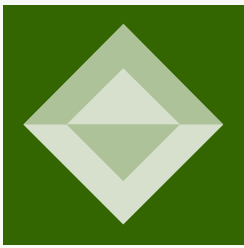


Town of Brunswick, Maine

Popular Annual Financial Report

**Fiscal Year Ended
June 30, 2022**





Popular Annual Financial Report

2021-22

Fiscal Year ended
June 30, 2022

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, 2022. 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. ACFRs and budgets from this and previous years are available on the Town's website: 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.

While fiscal 2021-22 followed up the challenges of the COVID-19 pandemic with rising inflation and affordable housing concerns, the Town realized strong revenues and ended the year in a positive financial position. Some of the significant events in Brunswick this year included the final closure of the Graham Road Landfill, construction of the new Central Fire Station on Pleasant Street, acquisition of Merrymeeting Park, continued development in Cook's Corner and Brunswick Landing, and kicking off the Midcoast Area Recreation Complex 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, 2021

Christopher P. Morill

Executive Director/CEO

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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 21,756 in the 2020 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, Bowdoin College, Wayfair and L.L.Bean are the Town's largest employers.

GENERAL DYNAMICS
Bath Iron Works

L.L.Bean

Bowdoin



MID COAST-PARKVIEW
HEALTH

wayfair

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.



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.

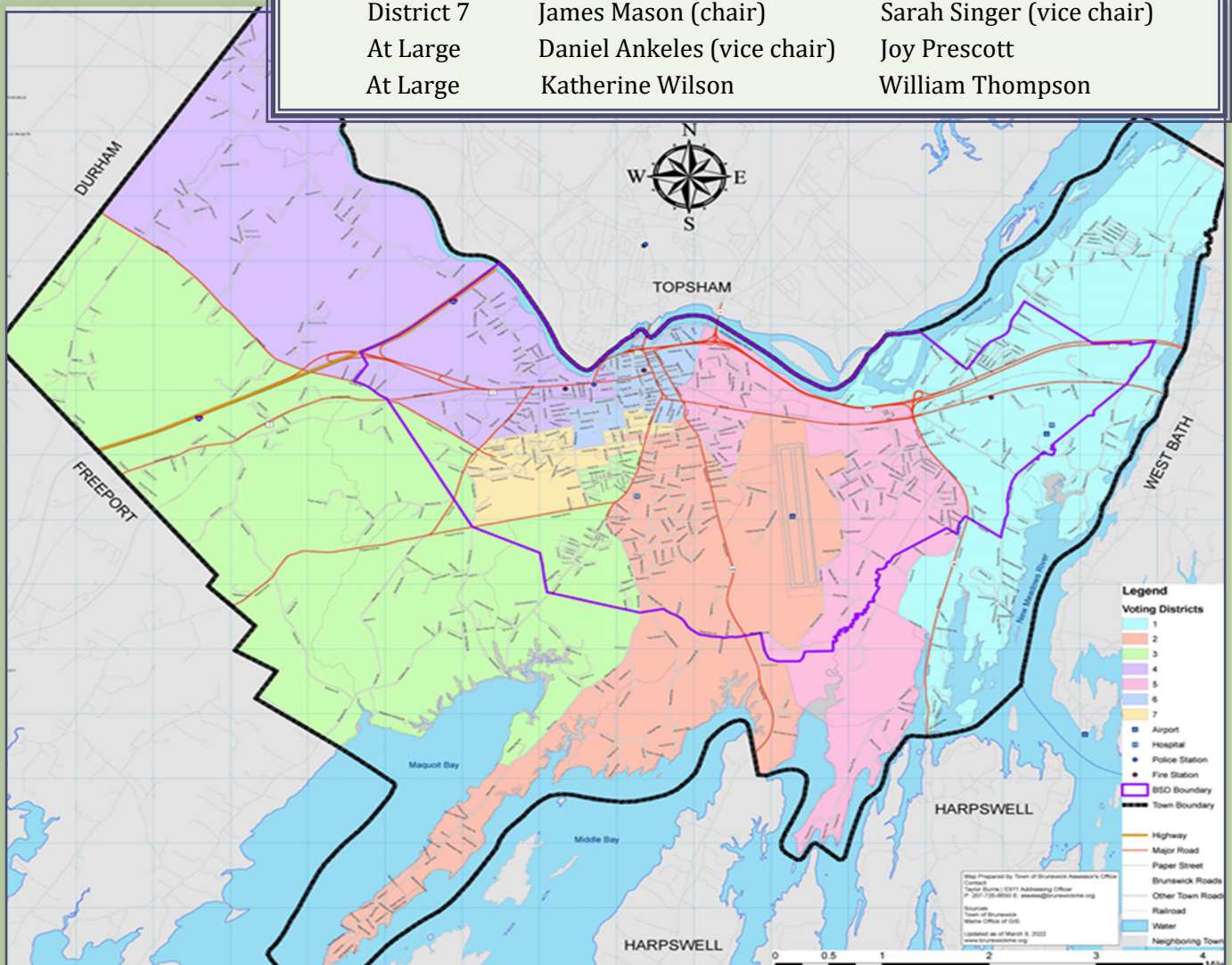
The Town of Brunswick operates under a charter that provides for a council-manager form of government with a nine-member town council elected on a non-partisan basis to three-year staggered terms. The charter grants to the town council all powers to enact, amend, or repeal ordinances, orders, resolutions, 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.

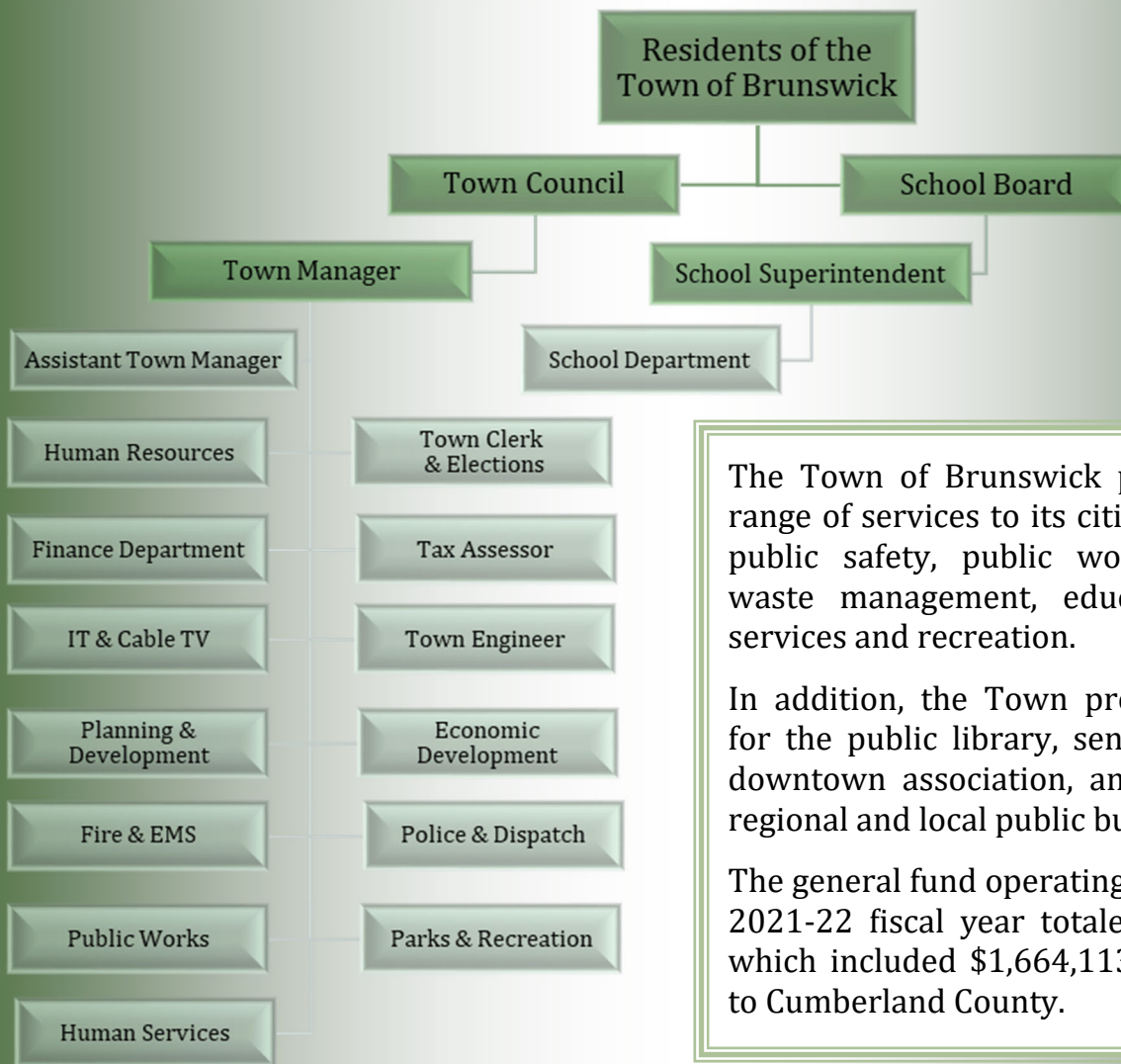
A nine-member elected school board is responsible for the operation of all facets of a school department that provides K-12 education. The school board appoints the superintendent of schools, who administers the department and carries out the policies of the board. In consultation with the superintendent, 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 Voting Districts Effective September 2022

Town of Brunswick Elected Officials 2022

	<u>Town Council</u>	<u>School Board</u>
District 1	W. David Watson	Mandy Merrill
District 2	Stephen Walker	S. Elizabeth Bisson (chair)
District 3	Abby King	Erica Carly Harris
District 4	Sandra Updegraph	Celina Harrison
District 5	Christopher Watkinson	Lauren Watkinson
District 6	Katherine Gore	Elizabeth Sokoloff
District 7	James Mason (chair)	Sarah Singer (vice chair)
At Large	Daniel Ankeles (vice chair)	Joy Prescott
At Large	Katherine Wilson	William Thompson





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.

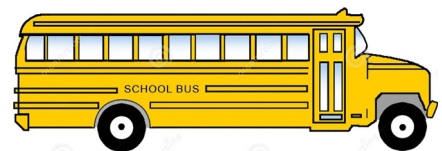
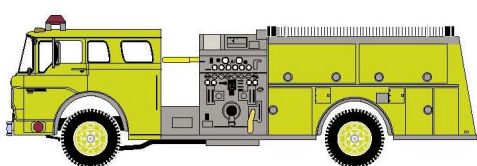
In addition, the Town provides funding for the public library, senior center and downtown association, and subsidies to regional and local public bus services.

The general fund operating budget for the 2021-22 fiscal year totaled \$75,059,912 which included \$1,664,113 in taxes paid to Cumberland County.

In the 2021-22 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, 2021 Enrollment</u>
Kate Furbish	PreK – 2	419
Harriet Beecher Stowe	3 – 5	718
Brunswick Junior High	6 – 8	493
Brunswick High School	9 – 12	<u>758</u>
		2,388

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, 2022 the Town of Brunswick's total net position increased by \$8,052,495 to total 83,872,157. Net investment in capital assets decreased by \$5,486,012 primarily due to the issuance of debt to fund the new Central Fire Station. Restricted and unrestricted net position increased by \$2,835,465 and \$10,703,042, respectively, as the Town as a whole realized positive budgetary surpluses and recorded a significant decrease in net pension liability, based on actuarial valuations as of June 30, 2021.

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.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021**</u>	<u>2022</u>	<u>2021**</u>	<u>2022</u>	<u>2021**</u>
Current & other assets	\$52,310,364	\$35,802,107	\$6,056,305	\$8,201,357	\$58,366,669	\$44,003,464
Capital assets	<u>111,406,242</u>	<u>107,254,335</u>	<u>456,785</u>	<u>393,805</u>	<u>111,863,027</u>	<u>107,648,140</u>
Total assets	<u>163,716,606</u>	<u>143,056,442</u>	<u>6,513,090</u>	<u>8,595,162</u>	<u>170,229,696</u>	<u>151,651,604</u>
Deferred Outflows	<u>7,262,756</u>	<u>5,716,056</u>	-	-	<u>7,262,756</u>	<u>5,716,056</u>
Long-term liabilities	64,510,297	68,579,200	2,524,947	5,767,755	67,035,244	67,299,964
Other liabilities	<u>10,528,976</u>	<u>7,219,786</u>	<u>17,426</u>	<u>2,058,354</u>	<u>10,546,402</u>	<u>9,278,140</u>
Total liabilities	75,039,273	687,863,413	2,542,373	7,998,904	77,581,646	76,578,104
Deferred Inflows	10,517,172	1,874,848	5,521,477	3,095,046	16,038,649	4,969,894
Net Position						
Net capital assets	60,266,582	65,863,422	331,838	221,010	60,598,420	66,084,432
Restricted	9,969,670	7,134,205	-	-	9,969,670	7,134,205
Unrestricted	<u>15,186,665</u>	<u>5,320,823</u>	<u>(1,882,598)</u>	<u>(2,719,798)</u>	<u>13,304,067</u>	<u>2,601,025</u>
Total Net Pos.	<u>85,422,917</u>	<u>78,318,450</u>	<u>\$(1,550,760)</u>	<u>\$(2,498,788)</u>	<u>\$83,872,157</u>	<u>\$75,819,662</u>

** FY2021 restated for implementation of GASB 87 - Leases, and correction of error in recording SRRF loan.

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

Asset Class (Net of Accumulated	Governmental		Business-type		Total	
Depreciation)	activities		activities			
	2022	2021**	2022	2021**	2022	2021**
Land	\$ 7,943,108	\$ 7,381,708	\$ 115,000	\$ 115,000	\$ 8,058,108	\$ 7,496,708
Constr in progress	11,922,388	4,779,274	-	-	11,922,388	4,779,274
Intangibles	200,000	200,000	10,000	10,000	210,000	210,000
Buildings	57,445,850	60,214,442	10,414	11,181	57,456,264	60,225,623
Improvements	1,740,725	1,925,302	53,437	56,287	1,794,162	1,981,589
Machinery & equip	3,422,526	3,194,649	5,975	8,648	3,428,501	3,203,297
Vehicles	4,653,012	4,389,468	-	-	4,653,012	4,389,468
Intangibles	149,353	181,828	-	-	149,353	181,828
Infrastructure	23,306,324	24,271,877	138,534	19,894	23,444,858	24,291,771
Leased assets	<u>622,956</u>	<u>715,787</u>	<u>123,425</u>	<u>172,795</u>	<u>746,381</u>	<u>888,582</u>
Total	<u>\$111,406,242</u>	<u>\$107,254,335</u>	<u>\$456,785</u>	<u>\$393,805</u>	<u>\$111,863,027</u>	<u>\$107,648,140</u>

In Governmental activities, the new Central Fire Station consisted of \$11,558,555 of the construction in progress category as of June 30, 2022. In Business-type activities, a new forcemain added \$129,812 to infrastructure assets in the Mere Point Wastewater District.

**With the implementation of GASB Statement 87, leased assets were recorded in both Governmental- and Business-type activities, and 2021 balances have been restated accordingly.

Government-wide: Longterm Debt

Bond Issue & Purpose	Issue Date	Amount Issued	Final Maturity Date	6/30/22 Amount Outstanding
2010 Elementary School—HBS	2010	21,462,250	2031	\$ 9,658,013
2013 Police Station	2013	5,500,000	2033	3,025,000
2016 School Revolving Renovation	2016	772,862	2027	313,255
2017 GO Bonds (five projects)	2017	1,781,000	2033	925,000
2020 Elementary School—Kate Furbish	2020	24,450,000	2045	23,340,000
2020 School Revolving Renovation	2020	279,360	2025	223,488
2022 Fire Station & Fire Truck	2022	13,231,000	2046	<u>13,231,000</u>
				<u>\$ 50,715,756</u>

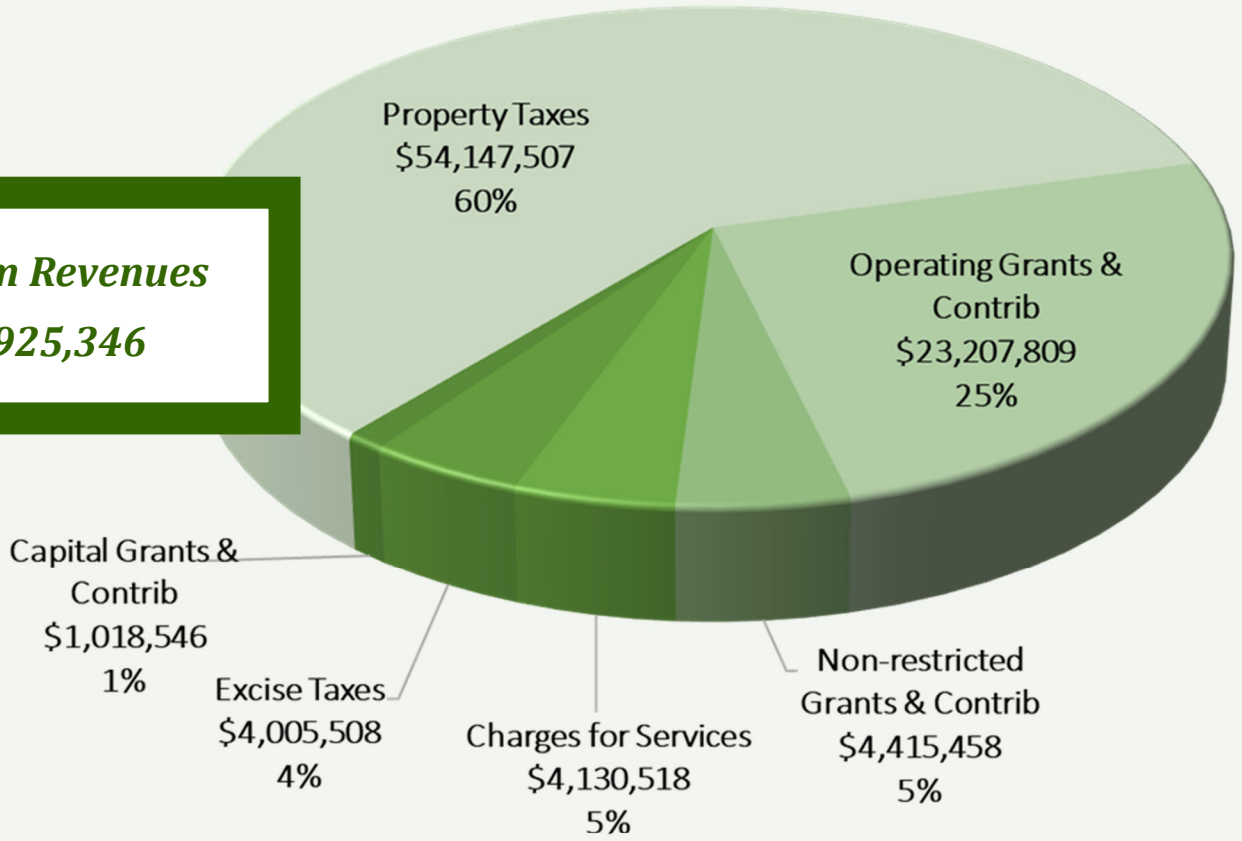
The amount of principal debt retired during the year totaled \$2,366,392, and bonds issued totaled \$13,231,000 for a new central fire station and a fire tank truck. Subsequent to the end of the 2021-22 fiscal year, the Town issued taxable debt of \$4 million for the acquisition of a 283 acre parcel in the Maquoit Bay watershed, and authorized \$3.25 million in debt for the Downtown Streetscape Project.

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

Government-wide: Governmental Activities

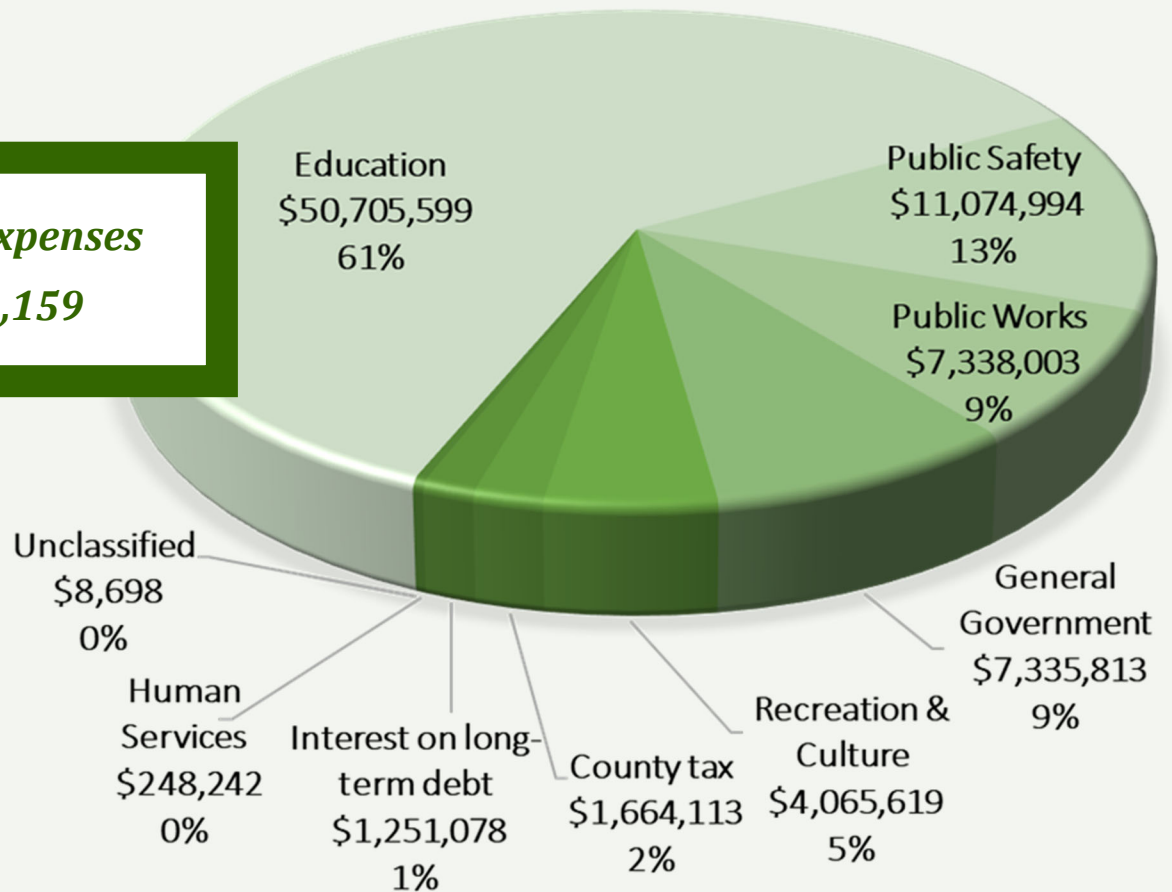
Program Revenues

\$90,925,346

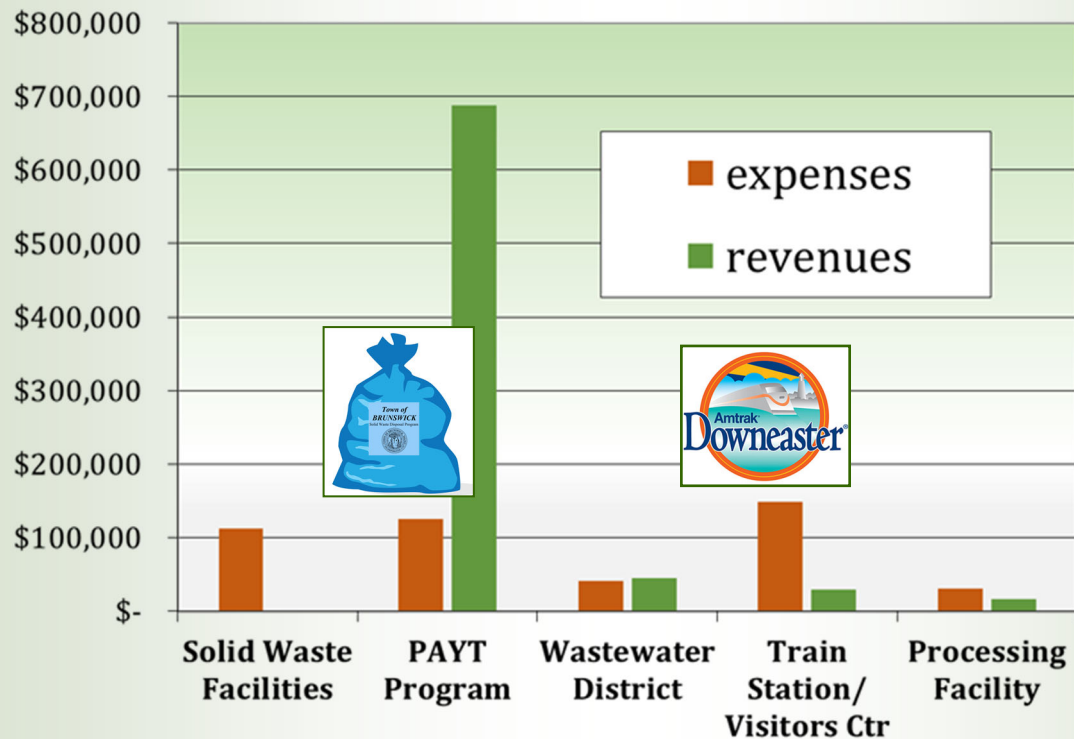


Program Expenses

\$83,692,159



Government-wide: Business-type Activities



Business-type activities increased the Town's total net position by \$948,028. In the **Solid Waste Facilities Fund**, with closure of the Graham Road Landfill complete, the Town booked an adjustment of \$493,011 to the closure liability. The deficit in the Solid Waste Facilities reflects the liability recognized for the estimated postclosure costs of the Landfill.

The **Pay-Per-Bag (PAYT) Program** realized operating income of \$563,513. In accordance with the Town's plan, balances in the PAYT program were utilized to fund the landfill closure in FY2021 and FY2022, at \$4,200,000 and \$600,000, respectively.

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 opened a **Processing Facility** to receive materials such as grass, leaves and brush, clean wood, metal recycling and universal waste. The facility is open one day per week for residents.

	<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>
NET POSITION						
Net investment in capital assets	\$ 72,750	\$ -	\$ 148,534	\$ 4,452	\$ 106,101	\$ 331,837
Unrestricted	(2,241,658)	239,888	(114,105)	69,097	164,181	(1,882,597)
Total net position	<u>\$(2,168,908)</u>	<u>\$ 239,888</u>	<u>\$ 34,429</u>	<u>\$ 73,549</u>	<u>\$ 270,282</u>	<u>\$(1,550,760)</u>

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 2021-22 fiscal year, the General Fund, Tax Increment Financing Fund, Coronavirus Relief Fund and New Central Fire Station/Fire Truck 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 Coronavirus Relief Fund reflects the CARES Act and American Rescue Plan Act (ARPA) federal funding distributed to the Town to respond to the COVID-19 pandemic.

The New Central Fire Station was still under construction as of June 30, 2022, with completion completed in December of 2022. The fire truck was purchased in summer 2022. G.O. bonds for \$13,231,000 were issued in January, 2022, (\$14,119,054 in total proceeds including premium).

	General Fund	Tax Increment Financing	Coronavirus Relief Fund	New Central Fire Station	Other Govt Funds	Total Govt Funds
Revenues	\$ 79,937,572	\$ 3,052,165	\$ 1,809,351	\$ 2,733	\$ 6,207,958	\$ 91,009,779
Expenditures	<u>71,114,902</u>	<u>1,053,657</u>	<u>1,809,351</u>	<u>8,013,098</u>	<u>9,703,232</u>	<u>91,694,240</u>
Revenues over/ (under)expenditures	8,822,670	1,998,508	_____	(8,010,365)	(3,495,274)	(684,461)
Other financing sources (uses)	<u>(3,562,705)</u>	<u>(1,897,584)</u>	_____	<u>14,119,054</u>	<u>5,357,789</u>	<u>14,016,554</u>
Net change in fund balance	5,259,965	100,924	_____	(6,108,689)	1,862,515	13,332,093
Fund balances, beginning of year	<u>24,670,409</u>	<u>264,749</u>	_____	<u>(4,158,983)</u>	<u>6,890,101*</u>	<u>27,666,276</u>
Fund balances, end of year	<u>\$29,930,374</u>	<u>\$ 365,673</u>	<u>\$ _____</u>	<u>\$1,949,706</u>	<u>\$ 8,752,616</u>	<u>\$ 40,998,369</u>

*Beginning balance restated to correct reporting of School Revolving Renovation Fund (SRRF)

The other governmental funds include:

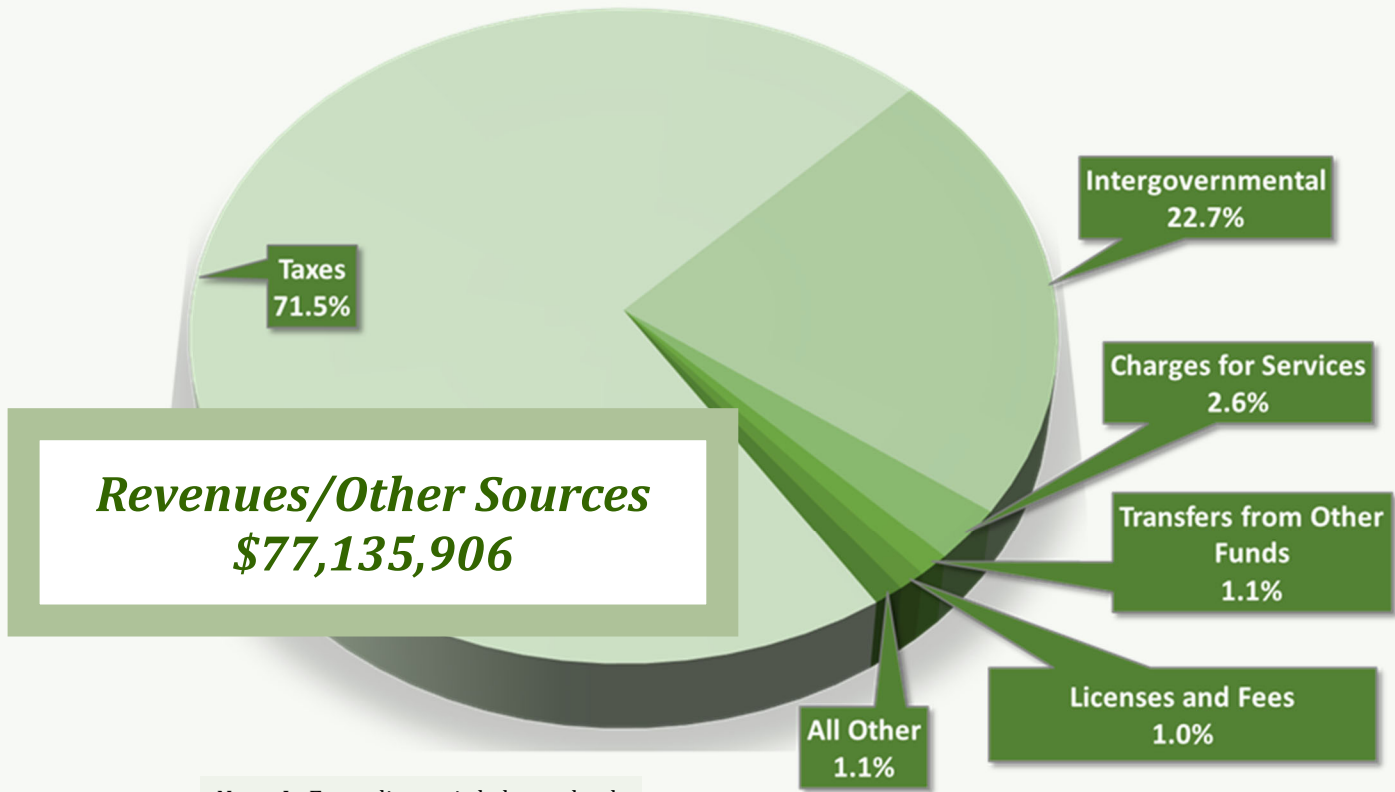
Three ***Special Revenue funds*** to account for revenue sources that are legally restricted or committed to expenditure for specific purposes (not including permanent funds or major capital projects).

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.

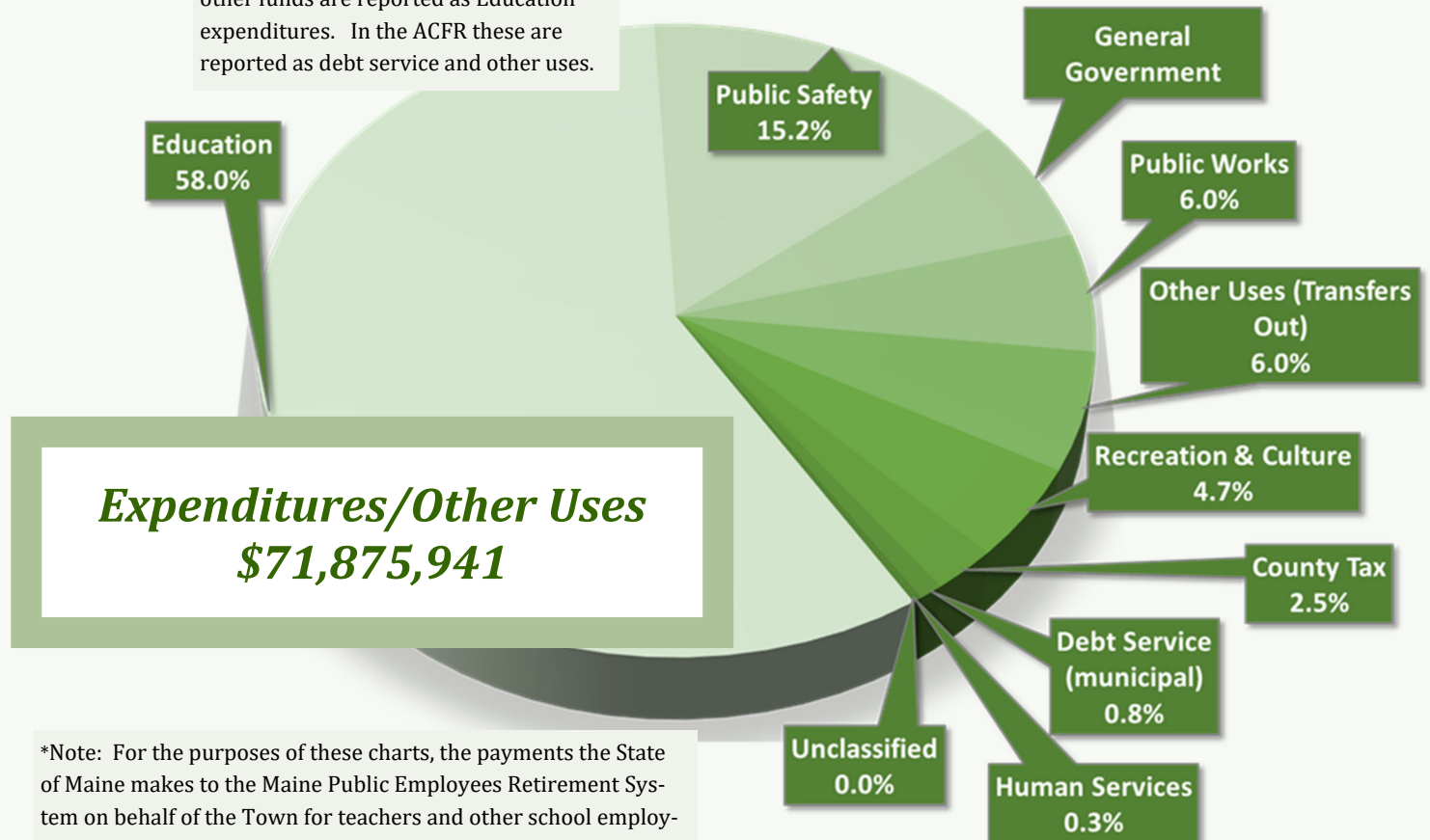
Five ***Permanent funds*** to account for resources where principal is legally restricted by a formal trust agreement and only earnings may be used for purposes that benefit the Town or its citizenry.

GENERAL FUND

2021-22 Actual Revenues/Other Sources and Expenditures/Other Uses



*Note: In Expenditure pie below, 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.




*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 2021-22, these payments totaled \$3,677,010.

GENERAL FUND BUDGET

The chief operating fund of the Town of Brunswick

Despite a planned and budgeted reduction of \$2,701,221 plus additional reductions in the form of 2021 carry-forward encumbrances of \$133,289, and capital budget of \$515,000, the total fund balance of the Town's General Fund balance actually increased by \$5,259,965 during the 2021-22 fiscal year. Key factors in this change were increased State Revenue Sharing and State Aid to Education, and higher property and excise tax collections, contributing to a 6.1% increase in total revenues.

<u>Revenues - by Source</u>	2021-22 Budget	2021-22 Actual	Over/(Under) Budget
Taxes	\$54,387,514	\$55,153,531	\$766,017
Licenses and Fees	585,242	757,604	172,362
Intergovernmental	15,147,494	17,482,481	2,334,987
Charges for Services	1,687,461	2,041,806	354,345
Fines and Penalties	30,475	39,472	8,997
Interest	50,000	94,690	44,690
Donations and Contributions	25,000	25,000	-
Unclassified	338,383	688,478	350,095
Transfers from Other Funds	807,122	852,844	45,722
Decr/(Incr) Fund Balance	2,701,221	(5,259,965)	(7,961,186)
	\$75,759,912	\$71,875,941	\$(3,883,971)

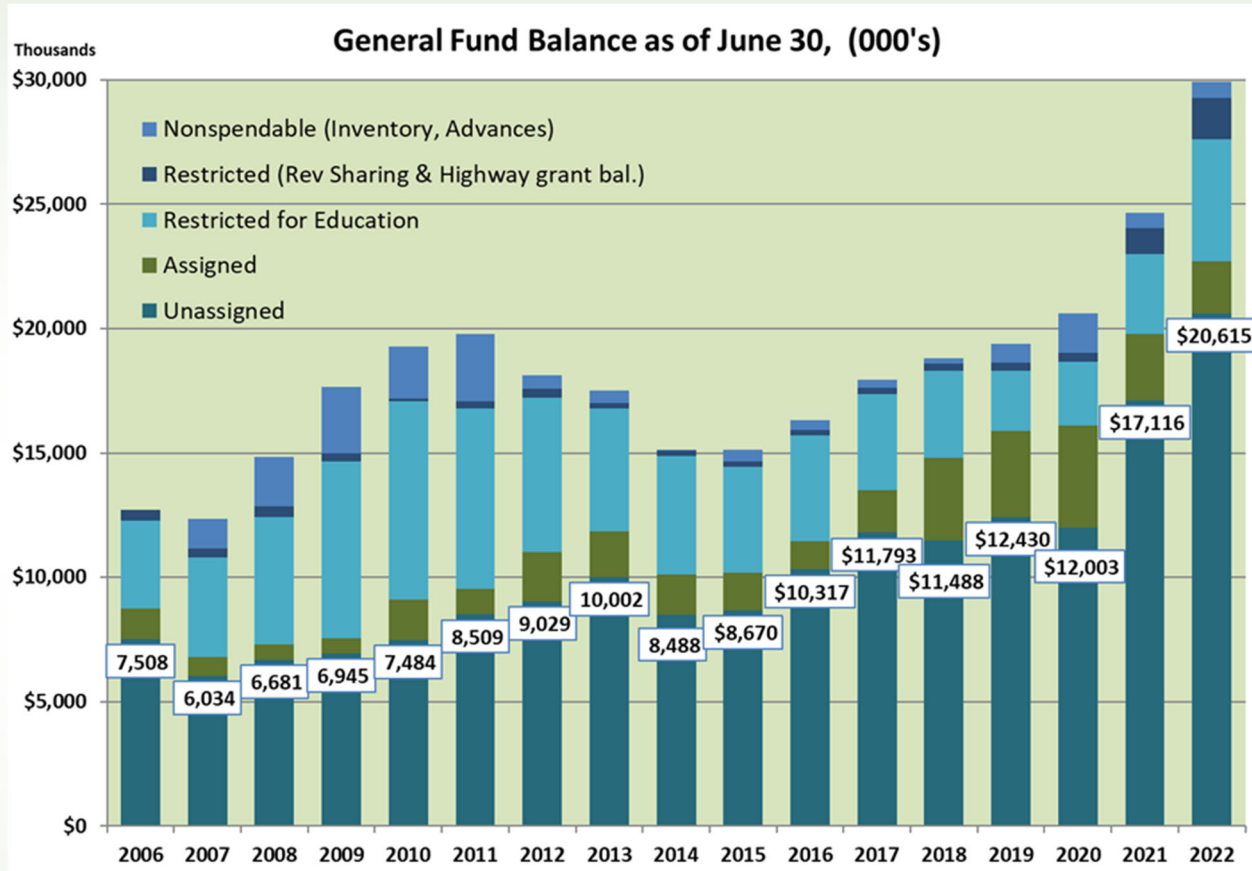


<u>Expenditures—by Function</u>	2021-22 Budget	2021-22 Actual	(Over)/Under Budget
General Government	\$5,033,811	\$4,645,005	\$388,806
Public Safety	11,232,799	10,927,887	304,912
Public Works	4,612,714	4,340,723	271,991
Human Services	651,047	240,017	411,030
Education*	43,651,333	41,690,631	1,960,702
Recreation & Culture	3,620,137	3,412,614	207,523
County Tax	1,664,113	1,664,113	-
Unclassified	766,379	31,198	735,181
Debt Service (municipal)	936,659	610,704	325,955
Other Uses (Transfers Out)	3,590,920	4,313,049	(722,129)
	\$75,759,912	\$71,875,941	\$3,883,971

*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, 2022, the target was \$13,325,593. The actual balance, at 25.8% of GAAP revenues, is \$7,291,885 above the target.

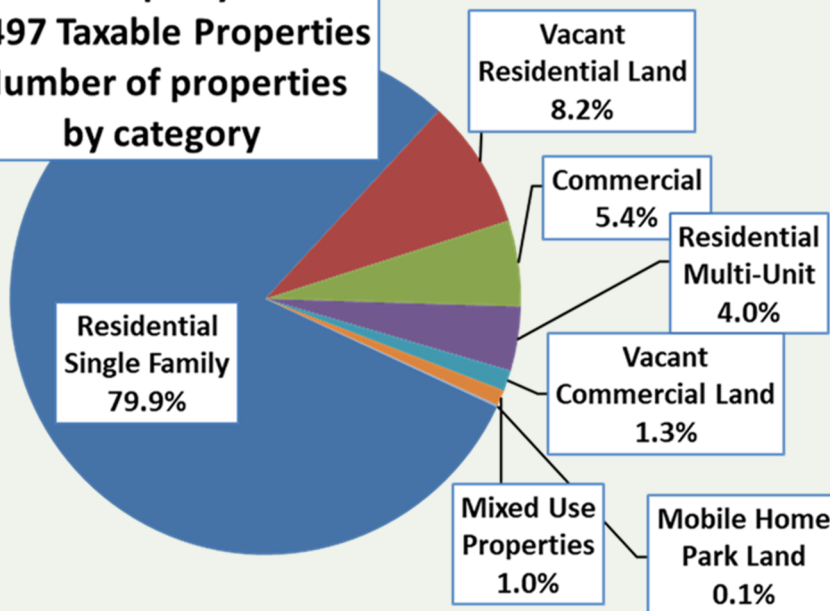
This is the seventh consecutive year the balance is above the target, and was anticipated, as the Town maintains the amount of fund balance used in the budget at sustainable levels. In fiscal 2021-22, the actual results for certain revenues, including excise tax and State Revenue Sharing, were significantly higher than anticipated, and challenges with hiring for vacant positions resulted in lower expenditures, generating a surplus in the general fund. Note that the surplus in the education budget is restricted for education, and does not accrue to the Town's unassigned fund balance.

In accordance with the fund balance policy, unassigned fund balance 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
	\$53,382,098

2021 Property Taxes
8,497 Taxable Properties
Number of properties
by category



Property Taxes are the largest single source of revenue for the Town. In 2021-22 the tax rate was \$20.86 per \$1,000 of taxable assessed property value, an increase of 2.31% over the 2019-20 rate of \$20.39 per \$1,000.

As of April 1, 2021, Brunswick had 1,005 personal property accounts and 9,510 real property parcels, of which 8,497 were taxable. The median taxable value of the Town's single family residential properties was \$207,850.

2021-22
Property Tax
Dollar
Distribution

Education
\$0.59

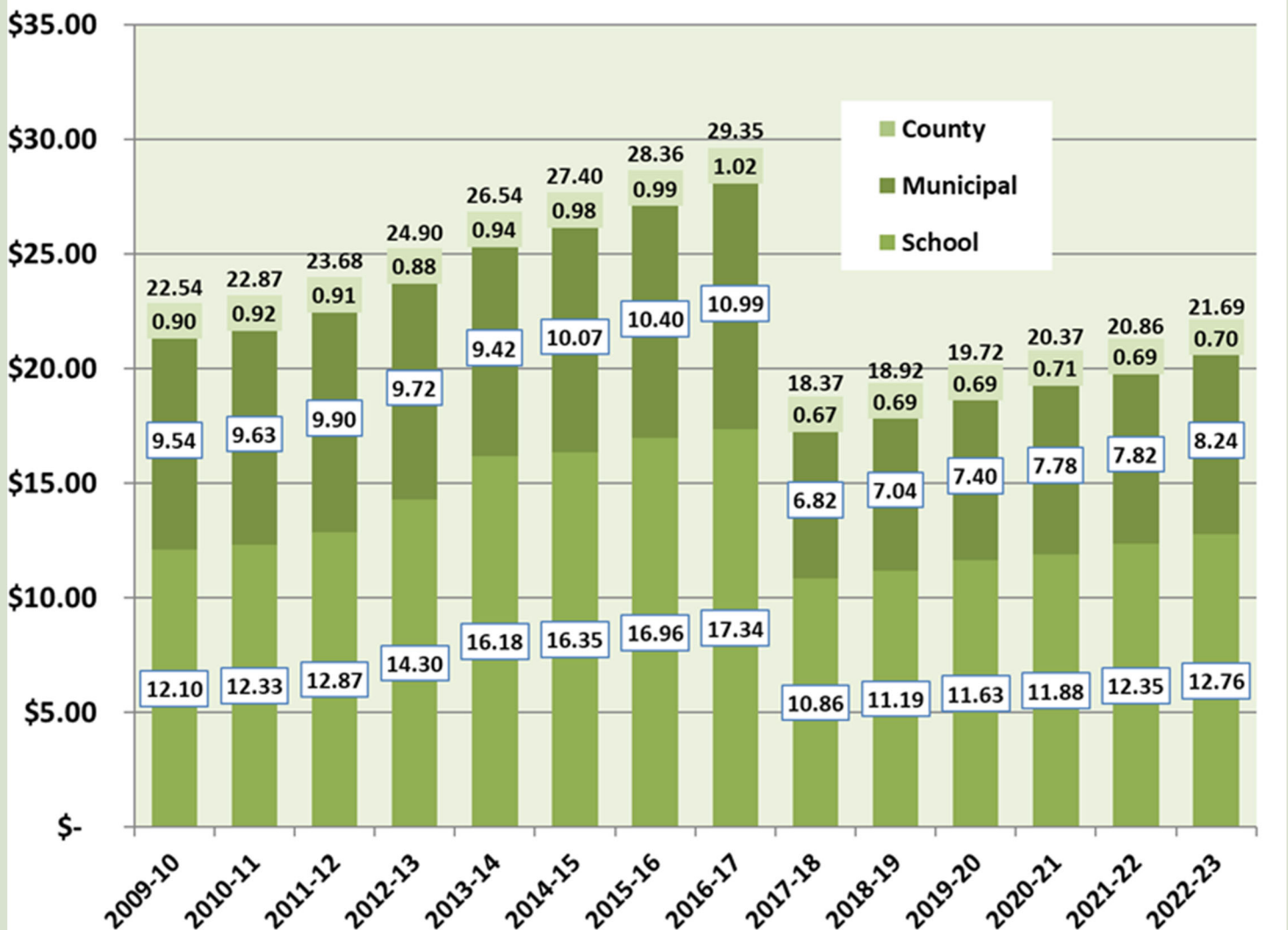
Municipal
\$0.38

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 2022-23 fiscal year were committed on August, 2022 and are due in two installments—October 17, 2022 and April 18, 2023.

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:

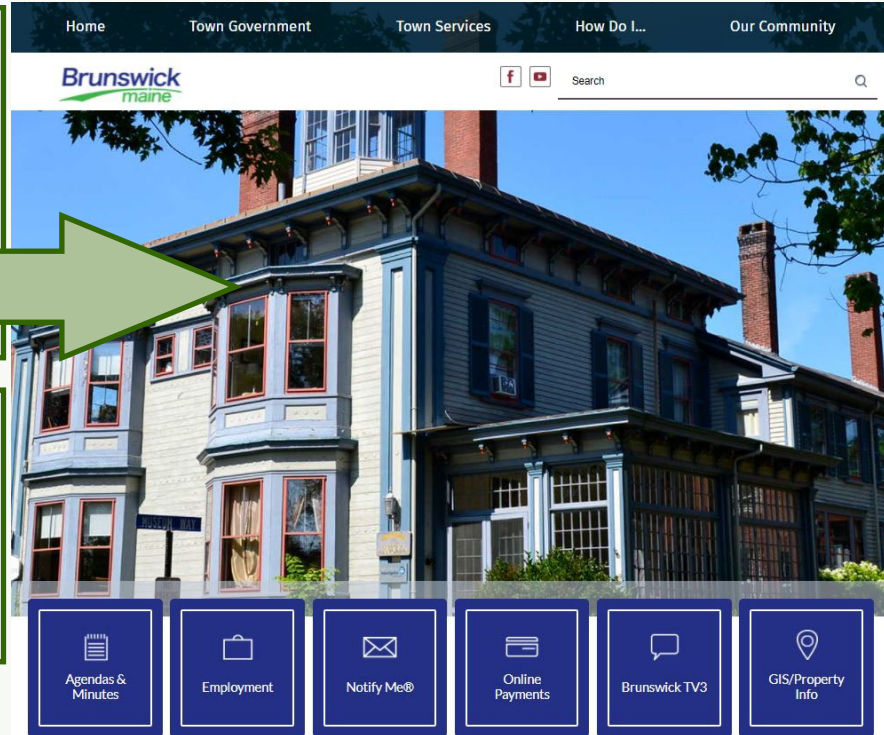
info@brunswickme.org

Or call us: (207) 725-6100

For detailed financial information:

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

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