906	97.58%	97.72%	\$ 667,179	29,266,085	99.85%	100.00%
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%	806,732	33,155,333	99.94%	99.99%
2014	35,177,642	97.69%	97.82%	781,726	35,959,368	99.86%	99.99%
2015	36,821,979	97.40%	97.36%	994,773	37,816,752	100.03%	99.99%
2016	38,702,091	97.88%	97.89%	829,134	39,531,225	99.98%	99.99%
2017	40,116,510	97.55%	97.90%	851,455	40,967,965	99.62%	99.97%
2018	41,102,234	97.27%	97.89%	859,780	41,962,014	99.30%	99.94%
2019	42,467,493	98.09%	98.11%	547,672	43,015,165	99.35%	99.37%
2020	44,464,982	96.89%	96.97%	-	44,464,982	96.89%	96.97%

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 & Direct Borrowings</u>		
	<u>General Obligation Bonds & Notes From Direct Borrowings(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>	
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%	
2020	44,165,519	7.93%	2,178.00	2.00%	

(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, 2020

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
Town of Brunswick General Obligation	\$ 42,082,308	100.00%	\$ 42,082,308
Premium on bonds	2,083,211	100.00%	2,083,211
Total direct debt	44,165,519		44,165,519
Overlapping:			
Cumberland County	35,425,000	4.98%	1,763,253
Maine Region 10 Technical High School	31,557	38.29%	12,083
Total overlapping debt	35,456,557		1,775,336
Total direct and overlapping debt	<u>\$ 79,622,076</u>		<u>\$ 45,940,855</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.

The outstanding debt for Maine Region 10 Technical High School has been provided by MR10. The percentage applicable to the Town of Brunswick is based on the cooperative agreement that established MR10. That agreement specifies that the percentage each participant is required to contribute is based on the population as determined by the most recent Federal Decennial Census.

TOWN OF BRUNSWICK, MAINE
Legal Debt Margin Information
June 30, 2020

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 2020 State Valuation of \$2,509,500,000, the Town is in compliance with the total and categorical debt limits:

Legal Debt Margin Calculation for Fiscal Year 2020

State Valuation	\$ 2,509,500,000
Debt Limit - 15% of State Valuation	376,425,000
Less outstanding debt applicable to debt limit	<u>(42,082,308)</u>
Legal Debt Margin	<u>\$ 334,342,692</u>

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>
School	10.00%	\$ 250,950,000	\$ 37,097,308	\$ 213,852,692
Storm or Sanitary Sewer	7.50%	188,212,500	-	188,212,500
Municipal Airport Special District	3.00%	75,285,000	-	75,285,000
Municipal	7.50%	188,212,500	<u>4,985,000</u>	183,227,500
Total Maximum Debt	15.00%	\$ 376,425,000	<u>\$ 42,082,308</u>	\$ 334,342,692

	<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>	<u>2020</u>
Debt limit	\$ 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	\$ 376,425,000
Total debt applicable to limit	<u>30,177,250</u>	<u>27,439,138</u>	<u>30,211,025</u>	<u>27,322,912</u>	<u>25,219,800</u>	<u>23,121,688</u>	<u>23,944,475</u>	<u>21,975,669</u>	<u>19,722,829</u>	<u>42,082,308</u>
Legal debt margin	\$ 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	\$ 334,342,692
Total debt applicable to the limit as a percentage of debt limit	9.39%	9.02%	10.15%	8.99%	8.40%	7.40%	7.31%	6.50%	5.67%	11.18%

Table 15

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

<u>Employer</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees (a)</u>	<u>Rank</u>	<u>Employees (a)</u>	<u>Rank</u>
Bath Iron Works	1300	1	1700	1
Mid Coast-Parkview Health	1060	2	1538	2
Bowdoin College	961	3	873	3
Town of Brunswick	578	4	640	4
Wayfair	529	5		
L.L. Bean Inc., Manufacturing Div.	342	6	265	6
Wal-Mart Stores, Inc.	270	7	275	5
Hannaford Brothers	160	8	170	8
Savilinx	140	9		
Pathways (formerly Providence Service Corp)	128	10		
Parkview Memorial Hospital			174	7
Bank of America, formerly MBNA			154	9
Downeast Energy			120	10

(a) Telephone Survey of Employers, March 2011 and March 2020. 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)	Personal Income (b)	Per Capita Personal Income (a)	Median Age (a)	School Enrollment (c)	Unemployment Rate (d)
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	2.7%
2020	20,278	556,691,934	27,453	41.40	2,415	2.4%

(a) U.S. Department of Commerce, Bureau of 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>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>	<u>2020 (a)</u>
General government										
Administration	4	4	4	4	4	4	4	4	5	4
Finance	8	8	8	8	8	8	8	8	8	8
Technology	1	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	3.5	3.5	3.5	4	4
Engineering	0	0	0	0	0	0	0	0	0	2
Planning and Codes	5	5	5	5	5	5	5	5.5	5.5	6
Economic development	2	2	1	1	1	1	1	1	1	1
Municipal building	1.5	1.5	1.5	1	1	1	1	0	0	0
Public safety										
Fire department	36	36	36	36	36	36	36	36	36	41
Police department	48	50	50	51	51	51	51	50.5	50.5	52.75
Public works										
Administration	5	5	5	5	5	5	5	6	6	3
General maintenance	17	15.5	11.5	16	15.5	14.5	14.5	14.5	14.5	15.5
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	2.5	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	3
Education	396	390	392	394	406	422	425	424	423	436
Recreation										
Administration	5	5	5	5	5	5	5	5	5	5
Buildings and grounds	5	5	5	5	5.5	5.5	5.5	7.5	7.5	8.5
Cable TV	1	1	1	1	1	1	1	1	1	1
Totals	549	543.5	540.5	547.5	559.5	574	576	577	577.5	599.75

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.

(a) Initial funding for the Engineering Division of the Town occurred in FY20. Previously, engineering services were budgeted within the Public Works Administration Department.

Table 18

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

<u>Function</u>	<u>Fiscal Year</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>	<u>2020</u>
Fire Department										
Fire calls	975	985	1,144	1,098	1,135	1,131	1,133	1,271	1,021	1,099
Medical calls	N/A	2,549	2,823	2,737	2,867	2,997	3,103	3,379	3,415	3,110
Inspections	N/A	300	342	356	264	268	267	261	208	211
Police										
Calls for service (a)	36,254	45,060	43,815	42,332	44,426	46,758	45,593	44,519	45,563	38,856
Crash reports	679	767	713	715	787	814	838	1,017	853	708
Field interviews (b)	N/A	508	464	444	251	79	46	49	23	36
Offense reports	1,133	1,230	1,304	714	1,224	1,382	1,344	1,405	1,252	1,157
Physical arrests	1,069	1,098	1,184	1,022	1,035	922	962	899	1,435	971
Public Works										
Street resurfacing (miles)	8	5	4	4	3	5	4	5	6	8
Recyclables collected (tons)	1,754	1,711	1,548	1,622	2,402	2,829	2,482	3,095	2,453	2,430
Codes Enforcement										
Residential permits issued	258	249	249	293	267	293	310	351	347	297
Commercial/Industrial permits issued	34	55	52	58	58	52	70	73	46	47

(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

Function	Fiscal Year									
	<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>	<u>2020</u>
Police Department										
Stations	0	0	0	1	1	1	1	1	1	1
Patrol units	18	16	17	17	16	16	16	16	16	16
Fire Department										
Stations	2	2	2	2	2	2	2	2	2	2
Emergency vehicles	14	12	12	12	13	13	13	14	16	16
Public Works Department										
Streets (miles)	138	139	140	141	141	141	141	141	142	142
School Department										
Schools	6	4	4	4	4	4	4	4	4	4
School buses	26	26	26	26	26	26	29	29	29	32

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