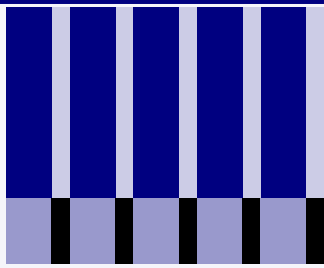




# **Town of Brunswick, Maine**

**Fiscal Year Ended  
June 30, 2021**

**Popular Annual Financial Report**



# Popular Annual Financial Report

## 2020-21

Fiscal Year ended  
June 30, 2021

### Dear Citizens of the Town of Brunswick,

We are pleased to present the Town of Brunswick's Popular Annual Financial Report (PAFR), for the fiscal year ended June 30, 2021. This report is a reader-friendly version of data from the Town's Annual Comprehensive Financial Report (ACFR), and from the Town's annual General Fund Budget. The financial data presented in the PAFR is derived from the ACFR, but as a summary, the PAFR is not expected to comply with Generally Accepted Accounting Principles (GAAP) requirements. You may find ACFRs and budgets from this and previous years on the Town's website: [www.brunswickme.org](http://www.brunswickme.org)

We are proud that the Town has received the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting to the Town of Brunswick since 2017. We believe our current report continues to conform to PAFR requirements, and it will also be submitted to the GFOA award program.

The COVID-19 pandemic brought many challenges to us all in fiscal 2020-21, but with conservative revenue budgeting and over \$4M in federal aid for the school department, the Town ended the year in a positive financial position. Some of the significant events in Brunswick this year included the opening of the new Kate Furbish Elementary School, closure of the Graham Road Landfill, and kicking off the Cook's Corner Revitalization project.

With the PAFR we strive to share financial information in a manner that is meaningful. Please reach out and give us suggestions on how we can improve this report, and help you to understand how your tax dollars support our Town services and facilities.

Sincerely,

*Julia Henze*

Finance Director



Government Finance Officers Association

### Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Town of Brunswick**

**Maine**

For its Annual Financial Report  
for the Fiscal Year Ended

**June 30, 2020**

*Christopher P. Morill*

Executive Director/CEO

### *Inside the PAFR:*

About Brunswick	3
Town Organization	4
Government-Wide—Net Position	6
Capital Assets & Debt	7
Govt-Wide—Governmental Activities	8
Govt-Wide—Business-type Activities	9
Governmental Funds	10
General Fund	11
General Fund Budget Results	12
General Fund Balance	13
Taxes	14
For More Information	16



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 population was listed at 20,278 in the 2010 census.

Brunswick is a commercial, industrial, educational, health care, and cultural center for the southern section of mid-coast Maine.

Mid Coast-Parkview Health, Bath Iron Works, and Bowdoin College, Wayfair and L.L.Bean are the Town's largest employers.

The Brunswick Naval Air Station (BNAS), once one of the state's largest employers, was closed in May 2011. The operation of the base was turned over to the Mid-coast Regional Redevelopment Authority (MRRA), the state-appointed agency responsible for the management and disposition of Navy property and the implementation of the "Master Reuse Plan for BNAS".

Brunswick Landing is the name given to the former BNAS property. Brunswick Executive Airport (BXM) was established on the airport portion of the property.

The Navy has conveyed parcels to the Maine Community College and University of Maine Systems, and many programs and classes are now being offered at the Southern Maine Community College Midcoast Campus at Brunswick Landing.

**GENERAL DYNAMICS**  
Bath Iron Works

**L.L.Bean**

**Bowdoin**



MID COAST-PARKVIEW  
HEALTH

**wayfair**



Properties identified for manufacturing and commercial uses have been conveyed to MRRA for development. A number of facilities have been sold to incoming entities, and others have been renovated or constructed, attracting a variety of businesses. The Master Plan along with information regarding the impact of BNAS's closure, and MRRA's redevelopment statistics can be found on MRRA's website at [www.mrra.us](http://www.mrra.us).



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. 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. 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.

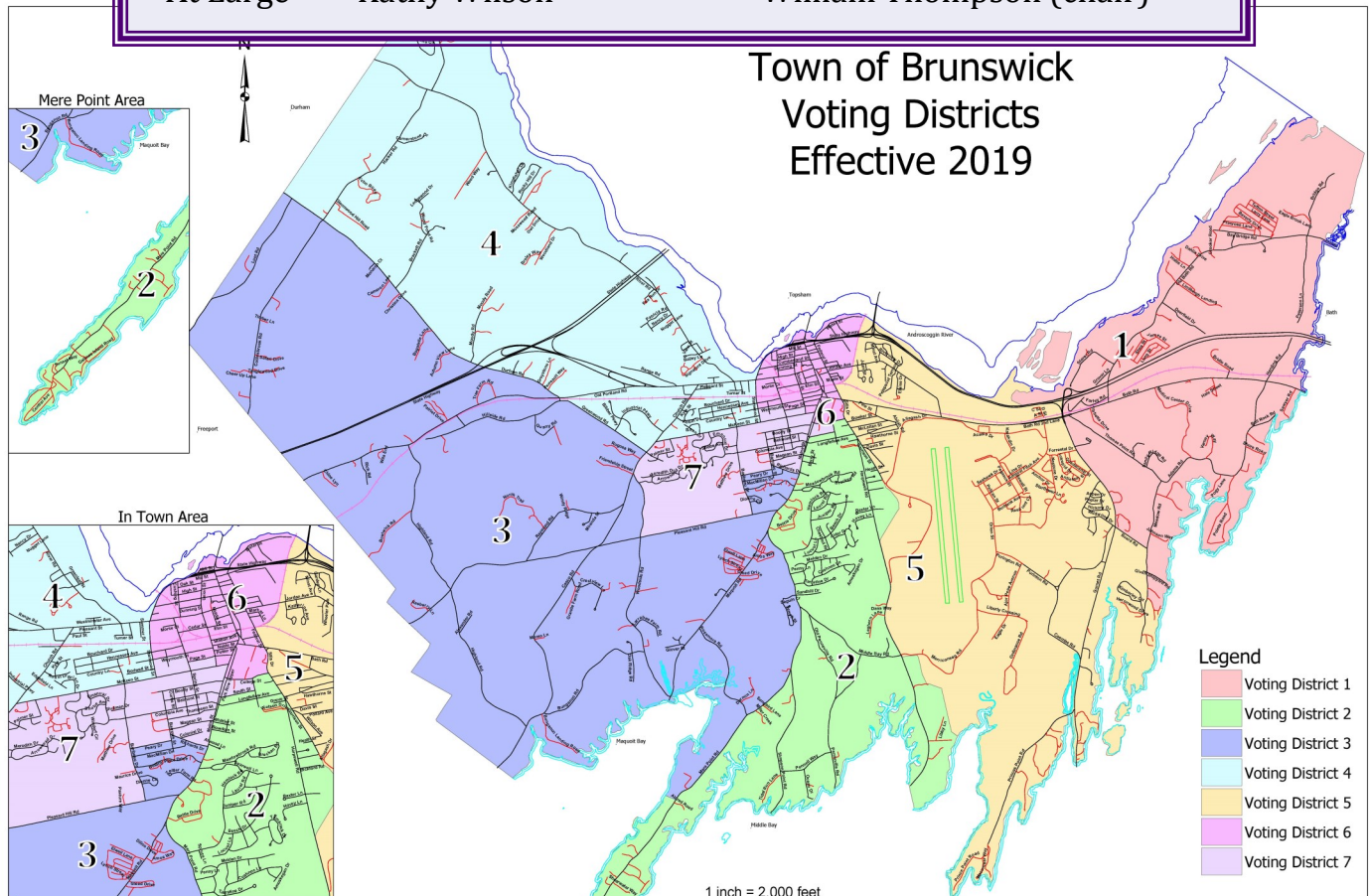
### **Town of Brunswick Elected Officials 2021**

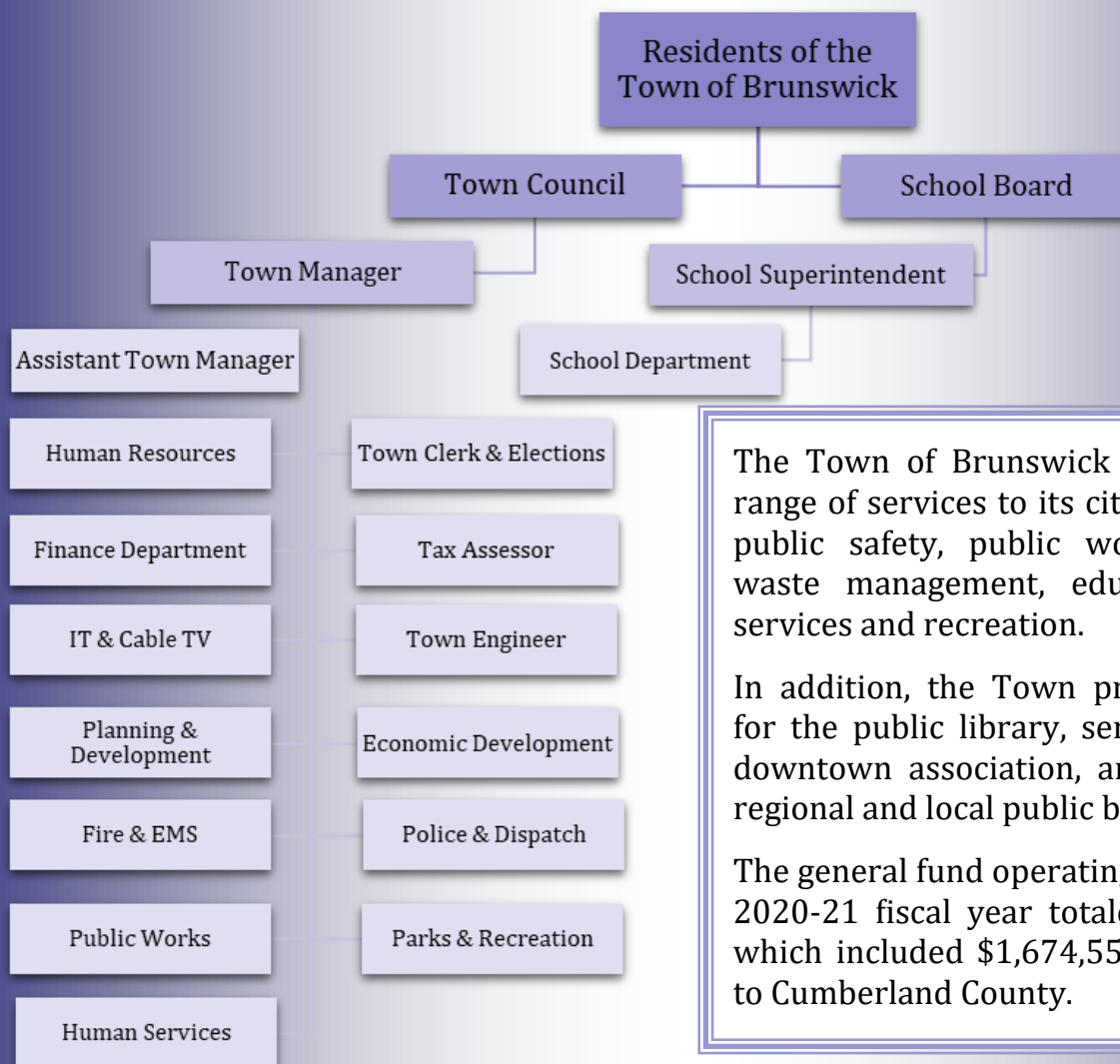
#### **Town Council**

District 1	David Watson
District 2	Stephen Walker
District 3	Daniel Jenkins
District 4	John Perreault (chair)
District 5	Christopher Watkinson
District 6	Kate Foye
District 7	James Mason (vice chair)
At Large	Daniel Ankeles
At Large	Kathy Wilson

#### **School Board**

Mandy Merrill
Elizabeth Bisson (vice chair)
Teresa Gillis
Celina Harrison
Lauren Watkinson
Elizabeth Sokoloff
Sarah Singer
Joy Prescott
William Thompson (chair)





The Town of Brunswick provides a full range of services to its citizens, including public safety, public works and solid waste management, education, human services and recreation.

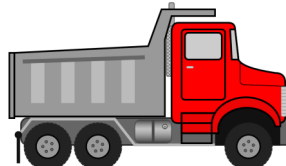
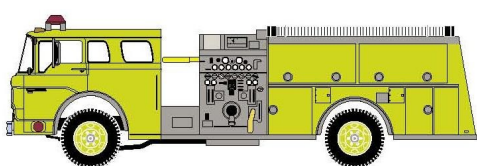
In addition, the Town provides funding for the public library, senior center and downtown association, and subsidies to regional and local public bus services.

The general fund operating budget for the 2020-21 fiscal year totaled \$71,222,246 which included \$1,674,551 in taxes paid to Cumberland County.

In the 2020-21 school year, Brunswick school department provided education to resident and non-resident students in pre-kindergarten through grade 12. The Town is also a participant, along with RSU 5 and RSU 75, in the Maine Region 10 Technical High School.

<u>School</u>	<u>Grade</u>	<u>October 1, 2020 Enrollment</u>
Kate Furbish	PreK – 2	578
Harriet Beecher Stowe	3 – 5	527
Brunswick Junior High	6 – 8	512
Brunswick High School	9 – 12	<u>757</u>
		2,374

The Town is responsible for capital assets including more than 140 miles of roads, over 1,500 acres of recreational land, a solid waste landfill (now being closed), multiple buildings including Town Hall, two fire stations, a police station, a public works facility, a recreation center, six school department buildings, and fleets of vehicles for education, public safety, public works, etc.



# ***Town of Brunswick—Net Position***

## **Government-wide Financial Analysis**

For the fiscal year ended June 30, 2021, the Town of Brunswick's total net position increased by \$9,945,119 to total \$75,810,936. Net investment in capital assets increased by \$3,452,363 primarily due to the addition of the new Kate Furbish Elementary School.

In addition, restricted and unrestricted net position increased by \$1,954,911 and \$4,537,845, respectively, as the Town as a whole realized positive budgetary surpluses and received federal aid for response to the COVID-19 pandemic.

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 solid waste facilities, the pay-per-bag program, the Mere Point Wastewater District and the train station/visitors center.

	<b><u>Governmental Activities</u></b>		<b><u>Business-Type Activities</u></b>		<b><u>Total</u></b>	
	<b><u>2021</u></b>	<b><u>2020 **</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2020 **</u></b>
Current & other assets	\$35,749,036	\$34,507,109	\$8,201,357	\$6,586,286	\$43,950,393	\$41,093,395
Capital assets	106,538,548	102,957,409	221,010	668,707	106,759,558	103,626,116
Total assets	142,287,584	137,464,518	8,422,367	7,254,993	150,709,951	144,719,511
Deferred Outflows	5,716,056	4,459,253	-	-	5,716,056	4,459,253
Long-term liabilities	60,643,627	60,515,849	5,767,755	11,482,511	66,411,382	71,998,360
Other liabilities	7,219,786	8,128,858	2,058,354	94,980	9,278,140	8,223,838
Total liabilities	67,863,413	68,644,707	11,577,491	11,577,491	75,689,522	80,222,198
Deferred Inflows	1,830,503	3,090,749	3,095,046	-	4,925,549	3,090,749
<b>Net Position</b>						
<b>Net capital assets</b>	<b>65,863,422</b>	<b>61,963,362</b>	<b>221,010</b>	<b>668,707</b>	<b>66,084,432</b>	<b>62,632,069</b>
<b>Restricted</b>	<b>7,125,479</b>	<b>5,170,568</b>	<b>-</b>	<b>-</b>	<b>7,125,479</b>	<b>5,170,568</b>
<b>Unrestricted</b>	<b>5,320,823</b>	<b>3,054,385</b>	<b>(2,719,798)</b>	<b>(4,991,205)</b>	<b>2,601,025</b>	<b>(1,936,820)</b>
<b>Total Net Pos.</b>	<b>78,309,724</b>	<b>70,188,315</b>	<b><del>\$(2,498,788)</del></b>	<b><del>\$(4,322,498)</del></b>	<b>\$75,810,936</b>	<b><del>\$65,865,817</del></b>

\*\* FY2020 restated for inclusion of Student Activities Funds in accordance with GASB 84.

The government-wide financial statements are designed to provide a **broad overview** of the Town's finances, in a manner similar to a private-sector business. As well as capital assets and long-term liabilities such as general obligation debt and pension obligations, this view includes elements called deferred outflows and inflows which reflect consumption and acquisition of net position that will apply to future periods.

## *Government-wide: Capital Assets*

<b>Asset Class</b> <b>(Net of Accumulated</b>	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
<b>Depreciation)</b>	<b>activities</b>		<b>activities</b>			
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 7,381,708	\$ 6,861,708	\$ 115,000	\$ 115,000	\$ 7,496,708	\$ 6,976,708
Constr in progress	4,779,274	25,818,148	-	-	4,779,274	25,818,148
Intangibles	200,000	200,000	10,000	-	210,000	200,000
Buildings	60,214,442	37,595,357	11,181	-	60,225,623	37,595,357
Improvements	1,925,302	1,654,658	56,287	221,381	1,981,589	1,876,039
Machinery & equip	3,194,649	1,823,435	8,648	302,289	3,203,297	2,125,724
Vehicles	4,389,468	4,005,002	-	-	4,389,468	4,005,002
Intangibles	181,828	270,041	-	5,461	181,828	275,502
Infrastructure	24,271,877	24,729,060	19,894	24,576	24,291,771	24,753,636
<b>Total</b>	<b><u>\$106,538,548</u></b>	<b><u>\$102,957,409</u></b>	<b><u>\$221,010</u></b>	<b><u>\$668,707</u></b>	<b><u>\$106,759,558</u></b>	<b><u>\$103,626,116</u></b>

In Governmental activities, the Kate Furbish Elementary School, serving pre-K—grade 2, opened in September, 2020 and added \$24,500,000 to the buildings category. Construction in progress as of June 30, 2021 included the new fire station on Pleasant Street.

In Business-type activities, machinery & equipment and certain land improvements were retired with the closure of the Graham Road Landfill, and a small building was acquired for the new materials processing facility.

## *Government-wide: Longterm Debt*

<b>Bond Issue &amp; Purpose</b>	<b>Issue Date</b>	<b>Amount Issued</b>	<b>Final Maturity Date</b>	<b>6/30/21 Amount Outstanding</b>
2010 Elementary School—HBS	2010	21,462,250	2031	\$ 10,731,125
2013 Police Station	2013	5,500,000	2033	3,300,000
2016 School Revolving Renovation	2016	772,862	2027	375,906
2017 School Revolving Renovation	2017	87,038	2022	9,757
2017 GO Bonds (five projects)	2017	1,781,000	2033	1,125,000
2020 Elementary School—Kate Furbish	2020	24,450,000	2045	24,030,000
2020 School Revolving Renovation	2020	279,360	2025	279,360
				<b><u>\$ 39,851,148</u></b>

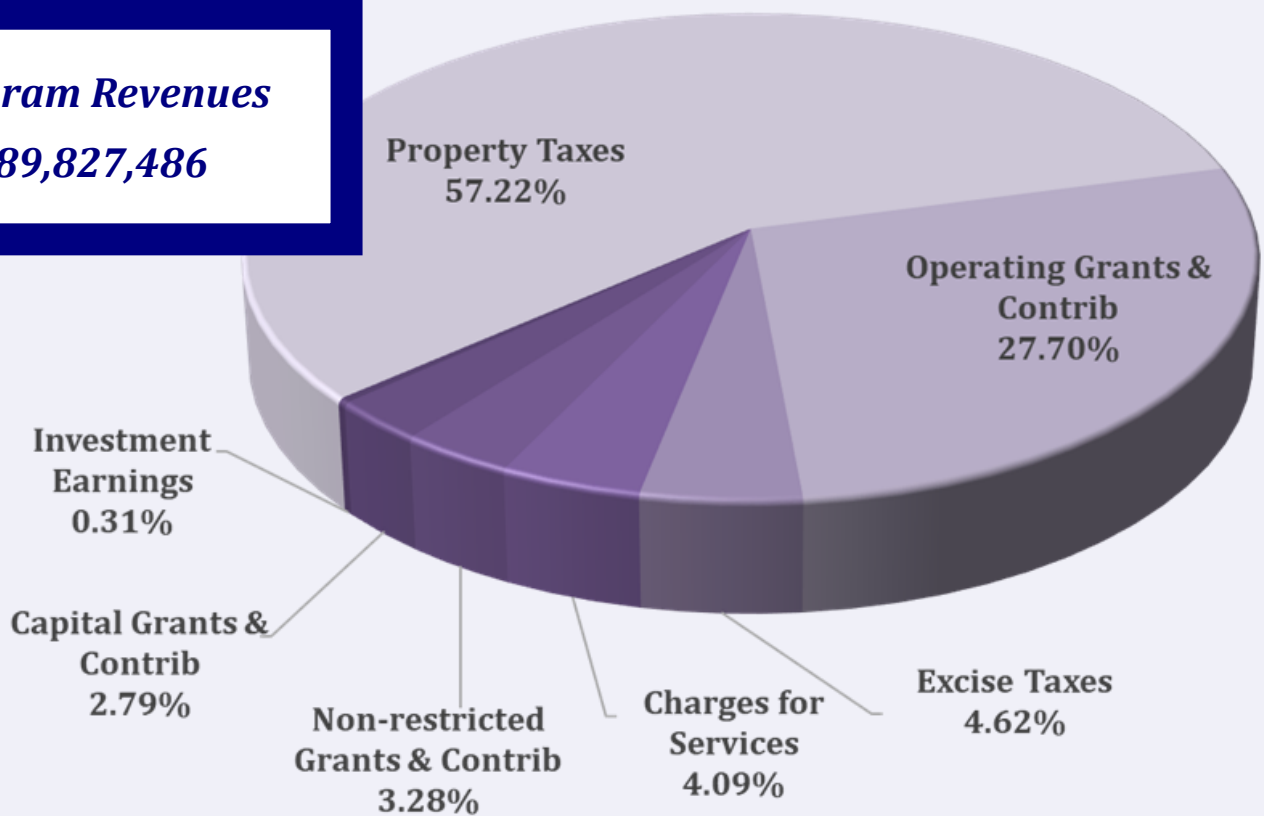
The amount of principal debt retired during the year totaled \$2,510,520 and bonds issued totaled \$279,360, in the form of a School Revolving Renovation Fund loan at zero interest. Additional debt authorized, but not yet issued, includes up to \$13,500,000 for a new central fire station, and \$425,000 for a fire tank truck.

The Town's outstanding debt is rated Aa2 by Moody's and AA+ by Standard & Poor's.

## *Government-wide: Governmental Activities*

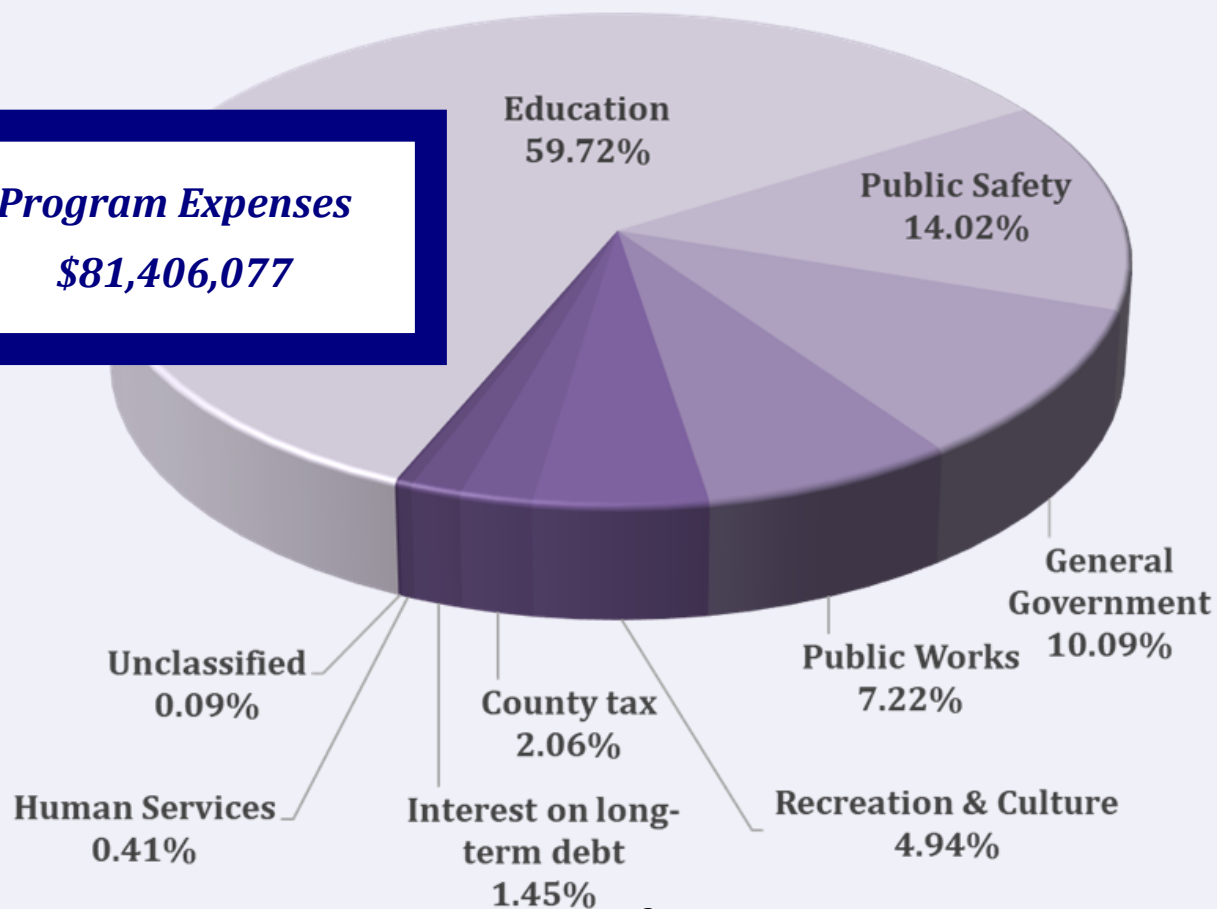
### *Program Revenues*

**\$89,827,486**



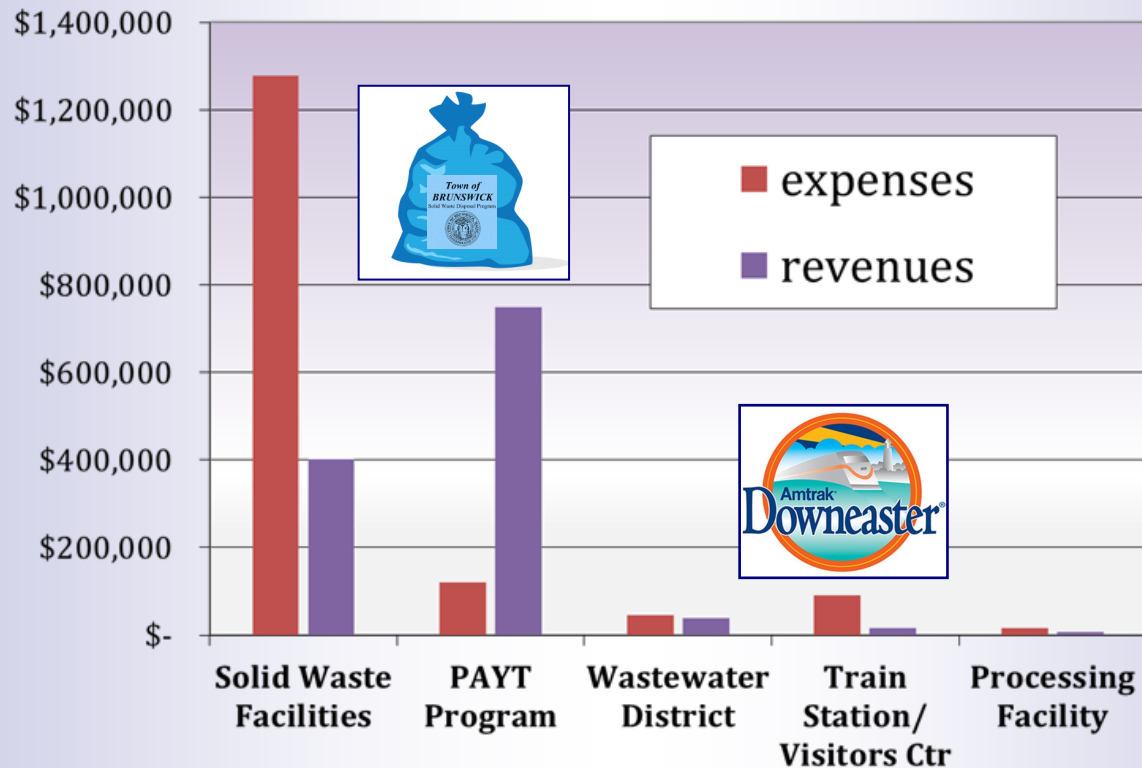
### *Program Expenses*

**\$81,406,077**





## *Government-wide: Business-type Activities*



Business-type activities increased the Town's total net position by \$1,823,710. This was primarily a result of non-operating activity in the **Solid Waste Facilities Fund** associated with the closing of the Graham Road Landfill beginning in April, 2021. The deficit in the Solid Waste Facilities reflects the liability recognized for the estimated cost to complete closure of the landfill, as well as estimated postclosure costs. In 2020-21, \$4,200,000 of the proceeds from the **Pay-Per-Bag (PAYT) Program** were transferred toward funding the closure.

**Mere Point Wastewater** is a community sewage disposal serving 35 residences on Mere Point. User fees are collected to pay for operation and maintenance of the facility.

At the **Train Station** the Town pays to maintain the train platform and to lease space for the **Visitors Center**. Revenues come from parking fees, two small subleases and a subsidy from the general fund, as operating revenues are not expected to cover expenses.

With the closing of the landfill beginning in April, 2021, the Town utilized \$250,000 in Solid Waste Impact Fees to open a **Processing Facility** to receive materials such as grass, leaves and brush, clean wood, metal recycling and universal waste.

	<u>Solid Waste Facilities</u>	<u>PAYT Program</u>	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Processing Facility</u>	<u>Totals</u>
<b>NET POSITION</b>						
Net investment in capital assets	\$ 72,750	\$ -	\$ 29,894	\$ 8,648	\$ 109,718	\$ 221,010
Unrestricted	( 3,230,538)	276,032	175	59,550	174,983	(2,719,798)
<b>Total net position</b>	<b><u>\$(3,157,788)</u></b>	<b><u>\$ 276,032</u></b>	<b><u>\$ 30,069</u></b>	<b><u>\$ 68,198</u></b>	<b><u>\$ 284,701</u></b>	<b><u>\$(2,498,788)</u></b>

# GOVERNMENTAL FUNDS

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. The focus of the Town of Brunswick's *governmental funds* is to provide information on balances of spendable resources and near-term inflows and outflows, rather than long-term items such as capital assets and bonded debt.

The Town of Brunswick maintains nineteen individual governmental funds.

For the 2020-21 fiscal year, the General Fund, Tax Increment Financing Fund, School Coronavirus Relief Fund and New Central Fire Station Fund are considered major funds, and the other governmental funds are combined into a single, aggregated presentation.

The Tax Increment Financing Fund reflects the activity in the Town's five TIF Districts. The incremental tax revenue captured in these districts may be used in accordance with the development programs approved by the Town and the State.

The School Coronavirus Relief Fund reflects federal funding distributed to the School Department to respond to the COVID-19 pandemic during the summer of 2020 and the 2020-21 school year.

The New Central Fire Station was under construction as of June 30, 2021, with completion estimated for fall of 2022. The Council authorized funding with G.O. bonds for up to \$13.5 million, which will likely be issued in January, 2022.

	<b>General Fund</b>	<b>Tax Increment Financing</b>	<b>Sch Coronavirus Relief Fund</b>	<b>New Central Fire Station</b>	<b>Other Govt Funds</b>	<b>Total Govt Funds</b>
<b>Revenues</b>	\$ 75,394,600	\$ 2,486,619	\$ 4,253,927	\$ -	\$ 6,350,796	\$ <b>88,485,982</b>
<b>Expenditures</b>	<u>68,482,155</u>	<u>980,955</u>	<u>4,253,927</u>	<u>1,670,409</u>	<u>11,011,334</u>	<u><b>86,378,780</b></u>
Revenues over/ (under)expenditures	6,912,445	1,525,664	_____	(1,670,409)	(4,660,538)	<b>2,107,162</b>
<b>Other financing</b>	<u>(2,863,874)</u>	<u>(1,363,891)</u>	_____	_____	<u>3,941,815</u>	<u><b>(285,950)</b></u>
Net change in fund balance	4,048,571	161,773	_____	(1,670,409)	(718,723)	<b>1,821,212</b>
Fund balances, beginning of year	<u>20,621,838</u>	<u>102,976</u>	_____	<u>(2,488,574)</u>	<u>7,334,788*</u>	<u><b>25,571,028</b></u>
Fund balances,	<u><b>\$24,670,409</b></u>	<u><b>\$ 264,749</b></u>	<u><b>\$ _____</b></u>	<u><b>\$(4,158,983)</b></u>	<u><b>\$ 6,616,065</b></u>	<u><b>\$ 27,392,240</b></u>

\*Beginning balance restated for GASB 84; inclusion of Student Activities funds

The other governmental funds include:

Three ***Special Revenue funds*** to account for revenue sources that are legally restricted or committed to expenditure for specific purposes (not including permanent funds or major capital projects).

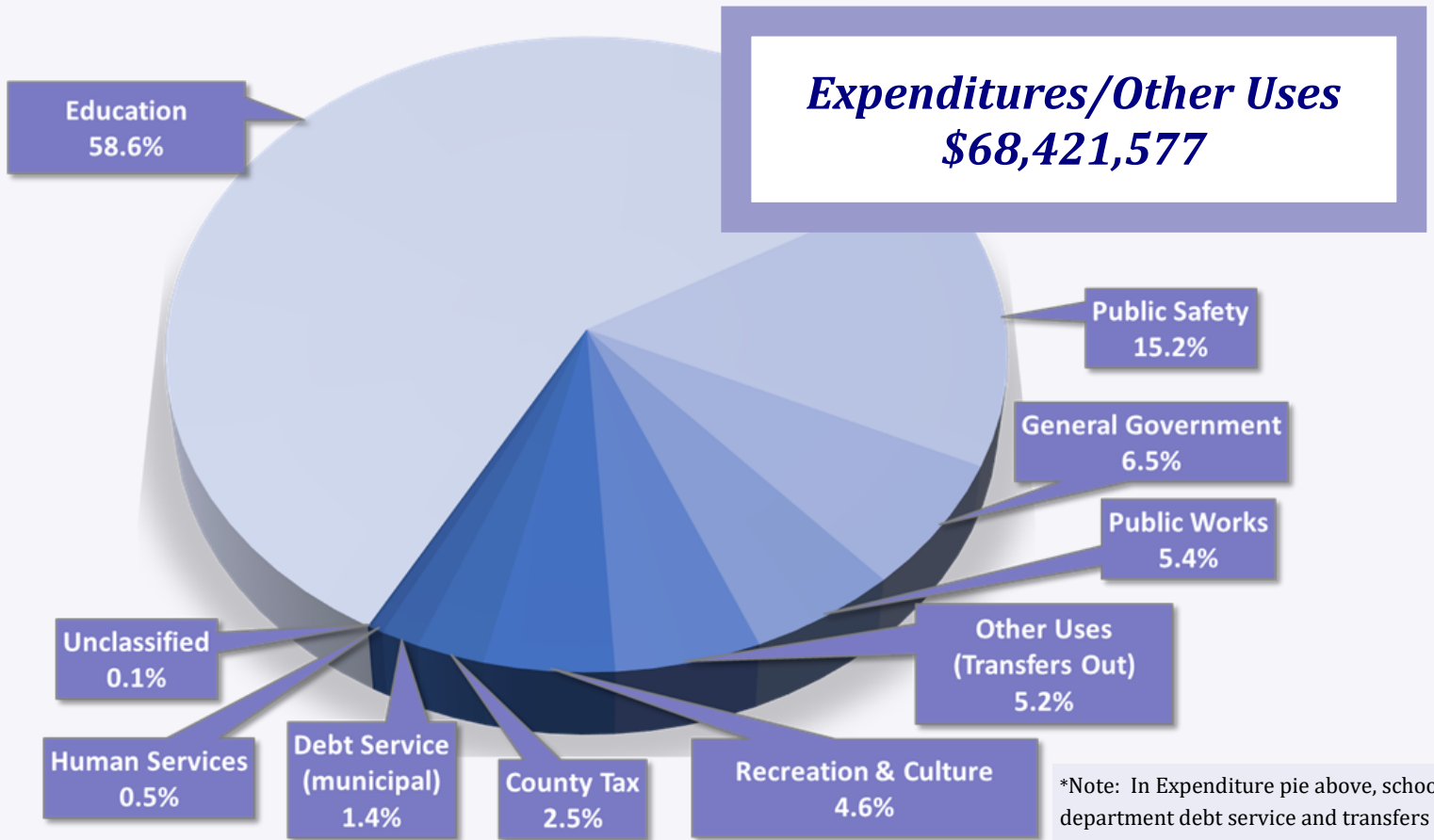
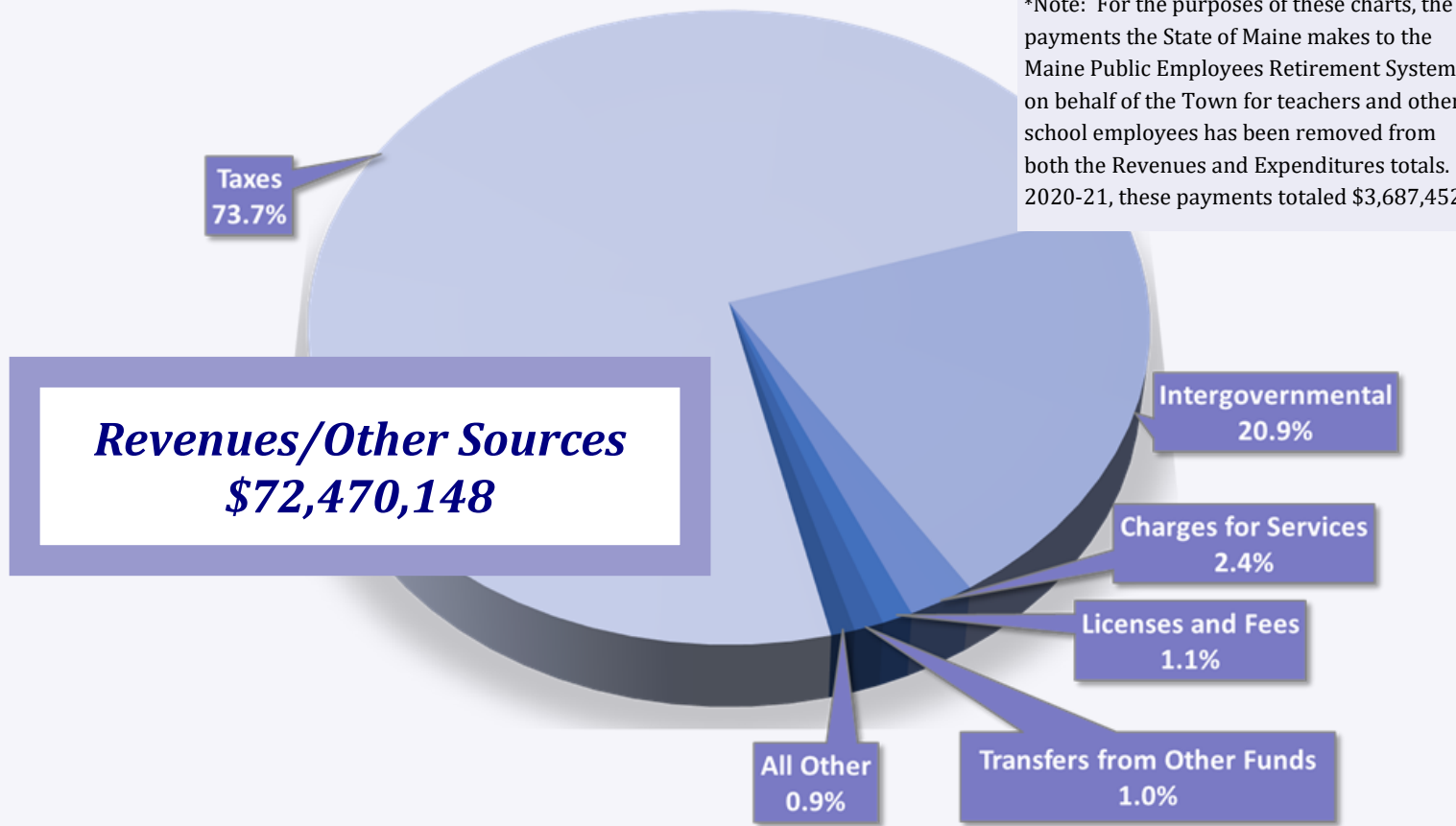
Five ***Capital Projects funds*** to account for the acquisition of capital assets or construction of major capital projects not financed by the Town's major capital improvement funds, proprietary funds or permanent funds.

Five ***Permanent funds*** to 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.

# GENERAL FUND

## 2020-21 Actual Revenues/Other Sources and Expenditures/Other Uses

\*Note: For the purposes of these charts, the payments the State of Maine makes to the Maine Public Employees Retirement System on behalf of the Town for teachers and other school employees has been removed from both the Revenues and Expenditures totals. In 2020-21, these payments totaled \$3,687,452.



\*Note: In Expenditure pie above, school department debt service and transfers to other funds are reported as Education expenditures. In the ACFR these are reported as debt service and other uses.

# GENERAL FUND BUDGET

## The chief operating fund of the Town of Brunswick

Despite a planned and budgeted reduction of \$2,461,364 plus additional reductions in the form of 2020 carry-forward encumbrances of \$113,612, capital budget of \$641,000 and supplemental appropriations of \$998,905, the total fund balance of the Town's General Fund balance actually increased by \$4,048,571 during the 2020-21 fiscal year.

<b><u>Revenues - by Source</u></b>	<b>2020-21 Budget</b>	<b>2020-21 Actual</b>	<b>Over/(Under) Budget</b>
Taxes	\$50,458,810	\$53,382,098	\$2,923,288
Licenses and Fees	569,902	793,475	223,573
Intergovernmental	14,895,981	15,181,862	285,881
Charges for Services	1,591,939	1,729,126	137,187
Fines and Penalties	35,245	28,047	(7,198)
Interest	100,000	89,306	(10,694)
Donations and Contributions	60,000	60,000	-
Unclassified	375,036	443,234	68,198
Transfers from Other Funds	673,969	763,000	89,031
Decr/(Incr) Fund Balance	2,461,364	(4,048,571)	(6,509,935)
	<b>\$71,222,246</b>	<b>\$68,421,577</b>	<b>\$(2,800,669)</b>

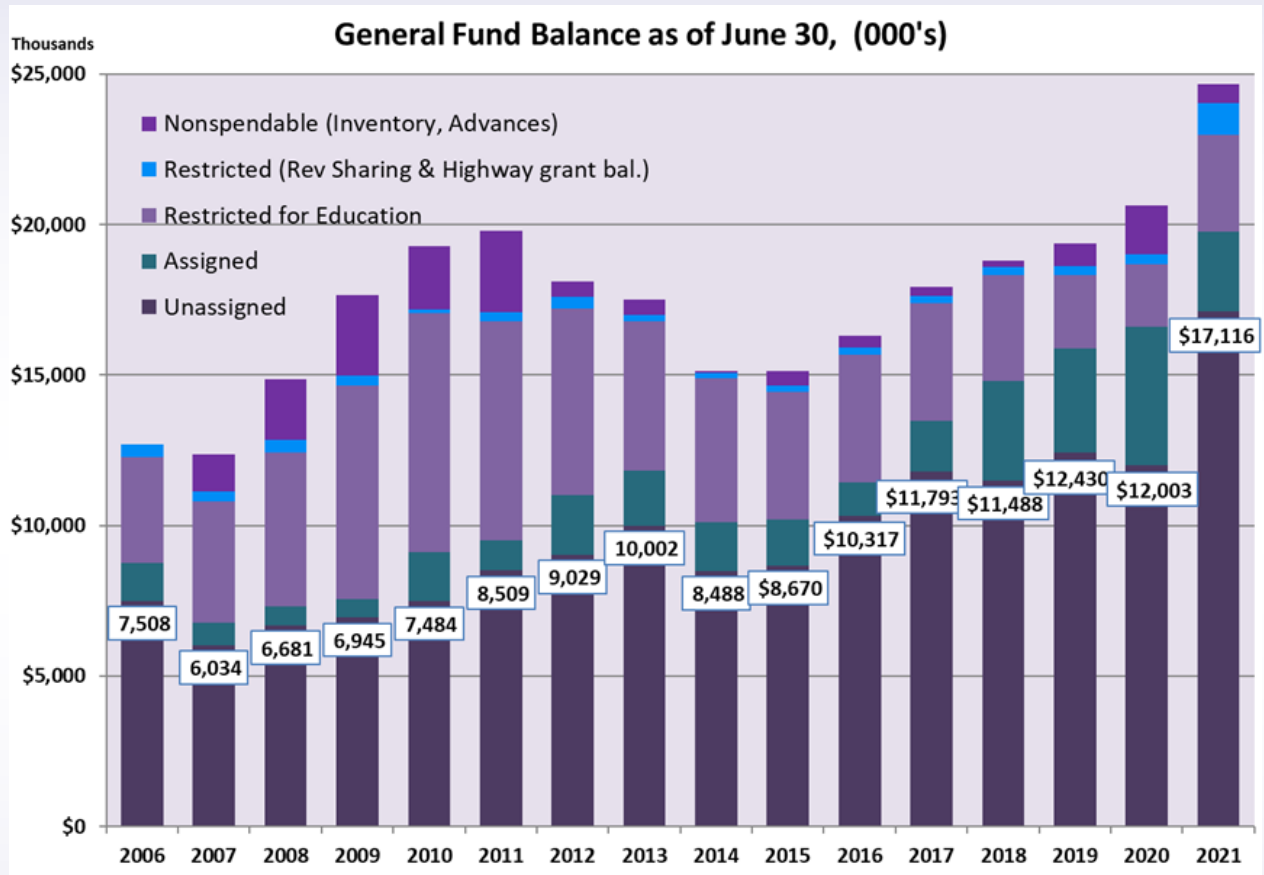
<b><u>Expenditures—by Function</u></b>	<b>2020-21 Budget</b>	<b>2020-21 Actual</b>	<b>(Over)/Under Budget</b>
General Government	\$4,635,248	\$4,453,697	\$181,551
Public Safety	10,649,358	10,418,384	230,974
Public Works	4,055,985	3,673,995	381,990
Human Services	834,409	326,105	508,304
Education*	42,748,055	40,102,043	2,646,012
Recreation & Culture	3,266,794	3,178,169	88,625
County Tax	1,674,551	1,674,551	-
Unclassified	521,409	70,742	450,667
Debt Service (municipal)	948,437	948,437	-
Other Uses (Transfers Out)	1,888,000	3,575,454	(1,687,454)
	<b>\$71,222,246</b>	<b>\$68,421,577</b>	<b>\$2,800,669</b>

\*Note: In the annual budget and in the Expenditure table above, school department debt service and transfers to other funds are reported as Education expenditures. In the ACFR these are reported as debt service and other uses.



# GENERAL FUND BALANCE

- **Nonspendable** cannot be spent.
- **Restricted** reflects resources that are subject to externally enforceable legal restrictions, typically imposed by parties outside of the government.
- **Committed** 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** reflects a government's intended use of resources.
- **Unassigned** represents the net resources in excess of what can be properly classified in one of the other four categories.



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, 2021, the target was \$12,568,280. The actual balance, at 22.7% of GAAP revenues, is \$4,547,291 above the target.

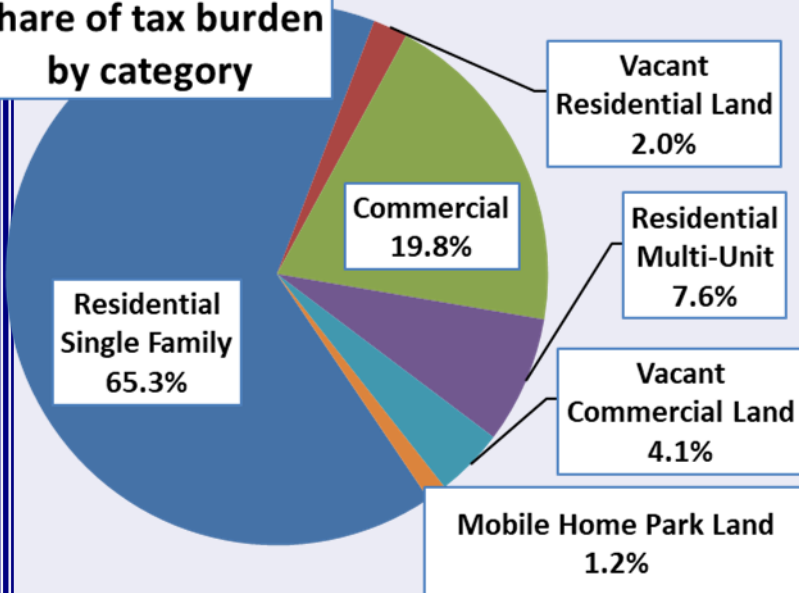
This is the sixth consecutive year the balance is above the target, and was anticipated, as the Town has made efforts to maintain the balance above the target level. The Town initially restored the fund balance largely by reducing the amount of fund balance used in the budget to sustainable levels. In fiscal 2020-21, with the onset of the COVID-19 pandemic, the Town budgeted revenues conservatively, and the actual results for certain revenues, including excise tax and State Revenue Sharing, were significantly higher than anticipated, generating a surplus in the general fund.

In accordance with the fund balance policy, amounts above the target have been allocated for capital improvements, or other one-time expenditures.

# TAXES

<u>Taxes</u>	<u>2020-21 Actual</u>
Property Taxes/Interest/Lien Costs	\$48,814,657
Payments In Lieu Of Taxes (PILOT)	414,061
Excise Taxes	4,153,380
	<b>\$53,382,098</b>

**2020 Properties -  
Share of tax burden  
by category**



**Property Taxes** are the largest single source of revenue for the Town. In 2020-21 the tax rate was \$20.37 per \$1,000 of taxable assessed property value. This was an increase of 4.23% over the 2019-20 rate of \$19.72 per \$1,000.

As of April 1, 2020, Brunswick had 1,050 personal property accounts and 9,472 real property parcels, of which 8,440 were taxable. The median taxable value of the Town's single family residential properties was \$203,350.

**2020-21  
Property Tax  
Dollar  
Distribution**

**Education  
\$0.58**

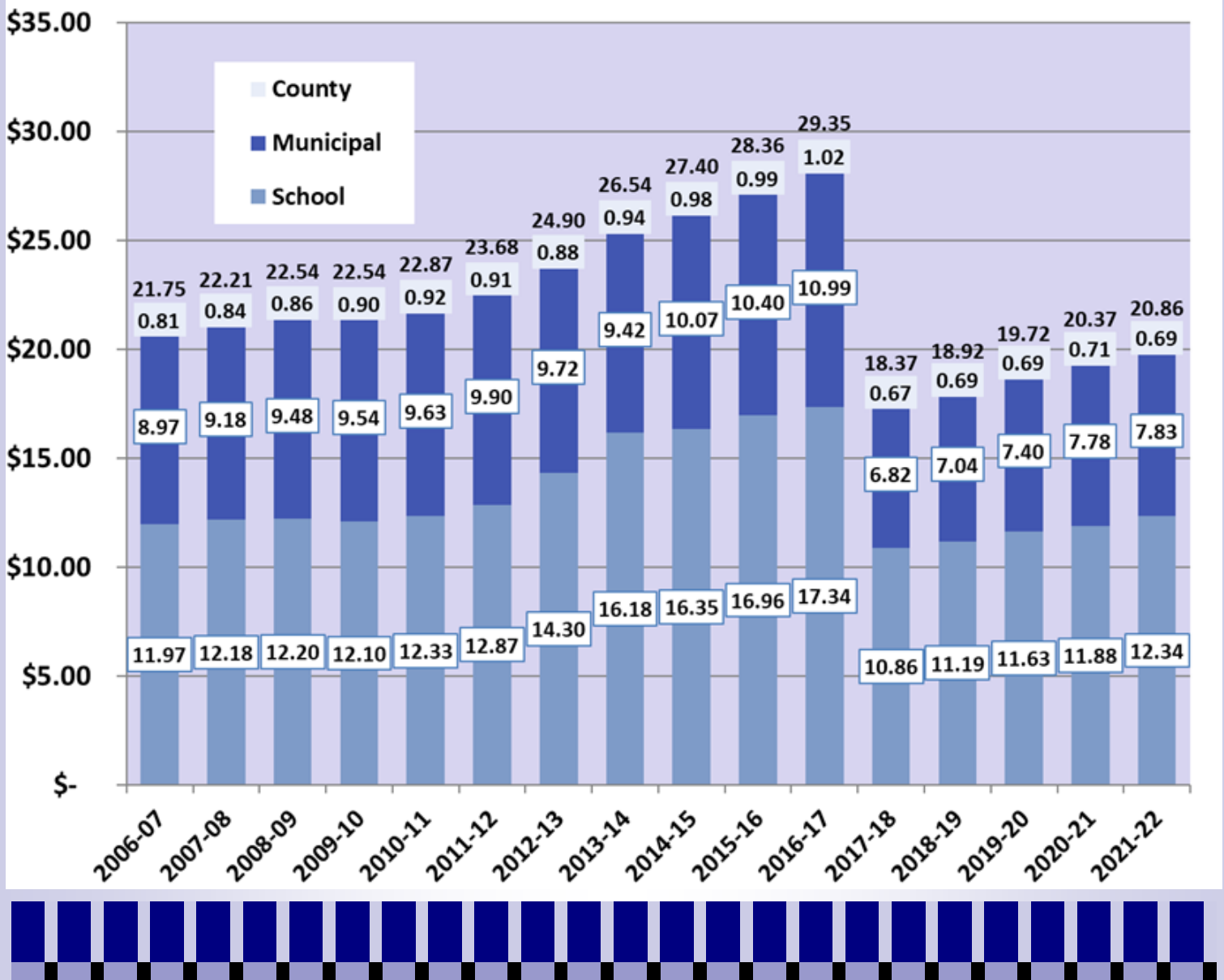
**Municipal  
\$0.38**

**County  
\$0.04**

# BRUNSWICK TAX RATES

Per \$1000 of taxable  
assessed value

## Historical Data—15 years



During 2016-17, the Town conducted a Revaluation and Equalization project to update the assessed values of all real property in the Town of Brunswick, bringing the assessment ratio up to 100% of market value. The updated assessed values resulted in a decrease in the tax rate in the 2017-18 fiscal year.

Taxes for the 2021-22 fiscal year were committed on September 1, 2021 and are due in two installments—October 15, 2021 and April 15, 2022.

Taxes unpaid as of the due dates are assessed interest. Tax liens are placed on real property of delinquent tax accounts within eight to twelve months following the date the taxes were committed.



# For More Information ~

***Please visit the  
Town's website at:***

**<http://www.brunswickme.org/>**

***Join us on  
Facebook:***



**@TownofBrunswickMaine**

***Email:***

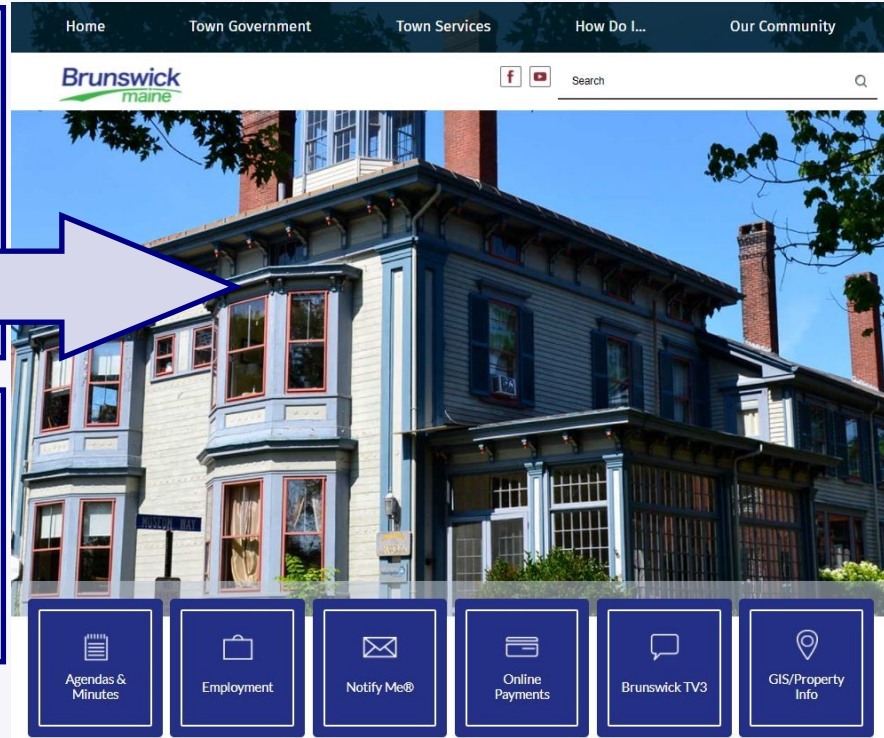
***info@brunswickme.org***

***Or call us: 725-6100***

## **For detailed financial information:**

The Annual General Fund Budget and the Comprehensive Annual Financial Statements (CAFRs) can be found on the Finance Department page:

**[www.brunswickme.org/163/Financial-Reports](http://www.brunswickme.org/163/Financial-Reports)**



Department	Phone
Assessing Department	725-6650
Coastal Resources	721-4027
Codes Enforcement	725-6651
Economic Development	721-0292
Engineering Department	725-6659
Finance Department	725-6652
Fire Department	725-5541
Human Resources	725-6653
Human Services	725-6661
Parks & Recreation	725-6656
Planning & Development	725-6660
Police Department	725-5521
Public Works Department	725-6654
School Department	319-1900
Town Clerk	725-6658
Town Manager	725-6659