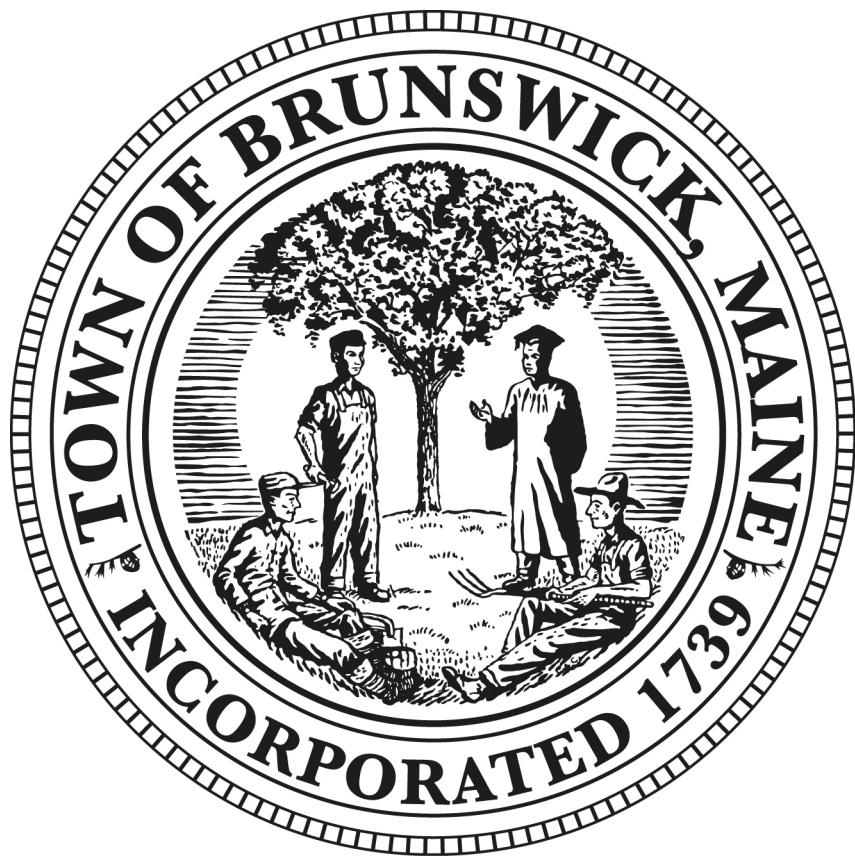


TOWN OF BRUNSWICK, MAINE



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2022

TOWN OF BRUNSWICK, MAINE
Annual Comprehensive Financial Report
Year ended June 30, 2022



Prepared by:
Town of Brunswick
Department of Finance

Town of Brunswick, Maine
Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

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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

January 27, 2023

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 annual comprehensive financial report (ACFR), are intended to meet those requirements. The Town of Brunswick chooses to go beyond the minimum reporting requirements and prepare this ACFR in an effort to provide greater detail regarding the financial condition of the Town and its financial operations.

This ACFR 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, 2022. 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. The 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 2020 Census listed Brunswick's population at 21,756.

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 2020, MCPH joined MaineHealth, a regional network of healthcare organizations which includes Maine Medical Center and several midcoast Maine hospitals. From January through May, 2021, Mid Coast Hospital operated a large-scale vaccination clinic in the Town's Recreation Center on Brunswick Landing, administering over 57,000 COVID-19 vaccines. More information can be found at www.midcoastparkviewhealth.com and www.mainehealth.org.

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 three ships in the restarted program, currently has six of these ships under construction with three more in the backlog. As the lead designer of the DDG 51 class, BIW is considered the "planning yard" as the ships already delivered to the Navy are upgraded and modernized. Currently supporting 69 Arleigh Burke-class ships, BIW was recently awarded a modernization contract extension, as well as continuation of its Lead Yard Services and design upgrade contract.

The Zumwalt (DDG 1000) class had been planned as the US Navy's next generation surface combatant. 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. BIW completed its work on the USS Lyndon B. Johnson, the third and final ship of the DDG 1000 class at the end of 2021. BIW currently has the maintenance and modernization contract for the class.

In spring 2022, BIW was awarded a contract by the US Navy to provide shipbuilder engineering and design analysis to produce design products in support of the preliminary and contract design for DDG(X), the Navy's next class of large surface combatant. The design effort for DDG(X) will involve a collaborative Navy-industry effort composed of the large surface combatant shipbuilders, suppliers, ship design agents and other subject matter experts. If all options are exercised, the contract will continue through July 2028. A similar award was also made to Huntington Ingalls Industries, the nation's other manufacturer of large surface combatants.

Given the restart of the DDG-51 program and changes related to the DDG-1000 program, BIW had increased its hiring of new employees in 2015, mainly in trades including electrical, machinist, shipfitters, tinsmiths, welders, pipefitters and more, as well as supervisory positions. 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. As of fall 2021, Bowdoin had 1,951 students enrolled, and employed approximately 961 full-time equivalent (FTE) employees, including 214 FTE faculty members. Over the past few years, Bowdoin has completed a number of building and facilities improvements, including construction of four 11,000 square foot, 22-bed upperclass residence halls along Park Row, completed in August 2019, and three 44-bed residence halls on Harpswell Road, each approximately 17,700 square feet and with 21 apartments, completed in August, 2020. Also in 2020, the college completed work on 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. Currently under construction are the Barry Mills Hall, an academic building, and the John and Lile Gibbons Center for Arctic Studies. Located on the corner of College Street and Sills Drive, this 45,900 square foot project is projected for completion in January, 2023 and has already received a certificate of occupancy. 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 reports that it is ahead of schedule with the Master Plan, and that over 150 business entities are now on Brunswick Landing and Topsham campuses, collectively employing over 2,500 people. More information 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, and has continued to make progress in balancing funding needs between managing reserve funds, debt issuance, and use of one-time funding such as grants and fund balance.

The CIP for fiscal years ending 2023-2027 was adopted on May 12, 2022, and recommended funding projects over five years totaling \$48,737,134. Total debt financing on recommended projects is estimated at \$3,470,000, with \$1,370,000 of that to be repaid from Tax Increment Financing (TIF) revenues. Infrastructure improvements estimated at \$22,447,000 are recommended, with an estimated \$8,333,000 in funding through Maine Department of Transportation grants. Projects in development (those that may eventually be considered for funding) totaled \$58,446,500. Two large projects, a public works facility for \$12,000,000 (mentioned below), and a downtown parking structure for \$15,700,000, 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. This exercise serves to demonstrate trends and illustrate various projections to the elected officials, and it is expected that this model 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, 2022, the amount of unassigned fund balance was \$20,614,603 or 25.8% of general fund revenues, a total of \$7,289,009 above the policy target. The balance above the target was higher than anticipated at the end of the year, with the economic uncertainties resulting from the COVID-19 pandemic, and with the Town's continued use of unassigned fund balance above \$500,000 and the school department's use of \$1.9M in balance restricted for education. However, strong revenue collections and savings in expenditures resulted in an increase in total general fund balance of over \$5M. Considering the capital needs outlined in the Capital Improvement Program, the Town reduced its use of fund balance in the annual budget back to \$500,000 for FY 2023. In the past four years, balances above the target have enabled the Town to use unassigned fund balance for capital projects through the Capital Improvement Program. 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

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. GO Bonds were issued in February, 2022, generating \$13,231,000 in principal, and \$888,054 in premium. In late 2020, the Town acquired property at the selected site on Pleasant and Webster Streets, and construction began in spring 2021. As of June 30, 2022, a total of \$11,558,555 had been expended, and the station was placed in service in December, 2022. In May, 2022, The Town Council formed a committee to explore options for reuse and/or redevelopment of the downtown fire station site.

Graham Road Landfill. Operation of the Graham Road Landfill was discontinued at the end of March, 2021, and final closure was completed in the 2021-22 fiscal year. Closure of the landfill came at the end of several years of work and cooperation between the Town and the Maine Department of Environmental Protection (DEP), and 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), which was finalized in June 2017. The Town contracted with Woodard & Curran to manage the closure process, including design, bidding, construction monitoring, and final closure documents. The closure project included site preparation, grading of municipal solid waste, installing a geosynthetic final cover system including gas collection, and establishing vegetation. A construction contract was finalized in late 2020, and construction began in April, 2021, and was completed for a total cost of \$7,361,970. The cost of closure was funded through reserves in the Landfill and Pay-per-bag Program funds. While the closure qualifies for 75% reimbursement through the State's Closure Program over several years in the future, the Town is not able to estimate timing of the reimbursement.

On July 1, 2022, the Town signed a ten-year contract with Pine Tree Waste (Casella) for curbside collection of household refuse and recycling. Simultaneously, the Town signed a ten year contract with ecomaine for the disposal of household refuse and recycling through a swap agreement in which Casella will collect Brunswick refuse and recycling, and deliver an equivalent weight of refuse and recycling to ecomaine's Portland facility. For certain materials, including brush and leaves, clean wood, metal recycling, metals, electronics and universal waste, the Town continues to operate a processing facility adjacent to the former landfill site.

Cook's Corner Revitalization. The Town is continuing collaborative approaches for the redevelopment of Cook's Corner, the commercial district adjacent to the former Naval Air Station Brunswick (NASB), now called Brunswick Landing. Following the construction of Landing Drive, the new road connecting Admiral Fitch Avenue on Brunswick Landing to Gurnet Road in Cook's Corner, the Town initiated a comprehensive planning effort funded through TIF revenues. A large advisory committee comprised of individuals and groups associated with the area was formed to gather input and develop a vision for Cooks Corner. The Town contracted with a consultant to conduct market and traffic studies, to assist in the participatory process, and to develop a plan. The Cooks Corner Commercial Corridor Revitalization Plan was adopted by the Town Council on May 16, 2022, and the implementation phase is underway. Several projects in the Capital Improvement Plan are evolving with the revitalization effort.

Midcoast Area Recreation Complex (MARC). In 2020, the property adjacent to the Rec Center at Brunswick Landing (Parcel Rec-11) was transferred from the Navy to be used and maintained exclusively for public

recreation by the Town. The MARC project is redevelopment of the parcel as a state-of-the-art, regional athletic and recreation complex that provides a variety of recreational facilities for persons of all ages and abilities. In March 2021, the Town Council established an advisory committee, charged with identifying recreational uses for the parcel, vetting a recommended development program, and helping to identify and secure sources of funding. The Town hired consultants, and the Concept Master Plan and Phase 1 were approved by the Town Council on June 21, 2022. The Town Council appropriated \$200,000 from State and Local Fiscal Recovery Funds to be used for design development and permitting of the recommended development concept. The preliminary construction estimate for Phase I of the project is \$5.7 million. The MARC committee has raised matching funds for the initial predevelopment costs through private fundraising, and has applied for a Land and Water Conservation Fund grant, with other fundraising efforts ongoing.

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 process for a number of months, and following that, it has been a challenge to find consensus among stakeholders. The Town Council held a workshop on the project in October, 2022, and it is expected that the development of the project will continue along with the CIP workshops during the fall and winter of 2022-23. The original plan was to fund the project solely with Downtown TIF revenues, but with delays and changes in scope, it is possible that a portion of the debt service may need to be funded from the general fund.

Public Works Facility. – With the adoption of the 2023-2027 CIP, the Town Council appropriated \$120,000 to conduct a needs assessment and preliminary design of the Public Works facility on Industry Road. The existing 16,972 sf facility, constructed in 1956 and is undersized and inadequate for the current needs of the public works operations. The proposal is for a new 40,000 sf facility, which would include offices, locker rooms, vehicle repair bays and covered parking for vehicles and equipment. Currently estimated at \$12,000,000, the cost of construction is expected to be funded through the issuance of bonds.

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 annual comprehensive financial report for the year ended June 30, 2021. 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 greatly 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

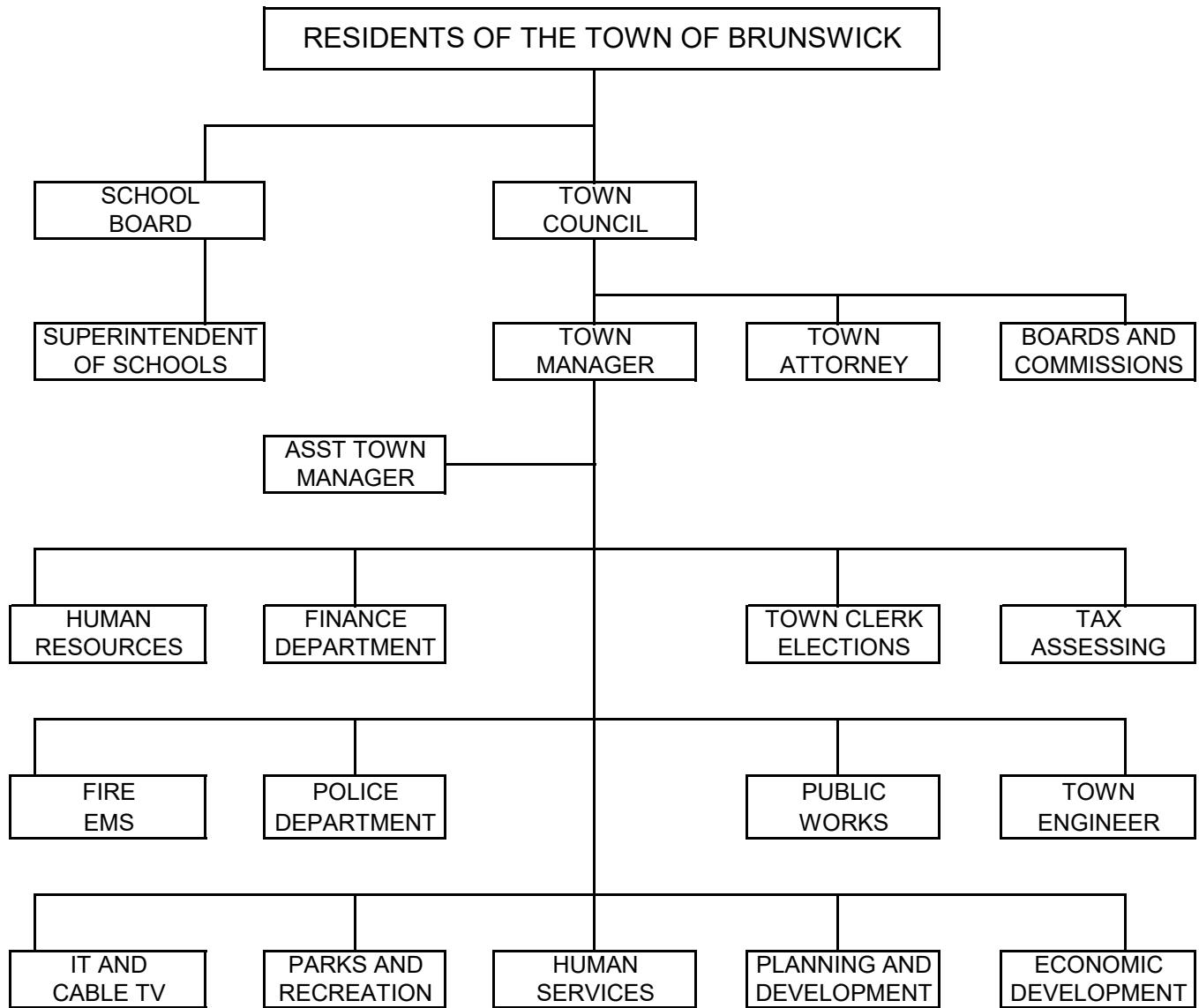
June 30, 2021

Christopher P. Monell

Executive Director/CEO

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Town of Brunswick, Maine Organizational Chart



TOWN OF BRUNSWICK, MAINE

ELECTED AND APPOINTED OFFICIALS

June 30, 2022

Elected Officials

Council Member - District 7	Chair	James Mason
Council Member - At large	Vice Chair	Daniel Ankeles
Council Member - District 1		W. David Watson
Council Member - District 2		Stephen S. Walker
Council Member - District 3		Daniel Jenkins
Council Member - District 4		Sande Updegraph
Council Member - District 5		Christopher Watkinson
Council Member - District 6		Kate Foye
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. Brillant
Police Chief	Scott Stewart
Director of Public Works	Jay Astle
Director of Parks and Recreation	Thomas M. Farrell
Superintendent of Schools	Dr. Phillip Potenziano

Independent Auditors' Report

Finance Committee
Town of Brunswick, Maine

Report on the Audit of the Financial Statements

Opinions

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, 2022 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Brunswick, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in the notes to the financial statements, in 2022, the Town of Brunswick, Maine adopted new accounting guidance, GASBS No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Brunswick, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Brunswick, Maine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Brunswick, Maine's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Finance Committee
Town of Brunswick, Maine

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Brunswick, Maine's basic financial statements. The accompanying individual and combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 individual and combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2023, 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.



January 27, 2023
South Portland, Maine

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FINANCIAL SECTION



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, 2022. 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 annual comprehensive financial report (ACFR).

Financial Highlights

- For the fiscal year ended June 30, 2022, the Town of Brunswick's total net position increased by \$8,052,495 from the previous year's net position, to total \$83,872,157. Of this amount, \$9,969,670 is classified as *restricted net position*, of which the largest portion, \$6,316,445, is restricted for education purposes. *Unrestricted net position* increased from the previous year to a balance of \$13,304,067 as of June 30, 2022.
- Net investment in capital assets decreased by \$5,486,012, while restricted net position increased by \$2,835,465 and unrestricted net position increased by \$10,703,042 from the previous year. The increase in net investment in capital assets reflects additions of governmental assets, offset by associated debt issued and lease liabilities recorded during the year. The amount restricted for education purposes increased by \$2,099,262, primarily due to \$1,594,562 in unanticipated State Aid to Education. The major driver of the increase in unrestricted net position was the \$8,594,890 decrease in net pension liability, based on actuarial valuations as of June 30, 2021. An additional \$837,200 increase in unrestricted net position in business-type activities was driven by net income in the pay-per-bag program, and lower cost than expected to close the landfill.
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$40,998,369, an increase of \$13,332,093 in comparison with the prior fiscal year.
- The unassigned fund balance for the General Fund at June 30, 2022 was \$20,614,603. The Town's policy is to maintain the unassigned fund balance at 16.67% of revenues. At June 30, 2022, this portion of the fund balance is approximately 25.79% and 28.99% of the total General Fund expenditures and revenues, respectively.
- The Town's total outstanding long-term principal debt increased by \$10,864,608 during the current fiscal year. The issuance of GO bonds for the new fire station added \$13,231,000, offset by \$2,366,392 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 ACFR 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, the train station/visitors center and the processing facility. 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 nineteen 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, Coronavirus Relief Fund and New Central Fire Station and Truck 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 ACFR.

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 of this report, to demonstrate compliance with the General Fund budget. A supplemental statement with more detail is also provided, on pages 91-95 of this report. 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 landfill facility, materials processing facility, 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 40-42. 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 consist of its private-purpose trust funds, which report on recreation and education scholarships and awards, and gifts to the library and the Village Improvement Association. In prior years, the Town also reported an agency fund, accounting for money held for student activities. Beginning with fiscal year 2020-21, student activities funds are now reported in the School Restricted Funds within Nonmajor Special Revenue 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 44-82 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 83 of this report, with the notes to the RSI following on page 89.

A supplementary general fund budget statement which includes more detail, and the combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented following the required supplementary information section of the financial statements. Individual and combining fund statements can be found beginning on page 91 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 \$83,872,157 at the close of the most recent fiscal year, which is an increase of \$8,052,495 during the fiscal year. The Town reports positive balances in all three categories of net position for the government as a whole.

Town of Brunswick's Net Position

	Governmental activities		Business-type activities		Total	
	2022	2021 (restated)	2022	2021 (restated)	2022	2021 (restated)
Current and other assets	\$ 52,310,364	\$ 35,802,107	\$ 6,056,305	\$ 8,201,357	\$ 58,366,669	\$ 44,003,464
Capital assets	111,406,242	107,254,335	456,785	393,805	111,863,027	107,648,140
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 of resources	7,262,756	5,716,056	-	-	7,262,756	5,716,056
Long-term liabilities outstanding	64,510,297	61,359,414	2,524,947	5,940,550	67,035,244	67,299,964
Other liabilities	10,528,976	7,219,786	17,426	2,058,354	10,546,402	9,278,140
Total liabilities	<u>75,039,273</u>	<u>68,579,200</u>	<u>2,542,373</u>	<u>7,998,904</u>	<u>77,581,646</u>	<u>76,578,104</u>
Deferred inflows of resources	10,517,172	1,874,848	5,521,477	3,095,046	16,038,649	4,969,894
Net investment in 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	15,186,665	5,320,823	(1,882,598)	(2,719,798)	13,304,067	2,601,025
Total net position	<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>

The largest portion of the Town's net position, \$60,598,420, reflects its investment in capital assets, (land, buildings, vehicles, equipment and infrastructure, etc.), less any outstanding debt and lease liability associated with those assets. The Town uses capital assets to provide services to citizens, so these assets are generally not available for future spending. An additional portion, \$9,969,670 or 11.9% 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 balance of \$13,304,067 is categorized as unrestricted net position. The \$1,550,760 deficit in business-type activities is primarily the result of the liability recognized for landfill post-closure costs. In governmental activities, the largest liabilities offsetting current assets are long-term debt in the form of G.O. bonds, resulting in an unrestricted net position of \$15,186,665.

Town of Brunswick's Change in Net Position

	Governmental activities		Business-type activities		Total	
	2022	2021 (restated)	2022	2021	2022	2021 (restated)
Revenues:						
Program revenues						
Charges for services	\$ 4,130,518	\$ 3,672,759	\$ 778,294	\$ 1,211,866	\$ 4,908,812	\$ 4,884,625
Operating grants and contributions	23,207,809	24,890,740	-	-	23,207,809	24,890,740
Capital grants and contributions	1,018,546	2,502,718	-	-	1,018,546	2,502,718
General revenues						
Property taxes	54,147,507	51,396,119	-	-	54,147,507	51,396,119
Vehicle, w atercraft and aircraft excise taxes	4,005,508	4,153,381	-	-	4,005,508	4,153,381
Grants and contributions not restricted to specific programs	4,415,458	2,944,723	-	-	4,415,458	2,944,723
Unrestricted investment earnings (loss)	(23,330)	275,772	8,753	25,462	(14,577)	301,234
Other	19,610	-	-	-	19,610	-
Total revenues	<u>90,921,626</u>	<u>89,836,212</u>	<u>787,047</u>	<u>1,237,328</u>	<u>91,708,673</u>	<u>91,073,540</u>
Expenses:						
General government	7,335,813	8,214,140	-	-	7,335,813	8,214,140
Public safety	11,074,994	11,414,355	-	-	11,074,994	11,414,355
Public w orks	7,338,003	5,878,265	-	-	7,338,003	5,878,265
Human services	248,242	332,506	-	-	248,242	332,506
Education	50,705,599	48,614,103	-	-	50,705,599	48,614,103
Recreation and culture	4,065,619	4,024,665	-	-	4,065,619	4,024,665
County tax	1,664,113	1,674,551	-	-	1,664,113	1,674,551
Unclassified	8,698	70,742	-	-	8,698	70,742
Interest on long-term debt	1,251,078	1,182,750	-	-	1,251,078	1,182,750
Solid w aste facilities	-	-	111,771	1,277,825	111,771	1,277,825
Pay-per-bag program	-	-	124,767	119,363	124,767	119,363
Wastew ater treatment	-	-	40,900	44,667	40,900	44,667
Train station/ visitors center	-	-	148,543	91,356	148,543	91,356
Processing facility	-	-	31,049	15,077	31,049	15,077
Total expenses	<u>83,692,159</u>	<u>81,406,077</u>	<u>457,030</u>	<u>1,548,288</u>	<u>84,149,189</u>	<u>82,954,365</u>
Increase (decrease) in net position before transfers	7,229,467	8,430,135	330,017	(310,960)	7,559,484	8,119,175
Special items	-	-	493,011	1,834,670	493,011	1,834,670
Transfers	<u>(125,000)</u>	<u>(300,000)</u>	<u>125,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	7,104,467	8,130,135	948,028	1,823,710	8,052,495	9,953,845
Net position beginning of year (as restated)	78,318,450	70,188,315	(2,498,788)	(4,322,498)	75,819,662	65,865,817
Net position end of year	<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>

As a result of the Town's implementation of the Governmental Accounting Standards Board (GASB) Statement 87 - Leases, certain elements of beginning net position have been restated. The Town recognized right-to-use leased assets and associated lease liabilities, adding \$715,787 to capital assets and long-term liabilities in governmental activities, and \$172,795 to capital assets and long-term liabilities in business-type activities as of June 30, 2021.

Beginning net position for governmental activities has also been restated to account for an adjustment in the prior year to account for the portion of the state School Revolving Renovation Fund program received as a grant. With the full amount of the bond recorded as bond proceeds in the fund, the unexpended amount not yet received was recorded as cash in escrow, and a portion of the amount expended was recognized as a grant in intergovernmental revenue. This adjustment resulted in an \$8,726 increase to the nonmajor capital projects fund balance and governmental activities net position.

Governmental activities. Governmental activities, including transfers, increased the Town of Brunswick's total net position by \$7,104,467. The following points highlight the significant changes in revenues compared with the previous year:

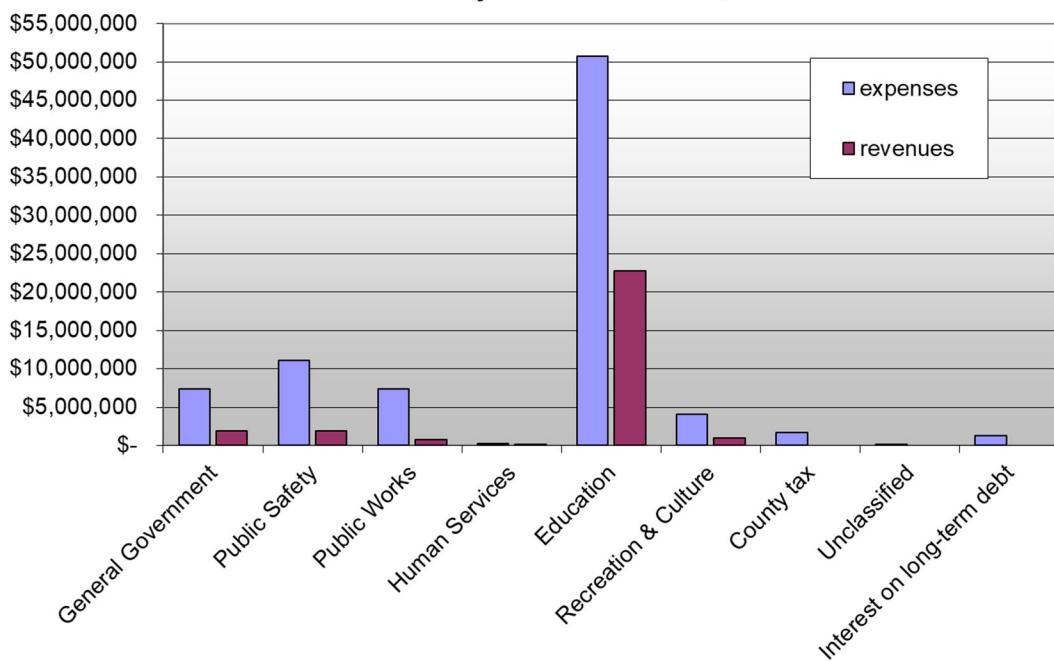
- Property tax revenue, the Town's largest revenue, increased by \$2,751,388, or 5.4%. This increase was anticipated, as the tax rate increased by 2.4% and valuation base (total taxable valuation plus state reimbursed exemptions) increased by 3.0%. Property taxes made up 59.6% of the total revenue, up slightly from 57.2% of the total in the previous year. The percentage increase was the result of shifts in proportion of the total revenues, primarily due to the decrease in operating and capital grants and contributions.
- Excise tax revenue decreased by \$147,873 from the prior year. This was anticipated, as motor vehicle excise tax collections in FY 2021 included some that were delayed from the prior year, and FY 2022 reflected a return to normal levels.
- Charges for services revenue increased by \$457,759. The increases in charges for service were primarily due the rebound in activity after the closures association with the COVID-19 pandemic. In Recreation and Culture, recreation program revenues were \$313,338 more than the previous year, with the resumption of summer and fall programs in 2021. Ambulance revenues also increased, contributing to a \$218,955 increase in Public Safety. Offsetting these, the Town experienced a \$101,516 decrease in Education, primarily reflecting a drop in tuition revenue at the REAL School due to lower enrollment.
- Operating grants and contributions decreased by \$1,682,931. This category of revenues decreased to 25.5% of the total revenue, from 27.7% in the previous year. The largest driver of the decrease was in the General Government category, due to \$1,079,284 less from Community Development Block Grants, as well as \$209,813 less in COVID-19 related funding. In Education, an \$866,815 increase in State Aid to Education, and \$1,045,561 in other State funding was offset by a decrease in ESSER funding of \$2,592,392.
- Capital grants and contributions decreased by \$1,484,172. Decreases in the Recreation & Culture and Public Works categories were due primarily to significant contributions in the prior year. In FY 2021, the 10 acres of land surrounding the Recreation Center, valued at \$932,000, were conveyed to the Town from the Navy, and the Town accepted \$115,930 to complete the Veteran's Plaza project. The Town also accepted infrastructure valued at \$579,240 and received \$349,522 from MaineDOT for the Cedar Street Parking Lot. In FY 2022, significant capital contributions consisted of Recreation Impact Fees totaling \$253,434, grants totaling \$130,000 toward the purchase of Merrymeeting Park, \$197,669 from Maine DOT for the Cedar Street Parking Lot and \$121,023 in a Municipal Partnership Initiative grant from MaineDOT for Church Road.
- Grants and contributions not restricted to specific programs increased by \$1,470,735. The majority of this increase was driven by State Revenue Sharing, which increased by \$1,453,076, primarily

the result of the State increasing the percentage of sales and income tax distributed into the pool from 3.75% to 4.5% in the fiscal year ended June 30, 2022.

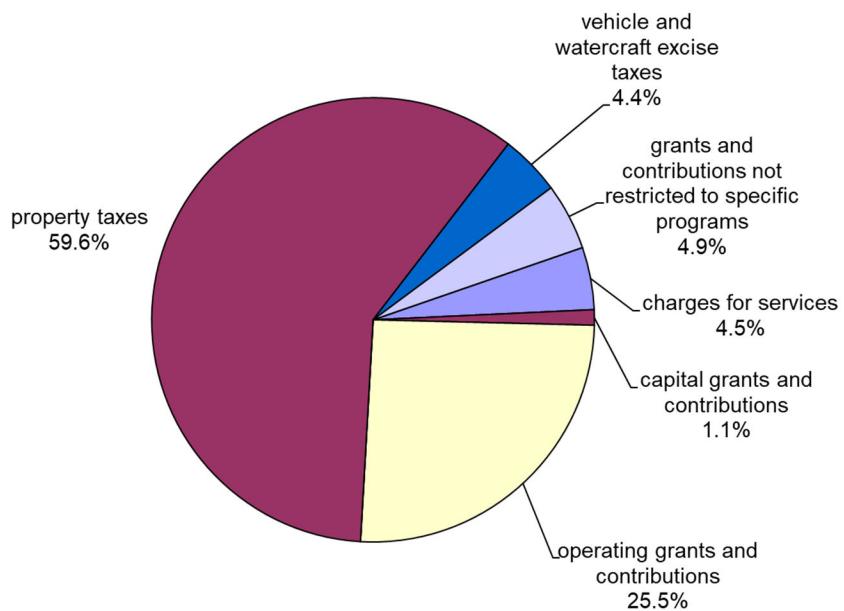
- Unrestricted investment earnings decreased by \$299,102, primarily a result of the net decrease in the value of investments in the permanent funds due to the decline in the stock market in the first half of CY 2022.

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, 2022**

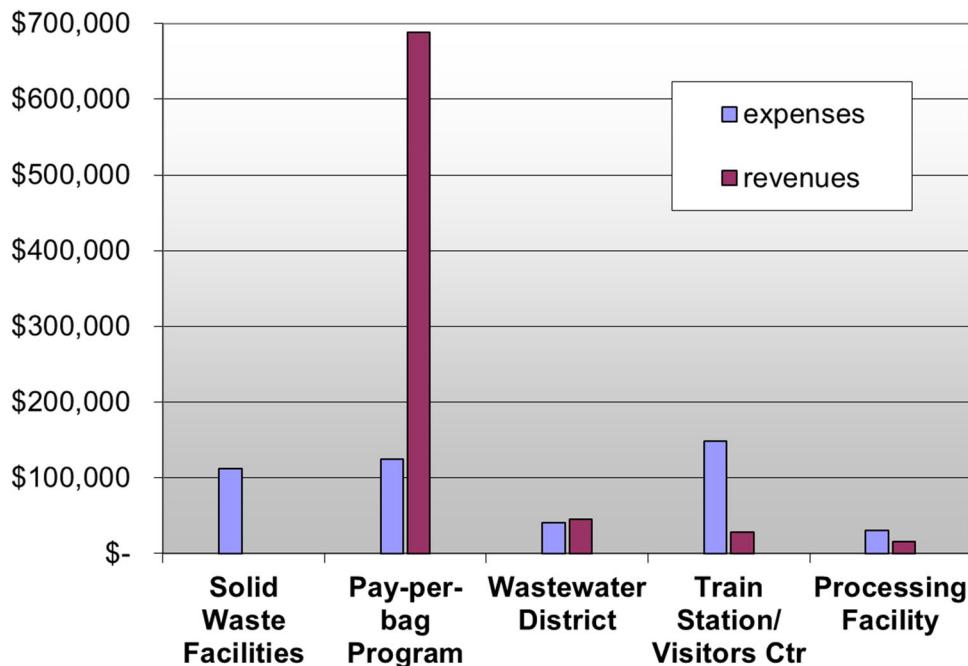


**General and Program Revenues - Governmental Activities
For the year ended June 30, 2022**

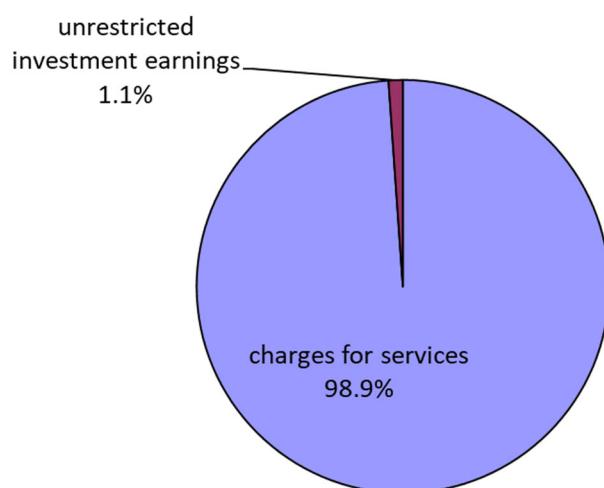


Business-type activities. The Town's business-type activities consist of five enterprise funds: two major funds accounting for its solid waste facilities and its pay-per-bag program, and three non-major funds, including a small wastewater district, the train station/visitors center, and a materials processing facility near the location of the closed landfill. 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. The Train Station/Visitors Center fund received a budgeted subsidy of \$125,000 from the General Fund in 2021-22.

Expenses and Program Revenues - Business-type Activities
For the year ended June 30, 2022



Revenues by Source - Business-type Activities
For the year ended June 30, 2022



The Town's business-type activities increased the Town's total net position by \$948,028. This was a result of an increase in the Solid Waste Facilities Fund of \$988,880, due primarily to a transfer from the Pay-per-bag Program Fund, and an adjustment to the estimated closure cost. The Pay-per-bag Program Fund realized operating income of \$563,513 and interest of \$343, but transferred \$600,000 to the Solid Waste Fund, resulting in a decrease of \$36,144. The Mere Point Wastewater Fund and Train Station/Visitors Center Fund recognized increases of 4,360 and \$5,351, respectively, while the Processing Facility Fund decreased by \$14,419. These funds are discussed below.

The major activity accounted for in the Solid Waste Facilities Fund has been the operation of the Town's solid waste landfill located on Graham Road. At the end of March 2021, the Town discontinued use of the landfill, and began the closure construction. Closure was completed in the late fall of 2021, at a total cost of \$7,361,970, of which 75%, or \$5,521,477, has been approved for reimbursement by the Maine Department of Environmental Protection (Maine DEP) through the Maine Landfill Closure and Remediation Program, in accordance with 38 MRS §1310-F. The Town has recorded the anticipated reimbursement as a receivable and as deferred inflow of resources as of June 30, 2022.

Each year during the landfill's operation, the Town recognized expenses and booked an estimated closure/post closure liability based on the landfill capacity. With the final closure complete, the Town fully liquidated the closure liability, recognizing an adjustment from the previous year's estimate. As the adjustment was significant, the Town recorded a special item of \$439,011 rather than reduce the landfill expense for the year. The Town continues to recognize a liability of \$2,340,000 for post closure costs, based on an estimate from Woodard & Curran of \$78,000 per year over 30 years. Also as of June 30, 2022, the Town recognized a liability of \$60,000 for 15 years of post closure monitoring of the wood and masonry landfill, which was closed in 2006.

In 2007 the Town implemented pay-per-bag trash disposal and single-stream recycling programs to encourage recycling. The pay-per-bag disposal program charges residents a fee for each bag of trash collected at curbside, and the fee has been increased once, in 2018. 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 also accumulate funds within the landfill fund for the eventual closure of the landfill. The Town Council voted its intent that the net funds generated by the pay-per-bag program be used toward future landfill closure costs. With the landfill closure beginning in April 2021, \$4,200,000 was transferred from the Pay-per-bag Program to the Solid Waste Facilities in FY 2021. An additional \$600,000 was transferred in FY 2022. As of June 30, 2022, the Pay-per-bag Program Fund had net position of \$239,888.

The Town's Mere Point Wastewater System realized an operating gain of \$4,360. This was anticipated, as the Town updated the user fees effective April 1, 2021. User fees for this program had changed only once since it was created in 1993, and in responding to capital needs in the system, the Town initiated a review and adopted an updated fee schedule which incorporated an allowance to recover capital costs. The Town also approved a general fund advance to the Mere Point Wastewater Fund to purchase an easement on Webb Field Road, and install a forcemain to connect four homes to the system. With the removal of the existing holding tank, the cost of regular pumping has been eliminated. The project was completed in early spring 2022 for a total of \$129,812, and with the increase in fees and reduction in tank pumping costs, the Mere Point Wastewater Fund expects to repay the general fund over a period of four years. As of June 30, 2022, the fund had a deficit unrestricted net position of \$114,105, of which \$112,052 was owed to the general fund in the form of an advance.

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 for use as 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, and 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. Beginning in FY 2017, the Town Council authorized the use of TIF revenues from the Downtown Development TIF district to fund the Train Station rental costs, property management fees, and other operating expenses. With the FY 2022 budget, the amount appropriated was \$125,000.

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 and FY 2021 collections dropped off significantly due to COVID-19. In FY 2022, collections rebounded to \$17,349, and as of June 30, 2022, the Train Station/Visitor's Center Fund had a net position totaling \$73,549, with \$4,453 of this recorded as investment in capital assets.

In April 2021, with the closure of the Graham Road Landfill, the Town Council appropriated \$250,000 from Solid Waste Impact Fees to establish a materials processing facility adjacent to the closed landfill. The facility accepts clean wood, brush and leaves, metals, electronics and universal waste. Initially the facility was open two days per week, but beginning in November, 2021, this was reduced to one day per week, and the disposal fees were reduced. In the first full year of its operation, the facility recorded an operating loss of \$14,419. As of June 30, 2022, the Processing Facility had a net position totaling \$270,282, with \$106,101 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 \$40,998,369. Of that amount, \$1,384,056 is classified as nonspendable. Another \$12,267,914 is restricted, \$5,555,752 is committed and \$2,075,375 is assigned.

The largest portion of the \$1,384,056 nonspendable fund balance is \$652,075 held in permanent funds for education, community improvements, recreation, and cultural and social services. An additional \$591,696 consists of advances made by the General Fund to two projects in the Capital Improvement Projects Fund, and a project in the Mere Point Wastewater proprietary fund. Finally, \$140,285 is held in inventories and prepaid deposit items.

Of the \$12,267,914 in restricted fund balance, \$7,318,058, or approximately 59.6%, is restricted for education purposes. This is primarily the school department's general fund balance of \$4,936,494, but also includes \$794,266 in bond proceeds, \$415,915 in contributions for the new elementary school, and

balances in student activities, cafeteria and other grant funds. Special revenue funds hold \$225,621, consisting of grants and donations. Bond proceeds restricted for the construction of the new central fire station were \$1,949,706, and an additional \$1,657,024 consists of state revenue sharing and highway revenue balances. Impact fees restricted for capital projects total \$741,497, and funds restricted in the permanent funds total \$11,335. The Tax Increment Financing Fund makes up the final \$365,673 in the restricted category.

In the fiscal year ending June 30, 2022, the combined ending fund balances increased by \$13,332,093, or 48.2%, consisting of increases in the General Fund, Tax Increment Financing Fund, New Fire Station/Truck Fund, and Other Governmental Funds of \$5,259,965, \$100,924, \$6,108,689 and \$1,862,515, respectively.

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, 2022, the targeted unassigned fund balance for the General Fund was \$13,325,593. At \$20,614,603, the actual unassigned fund balance was 25.8% of revenues, and \$7,289,010 over the target. As a percentage of expenditures, the unassigned fund balance was 29.0%.

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 fund balance of the Town of Brunswick's General Fund actually increased by \$5,259,965 during the current fiscal year. Key factors in this change are as follows:

- Total actual revenues collected were \$4,542,972 higher than in FY 2021, increasing 6.1%. The primary drivers of the increase were intergovernmental revenues and property taxes. The Town received \$1,453,076 more in State Revenue Sharing than in the prior year, primarily because the State increased the percentage of shared income and sales tax from 3.75% in FY 2021 to 4.5% in FY 2022. With adjustments to the State budget, State Aid to Education was \$866,815 more than the prior year. Property and excise taxes collected were \$1,771,433 over the prior year, driven largely by increased property values. In charges for services, ambulance revenue saw an increase of \$317,141 over the prior year.
- Total actual expenditures were \$2,632,747 higher than in FY 2021. Certain expenditure categories decreased from the prior year, such as human services, county tax, contingency and debt service, for a total of \$432,312. In total, general fund expenditures increased by 3.8%, with the largest dollar increases in education, public works and public safety at \$1,440,575, \$666,728 and \$509,503, respectively.

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, 2022, the fund had a balance of \$365,673, 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 2022 revenues in this fund were \$565,546 more than in the previous year, and payments under credit enhancement agreements were \$162,737 more. Transfers to other funds for development program purposes in FY 2022 totaled \$533,693 more than the previous year. In FY 2022, \$807,122 in TIF revenues was transferred to the general fund for economic development, train station and transit-oriented projects, public safety vehicles and road improvements. The Town Council also appropriated a total of \$1,060,462 from TIF revenues, which included \$43,000 for the Cedar Street Parking project, \$140,000 for the next phase of the Pleasant Street Corridor project, \$200,000 for downtown improvements, \$50,000 toward the Landing Drive advance from the general fund, \$56,962 toward the Fire Engine 2 advance from the general fund, \$330,000 to match the Maine DOT MPI grant for Church Road, \$40,500 for recreational trails on the Kate Furbish Preserve, and \$200,000 for the Cook's Corner Revitalization project.

During FY 2022, the Council approved an additional \$30,000 from TIF revenues to match Maine DOT Heads Up grants. \$20,000 is for design and construction of pedestrian safety improvements at the intersection of Federal, Mason and Water Streets, and \$10,000 is for preliminary design of pedestrian safety improvements crossing Bath Road at the Jordan Avenue intersection.

In the 2022-23 budget, the Town Council appropriated \$866,170 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 resolution appropriating a total of \$1,083,644 from TIF revenues. This included \$69,000 for the Cedar Street Parking project, \$100,000 for the next phase of the Pleasant Street Corridor project, \$99,644 toward the Landing Drive advance, \$100,000 as the final payment on the Fire Engine 2 advance, \$395,000 to match the Maine DOT MPI grant for McKeen Street, \$200,000 for the Cook's Corner Revitalization project, \$100,000 for design of the Perryman Drive Extension project, and \$20,000 for pedestrian improvements in Cooks Corner.

The *Coronavirus Relief Fund* is reported as a major fund in these financial statements for the second year, reflecting funds received to assist the Town's response to the COVID-19 pandemic. As of June 30, 2022 the Town held \$2,035,365 in cash and deferred revenue from the State and Local Fiscal Recovery Fund (SLFRF), and a receivable balance of \$1,840,249 for School Department relief grants. In FY 2022, the Town expended \$1,661,535 in eligible costs under the School's Federal Coronavirus Relief Fund (CRF) and the Elementary and Secondary School Emergency Relief Fund (ESSER Fund), and \$147,816 from the SLFRF. This was \$2,444,576 less than the amount expended in FY 2021.

The *Central Fire Station Bond Fund* had a balance of \$1,949,706, all of which represents the balance of available bond proceeds for the acquisition of a fire truck, and the construction of a new fire station. General Obligation Bonds for \$13,231,000 were issued in February, 2022, and with a premium of \$888,054 and cost of issuance of \$187,853, generated \$13,931,201 in funding for the projects. The fire truck was delivered in April, 2022, for a total of \$354,717. The balance of proceeds is restricted for the new fire station, and construction on the station began in March, 2021. As of June 30, 2022, a total of \$11,629,511 had been expended, of which \$1,670,409 was in FY 2021 and \$7,658,381 was in FY 2022. The fire station is expected to be complete in December, 2022.

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 \$2,241,658. The Pay-per-bag Program Fund had unrestricted net position of \$239,988. The Train Station/Visitors Center Fund and Processing Facility had unrestricted net positions of \$69,096 and \$164,181, respectively, and the Mere Point Wastewater Fund had a deficit in unrestricted net position of \$114,105. The finances of these funds have been addressed previously in the discussion of the Town of Brunswick's business-type activities, and are further described in Capital Assets following.

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 Manager may move funds within governmental functions, and with authorization from the Town Council, between governmental functions. Budget transfers were made 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 \$295,000 were made from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations. These adjustments were:

- \$55,000 for the General Government function:
 - Administration, \$15,000 to cover increased personnel costs resulting from wage increases
 - Municipal Officers, \$5,000 to cover unanticipated advertising costs for public meetings
 - Municipal Building, \$35,000 to cover increased utility costs and contracted custodial costs due to personnel shortages
- \$80,000 for the Public Safety function:
 - Fire Department, \$5,000 to cover unanticipated vehicle repairs, and increased fuel costs.
 - Emerson Fire Station, \$15,000 to cover increased utility costs, and repairs to doors and the generator
 - Emergency Dispatch, \$10,000 to cover unanticipated personnel costs due to retirements
 - Police Station, \$15,000 to cover increased utility costs and a change in custodial personnel
 - Streetlights, \$25,000 to cover increased electricity costs
 - Traffic Signals, \$10,000 to cover unanticipated repair costs
- \$85,000 for the Public Works function:
 - Administration, \$10,000 to cover supplies and services associated with reconfiguring the office for current personnel
 - Central Garage, \$75,000 to cover increased utility costs, changes in personnel, and unanticipated vehicle repair costs
- \$75,000 for the Recreation and Culture function:
 - Administration, \$50,000 to cover unanticipated costs for surveys of recreation parcels , and changes in personnel
 - Curtis Memorial Library, \$25,000 to cover unanticipated HVAC repair costs

In addition to the transfers above, amounts budgeted for the renovation and reconfiguration of the Recreation Center were transferred from the general fund to a capital project fund. This included \$77,629 from the Human Services Department, which was budgeted for the new Welcome Center created to serve the asylum seekers/New Mainers. An additional \$129,500 was transferred from the budget of the Recreation Building.

The other difference between the original and final budgets results from supplemental appropriations made during the year and the capital budget, detailed below. The supplemental appropriation of \$3,677,010 represents 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.

Capital Budget

The Town Council adopted a capital budget in conjunction with the operating budget for the fiscal year ended June 30, 2022. As planned through the Capital Improvement Program, the capital budget authorized the use of \$515,000 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:

- LED Streetlights, \$285,000 for the second year of a two-year project to convert the Town's streetlights to municipally owned and maintained LED fixtures.
- Cardiac Monitor Replacement, \$135,000 for the Fire Department's replacement of 3 cardiac monitors, which are now reaching end of life.
- Cumberland Street Drainage, \$20,000 for the design of a solution to remedy the storm drainage issues in the areas of Cumberland Street and Town Hall Place.
- Bath Road Culvert at Thompson Pond, \$75,000 for the survey, design and permitting of the culvert replacement project.

Revenues - actual vs. final budget

For the year, actual revenues exceeded budgeted revenues by \$4,008,993. The following paragraphs discuss the various categories of revenues and the variances within each category.

In total, actual tax revenues exceeded the budget by \$766,017. Of this amount, property tax revenue was more than budgeted by \$260,562 as the result of several factors. The total actual taxable valuation of real and personal property tax available for the general fund was less than the estimate used in the development of the budget, resulting in \$48,379 less property tax revenue than projected. Offsetting this, the actual amount of property tax deferred was less than budgeted by \$247,075, and supplemental tax assessments were \$39,118 more than budgeted, and the actual amount of tax abatements granted was \$22,748 less than budgeted. Interest on delinquent taxes and payment in lieu of taxes were \$2,281 and \$28,146 more than budgeted, respectively, while tax lien cost revenue was \$2,480 less than budgeted. Excise tax revenues on vehicles, watercraft and aircraft were \$477,508 more than budgeted. Of this, \$475,133 was in vehicle excise tax, which was less than the previous year, but continued to exceed expectations.

In total, actual license, permit and fee revenues were \$172,362 more than the amount budgeted. The largest portions of this variance were in Planning Board application fee revenue, which was \$78,119 more than budgeted. In Codes Enforcement, actual building permit revenue was \$51,916 more than budgeted, due to more new construction than anticipated. Increased development activity and the largest projects were on Brunswick Landing, where plans were reviewed and building permits issued for nine new apartment buildings and a self storage facility. In addition, Planning and Codes issued 67 building permits for the construction of new single family homes.

The Town Clerk's licenses and permit revenues also exceeded projections by \$10,205 in total, with mixed results between accounts. While revenues from vital records and viciualers licenses exceeded expectations by \$11,227 and \$6,335, respectively, marijuana license revenue was \$7,000 less than anticipated. The remaining Town Clerk's revenues including hunting/fishing and shellfish licenses, dog licenses and mooring fees, were a total of \$357 less than budgeted.

For Public Works, new rates for street opening permits and increased activity from Maine Natural Gas resulted in \$23,390 more revenue than budgeted, while in the Finance Department, revenues from processing passport applications were \$6,905 more less than budgeted, reflecting the renewal of the service in January, 2021. The remaining revenues of this category were a total of \$1,827 more than budgeted.

Actual intergovernmental revenues were more than the budget by \$2,334,987. The major driver of this was in State Aid to Education, which was \$1,594,562 more than anticipated. For budgeting, the Town used the estimate provided by the state in February, 2021, and, when the state budget was finalized in June, 2021, additional resources were allocated. State revenue sharing also exceeded estimates by \$839,588. The Town anticipated an increase in this revenue based on the increase in the amount the state allocated to the revenue sharing pool, but the actual state income and sales tax collections exceeded expectations. The state tax exemption reimbursement was \$43,867 more than budgeted, mostly attributable to reimbursement for tree growth and renewable energy exemptions. Unanticipated funding from the CARES Act came to the Town in the form of FEMA Disaster Assistance of \$27,894. State general reimbursement was less than budgeted by \$177,647. This revenue estimate was based on the amount of general assistance expected to be distributed, and the Town's actual distributions were significantly less than anticipated in FY 2022, as assistance was provided by the State directly to individuals. The remaining intergovernmental revenues were more than budgeted by a total of \$6,723.

Actual charges for services in total exceeded the budget by \$354,345, though the individual service results varied. Ambulance service fees were more than anticipated by \$363,813, primarily due to an increased number of trips. Tuition and transportation revenues received by the school department were less than budgeted by \$29,740, primarily due to changes in the school year and services related to COVID-19. Agent fees for registering motor vehicles, boats, ATVs and snowmobiles were \$15,651 more than budgeted, due to an increase in the number of registrations processed. Revenues from the sale of recycled materials was \$4,458 less than budgeted, due to a decrease in activity with the closure of the landfill. The remaining variances in this category result in a net positive variance of \$9,079.

Fines and penalties collected were more than budgeted by \$8,997, reflecting the resumption of activity in Town. In total, Police Department fines came in over the budget by \$4,347, with parking tickets and

ordinance fines recording \$3,622 and \$840 more than anticipated, respectively, while leash law and false alarms were \$115 less than budgeted. Late license fees in the Town Clerk's office generated \$3,250 more than budgeted, and fire code violation fees and false alarm penalties were more than anticipated by \$1,400.

Interest on investments exceeded the budget estimate by \$44,690. The interest rates on the Town's cash investments are based on the Federal Funds rate, and the Town budgeted conservatively in the spring of 2021. The combination of the increased rate in 2022 and cash flow timing resulted in more interest revenue than anticipated in FY 2022.

Finally, the other (unclassified) revenues category exceeded the budget by \$327,595. Miscellaneous revenues for the municipal departments were more than budgeted by \$126,713, of which largest revenue was \$40,800 to reimburse the police department for the training of two officers who went to work for other municipalities. Also in this category was an unanticipated \$26,553 in worker's compensation proceeds, and \$33,638 in insurance dividends. The Town budgets conservatively for Cable TV franchise fees, and this line came in \$20,849 over budget. School miscellaneous revenues were more than the budget by \$99,187, and sale of miscellaneous assets and general assistance recoveries were \$19,611 and \$1,044 more than expected, respectively.

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 functional classifications with unanticipated surpluses to those functions for which there were unanticipated expenditures. Additionally, the Council authorized expenditures to exceed the gross appropriation in any appropriated functional classification so long as the amount was \$10,000 or less. There were no over-expenditures at the functional level.

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

During FY 2022, the Town executed a lease with the Midcoast Regional Redevelopment Authority (MRRA) for document storage space in a hangar at Brunswick Executive Airport. In accordance with GASB Statement No. 87, the Town recognized lease financing of \$22,500, reflecting the value of the lease liability.

Transfers into the general fund totaled \$852,844. This amount represents \$807,122 in budgeted transfers from the Tax Increment Financing (TIF) district fund to the general fund to cover expenditures allowed under the TIF development programs, and \$45,722 transferred back to the general fund from balances in completed capital projects.

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, 2022 amounts to \$111,863,027, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, improvements, buildings, machinery and equipment, vehicles, intangibles, infrastructure and right-to-use leased assets. The total increase in the Town's investment in capital assets for the current fiscal year was \$4,214,887. Both governmental and business-type capital assets increased with the addition of assets, offset by depreciation. The prior year balances have been restated to account for the value of right-to-use leased assets as of June 30, 2021.

Major capital asset events in governmental activities were as follows:

- Land additions totaled \$561,400. Two parcels of land were acquired by the Town for recreation purposes. The former Merrymeeting Park, a parcel on the Androscoggin River, was purchased for \$504,000, and a vacant parcel of 144 acres on Harpswell Road was purchased from MRRA for \$57,400.
- Construction projects in progress totaled \$11,922,388 at the conclusion of the year. This category of assets increased as projects progressed during the year. The largest increase was the new fire station, which was under construction as of June 30, 2022 and was to be put into service in December, 2022. Projects which were completed included carpeting at the Library, and irrigation systems at the Police Station and Emerson Fire Station. On June 30, 2022, ongoing projects were the Central Fire Station at \$11,558,555, an ambulance rebuild at \$40,314, and the LED Streetlight Replacement Project at \$323,519.
- Additions to building assets totaled \$976,947, offset by retirements of \$1,372,091. Municipal building additions were \$660,577, of which \$419,738 for reconfiguration and renovation at the Recreation Center, with an additional \$34,580 for finishes in the new fitness center. New carpeting at the Curtis Memorial Library cost \$192,104, and LED lighting upgrades at Emerson Fire Station added \$14,155. The school department added building assets totaling \$316,370. At the Brunswick Junior High School, additions totaled \$139,015, which consisted of flooring upgrades for 63,778, roofing for \$48,022, an upgrade of the kiln room totaling \$16,000, and security upgrades for \$11,215. The High School totaled \$75,215 for flooring, window and roofing upgrades, while HVAC upgrades at the Coffin School and the Hawthorne building cost \$65,000 and \$11,500, respectively. Harriet Beecher Stowe School added \$25,637 for boilers and flooring upgrades. Retirements of building assets were belatedly recognized by the School Department for elements of the former Jordan Acres School which has been demolished, and an ADA ramp at Coffin School which was removed.
- Improvements other than buildings increased by \$62,611. Fencing at the new Kate Furbish Elementary School was capitalized for \$30,290, and irrigation systems at the Police Station and Emerson Fire station added \$19,575 and \$12,746, respectively.
- Machinery and equipment additions in governmental activities totaled \$776,374. The school department added \$165,258 in machinery and equipment. This included \$57,044 for copiers and \$49,075 for tents, IT and audiovisual equipment totaling \$39,500, a mower for \$13,710, and a clarinet for \$5,929. Within municipal departments, the public works department acquired a wheel loader for \$255,295, two sidewalk tractors for \$90,000, four light towers for \$41,292, and a compactor and salt/sand hopper for a total of \$15,644. The fire department replaced three cardiac monitors for a total of \$85,398. The police department acquired a crash data retrieval unit and a smart board, and updated recording equipment for a total of \$33,203. The parks and recreation department added outdoor equipment consisting of a tractor, dump trailer and snowblower attachment for \$48,994, and two sets of bleachers for \$6,016. The IT department upgraded the municipal phone system for \$17,245, and replaced a tape drive \$11,618. An electric vehicle charging station was installed in the Town Hall parking lot for \$6,411.
- Vehicles were replaced in the fire, police, public works, parks and school departments during the year, retiring \$336,691 and adding \$1,091,103 in value. The fire department acquired a tanker truck for \$354,717, and two command vehicles for \$74,900. The police department replaced four cruisers for \$147,030 and the marine warden's truck for \$48,505. The public works department replaced three trucks for a total of \$225,390, and the parks department replaced two trucks for \$99,551. The school department acquired a truck and trailer for \$67,995, and refurbished six buses and a truck for a total of \$73,015. Retired assets included two pickup trucks in the planning department and fire department, three police cruisers and the marine warden's truck, a pickup truck and a jetvac truck in public works, and two old police cruisers and two pickup trucks in the parks department, for a total of \$336,691.

- Governmental activities added intangible assets totaling \$74,246 for computer software in the school department.
- Infrastructure additions during the year consisted of \$53,231 for the construction of a new parking lot off Merriconeag Road to serve recreational activities at the Kate Furbish Preserve.
- Right-to-use leased assets are now recorded as capital assets, with a restated beginning balance of \$715,787, and a lease for document storage space valued at \$22,500 added during the year.

Major capital asset events in business-type activities were as follows:

- The Town completed the Webb Field Road forcemain project in FY 2022, adding infrastructure assets for \$129,812 in the Mere Point Wastewater District.
- Right-to-use leased assets are now recorded as capital assets, with a restated beginning balance of \$172,795, in the Train Station/Visitors Center. This reflects the 2,125 square foot space the Town leases in the building next to the train platform.

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	
	2022	2021 (as restated)	2022	2021 (as restated)	2022	2021 (as restated)
Capital assets not being depreciated:						
Land	\$ 7,943,108	\$ 7,381,708	\$ 115,000	\$ 115,000	\$ 8,058,108	\$ 7,496,708
Construction 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
Capital assets being depreciated:						
Buildings	57,445,850	60,214,442	10,414	11,181	57,456,264	60,225,623
Improvements other than buildings	1,740,725	1,925,302	53,437	56,287	1,794,162	1,981,589
Machinery and equipment	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
Right-to-use leased assets	622,956	715,787	123,425	172,795	746,381	888,582
Total	\$ 111,406,242	\$ 107,254,335	\$ 456,785	\$ 393,805	\$ 111,863,027	\$ 107,648,140

Capital assets for the fiscal year ended June 30, 2021 have been restated to include right-to-use leased assets in accordance with GASB Statement No. 87 – Leases. Additional information on the Town of Brunswick's capital assets can be found in note IV.C on pages 60 and 61 of this report, and more information on the Town's leases is provided in note IV.D on pages 62 and 63.

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 \$50,715,756, all of which is general obligation debt.

Town of Brunswick's Outstanding Long-term Debt

	Governmental		Business-type				<u>Total</u>	<u>2021</u>
	<u>activities</u>	<u>2022</u>	<u>activities</u>	<u>2022</u>	<u>2021</u>			
General obligation bonds	\$ 40,521,000	\$ 28,455,000	\$ -	\$ -	\$ 40,521,000	\$ 28,455,000		
Notes from direct borrowings	10,194,756	11,396,148	-	-	10,194,756	11,396,148		
Total	\$ 50,715,756	\$ 39,851,148	\$ -	\$ -	\$ 50,715,756	\$ 39,851,148		

In February, 2022, the Town issued \$13,231,000 in general obligation debt to fund construction of a new Central Fire Station, and the acquisition of a fire truck. The amount of principal debt retired during the year through debt service payments totaled \$2,366,392. The Town's outstanding debt continues to be rated Aa2 by Moody's Investors Service and AA+ by Standard & Poor's.

Subsequent to June 30, 2022, the Town Council authorized and issued debt for the purchase of real property for \$4,000,000, and authorized the issuance of debt for the downtown streetscape project for \$3,250,000.

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 \$411,127,500, 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.

Additional information on the Town's long-term debt can be found in note IV.E.1. on pages 63-65, and note V.I on page 83, of this report.

Economic Factors and Next Year's Budgets and Rate

The 2022-23 municipal budget was developed in the spring of 2022. As in previous years, many of the State budget initiatives had an effect on the Town's estimated revenue. The largest of these are State Aid to Education, State Revenue Sharing, and reimbursement for the Homestead Exemption.

State Aid to Education is based on the Essential Programs and Services ("EPS") model, which is subject to legislative change annually, and is also affected by school enrollment and state valuation changes. The state budget can also adjust the amount available for distribution to schools. Changes made in the state's FY 2022 budget resulted in an unanticipated \$1.5M for Brunswick, which increased the Town's balance restricted for education. Based on calculations provided by the Maine Dept of Education in October, 2022, FY 2023 State education aid to Brunswick is currently projected to increase by \$899,068 from FY 2022.

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, and for four fiscal years, FY 2016 through FY 2019, the pool was pegged at 2% of income and sales tax revenues. This was increased to 2.5% in 2019-20, and 3.75% in 2020-21. With the State budget was adopted in July, 2021, the level of revenue sharing for FY 2022 was set to 4.5%, and scheduled to the 5% level for FY 2023. For Brunswick, the increase from 4.5% to 5% is estimated to yield an additional \$400,000 in FY 2023. Due to higher than anticipated revenue sharing over several years, a portion of the Town's restricted revenue sharing balance has been used in the past two budgets to offset taxes. These amounts were \$250,000 in the 2021-22 budget, and \$300,000 in the 2022-23 budget.

Over the past several years, the State has made changes to the homestead exemption for permanent resident homeowners, beginning with increases of \$5,000 each year in FY 2017 and FY 2018 to total

\$20,000. The reimbursement rate was maintained at 50% initially, and increased to 62.5% for FY 2019 and FY 2020. For FY 2021 and FY 2022 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.

Beginning in FY 2023, the reimbursement rate is set to increase by 3 percentage points each year until the State reimbursement reaches 100%. In FY 2023 the Town's local certified ratio (the percentage difference between the fair market value and the local assessed value) was 91%, and the homestead exemption was adjusted accordingly to \$22,750. With a total of \$109,728,600 in value exempted in FY 2023, the Town will receive \$1,737,410 at the 73% reimbursement rate. The Town calculates that the 3% increase will result in an additional \$71,401 in reimbursement.

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 a number of years, the Town had planned the debt service on the new elementary school to begin in the 2020-21 fiscal year, and the debt service on the fire station to begin in the 2021-22 fiscal year. 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 these increases. With the 2022-23 budget, the school department used \$1,510,784 from the unanticipated State Aid to Education received in 2021-22 to offset expenditures. The Town Council is aware that this is a one-time source, which will not be available in future years.

The Town Council adopted a 2022-23 budget which was calculated to limit the property tax rate increase to 3.98%, covering the cost of the first full year of debt service on the new fire station and reducing the use of unassigned fund balance by \$47,000 to \$500,000. This amount has been shown to be sustainable over the past several years. As noted below, the Town continues to maintain the unassigned fund balance below the target established by the fund balance policy. On August 30, 2022, taxes were committed with a tax rate of \$21.69 per \$1,000.

For the fiscal year ended June 30, 2022, the unrestricted fund balance in the General Fund was \$22,336,856, with the unassigned portion of the unrestricted balance at \$20,614,603. 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 \$7,289,010 above the target. This is the seventh 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. With the uncertainties around the COVID-19 pandemic, the Town Council and management have budgeted conservatively, and worked to contain costs. In accordance with the fund balance policy, amounts above the target have been allocated for capital improvements, or other one-time expenditures. See also "Capital Budget", herein.

Requests for Information

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

BASIC FINANCIAL STATEMENTS



TOWN OF BRUNSWICK, MAINE
Statement of Net Position
June 30, 2022

Statement 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 44,586,716	\$ 1,177,608	\$ 45,764,324
Cash held in escrow	241,450	-	241,450
Receivables (net of allowance for uncollectibles):			
Accounts	1,060,683	98,570	1,159,253
Taxes receivable - current year	753,876	-	753,876
Taxes receivable - prior year	26,975	-	26,975
Tax liens	136,352	-	136,352
Intergovernmental	3,891,883	5,521,477	9,413,360
Lease receivable	39,596	-	39,596
Internal balances	769,138	(769,138)	-
Deposits	54,111	-	54,111
Inventories	86,174	27,788	113,962
Permanently restricted assets:			
Cash and cash equivalents	9,719	-	9,719
Investments	653,691	-	653,691
Capital assets not being depreciated:			
Land	7,943,108	115,000	8,058,108
Construction in progress	11,922,388	-	11,922,388
Intangibles	200,000	10,000	210,000
Capital assets (net of accumulated depreciation):			
Buildings	57,445,850	10,414	57,456,264
Improvements other than buildings	1,740,725	53,437	1,794,162
Machinery and equipment	3,422,526	5,975	3,428,501
Vehicles	4,653,012	-	4,653,012
Intangibles	149,353	-	149,353
Infrastructure	23,306,324	138,534	23,444,858
Right-to-use leased assets	622,956	123,425	746,381
Total assets	<u>163,716,606</u>	<u>6,513,090</u>	<u>170,229,696</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	5,096,434	-	5,096,434
Deferred outflows of resources related to other postemployment benefits	2,166,322	-	2,166,322
Total deferred outflows of resources	<u>7,262,756</u>	<u>-</u>	<u>7,262,756</u>
LIABILITIES			
Accounts payable and other current liabilities	7,978,020	17,426	7,995,446
Interest payable	267,219	-	267,219
Unearned revenues	2,283,737	-	2,283,737
Noncurrent liabilities:			
Due within one year	3,646,251	130,859	3,777,110
Due in more than one year	60,864,046	2,394,088	63,258,134
Total liabilities	<u>75,039,273</u>	<u>2,542,373</u>	<u>77,581,646</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	9,120,539	-	9,120,539
Deferred inflows of resources related to other postemployment benefits	1,357,505	-	1,357,505
Deferred inflows of resources related to leases	39,128	-	39,128
Deferred inflows of resources related to landfill closure reimbursement	-	5,521,477	5,521,477
Total deferred inflows of resources	<u>10,517,172</u>	<u>5,521,477</u>	<u>16,038,649</u>
NET POSITION			
Net investment in capital assets	60,266,582	331,838	60,598,420
Restricted for:			
Education	6,316,445	-	6,316,445
Municipal	1,657,024	-	1,657,024
Tax increment financing	365,673	-	365,673
Public safety grants	225,621	-	225,621
Development projects - impact fees	741,497	-	741,497
Permanent funds:			
Expendable	11,335	-	11,335
Nonexpendable	652,075	-	652,075
Unrestricted	15,186,665	(1,882,598)	13,304,067
Total net position	<u>\$ 85,422,917</u>	<u>\$ (1,550,760)</u>	<u>\$ 83,872,157</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 7,335,813	\$ 862,725	\$ 1,030,488	\$ 35,000	\$ (5,407,600)	\$ -	\$ (5,407,600)	
Public safety	11,074,994	1,833,693	90,955	-	(9,150,346)	-	(9,150,346)	
Public works	7,338,003	110,892	212,615	470,607	(6,543,889)	-	(6,543,889)	
Human services	248,242	1,044	32,353	-	(214,845)	-	(214,845)	
Education	50,705,599	838,151	21,831,398	66,005	(27,970,045)	-	(27,970,045)	
Recreation and culture	4,065,619	484,013	10,000	446,934	(3,124,672)	-	(3,124,672)	
County tax	1,664,113	-	-	-	(1,664,113)	-	(1,664,113)	
Unclassified	8,698	-	-	-	(8,698)	-	(8,698)	
Interest on long-term debt	1,251,078	-	-	-	(1,251,078)	-	(1,251,078)	
Total governmental activities	<u>83,692,159</u>	<u>4,130,518</u>	<u>23,207,809</u>	<u>1,018,546</u>	<u>(55,335,286)</u>	<u>-</u>	<u>(55,335,286)</u>	
Business-type activities:								
Solid Waste Facilities	111,771	-	-	-	-	(111,771)	(111,771)	
Pay-per-bag Program	124,767	688,280	-	-	-	563,513	563,513	
Mere Point Wastewater District	40,900	45,260	-	-	-	4,360	4,360	
Train Station/ Visitors Center	148,543	28,689	-	-	-	(119,854)	(119,854)	
Processing Facility	31,049	16,065	-	-	-	(14,984)	(14,984)	
Total business-type activities	<u>457,030</u>	<u>778,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321,264</u>	<u>321,264</u>	
Total primary government	<u>\$ 84,149,189</u>	<u>\$ 4,908,812</u>	<u>\$ 23,207,809</u>	<u>\$ 1,018,546</u>	<u>\$ (55,335,286)</u>	<u>\$ 321,264</u>	<u>\$ (55,014,022)</u>	
General revenues:								
Property taxes					54,147,507	-	54,147,507	
Vehicle, watercraft and aircraft excise taxes					4,005,508	-	4,005,508	
Grants and contributions not restricted to specific programs					4,415,458	-	4,415,458	
Unrestricted investment earnings (loss)					(23,330)	8,753	(14,577)	
Other					19,610	-	19,610	
Special items					-	493,011	493,011	
Transfers					(125,000)	125,000	-	
Total general revenues and transfers					<u>62,439,753</u>	<u>626,764</u>	<u>63,066,517</u>	
Changes in net position					7,104,467	948,028	8,052,495	
Net position - beginning (as restated)					<u>78,318,450</u>	<u>(2,498,788)</u>	<u>75,819,662</u>	
Net position - ending					<u>\$ 85,422,917</u>	<u>\$ (1,550,760)</u>	<u>\$ 83,872,157</u>	

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE

Balance Sheet

Governmental Funds

June 30, 2022

	General Fund	Tax Increment Financing	Coronavirus Relief Fund	New Fire Station and Truck	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 37,148,709	\$ -	\$ 2,025,365	\$ 3,283,369	\$ 2,138,992	\$ 44,596,435
Investments	-	-	-	-	653,691	653,691
Cash held in escrow	-	-	-	-	241,450	241,450
Receivables (net of allowance for uncollectibles):						
Accounts	793,159	-	-	-	267,524	1,060,683
Taxes - current	753,876	-	-	-	-	753,876
Taxes - prior years	26,975	-	-	-	-	26,975
Tax liens	136,352	-	-	-	-	136,352
Intergovernmental	450,128	-	1,840,249	-	1,601,506	3,891,883
Lease receivable	39,596	-	-	-	-	39,596
Deposits	4,111	-	-	-	50,000	54,111
Inventory, at cost	51,071	-	-	-	35,103	86,174
Due from other funds	-	365,673	-	-	6,190,032	6,555,705
Advances to other funds	591,696	-	-	-	-	591,696
Total assets	\$ 39,995,673	\$ 365,673	\$ 3,865,614	\$ 3,283,369	\$ 11,178,298	\$ 58,688,627
LIABILITIES						
Accounts payable	\$ 1,024,193	\$ -	\$ 20,355	\$ 498,220	\$ 631,117	\$ 2,173,885
Retainage payable	-	-	-	835,443	20,331	855,774
Accrued wages and benefits payable	4,676,205	-	-	-	66,238	4,742,443
Other liabilities	163,491	-	-	-	-	163,491
Unearned revenue	-	-	2,025,365	-	258,372	2,283,737
Due to other funds	3,309,365	-	1,819,894	-	969,980	6,099,239
Advances from other funds	-	-	-	-	479,644	479,644
Total liabilities	9,173,254	-	3,865,614	1,333,663	2,425,682	16,798,213
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	392,128	-	-	-	-	392,128
Unavailable revenue - miscellaneous	460,789	-	-	-	-	460,789
Lease related	39,128	-	-	-	-	39,128
Total deferred inflows of resources	892,045	-	-	-	-	892,045
FUND BALANCES (DEFICITS)						
Nonspendable:						
Long-term loans and advances	591,696	-	-	-	-	591,696
Inventories and deposits	55,182	-	-	-	85,103	140,285
Permanent funds	-	-	-	-	652,075	652,075
Restricted:						
Education	4,936,494	-	-	-	2,380,564	7,317,058
Municipal purposes	1,657,024	-	-	-	-	1,657,024
Tax increment financing	-	365,673	-	-	-	365,673
Capital projects funds	-	-	-	1,949,706	741,497	2,691,203
Special revenue funds	-	-	-	-	225,621	225,621
Permanent funds	-	-	-	-	11,335	11,335
Committed:						
Capital projects funds	-	-	-	-	5,114,980	5,114,980
Special revenue funds	-	-	-	-	440,772	440,772
Assigned:						
General fund	2,075,375	-	-	-	-	2,075,375
Unassigned:						
General fund	20,614,603	-	-	-	-	20,614,603
Special revenue funds	-	-	-	-	(419,687)	(419,687)
Capital projects funds	-	-	-	-	(479,644)	(479,644)
Total fund balances (deficits)	29,930,374	365,673	-	1,949,706	8,752,616	40,998,369
Total liabilities, deferred inflows of resources, and fund balances	\$ 39,995,673	\$ 365,673	\$ 3,865,614	\$ 3,283,369	\$ 11,178,298	

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.	111,406,242
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	852,917
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.	(64,777,516)
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.	158,193
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	(3,215,288)
Net position of governmental activities (see Statement 1)	\$ 85,422,917

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, 2022

	<u>General Fund</u>	<u>Tax Increment Financing</u>	<u>Coronavirus Relief Fund</u>	<u>New Fire Station and Truck</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 55,153,531	\$ 3,052,165	\$ -	\$ -	\$ -	\$ 58,205,696
Licenses and permits	757,604	-	-	-	-	757,604
Intergovernmental	21,159,491	-	1,809,351	-	4,288,723	27,257,565
Investment income (loss)	-	-	-	-	(124,167)	(124,167)
Charges for services	2,041,806	-	-	-	992,526	3,034,332
Fines and penalties	39,472	-	-	-	-	39,472
Interest	94,690	-	-	2,733	3,412	100,835
Donations	25,000	-	-	-	1,047,464	1,072,464
Other	665,978	-	-	-	-	665,978
Total revenues	<u>79,937,572</u>	<u>3,052,165</u>	<u>1,809,351</u>	<u>2,733</u>	<u>6,207,958</u>	<u>91,009,779</u>
EXPENDITURES						
Current:						
General government	4,645,005	1,053,657	147,816	-	938,005	6,784,483
Public safety	10,927,887	-	-	187,853	77,761	11,193,501
Public works	4,340,723	-	-	-	27,149	4,367,872
Human services	240,017	-	-	-	18,680	258,697
Education	42,193,074	-	1,661,535	-	3,641,769	47,496,378
Recreation and culture	3,412,614	-	-	-	456,441	3,869,055
County tax	1,664,113	-	-	-	-	1,664,113
Unclassified	8,698	-	-	-	-	8,698
Debt service:						
Principal	2,366,392	-	-	-	-	2,366,392
Interest	1,293,879	-	-	-	-	1,293,879
Capital outlay	22,500	-	-	7,825,245	4,543,427	12,391,172
Total 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>
Excess (deficiency) of revenues over (under) expenditures	<u>8,822,670</u>	<u>1,998,508</u>	<u>-</u>	<u>(8,010,365)</u>	<u>(3,495,274)</u>	<u>(684,461)</u>
OTHER FINANCING SOURCES (USES)						
Lease financing	22,500	-	-	-	-	22,500
Transfers from other funds	852,844	-	-	-	5,629,423	6,482,267
Transfers to other funds	(3,798,049)	(807,122)	-	-	(271,634)	(4,876,805)
Transfers to other funds - capital budget	(515,000)	(1,060,462)	-	-	-	(1,575,462)
Transfers to other funds - suppl. approp.	-	(30,000)	-	-	-	(30,000)
Transfers to other funds - education	(125,000)	-	-	-	-	(125,000)
Bonds issued	-	-	-	13,231,000	-	13,231,000
Premium on bonds	-	-	-	888,054	-	888,054
Total other financing sources (uses)	<u>(3,562,705)</u>	<u>(1,897,584)</u>	<u>-</u>	<u>14,119,054</u>	<u>5,357,789</u>	<u>14,016,554</u>
Net changes in fund balances	5,259,965	100,924	-	6,108,689	1,862,515	13,332,093
Fund balances (deficits), beginning of year (as restated)	<u>24,670,409</u>	<u>264,749</u>	<u>-</u>	<u>(4,158,983)</u>	<u>6,890,101</u>	<u>27,666,276</u>
Fund balances(deficits), 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>

See accompanying notes to financial statements.

Statement 5

TOWN OF BRUNSWICK, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2022

Net change in fund balances - total governmental funds (from Statement 4) \$ 13,332,093

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. 4,597,651

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. (445,744)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (88,153)

The issuance of long-term debt and lease financing provide current financial resources to governmental funds, while the repayment of the debt and lease payments consume 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. (11,775,162)

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. (93,999)

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. 18,913

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. 1,558,868

Change in net position of governmental activities (see Statement 2) \$ 7,104,467

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, 2022

	<u>Original Budget</u>	<u>Additional Appropriation</u>		<u>Final Budget</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES (SOURCES)							
Property Taxes	\$ 50,356,514	\$ -		\$ 50,356,514	\$ 50,617,076	\$ 260,562	
Non-property Taxes	4,031,000	-		4,031,000	4,536,455	505,455	
Licenses and Fees	585,242	-		585,242	757,604	172,362	
Intergovernmental	15,147,494	3,677,010		18,824,504	21,159,491	2,334,987	
Charges for Services	1,687,461	-		1,687,461	2,041,806	354,345	
Fines and Penalties	30,475	-		30,475	39,472	8,997	
Interest	50,000	-		50,000	94,690	44,690	
Donations and Contributions	25,000	-		25,000	25,000	-	
Unclassified	338,383	-		338,383	665,978	327,595	
TOTAL REVENUES	72,251,569	3,677,010		75,928,579	79,937,572	4,008,993	
	<u>2021 Adopted Budget</u>	<u>2021 Encumbered Balances</u>	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Variance Positive (Negative)</u>
							<u>2022 Encumbered Balances</u>
EXPENDITURES							
General government:	\$ 5,033,811	\$ 25,915	\$ 5,059,726	\$ -	\$ 55,000	\$ 5,114,726	\$ 464,005
Public Safety	11,232,799	31,000	11,263,799	-	80,000	11,343,799	10,927,887
Public Works	4,612,714	43,300	4,656,014	-	85,000	4,741,014	4,340,723
Human Services	651,047	-	651,047	-	(77,629)	573,418	333,401
Education	43,651,333	-	43,651,333	3,677,010	(3,174,567)	44,153,776	42,193,074
Recreation & Culture	3,620,137	31,124	3,651,261	-	(50,000)	3,601,261	3,412,614
County Tax	1,664,113	-	1,664,113	-	-	1,664,113	1,664,113
Unclassified	766,379	1,950	768,329	-	(299,500)	468,829	8,698
Debt Service	936,659	-	936,659	-	3,049,567	3,986,226	3,660,271
Capital Outlay	-	-	-	22,500	-	22,500	-
TOTAL EXPENDITURES	72,168,992	133,289	72,302,281	3,699,510	(332,129)	75,669,662	71,114,902
Excess (deficiency) of revenues over (under) expenditures	82,577	(133,289)	(50,712)	(22,500)	332,129	258,917	8,822,670
							(545,767)
OTHER FINANCING SOURCES (USES)							
Lease financing	-	-	-	22,500	-	22,500	-
Transfers from other funds	807,122	-	807,122	-	807,122	852,844	45,722
Transfers to other funds	(3,590,920)	-	(3,590,920)	(515,000)	(332,129)	(4,438,049)	(4,438,049)
Total other financing sources (uses)	(2,783,798)	-	(2,783,798)	(492,500)	(332,129)	(3,608,427)	(3,562,705)
Net changes in fund balances	\$ (2,701,221)	\$ (133,289)	\$ (2,834,510)	\$ (515,000)	\$ -	\$ (3,349,510)	\$ 5,259,965
							\$ 8,609,475
Fund balance, beginning of year							24,670,409
Fund balance, end of year							\$ 29,930,374

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities		
	<u>Solid Waste Facilities</u>		<u>Pay-Per-Bag Program</u>		<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Internal Service Fund</u>	
							<u>Printing Services</u>	
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 831,148	\$ 106,634	\$ 239,826	\$ 1,177,608	\$	\$	-	
Receivables:								
Accounts	-	94,200	4,370	98,570			-	
Intergovernmental	5,521,477	-	-	5,521,477			-	
Inventory	-	27,788	-	27,788			-	
Due from other funds	-	11,266	9,676	20,942		160,089		
Total current assets	<u>6,352,625</u>	<u>239,888</u>	<u>253,872</u>	<u>6,846,385</u>		<u>160,089</u>		
Capital assets:								
Land	72,750	-	42,250	115,000			-	
Intangibles	-	-	10,000	10,000			-	
Buildings	-	-	11,500	11,500			-	
Improvements other than buildings	-	-	131,038	131,038			-	
Machinery and equipment	-	-	112,633	112,633		78,634		
Infrastructure	-	-	766,550	766,550			-	
Right-to-use leased assets	-	-	172,795	172,795			-	
Less accumulated depreciation	-	-	(862,731)	(862,731)		(73,361)		
Net capital assets	<u>72,750</u>	<u>-</u>	<u>384,035</u>	<u>456,785</u>		<u>5,273</u>		
Total assets	<u>6,425,375</u>	<u>239,888</u>	<u>637,907</u>	<u>7,303,170</u>		<u>165,362</u>		
LIABILITIES								
Current liabilities:								
Accounts payable	5,224	-	11,643	16,867		1,896		
Accrual of payroll	-	-	559	559			-	
Advance from other funds	-	-	112,052	112,052			-	
Due to other funds	667,582	-	10,446	678,028			-	
Total current liabilities	<u>672,806</u>	<u>-</u>	<u>134,700</u>	<u>807,506</u>		<u>1,896</u>		
Noncurrent liabilities:								
Landfill postclosure	2,400,000	-	-	2,400,000			-	
Lease liability - short term	-	-	48,859	48,859			-	
Lease liability - long term	-	-	76,088	76,088			-	
Total noncurrent liabilities	<u>2,400,000</u>	<u>-</u>	<u>124,947</u>	<u>2,524,947</u>				
Total liabilities	<u>3,072,806</u>	<u>-</u>	<u>259,647</u>	<u>3,332,453</u>		<u>1,896</u>		
DEFERRED INFLOWS OF RESOURCES								
Deferred landfill closure cost reimbursement	<u>5,521,477</u>	<u>-</u>	<u>-</u>	<u>5,521,477</u>			-	
Total deferred inflows of resources	<u>5,521,477</u>	<u>-</u>	<u>-</u>	<u>5,521,477</u>			-	
NET POSITION								
Net investment in capital assets	72,750	-	259,088	331,838		5,273		
Unrestricted	(2,241,658)	239,888	119,172	(1,882,598)		158,193		
Total net position	<u>\$ (2,168,908)</u>	<u>\$ 239,888</u>	<u>\$ 378,260</u>	<u>\$ (1,550,760)</u>		<u>\$ 163,466</u>		

See accompanying notes to financial statements.

Statement 8

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities	
	<u>Solid Waste Facilities</u>	<u>Pay-Per-Bag Program</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Internal Service Fund</u>	<u>Printing Services</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES						
Charges for services:						
Permits	\$ -	\$ -	\$ 3,145	\$ 3,145	\$ -	\$ -
Bag purchases	- -	688,280	- -	688,280	- -	- -
Service fees	- -	- -	45,260	45,260	- -	- -
Rent	- -	- -	11,340	11,340	- -	- -
Parking meter	- -	- -	17,349	17,349	- -	- -
Printing services	- -	- -	- -	- -	35,123	- -
Processing fees	- -	- -	12,920	12,920	- -	- -
Total operating revenues	<u>- -</u>	<u>688,280</u>	<u>90,014</u>	<u>778,294</u>	<u>- -</u>	<u>35,123</u>
OPERATING EXPENSES						
Personnel services	78	- -	13,964	14,042	- -	- -
Contractual services	109,853	- -	130,919	240,772	12,289	- -
Materials and supplies	1,840	124,767	4,686	131,293	3,921	- -
Depreciation	- -	- -	66,832	66,832	8,475	- -
Total operating expenses	<u>111,771</u>	<u>124,767</u>	<u>216,401</u>	<u>452,939</u>	<u>24,685</u>	- -
Operating income (loss)	<u>(111,771)</u>	<u>563,513</u>	<u>(126,387)</u>	<u>325,355</u>	<u>10,438</u>	- -
NONOPERATING REVENUES (EXPENSES)						
Interest income	7,640	343	770	8,753	- -	- -
Interest expense	- -	- -	(4,091)	(4,091)	- -	- -
Total nonoperating revenues (expenses)	<u>7,640</u>	<u>343</u>	<u>(3,321)</u>	<u>4,662</u>	<u>- -</u>	<u>- -</u>
Income (loss) before transfers and special items	(104,131)	563,856	(129,708)	330,017	10,438	- -
Transfers in/(out)	600,000	(600,000)	125,000	125,000	- -	- -
Special item - change in closure estimate	<u>493,011</u>	<u>- -</u>	<u>- -</u>	<u>493,011</u>	<u>- -</u>	<u>- -</u>
Change in net position	988,880	(36,144)	(4,708)	948,028	10,438	- -
Net position, beginning of year (as restated)	<u>(3,157,788)</u>	<u>276,032</u>	<u>382,968</u>	<u>(2,498,788)</u>	<u>153,028</u>	- -
Net position, end of year	<u>\$ (2,168,908)</u>	<u>\$ 239,888</u>	<u>\$ 378,260</u>	<u>\$ (1,550,760)</u>	<u>\$ 163,466</u>	- -

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2022

	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	\$ -	\$ 722,480	\$ 91,800	\$ 814,280	\$ 35,123	-
Payments to employees	(293)	-	(14,438)	(14,731)	-	-
Payments to suppliers for goods and services	(112,510)	(111,214)	(130,640)	(354,364)	(15,591)	-
Net cash provided (used) by operating activities	<u>(112,803)</u>	<u>611,266</u>	<u>(53,278)</u>	<u>445,185</u>	<u>19,532</u>	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from/(to) other funds	600,000	(600,000)	125,000	125,000	-	-
Increase (decrease) in due to other funds	654,078	(11,266)	110,028	752,840	(19,532)	-
Cash provided (used) by noncapital financing activities	<u>1,254,078</u>	<u>(611,266)</u>	<u>235,028</u>	<u>877,840</u>	<u>(19,532)</u>	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Payments for landfill closure	(4,891,783)	-	-	(4,891,783)	-	-
Principal paid on lease liability	-	-	(47,848)	(47,848)	-	-
Interest paid on lease liability	-	-	(4,091)	(4,091)	-	-
Acquisition of capital assets	-	-	(129,812)	(129,812)	-	-
Cash used by capital and related financing activities	<u>(4,891,783)</u>	<u>-</u>	<u>(181,751)</u>	<u>(5,073,534)</u>	<u>-</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	7,640	343	770	8,753	-	-
Cash provided by investing activities	<u>7,640</u>	<u>343</u>	<u>770</u>	<u>8,753</u>	<u>-</u>	-
Net increase (decrease) in cash	(3,742,868)	343	769	(3,741,756)	-	-
Cash, beginning of year	4,574,016	106,291	239,057	4,919,364	-	-
Cash, end of year	<u>\$ 831,148</u>	<u>\$ 106,634</u>	<u>\$ 239,826</u>	<u>\$ 1,177,608</u>	<u>\$ -</u>	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (111,771)	\$ 563,513	\$ (126,387)	\$ 325,355	\$ 10,438	-
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	-	-	66,832	66,832	8,475	-
(Increase) decrease in accounts receivable	-	34,200	1,786	35,986	-	-
(Increase) decrease in inventory	-	40,901	-	40,901	-	-
Increase (decrease) in accounts payable	(817)	(27,348)	4,965	(23,200)	619	-
Increase (decrease) in accrued payroll	(215)	-	(474)	(689)	-	-
Total adjustments	<u>(1,032)</u>	<u>47,753</u>	<u>73,109</u>	<u>119,830</u>	<u>9,094</u>	-
Net cash provided (used) by operating activities	<u>\$ (112,803)</u>	<u>\$ 611,266</u>	<u>\$ (53,278)</u>	<u>\$ 445,185</u>	<u>\$ 19,532</u>	-
Noncash investing, capital, and financing activities:						
Change in closure estimate	\$ 493,011	\$ -	\$ -	\$ 493,011	\$ -	-
Total noncash investing, capital, and financing activities	<u>\$ 493,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 493,011</u>	<u>\$ -</u>	-

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Net Position
Fiduciary Funds
June 30, 2022

	Private- purpose Trust Funds
ASSETS	
Cash and cash equivalents	\$ 15,723
Investments	482,714
Due from other funds	40,531
Total assets	<u>538,968</u>
LIABILITIES	
Accounts payable	-
Total liabilities	-
NET POSITION	
Net position held in trust for other purposes	<u>\$ 538,968</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Changes in Net Position
Fiduciary Funds
For the year ended June 30, 2022

	Private- purpose Trust Funds
ADDITIONS	
Contributions	\$ 8,000
Investment earnings:	
Interest and dividends	15,919
Net increase (decrease) in the fair value of investments	<u>(99,819)</u>
Total investment earnings (loss)	(83,900)
Less investment expense	<u>(5,923)</u>
Total additions	<u>(81,823)</u>
DEDUCTIONS	
Payment to beneficiaries	25,953
Total deductions	<u>25,953</u>
Change in net position	(107,776)
Net position - beginning	646,744
Net position - ending	<u>\$ 538,968</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 *Coronavirus Relief Fund* accounts for expenditures responding to the COVID-19 pandemic, and federal funding received as reimbursement through the CARES Act and the American Rescue Plan Act (ARPA).

The *New Central Fire Station and Truck 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 Coronavirus Relief Fund and the New Central Fire Station and Truck 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 seven 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, the Pay-per-bag Program, the Mere Point Wastewater District, the Train Station, and the Processing Facility.

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. 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.

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.

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 a functional classification. Accordingly, the legal level of budgetary control is by function. 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 within each function, and the appropriation resolution is by function. 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 most recently in September, 2021, 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. Acquired assets (other than right-to-use leased assets, which are discussed in note I.F.11 below), are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation, using the price that would be paid to acquire an asset with equivalent service potential. Intangible assets follow the same capitalization policies as tangible assets. 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
Right-to-use leased assets	5-20

5. Deferred outflows/inflows of resources

In addition to assets, the statement of net position includes a section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. In the statement of net position, 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 and the balance sheet 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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports the following items in deferred inflows.

Deferred inflows of resources related to pensions and other postemployment benefits (OPEB). Appearing in just the statement of net position, these items are related to the net pension and OPEB liabilities, and 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.

Deferred inflows of resources related to leases. Appearing in both the statement of net position and the governmental funds balance sheet, this item is related to a lease in which the Town is lessor, and reflects the value of the lease receivable plus payments that relate to future periods.

Deferred inflows of resources related to landfill closure reimbursement. Reported in proprietary funds and the statement of net position for business-type activities, this item reflects anticipated reimbursements of landfill closure costs which will be received in future periods and so will be recognized as an inflow of resources (revenue) at that time.

Deferred inflows of resources related to unavailable revenue. 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.

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.

6. Net position

Net position represents assets and deferred outflows of resources, less liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable, bond premiums, and leases payable, and adding back unspent bond proceeds. As of June 30, 2022, the Town's net investment in capital assets was calculated as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 189,967,465	\$ 1,319,516
Accumulated depreciation	(78,561,223)	(862,731)
Bonds payable and premiums	(53,491,792)	-
Unexpended bond proceeds	2,985,422	-
Lease liabilities	(633,290)	(124,947)
Net investment in capital assets	<u>\$ 60,266,582</u>	<u>\$ 331,838</u>

7. 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.

8. 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.

9. 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.

10. 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.

11. Leases

Lessee: The Town of Brunswick is a lessee in several facility leases. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. When possible, the Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise. The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The Town is a lessor for a noncancellable lease of parking spaces. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Town uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

12. 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.

13. 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.

14. New pronouncements and adjustments

For the fiscal year ended June 30, 2022, the Town has implemented Government Accounting Standards Board (GASB) *Statement No. 87 – Leases*. As a result of implementing GASB Statement No. 87, the beginning balances of lease receivable and deferred inflows of resources have been increased by \$44,345 in the governmental funds, and the beginning balances of capital assets and long-term liabilities have been increased in both governmental and business-type activities, by \$715,787 and \$172,795, respectively. As of June 30, 2021, there was no effect on fund balance or net position due to the implementation of GASB Statement No. 87.

After the June 30, 2021 financial statements were issued, the Town identified an error in reporting the School Revolving Renovation Fund, in which grant revenue and bond proceeds were under-reported and cash in escrow was not recognized in the fund statements. The adjustment resulted in a \$274,036 increase to nonmajor governmental fund balance, and an \$8,726 increase to net position as of June 30, 2021.

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.

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 \$111,406,242 difference are as follows:

Capital assets	\$ 189,967,465
Accumulated depreciation	<u>(78,561,223)</u>
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 111,406,242

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 \$852,917 difference are as follows:

Deferred inflows - unavailable revenue - property tax	\$ 392,128
Deferred inflows - unavailable revenue - miscellaneous	460,789
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	
	\$ 852,917

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 \$(64,777,516) difference are as follows:

Bonds payable and notes from direct borrowings	\$ (50,715,756)
Premium on bonds (to be amortized as interest expense)	(2,776,036)
Accrued interest	(267,219)
Lease liabilities	(633,290)
Compensated absences	(1,474,759)
Other post employment benefits	(9,257,017)
Net pension asset	346,561
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$ (64,777,516)

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 \$158,193 difference are as follows:

Net position of the internal service fund	\$ 163,466
Less: Capital assets net of accumulated depreciation	(5,273)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	
	\$ 158,193

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 \$(3,215,288) difference are as follows:

Deferred outflows of resources related to pensions	\$ 5,096,434
Deferred outflows of resources related to other postemployment benefits	2,166,322
Deferred inflows of resources related to pensions	(9,120,539)
Deferred inflows of resources related to other postemployment benefits	(1,357,505)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ (3,215,288)

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 \$4,597,651 difference are as follows:

Capital outlay	\$ 10,761,526
Depreciation expense	<u>(6,163,875)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 4,597,651

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 \$(445,744) difference are as follows:

Cost of disposed capital assets	\$ (2,447,258)
Less construction in progress	561,921
Accumulated depreciation on disposed capital assets	<u>1,439,593</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (445,744)

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 \$(88,153) difference are as follows:

Property taxes	\$ (52,681)
Charges for services	<u>(35,472)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (88,153)

Another element of that reconciliation states, "the issuance of long-term debt and lease financing provide current financial resources to governmental funds, while the repayment of debt and lease payments consume 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 \$(11,775,162) difference are as follows:

Issuance of general obligation bonds	\$ (13,231,000)
Premium on general obligation bonds	(888,054)
Lease financing	(22,500)
Principal repayments: General obligation debt and notes form direct borrowings	<u>2,366,392</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position in governmental activities	\$ (11,775,162)

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 \$(93,999) difference are as follows:

Compensated absences	\$ 48,289
Other post employment benefits with related deferred inflows and outflows of resources	(290,086)
Accrued interest	(58,569)
Amortization of premium on refunding and general obligation bonds	101,370
Lease expense	<u>104,997</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (93,999)

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 \$18,913 difference are as follows:

Change in net position of the internal service funds	\$ 10,438
Plus: depreciation on capital assets	<u>8,475</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 18,913

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 \$1,558,868 difference are as follows:

Net pension liability with related deferred inflows and outflows of resources	\$ 1,558,868
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	\$ 1,558,868

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, 2022, the Town budgeted and utilized the following amounts:

2021-22 General Fund Budget effective of July 1, 2021 (as amended August 16, 2021)						
	Adopted Budget	Encumbered Balances	Original Budget	Additional Appropriations	Final Budget	
Restricted fund balance:						
Educational purposes	\$ 1,904,221	\$ -	\$ 1,904,221	\$ -	\$ 1,904,221	
Municipal purposes	250,000	-	250,000	-	250,000	
Assigned fund balance:						
Municipal purposes	547,000	-	547,000	-	547,000	
Unassigned fund balance	-	-	-	515,000	515,000	
Encumbrances	-	133,289	133,289	-	-	133,289
Total utilization of fund balance	\$ 2,701,221	\$ 133,289	\$ 2,834,510	\$ 515,000	\$ 3,349,510	

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 2021-22 were \$2,943,125 for retirement, \$654,943 for other benefits, and \$78,942 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 Manager is also authorized to transfer appropriated amounts between accounts within functional classifications, but not between functions. The Town Council, upon the request of the Town Manager, may move funds from functions 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 \$295,000, 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 27, 2022, the Town Council adopted a resolution authorizing expenditures to exceed the gross appropriation in any appropriated functional classification so long as the amount was \$10,000 or less.

F. Deficit Fund Balance or Net Position

The following *net position deficit* exists as of June 30, 2022:

Solid Waste Facilities Fund	\$ (2,168,908)
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The deficit balance in the Solid Waste Facilities Fund is the result of insufficient assets to fund the liability that the Town has accumulated for the post closure maintenance and monitoring of its landfills. The liability as of June 30, 2022 is \$2,400,000, an estimate which consists of \$4,000 for 15 years for the Wood and Masonry Landfill, and \$78,000 for 30 years for the Graham Road Solid Waste Landfill. Over the past several years, the Town implemented several strategies to cover the cost of closing the solid waste landfill, including annual subsidies from the General Fund, and use of accumulated net revenue from its pay-as-you-throw residential solid waste collection program. Landfill closure was completed in FY 2022 for a total cost of \$7,361,970. The Maine Department of Environmental Protection has confirmed that 75% of the closure costs are eligible for cost sharing through the State's Landfill Closure and Remediation Program, though this will be a reimbursement arrangement and the timing is uncertain. The Town anticipates that this reimbursement, subsidies from the general fund, or the ongoing revenue from the pay-as-you-throw program will be sufficient to cover the cost of the future post 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, 2022, 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	\$ 189,446	N/A	Yes
Other Mutual Funds	946,960	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, 2022, 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, 2022, the bank balance of \$40,268,626 was covered by FDIC and an irrevocable stand-by letter of credit with the Federal Home Loan Bank of New York, issued to the Town of Brunswick for Manufacturers and Traders Trust Company.

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, 2022, the Town did not have a policy for concentration of credit risk.

B. Receivables

Receivables at June 30, 2022 consist of the following:

	Other			
	<u>General Fund</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Taxes	\$ 799,147	\$ -	\$ -	\$ 799,147
Tax liens	136,352	-	-	136,352
Accounts	822,395	267,524	98,570	1,188,489
Intergovernmental	450,128	3,441,755	5,521,477	9,413,360
Lease receivable	39,596	-	-	39,596
Gross receivables	2,247,618	3,709,279	5,620,047	11,576,944
Less: Allowance for Uncollectibles	(47,532)	-	-	(47,532)
Net receivables	\$ 2,200,086	\$ 3,709,279	\$ 5,620,047	\$ 11,529,412

Property taxes for the 2021-22 fiscal year were committed September 1, 2021 on the assessed value listed as of April 1, 2021, for all taxable real and personal property located in the Town. Real property taxes were due in two installments, October 15, 2021 and April 15, 2022. Personal property taxes were due in one installment, October 15, 2021. Interest was charged at the rate of 6% 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, 2021, upon which the levy for the year ended June 30, 2021 was based, was \$2,290,850,147. This assessed value was 95% of the estimated market value and 88.2% of the 2021 State valuation of \$2,595,900,000.

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 \$226,622 for the year ended June 30, 2022.

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, 2022, the Town had a total of \$146,316,633 in captured valuation for five TIF districts. The tax revenue captured in these districts totaled \$3,052,165 for the year.

C. Capital Assets

Capital asset activity for the year ended June 30, 2022 follows.

Governmental activities:

	Balance June 30, 2021 (as restated)	Additions	Retirements	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 7,381,708	\$ 561,400	\$ -	\$ 7,943,108
Construction in progress	4,779,274	7,705,035	(561,921)	11,922,388
Intangibles	200,000	-	-	200,000
Total capital assets not being depreciated	12,360,982	8,266,435	(561,921)	20,065,496
Capital assets being depreciated:				
Buildings	92,325,310	976,947	(1,372,091)	91,930,166
Improvements other than buildings	5,329,762	62,611	-	5,392,373
Machinery and equipment	7,677,712	776,374	(118,915)	8,335,171
Vehicles	10,350,007	1,091,103	(336,691)	11,104,419
Intangibles	943,663	74,246	(57,640)	960,269
Infrastructure	51,388,053	53,231	-	51,441,284
Right-to-use leased assets	715,787	22,500	-	738,287
Total capital assets being depreciated	168,730,294	3,057,012	(1,885,337)	169,901,969
Less accumulated depreciation for:				
Buildings	(32,110,868)	(3,381,950)	1,008,502	(34,484,316)
Improvements other than buildings	(3,404,460)	(247,188)	-	(3,651,648)
Machinery and equipment	(4,483,063)	(541,811)	112,229	(4,912,645)
Vehicles	(5,960,539)	(752,090)	261,222	(6,451,407)
Intangibles	(761,835)	(106,721)	57,640	(810,916)
Infrastructure	(27,116,176)	(1,018,784)	-	(28,134,960)
Right-to-use leased assets	-	(115,331)	-	(115,331)
Total accumulated depreciation	(73,836,941)	(6,163,875)	1,439,593	(78,561,223)
Total capital assets being depreciated, net	94,893,353	(3,106,863)	(445,744)	91,340,746
Governmental activities capital assets, net	<u>\$ 107,254,335</u>	<u>\$ 5,159,572</u>	<u>\$ (1,007,665)</u>	<u>\$ 111,406,242</u>

Business-type activities:

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>
	(as restated)			
Capital assets, not being depreciated:				
Land	\$ 115,000	\$ -	\$ -	\$ 115,000
Intangible	10,000	-	-	10,000
Total capital assets not being depreciated	125,000	-	-	125,000
Capital assets being depreciated:				
Buildings	11,500	-	-	11,500
Improvements other than buildings	7,498,903	-	(7,367,865)	131,038
Machinery and equipment	112,633	-	-	112,633
Infrastructure	636,738	129,812	-	766,550
Right-to-use leased assets	172,795	-	-	172,795
Total capital assets being depreciated	8,432,569	129,812	(7,367,865)	1,194,516
Less accumulated depreciation for:				
Buildings	(319)	(767)	-	(1,086)
Improvements other than buildings	(7,442,616)	(2,850)	7,367,865	(77,601)
Machinery and equipment	(103,985)	(2,673)	-	(106,658)
Infrastructure	(616,844)	(11,172)	-	(628,016)
Right-to-use leased assets	-	(49,370)	-	(49,370)
Total accumulated depreciation	(8,163,764)	(66,832)	7,367,865	(862,731)
Total business-type capital assets being depreciated, net	268,805	62,980	-	331,785
Business-type activities capital assets, net	<u>\$ 393,805</u>	<u>\$ 62,980</u>	<u>\$ -</u>	<u>\$ 456,785</u>

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

Governmental activities:

General government	\$ 489,366
Public safety	552,452
Public works, including depreciation of general infrastructure assets	1,366,437
Human services	74
Education	3,527,815
Recreation and culture	227,731
Total depreciation expense - governmental activities	<u>\$ 6,163,875</u>

Business-type activities:

Mere Point wastewater	\$ 11,172
Processing Facility	3,617
Train Station/Visitors Center	52,043
Total depreciation expense - business-type activities	<u>\$ 66,832</u>

D. Leases

1. Lease receivable

Town Hall Parking Lot: In December, 2019, the Town and JHR Development of Maine (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 lease is for five years, with an additional five year extension period. The Town will receive monthly payments of \$491.85. As of July 1, 2021, the Town recorded a receivable for lease payments of \$44,345. The Town recognized \$4,749 in lease revenue and \$1,153 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the Town's receivable for lease payments was \$39,596. The Town also has a deferred inflow of resources associations with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$39,128.

2. Lease payable

The Town is the lessee in four leases of facilities, one of which is for business-type activities, and three are for governmental-activities.

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. 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 lease has been extended several times, most recently in December, 2019 for a period of five years at a rate of \$51,939 per year. The Town makes monthly payments of \$4,328.26, and as of July 1, 2021, recorded both a right-to-use lease asset and lease liability of \$172,795. Payments in FY 2022 consisted of \$4,091 in interest and \$47,848 in principal. The value of the right-to-use asset and associated annual depreciation, along with future interest and principal payments, and the lease liability, are reported and projected as follows:

<u>Town of Brunswick Business-type Activities (Lessee)</u>										
Year Ending June 30	Right-to-use asset book value	Annual Depreciation	Lease			Annual Payment	Annual Interest	Annual Principal		
			Liability - Long term	Lease Liability - Short Term						
2022	\$ 123,425	\$ 49,370	\$ 76,088	\$ 48,859		\$ 51,939	\$ 4,091	\$ 47,848		
2023	74,055	49,370	25,743	50,345		51,939	3,080	48,859		
2024	54,685	19,370	-	25,744		51,939	1,594	50,345		
2025	-	24,685	-	-		25,970	226	25,744		

REAL School: In September, 2017, the Town executed an eight-year agreement with TBW, LLC to lease a 7,100 square foot building on Brunswick Landing for use as a school building. The lease includes an extension period of two years with no rent increase, and as of July 1, 2021, the Town recorded both a right-to-use lease asset and lease liability of \$652,269. During FY 2022, the Town paid \$16,605 in interest and \$96,293 in principal.

Document Storage: In April, 2022, the Town executed a three-year agreement with Midcoast Regional Redevelopment Authority to lease a 520 square foot room in Hangar 5 at Brunswick Executive Airport, for use as document storage. Rent for the first year was \$2,500, and the lease includes two extension periods of three years each, with an annual rent escalator of 3%. During the year, the Town recorded both a right-to-use lease asset and lease liability of \$22,500, and paid \$2,500 in principal.

Radio Tower Space: Effective January 1, 2016, the Town executed a five-year agreement with T14 Unison Site Mgmt, LLC to lease interior building space and tower antenna space for the Town's public safety and public works radio system. Rent for the first year was \$6,000, and the lease includes two extension periods

of five years each, with an annual rent escalator of 3%. As of July 1, 2021, the Town recorded both a right-to-use lease asset and lease liability of \$63,518, and during FY 2022 paid \$961 in interest and \$6,204 in principal.

The book value of the right-to-use assets and associated annual depreciation, along with future interest and principal payments, and the lease liabilities, are reported and projected as follows:

Town of Brunswick Governmental Activities (Lessee)

Year Ending June 30	Right-to-use asset book value	Annual Depreciation	Lease Liability - Long term	Lease Liability - Short Term	Annual Payment	Annual Interest	Annual Principal
2022	\$ 622,956	\$ 115,331	\$ 525,058	\$ 108,233	\$ 122,562	\$ 17,566	\$ 104,996
2023	507,625	115,331	412,732	112,326	125,862	17,629	108,233
2024	392,294	115,331	296,686	116,046	126,653	14,327	112,326
2025	276,963	115,331	176,797	119,889	126,960	10,914	116,046
2026	161,632	115,331	52,938	123,859	127,277	7,388	119,889
2027	46,301	115,331	23,079	29,859	127,604	3,745	123,859
2028-2030	N/A	46,301	N/A	N/A	55,068	2,130	52,938

E. 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:

Purpose	Issue Date	Amount Issued	Interest Rate	Final Maturity Date	Annual Principal Payments	Amount Outstanding
Governmental Activities - General obligation bonds						
2013 Police Station	2013	5,500,000	2% to 3.5%	2033	\$275,000	\$ 3,025,000
2017 GO Bonds	2017	1,781,000	2% to 3.5%	2033	35,000 to 200,000	925,000
2020 GO Bonds	2020	24,450,000	2% to 5%	2045	420,000 to 1,195,000	23,340,000
2022 GO Bonds	2022	13,231,000	2% to 5%	2046	550,000 to 556,000	13,231,000
						40,521,000
Governmental Activities - Notes from direct borrowings						
2010 Elementary School (MMBB)	2010	21,462,250	2% to 5.5%	2031	1,073,113	9,658,013
2016 School Renovation (SRRF)	2016	655,780	0%	2027	62,651	313,255
2020 School Renovation (SRRF)	2020	279,360	0%	2025	55,872	223,488
						10,194,756
Total long-term debt					\$ 50,715,756	

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 2016 and 2017 SRRF bonds were amended to total \$719,866.

In January, 2020, the Brunswick School Department received approval from the Maine Department of Education (DOE) for \$449,783 in additional funding through the SRRF program for health, safety and ADA compliance improvements to the Brunswick Junior High School and the Coffin Elementary School. On September 18, 2020, \$170,423 was forgiven in the form of a grant, and the Town issued bonds with Maine Municipal Bond Bank for \$279,360 at zero interest for a five-year term.

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, 2022 are as follows:

Year Ending June 30	Governmental Activities						
	Bonds		Notes from Direct Borrowings				
	Principal	Interest	Principal	Interest	BABs Subsidy	Total	
2023	\$ 1,756,000	\$ 1,259,301	\$ 1,191,636	\$ 429,562	\$ (137,261)	\$ 4,499,238	
2024	1,710,000	1,184,098	1,191,635	386,991	(123,742)	4,348,982	
2025	1,750,000	1,107,108	1,191,635	343,080	(109,780)	4,282,043	
2026	1,790,000	1,027,451	1,191,636	297,826	(95,376)	4,211,537	
2027	1,835,000	950,766	1,135,764	247,438	(79,276)	4,089,692	
2028-2032	9,480,000	3,635,191	4,292,450	439,890	(140,935)	17,706,596	
2033-2037	8,530,000	2,160,175	-	-	-	10,690,175	
2038-2042	7,900,000	1,222,449	-	-	-	9,122,449	
2043-2047	5,770,000	293,734	-	-	-	6,063,734	
Total	\$40,521,000	\$12,840,273	\$10,194,756	\$ 2,144,787	\$ (686,370)	\$ 65,014,446	

For the year ended June 30, 2022, the Town paid \$2,366,392 in principal and \$1,214,834 in interest (net of \$150,426 BABs subsidy) for a total of \$3,581,226 in debt service payments. Due to federal sequestration, the BABs subsidy was reduced in FY 22 by a total of \$9,093, or a 5.7% reduction. 87% of the sequestration reduction is eligible for State subsidy. The Town anticipates BABs subsidy reductions in future years, and has estimated a 5.7% reduction going forward.

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 Annual Comprehensive Annual Financial Report (ACFR).

Additional debt authorizations: Subsequent to June 30, 2022, the Town Council adopted ordinances authorizing the issuance of up to \$4,000,000 for the purchase of real property, and up to \$3,250,000 for a downtown streetscape project. See also Subsequent Events, herein.

2. Compensated absences

Recorded long-term compensated absences are as follows:

Type of Leave	Governmental Activities
Sick paid upon termination	\$ 446,260
Vacation	591,918
Compensatory time	71,670
School retirement stipend	364,911
Totals	\$ 1,474,759

3. Pension obligations

The Town contributes to two defined benefit pension plans through the Maine Public Employees Retirement System (MainePERS): (1) the Consolidated Plan for Participating Local Districts (PLD Plan), and (2) the State Employee and Teacher Plan (SET Plan). As of June 30, 2022, the Town had the following balances reported in the government-wide financial statements:

	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension (Gain)/Expense
PLD Plan	\$ (624,736)	\$ 3,985,178	\$ 8,717,605	\$ (159,795)
SET Plan	278,175	1,111,256	402,934	3,792,244
Total	\$ (346,561)	\$ 5,096,434	\$ 9,120,539	\$ 3,632,449

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 MainePERS. Teachers and certain other School Department employees also participate in the 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, and issues a publicly available financial report which may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046 or at www.mainepers.org.

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

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

PLD Plan - Employees are required to contribute 7.05%-9.7% of their annual pay depending on the plan they participate in. The Town's contractually required contribution rate for the year ended June 30, 2022, ranged from 5.0%-15.2%, depending on the plan, and came in at an average 11.74% of annual payroll. Contributions to the pension plan from the Town were \$1,457,317 for the year ended June 30, 2022.

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, 2022, was 18.13% of annual payroll of which 3.84% of payroll was required from the Town and 14.29% was required from the State. Contributions to the pension plan from the Town were \$790,875 for the year ended June 30, 2022.

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, 2021, 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, 2022, the Town reported an asset of \$624,736 for its proportionate share of the net pension liability. At June 30, 2021, the Town's proportion of the PLD Plan was 1.944%.

SET Plan - At June 30, 2022, the Town reported a liability of \$278,175 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	\$ 278,175
State's proportionate share of the net pension liability associated with the Town	12,650,411
Total	\$ 12,928,586

At June 30, 2021, the Town's proportion of the SET Plan was 0.0329%.

For the year ended June 30, 2022, the Town recognized pension gain of \$159,795 for the PLD Plan and pension expense of \$3,792,244 for the SET Plan. Additionally, the Town recognized revenue of \$2,943,125 for support provided by the State for the SET Plan. At June 30, 2022, 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	\$ 404,129	\$ 42,462
Net difference between expected and actual investment earnings on pension plan investments	-	8,515,389
Changes of assumptions	2,097,814	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	25,918	159,754
Town contributions subsequent to the measurement date	1,457,317	-
	\$ 3,985,178	\$ 8,717,605

At June 30, 2022, 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	\$ 4,123	\$ 5,687
Net difference between projected and actual investment earnings on pension plan investments	- -	379,036
Changes of assumptions	189,655	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	126,603	18,211
Town contributions subsequent to the measurement date	<u>790,875</u>	<u>-</u>
	<u>\$ 1,111,256</u>	<u>\$ 402,934</u>

A portion of deferred outflows of resources related to pensions, \$1,457,317 for the PLD Plan and \$790,875 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	Pension Expense	
	<u>PLD Plan</u>	<u>SET Plan</u>
2023	\$ (1,025,306)	\$ 34,900
2024	(859,774)	74,297
2025	(1,938,406)	(86,100)
2026	<u>(2,366,258)</u>	<u>(105,650)</u>
	<u>\$ (6,189,744)</u>	<u>\$ (82,553)</u>

Actuarial assumptions: The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	PLD Plan	SET Plan
Inflation	2.75%	
Salary increases, per year	2.75% - 11.48%	2.8% - 13.03%
Investment return, per annum, compounded annually	6.50%	
Cost of living benefit increases, per annum	1.91%	2.2%

Mortality rates were based on the 2010 Public Plan (general benefits and teacher benefits, accordingly) Weighted Healthy Retiree Mortality Table, for males and females, projected using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study covering the period from June 30, 2015 to June 30, 2020 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 geometric real rates of return for each major asset class included in the Plan's target asset allocation as of

June 30, 2021 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%	7.2%
Diversifiers	<u>10.0%</u>	5.9%
Total	<u>100.0%</u>	

Discount rate: The discount rate used to measure the collective total pension liability was 6.5% for 2021 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 (asset) calculated using the discount rate of 6.5% for the PLD Plan and 6.5% 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 (5.5% for PLD Plan and 5.5% for SET Plan) or 1 percentage-point higher (7.5% for PLD Plan and 7.5% for SET Plan) than the current rate:

	1% Decrease <u>(5.5%)</u>	Current Discount Rate <u>(6.5%)</u>	1% Increase <u>(7.5%)</u>
PLD Plan			
Town's proportionate share of the net pension liability (asset)	\$ 8,890,363	\$ (624,736)	\$ (8,494,977)
SET Plan			
Town's proportionate share of the net pension liability (asset)	\$ 730,520	\$ 278,175	\$ (98,447)

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

Payables to the pension plan: The Town reported no payables to the pension plan as of June 30, 2022.

4. Other postemployment benefits

The Town participates in four post-retirement benefit plans: (1) the Group Life Insurance Plan for Participating Local District (PLD OPEB Plan), (2) the Group Term Life Insurance Plan for State Employees

and Teachers (SET OPEB Plan), (3) the Maine Municipal Employees Health Trust (MMEHT Health Plan), and (4) the Maine Education Association Benefits Trust (MEABT Health Plan). As of the year ended June 30, 2022, the Town had the following balances reported in the government-wide financial statements:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB (Gain)/Expense
PLD OPEB Plan	\$ 222,146	\$ 88,512	\$ 236,532	\$ (43,614)
SET OPEB Plan	-	-	-	78,942
MMEHT Health Plan	1,758,855	576,061	705,817	85,744
MEABT Health Plan	<u>7,276,016</u>	<u>1,501,749</u>	<u>415,156</u>	<u>487,539</u>
Total	\$ 9,257,017	\$ 2,166,322	\$ 1,357,505	\$ 608,611

Detailed disclosures for each plan follow.

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

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

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

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

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

The MEABT Health Plan provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium

for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the benefit terms of the MMEHT and MEABT Health Plans:

	MMEHT Health Plan	MEABT Health Plan
Inactive employees or beneficiaries currently receiving benefits	9	163
Active employees	129	347
Total	138	510

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 \$0.48 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB plan from the Town were \$13,172 for the year ended June 30, 2022. 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 \$78,942 for the year ended June 30, 2022. 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, 2021, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of June 30, 2021. 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, 2022, the Town reported a liability of \$222,146 for its proportionate share of the net OPEB liability. At June 30, 2021, the Town's proportion was 2.1517%.

SET OPEB Plan – At June 30, 2022, 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 \$336,997 as of June 30, 2022. At June 30, 2021, the Town's proportion was 0.00%.

The Town's total MMEHT Health Plan OPEB liability of \$1,758,855 and was measured as of January 1, 2022 and the Town's total MEABT Health Plan OPEB liability of \$7,276,016 as measured as of June 30, 2021. The total MMEHT Health Plan OPEB liability was determined by an actuarial valuation as of the measurement date. The total MEABT Health Plans OPEB liability was determined by applying roll forward procedures to an actuarial valuation as of June 30, 2020.

Changes in Health Plan OPEB Liabilities:

	MMEHT Health Plan <u>OPEB Liability</u>	MEABT Health Plan <u>OPEB Liability</u>
Balance at June 30, 2021	\$ 1,623,583	\$ 7,127,667
Changes for the year:		
Service cost	72,166	117,963
Interest	35,653	158,117
Differences between expected and actual experience	49,288	-
Changes in assumptions	6,280	55,254
Benefit payments	<u>(28,115)</u>	<u>(182,985)</u>
Net Changes	135,272	148,349
Balance at June 30, 2022	<u>\$ 1,758,855</u>	<u>\$ 7,276,016</u>

Change in assumptions under the MMEHT Health Plan reflects a change in the discount rate from 2.12% in 2021 to 2.06% in 2022. In addition, demographic assumptions, claim curves, and trend arrays were updated. 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 2.21% in 2021 to 2.16% in 2022. No other changes to data, assumptions and methodology were made as this is a roll forward valuation.

For the year ended June 30, 2022, the Town recognized OPEB gain of \$43,614 for the PLD OPEB Plan. For the year ended June 30, 2022, the Town recognized OPEB expense of \$78,942 and revenues of \$78,942 for support provided by the State related to the SET OPEB plan. At June 30, 2022, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan.

At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Differences between expected and actual experience	\$ 25,102	\$ -
Differences between projected and actual earnings on OPEB plan investments	- -	68,182
Changes of assumptions	37,477	149,802
Changes in proportion and differences between Town contributions and proportionate share of contributions	12,761	18,548
Town contributions subsequent to the measurement date	<u>13,172</u>	<u>-</u>
	<u>\$ 88,512</u>	<u>\$ 236,532</u>

\$13,172 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,

2023	\$	(55,113)
2024		(30,435)
2025		(40,062)
2026		(42,606)
2027		3,512
Thereafter		<u>3,512</u>
	\$	(161,192)

For the year ended June 30, 2022, the Town recognized OPEB expense of \$85,744 related to the MMEHT Health Plan and OPEB expense of \$487,539 related to the MEABT Health Plan. At June 30, 2022, 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	\$ 44,359	\$ 594,750	\$ -	\$ -
Differences between projected and actual earnings on OPEB plan investments	-	-	-	323,785
Changes of assumptions or other inputs	531,702	111,067	1,303,453	91,371
Town contributions subsequent to the measurement date	-	-	198,296	-
	<u>\$ 576,061</u>	<u>\$ 705,817</u>	<u>\$ 1,501,749</u>	<u>\$ 415,156</u>

\$198,296 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, 2023. 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>
2023	\$ (22,075)	\$ 211,459
2024	(22,075)	211,460
2025	(22,075)	257,145
2026	(22,074)	199,024
2027	(45,727)	9,209
Thereafter	<u>4,270</u>	-
	<u>\$ (129,756)</u>	<u>\$ 888,297</u>

Actuarial assumptions: The total OPEB liabilities in the June 30, 2021 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 11.48%	2.8% to 13.03%
Investment return, per annum, compounded annually	6.5%	6.5%

Mortality rates for both the PLD and SET OPEB plans were based on the 2010 Public Plan (for Teacher Benefits and General Benefits) Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2021 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, 2016 to June 30, 2020.

The total OPEB liability in the January 1, 2022 actuarial valuation for the MMEHT Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

MMEHT	
<u>Health Plan</u>	
Inflation	2.40%
Salary increases	2.75% average, including inflation
Discount Rate	2.06%
Healthcare cost trend rates (applied in FYE 2022 grading over 20 years to 3.53% per annum)	
Pre-Medicare Medical:	6.25%
Pre-Medicare Drug:	13.10%
Medicare Medical:	5.00%
Medicare Drug:	9.90%
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 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females.

The actuarial assumptions used in the January 1, 2022 valuation for the Health Plan were based on the results of an actuarial experience study covering the period June 30, 2016 through June 30, 2020.

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

MEABT	
<u>Health Plan</u>	
Inflation	2.00%
Salary increases	2.75% - 13.03% per year
Discount Rate	2.16%
Healthcare cost trend rates	
Pre-Medicare:	6.21% applied in FY2021 and 6.83% applied in FY2022 grading over 18 years to 3.25% per annum
Medicare:	0.00% applied in FY2021 and 6.3% applied in FY2022 grading over 18 years to 3.25% per annum
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 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table, for males and females. Rates are projected generationally using the RPEC_2020 model, grading for age.

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

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. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Public Equities	6.0%
Real Estate	5.2%
Traditional Credit	3.0%
US Government Securities	2.3%

Discount Rate: The rate used to measure the total OPEB liability for the PLD and SET OPEB plans was 6.5% for 2022. 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 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 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, 2022 is based upon an earlier measurement date, as of December 31, 2021, and is 2.06% per annum.

The rate used to measure the total MEABT OPEB liability was 2.16% 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 6.5%, 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 (5.5%) or 1 percentage-point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net OPEB liability	\$ 329,764	\$ 222,146	\$ 135,814

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 2.06%, 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 (1.06%) or 1 percentage-point higher (3.06%) than the current rate:

	1% Decrease <u>(1.06%)</u>	Current Discount Rate <u>(2.06%)</u>	1% Increase <u>(3.06%)</u>
Total OPEB liability	\$ 2,080,490	\$ 1,758,855	\$ 1,499,060

The following presents the Town's total OPEB liability related to the MEABT Health Plan calculated using the discount rate of 2.16%, 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 (1.16%) or 1 percentage-point higher (3.16%) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
Total OPEB liability	\$ 8,518,153	\$ 7,276,016	\$ 6,275,522

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	\$ 1,473,237	\$ 1,758,855	\$ 2,128,216

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	\$ 6,152,206	\$ 7,276,016	\$ 8,695,769

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 post closure 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 post closure 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. Each year, in addition to operating expenditures related to the current activities of the landfill, liabilities were recognized based on the future closure and post closure care costs to be paid after the date that the landfill stops accepting waste. The Town planned to pay for the actual closure costs with funds collected and retained in the solid waste enterprise fund, the pay-as-you-throw enterprise fund and landfill impact fees. The Town has received approval for reimbursement of up to 75% of closure costs from the state under the Maine Landfill Closure and Remediation Program. The timing of the reimbursement is unclear, and may extend over a number of years. The Town recognizes a receivable and a deferred inflow of resources for the full amount of the anticipated reimbursement. The Town continues to recognize a liability for the estimated post closure costs, which may be funded from the state reimbursement, pay-as-you-throw fees, or subsidies from the General Fund.

The Town has the following solid waste facilities:

Graham Road Landfill: This facility served as the Town's landfill beginning in 1984, and ceased operations on March 31, 2021. Work on closure began in April, 2021, and construction was completed in late fall 2021. The final cost of closure was \$7,361,970, of which 75%, or \$5,521,477, has been approved for reimbursement by the Maine Department of Environmental Protection (Maine DEP) through the Maine Landfill Closure and Remediation Program, in accordance with 38 MRS §1310-F. The Town has recorded the anticipated reimbursement as a receivable and as deferred inflow of resources as of June 30, 2022. The Town estimates the post closure care costs at an average annual cost of \$78,000 for 30 years, and recognizes a liability for the \$2,340,000 total as of June 30, 2022.

The Town 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, and this amount was paid to MDEP in the fiscal year ended June 30, 2021. Even after closure, the landfill is subject to strict environmental regulations, including testing landfill leachate for per- and polyfluoroalkyl substances (PFAS) for the next two years.

Wood & Masonry Landfill: This facility ceased operations on October 29, 2005. Work to close the facility in accordance with Maine DEP guidelines was completed as of September 1, 2006. Of the total liability estimated for landfill closure and post closure care as of June 30, 2022, the Town estimates that \$60,000 is applicable to this facility. This represents annual monitoring at \$4,000 per year for 15 years. The portion of the liability reported as due within one year is \$4,000.

F. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021 (as restated)	Additions	Deductions	Balance June 30, 2022	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 28,455,000	\$ 13,231,000	\$ (1,165,000)	\$ 40,521,000	\$ 1,756,000
Plus premium on bonds	1,989,352	888,054	(101,370)	2,776,036	125,371
Notes from direct borrowings	11,396,148	-	(1,201,392)	10,194,756	1,191,636
Lease liabilities	738,287	-	(104,997)	633,290	108,233
Compensated absences	1,523,048	984,410	(1,032,699)	1,474,759	465,011
Other postemployment benefits	9,031,750	225,267	-	9,257,017	-
Net pension liability	8,248,329	-	(8,594,890)	(346,561)	-
	<u>\$ 61,381,914</u>	<u>\$ 15,328,731</u>	<u>\$ (12,200,348)</u>	<u>\$ 64,510,297</u>	<u>\$ 3,646,251</u>
 Business-type Activities					
	Balance June 30, 2021 (as restated)	Additions	Deductions	Balance June 30, 2022	Due Within One Year
Landfill post closure care	\$ 5,767,755	\$ -	\$ (3,367,755)	\$ 2,400,000	\$ 82,000
Lease liabilities	172,795	-	(47,848)	124,947	48,859
	<u>\$ 5,940,550</u>	<u>\$ -</u>	<u>\$ (3,415,603)</u>	<u>\$ 2,524,947</u>	<u>\$ 130,859</u>

For the governmental activities, compensated absences, net pension and OPEB obligations are generally liquidated by the General Fund. General government bonds, notes payable and lease liabilities are paid from the General Fund. For the business-type activities, landfill post closure maintenance and monitoring

costs are paid from the Solid Waste Facilities Fund, with possible subsidies from the Pay-Per-Bag Program or the General Fund. Lease liabilities are paid from the Train Station/Visitors Center Fund.

G. Components of Fund Balances

The components of the June 30, 2022 fund balance are as follows:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Advances to other funds	\$ 591,696	\$ -	\$ -	\$ -
Inventories and deposits	55,182	-	-	-
Education purposes	-	4,936,494	-	-
State road assistance funds	-	89,613	-	-
State revenue sharing funds	-	1,567,411	-	-
Encumbrances	-	-	-	166,592
Budget appropriation	-	-	-	500,000
Budget amendments and advances	-	-	-	410,000
Supplemental appropriations	-	-	-	625,000
Compensated absences	-	-	-	373,783
Tax increment financing	-	365,673	-	-
Capital projects funds:				
Prepaid deposits	50,000	-	-	-
Restricted capital project funding	-	4,142,834	-	-
Appropriated for capital projects	-	-	5,114,980	-
Special revenue funds:				
Recreation programs	-	-	440,772	-
Town restricted programs	-	225,621	-	-
School restricted programs	35,103	928,933	-	-
Permanent funds	652,075	11,335	-	-
Total	\$ 1,384,056	\$ 12,267,914	\$ 5,555,752	\$ 2,075,375

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, 2022, the Town's unassigned fund balance was at 25.8% of revenues. The policy states that amounts in excess of the target balance shall be used for capital improvements or other one-time expenditures as approved by the Town Council.

H. Interfund Balances

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

1. Advances to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds - Capital Projects	\$ 479,644
General Fund	Proprietary Funds - Mere Point Wastewater	112,052
Total		\$ 591,696

Over the next several years, the advances to the Capital Improvement Projects Fund will be repaid with TIF revenues or general fund balance, and the advance to the Mere Point Wastewater Fund will be repaid through user fees.

2. Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	School Restricted Fund	\$ 975,680
General Fund	Coronavirus Relief Fund	1,814,194
General Fund	Enterprise Funds	657,086
		<u>\$ 3,446,960</u>
Tax Increment Financing	General Fund	\$ 365,673
Recreation Program Funds	General Fund	177,417
Town Restricted Funds	General Fund	210,724
Impact Fees	General Fund	217,722
Public Works Projects	General Fund	2,631,034
Capital Reserve Fund	General Fund	1,053,246
Capital Improvement Projects	General Fund	1,483,974
New Elementary School Fund	General Fund	415,915
Private-purpose Trust Funds	General Fund	40,531
Internal Service Fund	General Fund	160,089
		<u>\$ 6,756,325</u>

I. **Interfund Transfers**

	Transfers In:				Total transfers out	
	General Fund	Nonmajor Governmental Funds				
		Enterprise Funds				
Transfers Out:						
General Fund	\$ -	\$ 4,313,049	\$ 125,000	\$ 4,438,049		
Tax Increment Financing	807,122	1,090,462	-	1,897,584		
Nonmajor Governmental Funds						
Special Revenue Funds	10,871	75,911	-	86,782		
Capital Reserve Funds	-	150,000	-	150,000		
Capital Improvement Projects	34,851	-	-	34,851		
Enterprise Funds	-	-	600,000	600,000		
Total Transfers In	\$ 852,844	\$ 5,629,422	\$ 725,000	\$ 7,207,266		

Of the \$4,438,049 transferred out of the General Fund, \$4,113,549 was made for a variety of capital projects. The largest of these include \$2,220,000 for the Street Resurfacing Program and Sidewalk Program, \$1,175,920 for the Capital Reserve Fund, and \$717,629 for the Capital Improvement Fund. The \$125,000 transfer to Enterprise Funds represents General Fund subsidies of the Train Station/Visitors Center. Of the remaining \$199,500, \$125,000 was the annual subsidy of the school cafeteria, within the School Restricted programs, \$70,000 was funding for the 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 \$852,844 of which \$807,122 was from the Tax Increment Financing Districts, \$10,871 was unused Special Revenue fund balances transferred back to the General fund, and \$34,851 was unused Capital Improvement Project balances transferred back to the General Fund. Of the \$807,122 TIF transfers to the General Fund, \$200,000 was used to support a portion of the Street Resurfacing Program for qualified road work, \$150,000 was used to subsidize the

Capital Reserve Fund for police and fire vehicles, \$142,122 was used to support transit projects, \$125,000 went to fund the train station and visitors center operations, \$110,000 was used to offset professional and admin costs, and the remaining \$80,000 funded the Brunswick Downtown Association appropriation.

J. Donor-restricted Endowments

The Town maintains several permanent funds and private-purpose trust funds with donor-restricted endowments. Prior to 2017-18, the Town's spending policy for these funds authorized only interest and dividends on investments, less fees, for spending. Any appreciation on investments was added to the original endowment and was not authorized for spending. Beginning in 2017-18, the Town received approval from the State Attorney General to manage the funds in accordance with the Uniform Prudent Management Act (UPMIFA). The Trust Fund Advisory Committee adopted an Investment Policy Statement which outlines investment objectives and constraints, and annual disbursement guidelines. For 2021-22, 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, 2022, 2021 and 2020, 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, 2022.

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, 2022, the Town's equalized state valuation of \$2,740,850,000 was 4.84% of the County's equalized state valuation of \$56,590,050,000. The Town's share of Cumberland County's principal debt as of June 30, 2022 is \$1,494,471 or 4.84% of the total outstanding long-term County debt of \$30,856,174.

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, 2022, MR10 had total principal debt outstanding of \$3,317,296. The Town of Brunswick's share of MR10's debt is 38.29% or \$1,270,193. 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, 2022 is provided as an indication of the combined debt burden of the constituent ratepayer/taxpayer base.

	Total Principal Debt	% Applicable to Brunswick	Amt Applicable to Brunswick
Brunswick and Topsham Water District	\$ 42,692,277	66.67%	\$ 28,462,941
Brunswick Sewer District	18,701,341	100.00%	18,701,341
Total	\$ 61,393,618		\$ 47,164,282

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, 2022, the total budget of MR10 was \$3,335,638. After MR10 deducted state subsidies, certain balances and miscellaneous revenues, the Town of Brunswick was assessed and paid \$219,602. At June 30, 2022, MR10 had total principal debt outstanding of \$3,317,296. The Town of Brunswick's share of MR10's debt is 38.29% or \$1,270,193. 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". The Town of Brunswick has certain Credit Enhancement Agreements (CEAs) which fit this definition.

The Town of Brunswick has entered into several 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 6, 2022, the Town Council adopted a Tax Increment Financing and Credit Enhancement Policy, to outline standards, guidelines and processes to be used in the establishment of TIFs and/or CEAs. The policy defines the Town's purposes and criteria for the use of TIFs and CEAs, application procedures, and priorities for the evaluation of need and public benefit.

Subsequent to the end of the 2022-23 fiscal year, on September 6, 2022, the Town Council authorized the Town Manager to enter into a 19-year CEA for development of a housing project to be constructed on Brunswick Landing. The developer agrees to rent-restrict at least 20% of the total housing units to be affordable to households with annual incomes at or below 100% Area Median Income. The annual CEA payment is \$100,000 per year. The Manager expects to execute the CEA in late fall 2022 or spring 2023, and the first CEA payment to the developer would be for the fiscal year ending June 30, 2025.

On June 30, 2022, the Town had three executed CEAs, as 2020-21 was the final year of the 10-year CEA with JHR Development. 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, 2022, the Town remitted a total of \$1,003,657 in Credit Enhancement payments. Though only the MRRA payment exceeded 10 percent of the total amount paid, we have chosen to report on all three CEAs as follows:

<u>TIF District</u>	<u>Beginning; Duration</u>	<u>CEA Entity</u>	<u>CEA reimbursement basis</u>	<u>Amount paid during the fiscal year</u>
Seahawk (formerly Molnlycke)	2013-14; 20 years	Molnlycke Manufacturing, LLC	TIF revenues on one parcel: 35% - 55% based on employment levels	107,367
Seahawk (formerly Molnlycke)	2021-22; 10 years	Shepherd Prop, LLC (Wild Oats Bakery)	TIF revenues on one parcel: 35% - 50% based on employment levels	19,148
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.	
				<u>877,142</u>
				<u>\$ 1,003,657</u>

H. Construction and Other Significant Commitments

As of June 30, 2022, 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>
Central Fire Station	\$ 7,518,986	\$ 835,443	\$ 939,391
Cedar, Abijah & Hawthorne Street water main & road rehabilitation	203,315	20,331	49,005
	<u>\$ 7,722,301</u>	<u>\$ 855,774</u>	<u>\$ 988,396</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 Central Fire Station Fund	\$ 939,391
Other Governmental Funds	49,005
	<u>\$ 988,396</u>

I. Subsequent Events

Property Acquisition and Debt Issuance - On November 21, 2022, the Town Council adopted "An Ordinance Authorizing the Acquisition of Real Property, with Total Project Costs Not to Exceed Four Million Dollars (\$4,000,000) Plus Other Authorized Costs, and Further Authorizing Issuance of Bonds and Notes in an Amount Not to Exceed Four Million Dollars (\$4,000,000)", authorizing the purchase of a 283 acre vacant parcel in the Maquoit Bay watershed. The property was purchased on December 29, 2022, and a taxable general obligation bond for \$4,000,000 was issued on December 30, 2022.

Debt Authorization – On December 5, 2022, the Town Council adopted "An Ordinance Authorizing the Construction of the Hybrid (Bricks and Concrete) Downtown Streetscape Project on Both Sides of Maine Street in the Historic District (from Mill and Mason Streets to Pleasant and School Streets), With Total Project Costs Of Up To Three Million, Two Hundred Fifty Thousand Dollars (\$3,250,000), And Further Authorizing Issuance of Bonds Of Up To Three Million, Two Hundred Fifty Thousand Dollars (\$3,250,000)", authorizing the sidewalk replacement project in the downtown to proceed.

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>2015**</u>	<u>2016**</u>	<u>2017**</u>	<u>2018**</u>	<u>2019**</u>	<u>2020**</u>	<u>2021**</u>	<u>2022**</u>
<u>PLD Plan</u>								
Town's proportion of the net pension liability	2.30%	2.28%	2.15%	2.07%	2.03%	1.97%	1.99%	1.94%
Town's proportionate share of the net pension liability	\$ 3,536,451	\$ 7,269,492	\$ 11,433,992	\$ 8,470,270	\$ 5,564,296	\$ 6,014,929	\$ 7,911,889	\$ (624,736)
Town's covered payroll	9,245,552	9,702,984	9,672,593	9,780,190	9,869,991	10,122,031	10,897,916	11,293,736
Town's proportion share of the net pension liability as a percentage of its covered payroll	38.25%	74.92%	118.21%	86.61%	56.38%	59.42%	72.60%	-5.53%
Plan fiduciary net position as a percentage of the total pension liability	94.10%	88.27%	81.61%	86.43%	91.14%	90.62%	88.35%	100.86%
<u>SET Plan</u>								
Town's proportion of the net pension liability	0.04%	0.04%	0.04%	0.03%	0.02%	0.02%	0.02%	0.33%
Town's proportionate share of the net pension liability	\$ 426,374	\$ 521,645	\$ 779,097	\$ 462,110	\$ 327,267	\$ 354,962	\$ 336,440	\$ 278,175
State's proportionate share of the net pension liability associated with the Town	<u>15,095,418</u>	<u>18,852,281</u>	<u>24,285,768</u>	<u>20,957,681</u>	<u>20,112,311</u>	<u>21,637,973</u>	<u>24,861,930</u>	<u>12,650,411</u>
Total	<u><u>\$ 15,521,792</u></u>	<u><u>\$ 19,373,926</u></u>	<u><u>\$ 25,064,865</u></u>	<u><u>\$ 21,419,791</u></u>	<u><u>\$ 20,439,578</u></u>	<u><u>\$ 21,992,935</u></u>	<u><u>\$ 25,198,370</u></u>	<u><u>\$ 12,928,586</u></u>
Town's covered payroll	\$ 15,644,285	\$ 15,980,002	\$ 16,136,902	\$ 17,450,661	\$ 18,315,139	\$ 18,866,276	\$ 19,751,307	\$ 20,284,702
Town's proportion share of the net pension liability as a percentage of its covered payroll	2.73%	3.26%	4.83%	2.65%	1.79%	1.88%	1.70%	1.37%
Plan fiduciary net position as a percentage of the total pension liability	83.91%	81.18%	76.21%	80.78%	82.90%	82.73%	81.03%	90.90%

* Only eight 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>PLD Plan</u>									
Contractually required contribution	\$ 796,662	\$ 931,375	\$ 1,009,803	\$ 1,060,357	\$ 1,128,830	\$ 1,203,139	\$ 1,286,117	\$ 1,330,044	\$ 1,457,317
Contributions in relation to the contractually required contribution	<u>(796,662)</u>	<u>(931,375)</u>	<u>(1,009,803)</u>	<u>(1,060,357)</u>	<u>(1,128,830)</u>	<u>(1,203,139)</u>	<u>(1,286,117)</u>	<u>(1,330,044)</u>	<u>(1,457,317)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 9,245,552	\$ 9,702,984	\$ 9,672,593	\$ 9,780,190	\$ 9,869,991	\$ 10,122,031	\$ 10,897,916	\$ 11,293,736	\$ 12,409,695
Contributions as a percentage of covered payroll	8.62%	9.60%	10.44%	10.84%	11.44%	11.89%	11.80%	11.78%	11.74%
<u>SET Plan</u>									
Contractually required contribution	\$ 414,573	\$ 423,470	\$ 542,200	\$ 586,342	\$ 727,111	\$ 748,991	\$ 821,654	\$ 843,844	\$ 790,875
Contributions in relation to the contractually required contribution	<u>(414,573)</u>	<u>(423,470)</u>	<u>(542,200)</u>	<u>(586,342)</u>	<u>(727,111)</u>	<u>(748,991)</u>	<u>(821,654)</u>	<u>(843,844)</u>	<u>(790,875)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 15,644,285	\$ 15,980,002	\$ 16,136,902	\$ 17,450,661	\$ 18,315,139	\$ 18,866,276	\$ 19,751,307	\$ 20,284,702	\$ 20,595,696
Contributions as a percentage of covered payroll	2.65%	2.65%	3.36%	3.36%	3.97%	3.97%	4.16%	4.16%	3.84%

* Only nine 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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Total MMEHT Health Plan OPEB Liability*</u>					
Service cost	\$ 35,837	\$ 44,817	\$ 38,497	\$ 61,785	\$ 72,166
Interest	61,834	65,988	73,020	40,995	35,653
Changes of benefits	-	-	(22,964)	-	-
Differences between expected and actual experience	(1,834)	-	(890,906)	-	49,288
Changes of assumptions or other inputs	214,685	(199,919)	529,252	100,031	6,280
Benefit payments	(33,157)	(41,061)	(42,703)	(27,034)	(28,115)
Net change in Total MMEHT Health Plan OPEB liability	277,365	(130,175)	(315,804)	175,777	135,272
Total MMEHT Health Plan OPEB liability - beginning	<u>1,616,420</u>	<u>1,893,785</u>	<u>1,763,610</u>	<u>1,447,806</u>	<u>1,623,583</u>
Total MMEHT Health Plan OPEB liability - ending	<u>\$ 1,893,785</u>	<u>\$ 1,763,610</u>	<u>\$ 1,447,806</u>	<u>\$ 1,623,583</u>	<u>\$ 1,758,855</u>
Covered-employee payroll	\$ 6,629,170	\$ 6,629,170	\$ 6,629,170	\$ 7,306,516	\$ 7,550,570
Total MMEHT Health Plan OPEB liability as a percentage of covered-employee payroll	28.57%	26.60%	21.84%	22.22%	23.29%

Maine Education Association Benefit Trust (MEABT)

	<u>2019***</u>	<u>2020***</u>	<u>2021***</u>	<u>2022***</u>	
<u>Total MEABT Health Plan OPEB Liability**</u>					
Service cost	\$ 41,709	\$ 38,602	\$ 46,351	\$ 117,963	
Interest	227,974	237,481	228,581	158,117	
Changes of benefit terms	-	-	(645,501)	-	
Differences between expected and actual experience	-	-	(485,677)	-	
Changes of assumptions or other inputs	(274,115)	348,726	1,624,567	55,254	
Benefit payments	(220,147)	(228,028)	(248,237)	(182,985)	
Net change in Total Health Plan OPEB liability	(224,579)	396,781	520,084	148,349	
Total Health Plan OPEB liability - beginning	<u>6,435,381</u>	<u>6,210,802</u>	<u>6,607,583</u>	<u>7,127,667</u>	
Total Health Plan OPEB liability - ending	<u>\$ 6,210,802</u>	<u>\$ 6,607,583</u>	<u>\$ 7,127,667</u>	<u>\$ 7,276,016</u>	
Covered-employee payroll	\$ 15,682,183	\$ 16,113,443	\$ 14,705,057	\$ 15,072,683	
Total MEABT Health Plan OPEB liability as a percentage of covered-employee payroll	39.60%	41.01%	48.47%	48.27%	

* Only five years of information available.

** Only four years of information available.

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

NOTE: There are no assets accumulated in a trust to pay related benefits for the MMEHT and MEABT OPEB Plans.

See accompanying notes to required supplementary information.

Required Supplementary Information, Continued

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

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

PLD OPEB Plan

	<u>2018**</u>	<u>2019**</u>	<u>2020**</u>	<u>2021**</u>	<u>2022**</u>
Town's proportion of the net OPEB liability	2.22%	2.17%	2.11%	2.13%	2.15%
Town's proportionate share of the net OPEB liability	\$ 371,809	\$ 437,455	\$ 451,360	\$ 280,500	\$ 222,146
Town's covered-employee payroll	5,129,533	5,143,649	4,983,338	4,596,565	4,870,730
Town's proportionate share of net OPEB liability as a percentage of covered-employee payroll	7.25%	8.50%	9.06%	6.10%	4.56%
Plan fiduciary net position as a percentage of the net OPEB liability	47.42%	43.92%	43.18%	55.40%	67.26%

SET OPEB Plan

Town's proportion of the net OPEB liability	0.00%	0.00%	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	<u>572,376</u>	<u>628,613</u>	<u>637,006</u>	<u>701,810</u>	<u>336,997</u>
Total	<u><u>\$ 572,376</u></u>	<u><u>\$ 628,613</u></u>	<u><u>\$ 637,006</u></u>	<u><u>\$ 701,810</u></u>	<u><u>\$ 336,997</u></u>
Plan fiduciary net position as a percentage of the net OPEB liability	47.29%	48.04%	49.22%	49.51%	62.90%

* Only five years of information available.

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

See accompanying notes to required supplementary information.

Required Supplementary Information, Continued

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

Maine Public Employees Retirement System Consolidated Plan (PLD)

<u>PLD OPEB Plan</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contribution	\$ 9,923	\$ 11,301	\$ 10,180	\$ 10,614	\$ 12,499	\$ 13,172
Contributions in relation to the contractually required contribution	<u>9,923</u>	<u>11,301</u>	<u>10,180</u>	<u>10,614</u>	<u>12,499</u>	<u>13,172</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Town's covered-employee payroll	\$ 5,129,533	\$ 5,143,649	\$ 4,983,338	\$ 4,596,565	\$ 4,870,730	\$ 5,005,723
Contributions as a percentage of covered-employee payroll	0.19%	0.22%	0.20%	0.23%	0.26%	0.26%

* Only six years of information available.

See accompanying notes to required supplementary information.

Net Pension Liability

Changes of benefit terms – None

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

Year Ending June 30,	Actuarial Assumptions*							
	2014	2015	2016	2017	2018	2019	2020	2021
Discount rate – PLD	7.25%	7.25%	7.125%	6.875%	6.75%	6.75%	6.75%	6.50%
Discount rate – SET	7.25%	7.125%	7.125%	6.875%	6.75%	6.75%	6.75%	6.50%
Inflation rate	3.50%	3.50%	3.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases – PLD	3.50 - 9.50%	3.50 - 9.50%	3.50 - 9.50%	2.75 - 9.00%	2.75 - 9.00%	2.75 - 9.00%	2.75% + merit	2.75 - 11.48%
Salary increases – SET	3.50 - 13.50%	3.50 - 13.50%	3.50 - 13.50%	2.75 - 14.50%	2.75 - 14.50%	2.75 - 14.50%	2.75% + merit	2.80 - 13.03%
Cost of living increases – PLD	3.12%	3.12%	2.55%	2.20%	2.20%	1.91%	1.91%	1.91%
Cost of living increases – SET	2.55%	2.55%	2.55%	2.20%	2.20%	2.20%	2.20%	2.20%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 through 2020, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table. Beginning 2021, mortality rates were based on the 2010 Public Plan (general benefits and teacher benefits, accordingly) Weighted Healthy Retiree Mortality Table, for males and females, projected using the RPEC_2020 model.

Net OPEB Liability

Changes of benefit terms – None

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

Year Ending June 30,	Actuarial Assumptions*				
	2017	2018	2019	2020	2021
Discount rate – PLD	5.41%	5.13%	4.98%	6.75%	6.50%
Discount rate – SET	6.875%	6.75%	6.75%	6.75%	6.50%

Total OPEB Liability

Changes of benefit terms – In 2021 the MEABT implemented the Medicare Advantage plan.

Changes of assumptions – Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

Year Ending June 30,	Actuarial Assumptions*					
	2017	2018	2019	2020	2021	2022
Discount rate – MMEHT Health Plan	3.78%	3.44%	4.10%	2.74%	2.12%	2.06%
Discount rate – MEABT Health Plan	N/A	3.58%	3.87%	3.50%	2.21%	2.16%

Additionally, the valuation method for the Town Health Plan was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2018.

**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.*

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INDIVIDUAL AND COMBINING STATEMENTS

General Fund Budgetary Statement Detail

Nonmajor Governmental Funds Combining Statements

Proprietary Funds Combining Statements

Fiduciary Funds Combining Statements



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TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2022

	<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	\$ 50,356,514	\$ -	\$ 50,356,514	\$ 50,617,076	\$ 260,562
Interest on delinquent taxes	90,000	-	90,000	92,281	2,281
Tax lien costs	13,000	-	13,000	10,520	(2,480)
Payment in lieu of taxes	400,000	-	400,000	428,146	28,146
Vehicle excise taxes	3,500,000	-	3,500,000	3,975,133	475,133
Watercraft excise taxes	20,000	-	20,000	25,472	5,472
Aircraft excise taxes	8,000	-	8,000	4,903	(3,097)
Total taxes	<u>54,387,514</u>	<u>-</u>	<u>54,387,514</u>	<u>55,153,531</u>	<u>766,017</u>
Licenses and permits:					
Finance department	10,000	-	10,000	16,905	6,905
Codes enforcement	340,000	-	340,000	391,916	51,916
Town clerk	162,542	-	162,542	172,747	10,205
Planning	40,000	-	40,000	118,119	78,119
Fire department	2,000	-	2,000	3,646	1,646
Police department	700	-	700	881	181
Public works	30,000	-	30,000	53,390	23,390
Total licenses and permits	<u>585,242</u>	<u>-</u>	<u>585,242</u>	<u>757,604</u>	<u>172,362</u>
Intergovernmental:					
State education subsidy	11,529,277	-	11,529,277	13,123,839	1,594,562
MainePERS contribution	-	3,677,010	3,677,010	3,677,010	-
State revenue sharing	3,139,900	-	3,139,900	3,979,488	839,588
State highway grant	195,000	-	195,000	201,680	6,680
State snowmobile funds	1,500	-	1,500	1,542	42
State tax exemption reimbursement	55,000	-	55,000	98,867	43,867
State IFW grant	10,000	-	10,000	10,000	-
State general assistance reimbursement	210,000	-	210,000	32,353	(177,647)
GP Metro CARES Act	6,817	-	6,817	6,818	1
State civil emergency preparedness	-	-	-	27,894	27,894
Total intergovernmental	<u>15,147,494</u>	<u>3,677,010</u>	<u>18,824,504</u>	<u>21,159,491</u>	<u>2,334,987</u>

TOWN OF BRUNSWICK, MAINE
Detailed Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2022

	<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	60,000	-	60,000	75,402	15,402
Watercraft, ATV, snowmobile registration	1,200	-	1,200	1,449	249
Municipal building rental	7,092	-	7,092	7,570	478
Fire department	1,500	-	1,500	5,649	4,149
Emergency medical services	1,100,000	-	1,100,000	1,463,813	363,813
Police department	123,000	-	123,000	121,577	(1,423)
Dispatch services fees	159,975	-	159,975	159,984	9
Public works	1,000	-	1,000	4,509	3,509
Recycling	15,000	-	15,000	10,542	(4,458)
Education - tuition, transportation, etc.	208,494	-	208,494	178,754	(29,740)
Recreation facility rentals	10,200	-	10,200	12,557	2,357
Total charges for services	1,687,461	-	1,687,461	2,041,806	354,345
Fines and penalties:					
Town clerk	4,925	-	4,925	8,175	3,250
Fire department	100	-	100	1,500	1,400
Police department	25,450	-	25,450	29,797	4,347
Total fines and penalties	30,475	-	30,475	39,472	8,997
Interest earned	50,000	-	50,000	94,690	44,690
Other revenue:					
Sale of miscellaneous assets	-	-	-	19,611	19,611
Cable TV franchise fees	280,000	-	280,000	300,849	20,849
General assistance recovery	-	-	-	1,044	1,044
Workers compensation proceeds	-	-	-	26,553	26,553
Workers compensation dividend	-	-	-	23,875	23,875
Property & casualty dividend	-	-	-	9,763	9,763
Brunswick Development Corporation subsidy	25,000	-	25,000	25,000	-
Miscellaneous - municipal	5,710	-	5,710	132,423	126,713
Miscellaneous - school	52,673	-	52,673	151,860	99,187
Total other revenue	363,383	-	363,383	690,978	327,595
Total revenues	\$ 72,251,569	\$ 3,677,010	\$ 75,928,579	\$ 79,937,572	\$ 4,008,993

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2022

	2021								2022	
	Adopted Budget	Encumbered Balances	Original Budget	Additional Appropriation	Adjustments	Final Budget	Actual	Variance Positive (Negative)	Encumbered Balances	
EXPENDITURES										
Current:										
General government:										
Administration	\$ 576,774	\$ -	\$ 576,774	\$ -	\$ 15,000	\$ 591,774	\$ 581,210	\$ 10,564	\$ -	
Finance	815,235	-	815,235	-	-	815,235	783,845	31,390	-	
Technology Services	390,319	-	390,319	-	-	390,319	353,870	36,449	-	
Municipal Officers	251,369	-	251,369	-	5,000	256,369	230,178	26,191	-	
Town Hall Building	194,353	-	194,353	-	35,000	229,353	220,168	9,185	-	
Risk Management	713,337	-	713,337	-	-	713,337	652,551	60,786	-	
Cable TV	111,709	-	111,709	-	-	111,709	102,656	9,053	-	
Assessing	306,012	-	306,012	-	-	306,012	280,417	25,595	10,000	
Town Clerk & Elections	413,833	1,715	415,548	-	-	415,548	392,614	22,934	-	
Engineering	308,337	-	308,337	-	-	308,337	225,461	82,876	-	
Planning	682,732	24,200	706,932	-	-	706,932	611,886	95,046	73,722	
Economic Development	269,801	-	269,801	-	-	269,801	210,149	59,652	-	
Total general government	<u>5,033,811</u>	<u>25,915</u>	<u>5,059,726</u>	<u>-</u>	<u>55,000</u>	<u>5,114,726</u>	<u>4,645,005</u>	<u>469,721</u>	<u>83,722</u>	
Public safety:										
Fire department	4,300,818	31,000	4,331,818	-	5,000	4,336,818	4,275,852	60,966	19,549	
Central fire station	47,975	-	47,975	-	-	47,975	37,858	10,117	-	
Emerson fire station	69,800	-	69,800	-	15,000	84,800	81,222	3,578	-	
Police department	4,823,005	-	4,823,005	-	-	4,823,005	4,544,093	278,912	39,593	
Emergency services dispatch	961,102	-	961,102	-	10,000	971,102	962,889	8,213	-	
Police station	121,440	-	121,440	-	15,000	136,440	136,547	(107)	-	
Marine Resources	129,659	-	129,659	-	-	129,659	113,391	16,268	-	
Streetlights	94,000	-	94,000	-	25,000	119,000	113,477	5,523	-	
Traffic signals	33,000	-	33,000	-	10,000	43,000	40,381	2,619	-	
Fire suppression (hydrants)	650,000	-	650,000	-	-	650,000	621,377	28,623	-	
Civil emergency preparedness	2,000	-	2,000	-	-	2,000	800	1,200	-	
Total public safety	<u>11,232,799</u>	<u>31,000</u>	<u>11,263,799</u>	<u>-</u>	<u>80,000</u>	<u>11,343,799</u>	<u>10,927,887</u>	<u>415,912</u>	<u>59,142</u>	
Public works:										
Administration	433,975	-	433,975	-	10,000	443,975	439,295	4,680	-	
General maintenance	2,142,761	43,300	2,186,061	-	-	2,186,061	2,002,158	183,903	13,377	
Refuse collection	672,975	-	672,975	-	-	672,975	654,190	18,785	-	
Recycling	531,390	-	531,390	-	-	531,390	368,206	163,184	-	
Central garage	831,613	-	831,613	-	75,000	906,613	876,874	29,739	4,396	
Total public works	<u>4,612,714</u>	<u>43,300</u>	<u>4,656,014</u>	<u>-</u>	<u>85,000</u>	<u>4,741,014</u>	<u>4,340,723</u>	<u>400,291</u>	<u>17,773</u>	

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2022

	2021							Variance		2022
	Adopted	Encumbered	Original	Additional	Final	Actual	Positive	Encumbered		2022
	Budget	Balances	Budget	Appropriation	Adjustments	Budget	(Negative)	Balances		Encumbered
EXPENDITURES, CONTINUED										
Human services:										
General assistance	451,116	-	451,116	-	-	451,116	197,837	253,279	-	
Health and social services	199,931	-	199,931	-	(77,629)	122,302	42,180	80,122	-	
Total human services	651,047	-	651,047	-	(77,629)	573,418	240,017	333,401	-	
Education:										
Education	43,651,333	-	43,651,333	3,677,010	(3,174,567)	44,153,776	42,193,074	1,960,702	-	
Recreation and culture:										
Recreation administration	496,343	-	496,343	-	50,000	546,343	535,963	10,380	-	
Buildings and grounds	1,099,521	27,312	1,126,833	-	(125,000)	1,001,833	902,714	99,119	2,955	
Rec Building Neptune Dr	245,809	3,812	249,621	-	-	249,621	168,460	81,161	-	
People Plus	167,000	-	167,000	-	-	167,000	167,686	(686)	3,000	
Library	1,611,464	-	1,611,464	-	25,000	1,636,464	1,637,791	(1,327)	-	
Total recreation and culture	3,620,137	31,124	3,651,261	-	(50,000)	3,601,261	3,412,614	188,647	5,955	
Intergovernmental:										
County tax	1,664,113	-	1,664,113	-	-	1,664,113	1,664,113	-	-	
Unclassified:										
Promotion and development	303,179	1,950	305,129	-	(4,500)	300,629	287,272	13,357	-	
Additional school assistance	10,000	-	10,000	-	-	10,000	10,000	-	-	
Cemetery care	3,200	-	3,200	-	-	3,200	2,594	606	-	
Contingency reserve	450,000	-	450,000	-	(295,000)	155,000	(291,168)	446,168	-	
Total unclassified	766,379	1,950	768,329	-	(299,500)	468,829	8,698	460,131	-	

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2022

	2021							Variance		2022
	Adopted	Encumbered	Original	Additional	Final	Actual	Positive	Encumbered		Balances
	Budget	Balances	Budget	Appropriation	Adjustments	Budget	(Negative)	Balances		
EXPENDITURES, CONTINUED										
Debt service:										
Long-term debt, principal	420,000	-	420,000	-	1,946,392	2,366,392	2,366,392	-	-	-
Long-term debt, interest	516,659	-	516,659	-	1,103,175	1,619,834	1,293,879	325,955	-	-
Total debt service	936,659	-	936,659	-	3,049,567	3,986,226	3,660,271	325,955	-	-
Capital outlay:										
Lease storage space	-	-	-	22,500	-	22,500	22,500	-	-	-
Total capital outlay	-	-	-	22,500	-	22,500	22,500	-	-	-
Total expenditures	72,168,992	133,289	72,302,281	3,699,510	(332,129)	75,669,662	71,114,902	4,554,760	166,592	
Excess (deficiency) of revenues over (under) expenditures	82,577	(133,289)	(50,712)	(22,500)	332,129	258,917	8,822,670	8,563,753	-	
OTHER FINANCING SOURCES (USES)										
Lease financing	-	-	-	22,500	-	22,500	22,500	-	-	-
Transfers from other funds	807,122	-	807,122	-	-	807,122	852,844	45,722	-	-
Transfers to other funds	(3,590,920)	-	(3,590,920)	-	(207,129)	(3,798,049)	(3,798,049)	-	-	-
Transfers to other funds - capital budget	-	-	-	(515,000)	-	(515,000)	(515,000)	-	-	-
Transfers to other funds - education	-	-	-	-	(125,000)	(125,000)	(125,000)	-	-	-
Total other financing sources (uses)	(2,783,798)	-	(2,783,798)	(492,500)	(332,129)	(3,608,427)	(3,562,705)	45,722	-	-
Net changes in fund balances	\$ (2,701,221)	\$ (133,289)	\$ (2,834,510)	\$ (515,000)	\$ -	\$ (3,349,510)	\$ 5,259,965	\$ 8,609,475	\$ -	
Fund balance, beginning of year							24,670,409			
Fund balance, end of year							\$ 29,930,374			

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.

New Elementary School

To account for the funding and construction of the Kate Furbish Elementary School.

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 Funds:

 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.

 Veteran's Plaza Fund

 This fund was established for the maintenance of the Veteran's Plaza.

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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 811,232	\$ 1,318,041	\$ 9,719	\$ 2,138,992
Investments	-	-	653,691	653,691
Cash held in escrow	-	241,450	-	241,450
Receivables:				
Accounts	22,216	245,308	-	267,524
Intergovernmental	1,393,786	207,720	-	1,601,506
Deposits	-	50,000	-	50,000
Inventory	35,103	-	-	35,103
Due from other funds	388,141	5,801,891	-	6,190,032
Total assets	<u>\$ 2,650,478</u>	<u>\$ 7,864,410</u>	<u>\$ 663,410</u>	<u>\$ 11,178,298</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 145,146	\$ 485,971	\$ -	\$ 631,117
Retainage payable	-	20,331	-	20,331
Accrued payroll	66,238	-	-	66,238
Unearned revenue	258,372	-	-	258,372
Due to other funds	969,980	-	-	969,980
Advances from other funds	-	479,644	-	479,644
Total liabilities	<u>1,439,736</u>	<u>985,946</u>	<u>-</u>	<u>2,425,682</u>
Fund balances (deficits):				
Nonspendable	35,103	50,000	652,075	737,178
Restricted	1,154,554	2,193,128	11,335	3,359,017
Committed	440,772	5,114,980	-	5,555,752
Unassigned	(419,687)	(479,644)	-	(899,331)
Total fund balances	<u>1,210,742</u>	<u>6,878,464</u>	<u>663,410</u>	<u>8,752,616</u>
Total liabilities and fund balances	<u>\$ 2,650,478</u>	<u>\$ 7,864,410</u>	<u>\$ 663,410</u>	<u>\$ 11,178,298</u>

Statement B-2

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Other Governmental Funds
For the year ended June 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
REVENUES				
Intergovernmental	\$ 3,899,699	\$ 389,024	\$ -	\$ 4,288,723
Investment income	-	-	(124,167)	(124,167)
Charges for services	992,526	-	-	992,526
Interest	1,920	1,492	-	3,412
Donations	407,942	629,522	10,000	1,047,464
Total revenues	<u>5,302,087</u>	<u>1,020,038</u>	<u>(114,167)</u>	<u>6,207,958</u>
EXPENDITURES				
Current:				
General government	935,749	-	2,256	938,005
Public safety	77,761	-	-	77,761
Public works	27,149	-	-	27,149
Human services	18,680	-	-	18,680
Education	3,640,171	-	1,598	3,641,769
Recreation and culture	437,460	-	18,981	456,441
Capital outlay	-	4,543,427	-	4,543,427
Total expenditures	<u>5,136,970</u>	<u>4,543,427</u>	<u>22,835</u>	<u>9,703,232</u>
Excess (deficiency) of revenues over (under) expenditures	<u>165,117</u>	<u>(3,523,389)</u>	<u>(137,002)</u>	<u>(3,495,274)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	199,500	5,429,923	-	5,629,423
Transfer to other funds	(86,783)	(184,851)	-	(271,634)
Total other financing sources (uses)	<u>112,717</u>	<u>5,245,072</u>	<u>-</u>	<u>5,357,789</u>
Net changes in fund balances	277,834	1,721,683	(137,002)	1,862,515
Fund balances, beginning of year (as restated)	932,908	5,156,781	800,412	6,890,101
Fund balances, end of year	<u>\$ 1,210,742</u>	<u>\$ 6,878,464</u>	<u>\$ 663,410</u>	<u>\$ 8,752,616</u>

Statement C-1

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

	Recreation Programs	Town Restricted Programs	School Restricted Programs	Totals
ASSETS				
Cash and cash equivalents	\$ 597,882	\$ -	\$ 213,350	\$ 811,232
Receivables:				
Accounts	7,199	13,399	1,618	22,216
Intergovernmental	- 14,051	1,379,735	1,393,786	
Inventory	- -	35,103	35,103	
Due from other funds	177,417	210,724	- -	388,141
Total assets	<u>\$ 782,498</u>	<u>\$ 238,174</u>	<u>\$ 1,629,806</u>	<u>\$ 2,650,478</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 65,906	\$ 12,350	\$ 66,890	\$ 145,146
Accrued payroll	38,451	203	27,584	66,238
Unearned revenue	237,369	- -	21,003	258,372
Due to other funds	- -	969,980	969,980	
Total liabilities	<u>341,726</u>	<u>12,553</u>	<u>1,085,457</u>	<u>1,439,736</u>
Fund balances (deficits):				
Nonspendable	- -	35,103	35,103	
Restricted	- 225,621	928,933	1,154,554	
Committed	440,772	- -	- -	440,772
Unassigned	- -	(419,687)	(419,687)	
Total fund balances	<u>440,772</u>	<u>225,621</u>	<u>544,349</u>	<u>1,210,742</u>
Total liabilities and fund balances	<u><u>\$ 782,498</u></u>	<u><u>\$ 238,174</u></u>	<u><u>\$ 1,629,806</u></u>	<u><u>\$ 2,650,478</u></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, 2022

	<u>Recreation Programs</u>	<u>Town Restricted Programs</u>	<u>School Restricted Programs</u>	<u>Totals</u>
REVENUES				
Intergovernmental	\$ -	\$ 911,758	\$ 2,987,941	\$ 3,899,699
Charges for services	471,054	13,935	507,537	992,526
Interest	1,920	-	-	1,920
Donations	-	26,869	381,073	407,942
Total revenues	<u>472,974</u>	<u>952,562</u>	<u>3,876,551</u>	<u>5,302,087</u>
EXPENDITURES				
Current:				
General government	-	935,749	-	935,749
Public safety	-	77,761	-	77,761
Public works	-	27,149	-	27,149
Human services	-	18,680	-	18,680
Education	-	-	3,640,171	3,640,171
Recreation and culture	<u>437,460</u>	<u>-</u>	<u>-</u>	<u>437,460</u>
Total expenditures	<u>437,460</u>	<u>1,059,339</u>	<u>3,640,171</u>	<u>5,136,970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,514</u>	<u>(106,777)</u>	<u>236,380</u>	<u>165,117</u>
OTHER FINANCING SOURCES				
Transfer from other funds	-	74,500	125,000	199,500
Transfer to other funds	-	(86,783)	-	(86,783)
Total other financing sources	-	(12,283)	125,000	112,717
Net changes in fund balances	<u>35,514</u>	<u>(119,060)</u>	<u>361,380</u>	<u>277,834</u>
Fund balances, beginning of year (as restated)	<u>405,258</u>	<u>344,681</u>	<u>182,969</u>	<u>932,908</u>
Fund balances, end of year	<u>\$ 440,772</u>	<u>\$ 225,621</u>	<u>\$ 544,349</u>	<u>\$ 1,210,742</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2022

	Impact Fees	Public Works Projects	Capital Reserve Fund	Capital Improvement Projects	New Elementary School	Totals
ASSETS						
Cash and cash equivalents	\$ 523,775	\$ -	\$ -	\$ -	\$ 794,266	\$ 1,318,041
Cash held in escrow	-	-	-	241,450	-	241,450
Receivables:						
Accounts	-	242,268	-	3,040	-	245,308
Intergovernmental	-	-	-	207,720	-	207,720
Deposits	-	-	-	50,000	-	50,000
Due from other funds	217,722	2,631,034	1,053,246	1,483,974	415,915	5,801,891
Total assets	<u>\$ 741,497</u>	<u>\$ 2,873,302</u>	<u>\$ 1,053,246</u>	<u>\$ 1,986,184</u>	<u>\$ 1,210,181</u>	<u>\$ 7,864,410</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 126,164	\$ 40,430	\$ 319,377	\$ -	\$ 485,971
Retainage payable	-	20,331	-	-	-	20,331
Advances from other funds	-	-	-	479,644	-	479,644
Total liabilities	<u>-</u>	<u>146,495</u>	<u>40,430</u>	<u>799,021</u>	<u>-</u>	<u>985,946</u>
Fund balances (deficits):						
Nonspendable	-	-	-	50,000	-	50,000
Restricted	741,497	-	-	241,450	1,210,181	2,193,128
Committed	-	2,726,807	1,012,816	1,375,357	-	5,114,980
Unassigned	-	-	-	(479,644)	-	(479,644)
Total fund balances	<u>741,497</u>	<u>2,726,807</u>	<u>1,012,816</u>	<u>1,187,163</u>	<u>1,210,181</u>	<u>6,878,464</u>
Total liabilities and fund balances	<u>\$ 741,497</u>	<u>\$ 2,873,302</u>	<u>\$ 1,053,246</u>	<u>\$ 1,986,184</u>	<u>\$ 1,210,181</u>	<u>\$ 7,864,410</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, 2022

	Impact Fees	Public Works Projects	Capital Reserve Fund	Capital Improvement Projects	New Elementary School	Totals
REVENUES						
Intergovernmental	\$ -	\$ 121,023	\$ -	\$ 268,001	\$ -	\$ 389,024
Interest	1,440	-	-	-	52	1,492
Donations	253,434	-	185,000	191,088	-	629,522
Total revenues	<u>254,874</u>	<u>121,023</u>	<u>185,000</u>	<u>459,089</u>	<u>52</u>	<u>1,020,038</u>
EXPENDITURES						
Capital outlay	35,712	1,051,176	1,344,774	1,971,830	139,935	4,543,427
Total expenditures	<u>35,712</u>	<u>1,051,176</u>	<u>1,344,774</u>	<u>1,971,830</u>	<u>139,935</u>	<u>4,543,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>219,162</u>	<u>(930,153)</u>	<u>(1,159,774)</u>	<u>(1,512,741)</u>	<u>(139,883)</u>	<u>(3,523,389)</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	2,550,000	1,175,920	1,704,003	-	5,429,923
Transfers to other funds	-	-	(150,000)	(34,851)	-	(184,851)
Total other financing sources (uses)	<u>-</u>	<u>2,550,000</u>	<u>1,025,920</u>	<u>1,669,152</u>	<u>-</u>	<u>5,245,072</u>
Net changes in fund balances	219,162	1,619,847	(133,854)	156,411	(139,883)	1,721,683
Fund balances beginning of year (as restated)	522,335	1,106,960	1,146,670	1,030,752	1,350,064	5,156,781
Fund balances end of year	<u>\$ 741,497</u>	<u>\$ 2,726,807</u>	<u>\$ 1,012,816</u>	<u>\$ 1,187,163</u>	<u>\$ 1,210,181</u>	<u>\$ 6,878,464</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2022

	Education Funds	Community Improvements Fund	Recreation and Cultural Fund	Social Services Fund	Totals
ASSETS					
Cash and cash equivalents	\$ 300	\$ 1,430	\$ 7,191	\$ 798	\$ 9,719
Investments	20,191	96,174	483,625	53,701	653,691
Total assets	\$ 20,491	\$ 97,604	\$ 490,816	\$ 54,499	\$ 663,410
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
Fund balances (deficits):					
Nonspendable	20,491	86,541	490,544	54,499	652,075
Restricted	-	11,063	272	-	11,335
Total fund balances	20,491	97,604	490,816	54,499	663,410
Total liabilities and fund balances	\$ 20,491	\$ 97,604	\$ 490,816	\$ 54,499	\$ 663,410

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2022

	Education Funds	Community Improvements Funds	Recreation and Cultural Fund	Social Services Fund	Totals
REVENUES					
Contributions	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
Investment earnings:					
Interest and dividends	783	3,439	18,079	2,013	24,314
Net increase (decrease) in the fair value of investments	(4,675)	(20,712)	(107,882)	(12,011)	(145,280)
Total investment earnings (loss)	(3,892)	(17,273)	(89,803)	(9,998)	(120,966)
Less investment expense	(103)	(447)	(2,385)	(266)	(3,201)
Total revenues	(3,995)	(7,720)	(92,188)	(10,264)	(114,167)
EXPENDITURES					
Current:					
Recreation and culture	-	-	875	-	875
Payment to beneficiaries	1,598	-	18,106	2,256	21,960
Total expenditures	1,598	-	18,981	2,256	22,835
Net changes in fund balances	(5,593)	(7,720)	(111,169)	(12,520)	(137,002)
Fund balances, beginning of year	26,084	105,324	601,985	67,019	800,412
Fund balances, end of year	\$ 20,491	\$ 97,604	\$ 490,816	\$ 54,499	\$ 663,410

Statement E-3

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
Education Funds
June 30, 2022

	Brunswick School Fund	Brunswick High Class of 1920 Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 232	\$ 68	\$ 300
Investments	15,633	4,558	20,191
Total assets	<u>\$ 15,865</u>	<u>\$ 4,626</u>	<u>\$ 20,491</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	15,865	4,626	20,491
Total fund balances	<u>15,865</u>	<u>4,626</u>	<u>20,491</u>
Total liabilities and fund balances	<u>\$ 15,865</u>	<u>\$ 4,626</u>	<u>\$ 20,491</u>

Statement E-4

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
Education Funds
For the year ended June 30, 2022

	Brunswick School Fund	Brunswick High Class of 1920 Fund	Totals
REVENUES			
Investment earnings:			
Interest and dividends	\$ 586	\$ 197	\$ 783
Net increase (decrease) in the fair value of investments	(3,497)	(1,178)	(4,675)
Total investment earnings (loss)	<u>(2,911)</u>	<u>(981)</u>	<u>(3,892)</u>
Less investment expense	(77)	(26)	(103)
Total revenues	<u>(2,988)</u>	<u>(1,007)</u>	<u>(3,995)</u>
EXPENDITURES			
Payment to beneficiaries	657	941	1,598
Total expenditures	<u>657</u>	<u>941</u>	<u>1,598</u>
Net changes in fund balances	(3,645)	(1,948)	(5,593)
Fund balances, beginning of year	19,510	6,574	26,084
Fund balances, end of year	<u>\$ 15,865</u>	<u>\$ 4,626</u>	<u>\$ 20,491</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
Community Improvement Funds
June 30, 2022

	Joshua Chamberlain Fund	Robert L Morrell Fund	Veteran's Plaza Fund	Totals
ASSETS				
Cash and cash equivalents	\$ 845	\$ 338	\$ 247	\$ 1,430
Investments	<u>56,843</u>	<u>22,700</u>	<u>16,631</u>	<u>96,174</u>
Total assets	<u>\$ 57,688</u>	<u>\$ 23,038</u>	<u>\$ 16,878</u>	<u>\$ 97,604</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	49,089	21,109	16,343	86,541
Restricted	<u>8,599</u>	<u>1,929</u>	<u>535</u>	<u>11,063</u>
Total fund balances	<u>57,688</u>	<u>23,038</u>	<u>16,878</u>	<u>97,604</u>
Total liabilities and fund balances	<u>\$ 57,688</u>	<u>\$ 23,038</u>	<u>\$ 16,878</u>	<u>\$ 97,604</u>

Statement E-6

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, 2022

	Joshua Chamberlain Fund	Robert L Morrell Fund	Veteran's Plaza Fund	Totals
REVENUES				
Contributions	\$ -	\$ -	\$ 10,000	\$ 10,000
Investment earnings:				
Interest and dividends	2,046	817	576	3,439
Net increase (decrease) in the fair value of investments	(12,208)	(4,875)	(3,629)	(20,712)
Total investment earnings (loss)	(10,162)	(4,058)	(3,053)	(17,273)
Less investment expense	(270)	(108)	(69)	(447)
Total revenues	<u>(10,432)</u>	<u>(4,166)</u>	<u>6,878</u>	<u>(7,720)</u>
EXPENDITURES				
Payment to beneficiaries	- - - - -	- - - - -	- - - - -	- - - - -
Total expenditures	- - - - -	- - - - -	- - - - -	- - - - -
Net changes in fund balances	(10,432)	(4,166)	6,878	(7,720)
Fund balances, beginning of year	68,120	27,204	10,000	105,324
Fund balances, end of year	<u>\$ 57,688</u>	<u>\$ 23,038</u>	<u>\$ 16,878</u>	<u>\$ 97,604</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.

Processing Facility
Operation of a materials processing facility adjacent to the former landfill.



TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Nonmajor Proprietary Funds
Enterprise Funds
June 30, 2022

	Mere Point <u>Wastewater</u>	Train Station/ <u>Visitors Center</u>	Processing <u>Facility</u>	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ 64,555	\$ 175,271	\$ 239,826
Accounts receivable	4,370	-	-	4,370
Due from other funds	-	9,676	-	9,676
Total current assets	4,370	74,231	175,271	253,872
Capital assets:				
Land	-	-	42,250	42,250
Intangibles	10,000	-	-	10,000
Buildings	-	-	11,500	11,500
Improvements other than buildings	-	74,038	57,000	131,038
Machinery and equipment	97,500	15,133	-	112,633
Infrastructure	766,550	-	-	766,550
Right-to-use leased assets	-	172,795	-	172,795
Less accumulated depreciation	(725,516)	(132,566)	(4,649)	(862,731)
Net capital assets	148,534	129,400	106,101	384,035
Total assets	152,904	203,631	281,372	637,907
LIABILITIES				
Current liabilities:				
Accounts payable	6,423	5,135	85	11,643
Accrual of payroll	-	-	559	559
Advance from other funds	112,052	-	-	112,052
Due to other funds	-	-	10,446	10,446
Total current liabilities	118,475	5,135	11,090	134,700
Noncurrent liabilities:				
Lease liability - Short term	-	48,859	-	48,859
Lease liability - Long term	-	76,088	-	76,088
Total noncurrent liabilities	-	124,947	-	124,947
Total liabilities	118,475	130,082	11,090	259,647
NET POSITION				
Net investment in capital assets	148,534	4,453	106,101	259,088
Unrestricted	(114,105)	69,096	164,181	119,172
Total net position	\$ 34,429	\$ 73,549	\$ 270,282	\$ 378,260

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, 2022

	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Processing Facility</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services:				
Permits	\$ -	\$ -	\$ 3,145	\$ 3,145
Service fees	45,260	-	-	45,260
Rent	-	11,340	-	11,340
Parking meter	-	17,349	-	17,349
Processing fees	-	-	12,920	12,920
Total operating revenues	<u>45,260</u>	<u>28,689</u>	<u>16,065</u>	<u>90,014</u>
OPERATING EXPENSES				
Personnel services	-	-	13,964	13,964
Contractual services	29,728	89,546	11,645	130,919
Materials and supplies	-	2,863	1,823	4,686
Depreciation	11,172	52,043	3,617	66,832
Total operating expenses	<u>40,900</u>	<u>144,452</u>	<u>31,049</u>	<u>216,401</u>
Operating income (loss)	<u>4,360</u>	<u>(115,763)</u>	<u>(14,984)</u>	<u>(126,387)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	-	205	565	770
Interest expense	-	(4,091)	-	(4,091)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(3,886)</u>	<u>565</u>	<u>(3,321)</u>
Income (loss) before transfers	<u>4,360</u>	<u>(119,649)</u>	<u>(14,419)</u>	<u>(129,708)</u>
Transfers in	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Change in net position	<u>4,360</u>	<u>5,351</u>	<u>(14,419)</u>	<u>(4,708)</u>
Net position, beginning of year	<u>30,069</u>	<u>68,198</u>	<u>284,701</u>	<u>382,968</u>
Net position, end of year	<u><u>\$ 34,429</u></u>	<u><u>\$ 73,549</u></u>	<u><u>\$ 270,282</u></u>	<u><u>\$ 378,260</u></u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Enterprise Funds
For the year ended June 30, 2022

	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Processing Facility</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 46,401	\$ 28,689	\$ 16,710	\$ 91,800
Payments to employees	-	-	(14,438)	(14,438)
Payments to suppliers for goods and services	(25,078)	(92,048)	(13,514)	(130,640)
Net cash provided (used) by operating activities	<u>21,323</u>	<u>(63,359)</u>	<u>(11,242)</u>	<u>(53,278)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	-	125,000	-	125,000
Increase (decrease) in due to other funds	108,489	(9,702)	11,241	110,028
Cash provided (used) by noncapital financing activities	<u>108,489</u>	<u>115,298</u>	<u>11,241</u>	<u>235,028</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on lease liability	-	(47,848)	-	(47,848)
Interest paid on lease liability	-	(4,091)	-	(4,091)
Acquisition of capital assets	(129,812)	-	-	(129,812)
Cash provided (used) by capital and related financing activities	<u>(129,812)</u>	<u>(51,939)</u>	<u>-</u>	<u>(181,751)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	205	565	770
Cash provided by investing activities	-	205	565	770
Net increase (decrease) in cash	-	205	564	769
Cash, beginning of year	-	64,350	174,707	239,057
Cash, end of year	<u>\$ -</u>	<u>\$ 64,555</u>	<u>\$ 175,271</u>	<u>\$ 239,826</u>

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

Operating income (loss)	\$ 4,360	\$ (115,763)	\$ (14,984)	\$ (126,387)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	11,172	52,043	3,617	66,832
(Increase) decrease in accounts receivable	1,141	-	645	1,786
Increase (decrease) in accounts payable	4,650	361	(46)	4,965
Increase (decrease) in accrued payroll	-	-	(474)	(474)
Total adjustments	<u>16,963</u>	<u>52,404</u>	<u>3,742</u>	<u>73,109</u>
Net cash provided (used) by operating activities	<u>\$ 21,323</u>	<u>\$ (63,359)</u>	<u>\$ (11,242)</u>	<u>\$ (53,278)</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.



TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Fiduciary Funds
Private-purpose Trust Funds
June 30, 2022

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	\$ 13,905	\$ 1,389	\$ 429	\$ -	\$ 15,723
Investments	360,423	93,395	28,896	-	482,714
Due from other funds	-	-	-	40,531	40,531
Total assets	<u>374,328</u>	<u>94,784</u>	<u>29,325</u>	<u>40,531</u>	<u>538,968</u>
LIABILITIES					
Accounts payable	-	-	-	-	-
Total liabilities	-	-	-	-	-
NET POSITION					
Net position held in trust for other purposes	<u>\$ 374,328</u>	<u>\$ 94,784</u>	<u>\$ 29,325</u>	<u>\$ 40,531</u>	<u>\$ 538,968</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Changes in Net Position
Fiduciary Funds
Private-purpose Trust Funds
For the year ended June 30, 2022

Private-purpose Trust Funds					
	Scholarship and Education Funds	Public Library Funds	E. H. Pennell Village Improvement Fund	Alex Labbe Recreation Fund	Totals
ADDITIONS					
Contributions	\$ -	\$ -	\$ -	\$ 8,000	\$ 8,000
Investment earnings:					
Interest and dividends	11,336	3,500	1,083	-	15,919
Net increase (decrease) in the fair value of investments	(72,467)	(20,889)	(6,463)	-	(99,819)
Total investment earnings (loss)	(61,131)	(17,389)	(5,380)	-	(83,900)
Less investment expense	(5,319)	(461)	(143)	-	(5,923)
Total additions	<u>(66,450)</u>	<u>(17,850)</u>	<u>(5,523)</u>	<u>8,000</u>	<u>(81,823)</u>
DEDUCTIONS					
Payment to beneficiaries	12,744	3,923	1,217	8,069	25,953
Total deductions	<u>12,744</u>	<u>3,923</u>	<u>1,217</u>	<u>8,069</u>	<u>25,953</u>
Changes in net position	(79,194)	(21,773)	(6,740)	(69)	(107,776)
Net position - beginning of year	381,801	94,050	36,065	40,600	552,516
Net position - end of year	<u>\$ 374,328</u>	<u>\$ 94,784</u>	<u>\$ 29,325</u>	<u>\$ 40,531</u>	<u>\$ 538,968</u>

Statement G-3

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Fiduciary Funds
Private-purpose Trust Funds
Scholarship and Education Funds
June 30, 2022

	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	\$ 671	\$ 11,968	\$ 1,144	\$ 84	\$ 38	\$ 13,905
Investments	45,106	230,134	76,963	5,675	2,545	360,423
Total assets	45,777	242,102	78,107	5,759	2,583	374,328
LIABILITIES						
Accounts payable	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
NET POSITION						
Net position held in trust for other purposes	\$ 45,777	\$ 242,102	\$ 78,107	\$ 5,759	\$ 2,583	\$ 374,328

Statement G-4

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, 2022

	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	\$ 1,691	\$ 6,306	\$ 3,031	\$ 213	\$ 95	\$ 11,336
Net increase (decrease) in fair value of investments	(10,089)	(42,452)	(18,087)	(1,269)	(570)	(72,467)
Total investment earnings (loss)	(8,398)	(36,146)	(15,056)	(1,056)	(475)	(61,131)
Less investment expense	(223)	(4,655)	(400)	(28)	(13)	(5,319)
Total additions	(8,621)	(40,801)	(15,456)	(1,084)	(488)	(66,450)
DEDUCTIONS						
Payment to beneficiaries	1,896	7,500	3,000	239	109	12,744
Total deductions	1,896	7,500	3,000	239	109	12,744
Changes in net position	(10,517)	(48,301)	(18,456)	(1,323)	(597)	(79,194)
Net position - beginning of year	56,294	290,403	96,563	7,082	3,180	453,522
Net position - end of year	<u>\$ 45,777</u>	<u>\$ 242,102</u>	<u>\$ 78,107</u>	<u>\$ 5,759</u>	<u>\$ 2,583</u>	<u>\$ 374,328</u>

Statement G-5

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Fiduciary Funds
Private-purpose Trust Funds
Public Library Funds
June 30, 2022

	L. Augusta Curtis Library Fund	W. J. Curtis Library Fund	Letitia A. Curtis Library Fund	Totals
ASSETS				
Cash and cash equivalents	\$ 677	\$ 561	\$ 151	\$ 1,389
Investments	45,561	37,708	10,126	93,395
Total assets	<u>46,238</u>	<u>38,269</u>	<u>10,277</u>	<u>94,784</u>
LIABILITIES				
Accounts payable	-	-	-	-
Total liabilities	-	-	-	-
NET POSITION				
Net position held in trust for other purposes	\$ 46,238	\$ 38,269	\$ 10,277	\$ 94,784

Statement G-6

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, 2022

	L. Augusta Curtis Library Fund	W. J. Curtis Library Fund	Letitia A. Curtis Library Fund	Totals
ADDITIONS				
Investment earnings:				
Interest and dividends	\$ 1,707	\$ 1,413	\$ 380	\$ 3,500
Net increase (decrease) in the fair value of investments	(10,190)	(8,434)	(2,265)	(20,889)
Total investment earnings (loss)	(8,483)	(7,021)	(1,885)	(17,389)
Less investment expense	(225)	(186)	(50)	(461)
Total additions	<u>(8,708)</u>	<u>(7,207)</u>	<u>(1,935)</u>	<u>(17,850)</u>
DEDUCTIONS				
Payment to beneficiaries	1,914	1,584	425	3,923
Total deductions	<u>1,914</u>	<u>1,584</u>	<u>425</u>	<u>3,923</u>
Changes in net position	(10,622)	(8,791)	(2,360)	(21,773)
Net position - beginning of year	56,860	47,060	12,637	116,557
Net position - end of year	<u>\$ 46,238</u>	<u>\$ 38,269</u>	<u>\$ 10,277</u>	<u>\$ 94,784</u>

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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>2013</u>	<u>2014(a)</u>	<u>2015</u>	<u>2016</u>	<u>2017(b)</u>	<u>2018(b)</u>	<u>2019</u>	<u>2020(c)</u>	<u>2021</u>	<u>2022</u>
Governmental activities										
Net investment in capital assets	\$ 47,805,066	\$ 55,925,927	\$ 56,815,236	\$ 56,294,978	\$ 54,166,077	\$ 56,225,310	\$ 68,970,333	\$ 61,963,362	\$ 65,863,422	\$ 60,266,582
Restricted	9,100,700	7,494,688	6,601,576	7,006,212	6,708,645	5,571,415	4,914,572	5,170,568	7,125,479	9,969,670
Unrestricted	<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>	<u>5,329,549</u>	<u>15,186,665</u>
Total governmental activities net position	<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>\$ 70,188,315</u>	<u>\$ 78,318,450</u>	<u>\$ 85,422,917</u>
Business-type activities										
Net investment in capital assets	\$ 2,432,176	\$ 2,269,672	\$ 2,235,365	\$ 2,095,120	\$ 1,915,310	\$ 1,528,890	\$ 1,192,654	\$ 668,707	\$ 221,010	\$ 331,838
Unrestricted	(4,522,385)	(4,291,756)	(4,203,593)	(4,135,381)	(4,051,279)	(4,206,420)	(3,544,678)	(4,991,205)	(2,719,798)	(1,882,598)
Total business-type activities net position	<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>	<u>\$ (2,498,788)</u>	<u>\$ (1,550,760)</u>
Primary government										
Net investment in capital assets	\$ 50,237,242	\$ 58,195,599	\$ 59,050,601	\$ 58,390,098	\$ 56,081,387	\$ 57,754,200	\$ 70,162,987	\$ 62,632,069	\$ 66,084,432	\$ 60,598,420
Restricted	9,100,700	7,494,688	6,601,576	7,006,212	6,708,645	5,571,415	4,914,572	5,170,568	7,125,479	9,969,670
Unrestricted	<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>	<u>2,609,751</u>	<u>13,304,067</u>
Total primary government net position	<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>\$ 65,865,817</u>	<u>\$ 75,819,662</u>	<u>\$ 83,872,157</u>

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

(b) 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.

(c) Net position has been restated as a result of implementing GASB Statement 84 in 2021. Years prior to 2020 have not been restated.

Table 2

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 4,144,050	\$ 4,382,918	\$ 5,006,091	\$ 5,849,369	\$ 5,803,581	\$ 4,950,780	\$ 5,603,934	\$ 6,331,703	\$ 8,214,140	\$ 7,335,813
Public safety	8,095,189	8,643,119	8,144,886	9,952,015	9,446,469	9,211,812	8,461,265	10,711,151	11,414,355	11,074,994
Public works	5,740,333	5,180,234	5,401,071	5,417,529	5,569,343	5,545,346	5,752,593	6,791,120	5,878,265	7,338,003
Human services	154,429	168,706	165,884	191,042	147,830	166,430	190,614	375,519	332,506	248,242
Education	34,366,120	36,080,222	37,759,011	37,889,171	41,486,812	41,908,434	41,202,580	44,061,737	48,614,103	50,705,599
Recreation and culture	2,749,776	3,319,591	3,336,957	3,417,837	3,536,584	3,733,011	3,681,856	3,898,655	4,024,665	4,065,619
County tax	1,183,264	1,249,487	1,333,350	1,360,042	1,410,855	1,517,700	1,565,279	1,590,123	1,674,551	1,664,113
Unclassified	281,424	36,996	8,683	29,082	29,868	130,537	199,922	103,265	70,742	8,698
Interest on long term debt	698,508	741,999	698,977	655,622	622,579	613,636	562,271	988,514	1,182,750	1,251,078
Total governmental activities expenses	<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>	<u>81,406,077</u>	<u>83,692,159</u>
Business-type activities:										
Solid waste facilities	614,661	712,042	730,574	881,459	857,971	2,325,237	1,406,202	3,742,135	1,277,825	111,771
Pay-per-bag program	80,200	85,259	90,666	92,079	88,785	121,459	70,761	82,552	119,363	124,767
Other business-type activities	127,122	143,733	143,221	124,633	137,868	140,113	117,526	122,584	151,100	220,492
Total business-type activities	<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>	<u>1,548,288</u>	<u>457,030</u>
Total primary government expenses	<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>	<u>\$ 82,954,365</u>	<u>\$ 84,149,189</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Education	\$ 679,596	\$ 417,018	\$ 727,312	\$ 700,162	\$ 1,966,093	\$ 1,872,506	\$ 1,756,317	\$ 1,540,639	\$ 939,667	\$ 838,151
Other activities	2,080,643	2,192,461	2,238,103	2,343,611	2,397,047	2,667,996	2,819,610	2,587,775	2,733,092	3,292,367
Operating grants and contributions	15,249,827	15,533,543	15,462,170	15,340,194	15,481,276	15,233,409	15,379,788	17,257,603	24,882,014	23,207,809
Capital grants and contributions	2,487,876	5,961,817	452,248	54,913	603,529	925,815	1,660,220	1,995,033	2,502,718	1,018,546
Total governmental activities program revenues	<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>	<u>31,057,491</u>	<u>28,356,873</u>
Business-type activities:										
Charges for services:										
Solid waste facilities	321,153	370,030	398,407	475,110	425,768	1,282,838	1,051,063	1,069,765	401,297	-
Pay-per-bag program	299,100	315,900	317,800	322,300	311,165	414,300	465,600	529,254	749,040	688,280
Other business-type activities	35,806	35,669	33,173	31,753	42,187	55,218	67,761	62,262	61,529	90,014
Operating grants and contributions	44,000	44,000	14,667	-	-	-	-	-	-	-
Capital grants and contributions	53,430	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<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>	<u>1,211,866</u>	<u>778,294</u>
Total primary government program revenues	<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>	<u>\$ 32,269,357</u>	<u>\$ 29,135,167</u>

Table 2, continued

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (expense) revenue										
Governmental activities	\$(36,915,151)	\$(35,698,433)	\$(42,975,077)	\$(46,322,829)	\$(47,605,976)	\$(47,077,960)	\$(45,604,379)	\$(51,470,737)	\$(50,348,586)	\$(55,335,286)
Business-type activities	(68,494)	(175,435)	(200,414)	(269,008)	(305,504)	(834,453)	(10,065)	(2,285,990)	(336,422)	321,264
Total primary government net expenses	<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>	<u>\$(50,685,008)</u>	<u>\$(55,014,022)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 34,120,685	\$ 36,850,361	\$ 39,007,676	\$ 40,903,778	\$ 42,687,078	\$ 43,785,337	\$ 45,577,899	\$ 48,219,683	\$ 51,396,119	\$ 54,147,507
Vehicle, watercraft and aircraft excise taxes	2,904,995	2,950,348	3,071,620	3,170,899	3,473,674	3,618,811	3,805,224	3,598,448	4,153,381	4,005,508
Unrestricted grants and contributions	1,815,749	1,319,069	1,392,084	1,432,041	1,429,859	1,452,665	1,691,877	2,330,033	2,944,723	4,415,458
Investment earnings (loss)	55,750	83,537	9,856	30,496	204,277	385,437	473,628	392,216	275,772	(23,330)
Other	3,261	17,965	136,631	5,700	477,767	31,683	-	-	-	19,610
Special items	105,282	225,000	-	-	-	-	-	-	-	-
Transfers	(250,000)	(240,000)	(244,000)	(194,000)	(194,000)	(225,000)	(225,000)	(225,000)	(300,000)	(125,000)
Total governmental activities	<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>	<u>58,469,995</u>	<u>62,439,753</u>
Business type activities:										
Investment earnings	189	232	270	2,975	15,796	60,892	110,571	90,516	25,462	8,753
Other	-	3,328	10,000	-	-	7,000	-	-	-	-
Special items	-	-	-	-	-	-	-	-	1,834,670	493,011
Transfers	250,000	240,000	244,000	194,000	194,000	225,000	225,000	225,000	300,000	125,000
Total business-type activities	<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>	<u>2,160,132</u>	<u>626,764</u>
Total primary government	<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>	<u>\$ 60,630,127</u>	<u>\$ 63,066,517</u>
Change in Net Position										
Governmental activities	\$ 1,840,571	\$ 5,507,847	\$ 398,790	\$ (973,915)	\$ 472,679	\$ 1,970,973	\$ 5,719,249	\$ 2,844,643	\$ 8,121,409	\$ 7,104,467
Business-type activities	181,695	68,125	53,856	(72,033)	(95,708)	(541,561)	325,506	(1,970,474)	1,823,710	948,028
Total primary government	<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>	<u>\$ 9,945,119</u>	<u>\$ 8,052,495</u>

Table 3

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

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Function/Program										
Governmental activities:										
General government	\$ 726,191	\$ 744,758	\$ 1,585,959	\$ 1,432,364	\$ 667,026	\$ 812,066	\$ 1,397,658	\$ 1,175,653	\$ 3,194,251	\$ 1,928,213
Public safety	1,341,026	1,399,505	1,315,187	1,334,520	1,328,824	1,529,603	1,530,473	1,588,852	1,742,420	1,924,648
Public works	2,121,817	1,128,833	677,835	292,592	548,949	987,977	1,424,051	873,152	1,472,661	794,114
Human services	29,305	26,976	37,298	36,313	30,755	41,111	52,176	116,099	97,257	33,397
Education	15,309,950	15,390,597	14,773,175	14,810,694	17,311,964	16,761,505	16,653,258	17,957,602	23,108,308	22,735,554
Recreation and culture	969,653	5,414,170	490,379	532,397	560,427	567,464	558,319	1,669,692	1,442,594	940,947
Total governmental activities	<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>	<u>31,057,491</u>	<u>28,356,873</u>
Business-type activities:										
Solid waste facilities	321,153	370,030	398,407	475,110	425,768	1,282,838	1,051,063	1,069,765	401,297	-
Pay-per-bag program	299,100	315,900	317,800	322,300	311,165	414,300	465,600	529,254	749,040	688,280
Other business-type activities	133,236	79,669	47,840	31,753	42,187	55,218	67,761	62,262	61,529	90,014
Total business-type activities	<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>	<u>1,211,866</u>	<u>778,294</u>
Total primary government	<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>	<u>\$ 32,269,357</u>	<u>\$ 29,135,167</u>

Table 4

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

	Fiscal Year									
	<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>	<u>2021</u>	<u>2022</u>
General fund								(restated)		
Nonspendable										
Long-term loans and advances	\$ 450,580	\$ -	\$ 454,080	\$ 363,264	\$ 272,448	\$ 181,632	\$ 727,778	\$ 1,582,610	\$ 586,606	\$ 591,696
Inventories and prepaids	55,570	36,767	37,711	25,220	26,523	28,015	39,392	21,395	36,047	55,182
Restricted										
Education	4,968,986	4,773,172	4,240,381	4,242,058	3,885,181	3,503,852	2,431,962	2,079,163	3,216,004	4,936,494
Municipal purposes	210,670	207,738	211,045	240,201	253,542	278,968	302,851	338,920	1,060,756	1,657,024
Assigned	1,824,835	1,619,378	1,525,233	1,130,790	1,700,864	3,324,678	3,445,194	4,597,167	2,655,425	2,075,375
Unassigned	10,001,974	8,488,177	8,670,334	10,316,602	11,792,687	11,488,111	12,430,139	12,002,583	17,115,571	20,614,603
Total general fund	<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>	<u>\$ 24,670,409</u>	<u>\$ 29,930,374</u>
All other governmental funds										
Nonspendable										
Special revenues funds	\$ 15,797	\$ 13,075	\$ 19,554	\$ 14,475	\$ 25,280	\$ 21,133	\$ 20,918	\$ 32,519	\$ 29,796	\$ 35,103
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	489,301	557,770	553,619	535,605	585,319	593,902	590,733	629,931	792,315	652,075
Restricted										
Tax increment financing	-	208,318	609,506	1,116,433	1,061,577	439,045	734,235	102,976	264,749	365,673
Special revenues funds	535,723	545,462	355,093	299,816	317,750	243,304	281,932	892,045	781,427	1,154,554
Impact fee fund	580,862	558,619	535,995	524,286	558,836	488,400	548,111	639,133	522,335	741,497
Capital projects funds	2,293,969	609,657	185,678	17,022	-	-	-	3,621,472	1,350,064	3,401,337
Permanent funds	21,189	20,877	21,603	22,408	21,160	2,811	3,830	5,881	8,097	11,335
Committed										
Capital improvements fund	1,866,798	1,276,859	708,636	202,393	202,171	601,865	185,469	898,513	1,293,322	1,375,357
Special revenues funds	203,617	178,164	255,901	319,521	730,068	684,715	553,909	596,164	481,169	440,772
Capital projects funds	1,634,358	995,828	496,685	259,659	405,734	895,777	1,560,901	2,109,529	2,253,630	3,739,623
Unassigned										
Capital improvements fund	(225,430)	-	(454,512)	(1,632,537)	(267,897)	(190,703)	(1,295,692)	(1,706,692)	(586,606)	(479,644)
Downtown TIF district	(1,413,629)	(945,524)	(240,401)	-	-	-	-	-	-	-
Special revenues funds	-	-	-	-	-	-	-	(433,190)	(359,484)	(419,687)
Capital projects funds	-	-	-	-	-	(1,119,537)	(10,889,700)	(2,488,574)	(4,158,983)	-
Permanent funds	(5,437)	(12,056)	(15,603)	(12,394)	(18,496)	-	(93)	(517)	-	-
Total all other governmental funds	<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>\$ 4,949,190</u>	<u>\$ 2,721,831</u>	<u>\$ 11,067,995</u>

(a) Restricted - Special revenues fund balance has been restated as a result of implementing GASB Statement 84 in 2021. Years prior to 2020 have not been restated.

Table 5

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Taxes	\$ 37,040,074	\$ 39,613,007	\$ 41,973,364	\$ 44,079,945	\$ 46,056,875	\$ 47,320,162	\$ 49,488,215	\$ 51,770,365	\$ 55,868,717	\$ 58,205,696
Licenses and permits	372,259	399,359	387,127	438,731	497,091	542,223	722,963	535,870	793,475	757,604
Intergovernmental	16,497,591	15,510,495	16,423,413	16,363,756	16,963,580	16,732,272	17,379,386	19,503,474	27,471,529	27,257,565
Investment income (loss)	36,307	69,563	(472)	(8,119)	50,126	28,219	22,560	42,441	178,355	(124,167)
Charges for services	2,427,793	2,632,025	2,247,651	2,426,780	3,665,106	3,651,523	3,570,785	3,368,893	2,558,739	3,034,332
Fines and penalties	34,756	39,511	56,197	43,135	42,220	50,515	43,224	43,860	28,047	39,472
Interest	19,440	13,975	10,328	38,616	154,149	357,219	451,530	350,234	97,418	100,835
Donations	265,575	311,824	134,863	95,132	111,473	218,541	663,651	816,487	981,928	1,072,464
Other	744,501	731,055	736,595	519,261	992,427	642,187	530,750	451,450	507,734	665,978
Total revenues	57,438,296	59,320,814	61,969,066	63,997,237	68,533,047	69,542,861	72,873,064	76,883,074	88,485,942	91,009,779
Expenditures										
General government	3,738,745	3,808,446	4,726,521	5,080,137	5,061,291	4,522,380	5,453,260	5,545,151	7,609,529	6,784,483
Public safety	7,755,060	8,126,462	8,372,751	8,431,176	8,605,110	8,877,128	9,253,679	10,029,509	10,574,387	11,193,501
Public works	3,394,481	3,703,154	4,120,313	3,566,623	3,702,441	3,848,598	3,744,055	3,781,752	3,682,780	4,367,872
Human services	154,425	168,723	171,606	176,406	139,921	163,348	202,823	374,486	331,730	258,697
Education	32,690,215	34,655,815	36,206,987	36,431,641	39,693,990	39,912,853	41,000,937	43,194,223	47,708,276	47,496,378
Recreation and culture	2,669,560	2,955,429	3,071,931	3,102,206	3,257,130	3,505,357	3,598,654	3,624,596	3,373,077	3,869,055
County tax	1,183,264	1,249,487	1,333,350	1,360,042	1,410,855	1,517,700	1,565,279	1,590,123	1,674,551	1,664,113
Unclassified	281,424	36,996	8,683	29,082	29,868	130,537	199,922	103,265	70,742	8,698
Debt service										
Principal	2,728,113	2,888,113	2,103,113	2,098,113	1,818,112	1,968,806	2,112,806	2,090,521	2,510,520	2,366,392
Interest	704,610	763,215	725,117	680,732	639,914	644,367	590,074	712,359	1,493,528	1,293,879
Capital outlay	6,490,340	5,327,426	1,846,437	3,032,795	2,733,467	4,539,282	14,720,674	18,598,527	7,349,660	12,391,172
Total expenditures	61,790,237	63,683,266	62,686,809	63,988,953	67,092,099	69,630,356	82,442,163	89,644,512	86,378,780	91,694,240
Excess (deficiencies) of revenues over (under) expenditures	(4,351,941)	(4,362,452)	(717,743)	8,284	1,440,948	(87,495)	(9,569,099)	(12,761,438)	2,107,162	(684,461)

Table 5, continued

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Other financing sources (uses)										
Bond proceeds	5,500,000	-	-	-	2,277,075	225,716	-	24,450,000	14,050	13,231,000
Premium on bonds	99,880	-	-	-	43,902	-	-	2,079,200	-	888,054
Lease financing	-	-	-	-	-	-	-	-	-	22,500
Transfers from other funds	4,613,380	4,339,887	2,158,360	2,965,098	2,076,108	4,220,002	3,566,118	5,289,159	5,421,796	6,482,267
Transfers to other funds	(3,424,833)	(2,703,457)	(2,366,360)	(2,911,617)	(2,140,108)	(3,754,795)	(2,515,582)	(2,388,920)	(2,666,580)	(4,876,805)
Transfers to other funds - capital budget	(462,250)	(465,000)	-	(50,000)	(40,000)	(480,207)	(899,116)	(2,741,100)	(1,979,891)	(1,575,462)
Transfers to other funds - supplemental appropriations	(845,580)	(1,100,000)	-	(136,481)	-	(100,000)	(250,000)	(257,719)	(1,023,905)	(30,000)
Transfers to other funds - education	(130,717)	(311,430)	(36,000)	(61,000)	(90,000)	(110,000)	(126,420)	(126,420)	(51,420)	(125,000)
Sale of assets	-	225,000	-	-	-	-	-	-	-	-
Total other financing sources (uses)	5,349,880	(15,000)	(244,000)	(194,000)	2,126,977	716	(225,000)	26,304,200	(285,950)	14,016,554
Net change in fund balances	\$ 997,939	\$ (4,377,452)	\$ (961,743)	\$ (185,716)	\$ 3,567,925	\$ (86,779)	\$ (9,794,099)	\$ 13,542,762	\$ 1,821,212	\$ 13,332,093
Debt service as a percentage of noncapital expenditures	6.34%	6.90%	4.64%	4.53%	3.82%	4.00%	3.99%	3.94%	5.20%	4.52%

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
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
2021	48,357,004	4,121,214	27,444	4,722	552,496	53,062,880	2,486,619	55,549,499
2022	50,564,394	3,975,132	25,472	4,903	530,947	55,100,848	3,052,165	58,153,013

Table 7

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

Fiscal Year	Property Taxes	Vehicle Taxes	Watercraft Taxes	Aircraft Taxes	Other	Subtotal	TIF Property Taxes	Total
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
2021	48,676,222	4,121,214	27,444	4,722	552,496	53,382,098	2,486,619	55,868,717
2022	50,617,076	3,975,133	25,472	4,903	530,947	55,153,531	3,052,165	58,205,696

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							
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%
2021	1,752,705,200	550,132,080	62,909,300	2,365,746,580	122,072,598	2,243,673,982	20.37	2,361,762,086	95.00%
2022	1,766,871,850	611,263,630	59,031,300	2,437,166,780	146,316,633	2,290,850,147	20.86	2,411,421,207	95.00%

(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	
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	
2021 109,526,750	115,291,316	
2022 112,683,700	118,614,421	

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

Table 9

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

Direct Rates				
Fiscal Year	General Municipal	Education (a)	County Tax (b)	Total
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
2021	7.79	11.87	0.71	20.37
2022	7.83	12.34	0.69	20.86

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	2021-22				2012-13			
	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
Bath Iron Works Corporation	\$ 38,572,900	1	1.58%	1.68%	\$ 24,891,300	1	1.87%	1.89%
Midcoast Regional Redevelopment Authority	33,579,696	2	1.38%	1.47%	18,082,900	3	1.36%	1.37%
Brookfield White Pine Hydro (formerly Maine Hydro)	33,154,600	3	1.36%	1.45%	18,474,500	2	N/A	N/A
Central Maine Power Co.	27,809,700	4	1.14%	1.21%	9,023,200	9	0.68%	0.69%
Brunswick Landing Ventures, LLC	24,318,300	5	1.00%	1.06%	-	-	N/A	N/A
Brunswick MZL LLC (formerly Dev. Diversified)	23,683,900	6	0.97%	1.03%	15,862,900	4	1.19%	1.21%
Walmart Real Estate Business Trust	18,688,100	7	0.77%	0.82%	12,768,200	6	0.96%	0.97%
Maine Natural Gas	16,782,200	8	0.69%	0.73%	-	-	N/A	N/A
Thornton Oaks Homeowners Assn. Corp.	15,059,250	9	0.62%	0.66%	11,942,600	7	0.90%	0.91%
W/S Brunswick Properties II LLC	13,640,200	10	0.56%	0.60%	11,036,000	8	0.83%	0.84%
Affordable MidCoast Housing	-		N/A	N/A	13,389,850	5	1.00%	1.02%
Bowdoin College	-		N/A	N/A	8,425,200	10	0.63%	0.64%
	<u>\$ 245,288,846</u>		<u>10.08%</u>	<u>10.71%</u>	<u>\$ 143,896,650</u>		<u>10.80%</u>	<u>10.94%</u>
Total Assessed Valuation *	\$ 2,434,166,780				\$ 1,332,368,190			
* Includes:								
Municipal valuation	\$ 2,290,850,147				\$ 1,315,896,090			
TIF valuation	<u>143,316,633</u>				<u>16,472,100</u>			
	<u>\$ 2,434,166,780</u>				<u>\$ 1,332,368,190</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	Amount Collected			
				Supplemental Taxes	Abatements	Net Collectible	within the Fiscal Year
2013	\$ 32,765,813	\$ 410,155	\$ 33,175,968	\$ 18,269	\$ (37,643)	\$ 33,156,594	\$ 32,348,601
2014	34,886,347	1,122,690	36,009,037	92,470	(140,271)	35,961,236	35,177,642
2015	36,415,474	1,390,457	37,805,931	54,983	(41,892)	37,819,022	36,821,979
2016	37,992,395	1,548,535	39,540,930	55,732	(61,208)	39,535,454	38,702,091
2017	39,280,373	1,842,499	41,122,872	223,789	(369,411)	40,977,250	40,116,510
2018	40,281,376	1,976,302	42,257,678	32,913	(304,707)	41,985,884	41,102,234
2019	41,309,260	1,986,422	43,295,682	36,828	(47,182)	43,285,328	42,467,493
2020	43,544,300	2,346,334	45,890,634	21,664	(50,810)	45,861,488	44,464,982
2021	45,703,639	2,486,619	48,190,258	33,738	(37,043)	48,186,953	47,228,466
2022	47,787,134	3,052,165	50,839,299	18,406	(44,925)	50,812,780	50,058,904

Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date			
	Amount	Percentage of Levy	Percentage of Net Collectible	Collected in Subsequent Years	Amount	Percentage of Levy	Percentage of Net Collectible
2013	\$ 32,348,601	97.51%	97.56%	\$ 807,354	\$ 33,155,955	99.94%	100.00%
2014	35,177,642	97.69%	97.82%	782,139	35,959,781	99.86%	100.00%
2015	36,821,979	97.40%	97.36%	995,459	37,817,438	100.03%	100.00%
2016	38,702,091	97.88%	97.89%	831,296	39,533,387	99.98%	99.99%
2017	40,116,510	97.55%	97.90%	853,933	40,970,443	99.63%	99.98%
2018	41,102,234	97.27%	97.90%	874,425	41,976,659	99.33%	99.98%
2019	42,467,493	98.09%	98.11%	805,450	43,272,943	99.95%	99.97%
2020	44,464,982	96.89%	96.95%	1,374,888	45,839,870	99.89%	99.95%
2021	47,228,466	98.00%	98.01%	-	48,073,042	99.76%	99.76%
2022	50,058,904	98.46%	98.52%	-	50,058,904	98.46%	98.52%

Table 12

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

Fiscal Year	Governmental Activities		Ratios of Net General Bonded Debt & Direct Borrowings		
	General Obligation Bonds & Notes From Direct Borrowings(a)(b)	Percentage of Personal Income (c)	Per Capita	Percentage of Estimated Actual Taxable Value of Property (d)	
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	5.41%	2,030.04	2.00%	
2021	41,840,500	5.13%	1,923.17	1.77%	
2022	53,491,792	6.56%	2,458.71	2.22%	

(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, 2022

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
Town of Brunswick General Obligation	\$ 50,715,756	100.00%	\$ 50,715,756
Premium on bonds	<u>2,776,036</u>	100.00%	<u>2,776,036</u>
Total direct debt	53,491,792		53,491,792
Overlapping:			
Cumberland County	30,856,174	4.84%	1,494,471
Maine Region 10 Technical High School	<u>3,317,296</u>	38.29%	<u>1,270,193</u>
Total overlapping debt	34,173,470		2,764,664
Total direct and overlapping debt	<u>\$ 87,665,262</u>		<u>\$ 56,256,456</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.

Table 14

TOWN OF BRUNSWICK, MAINE
Legal Debt Margin Information
June 30, 2022

Debt Limit by Category										
			<u>Type of Debt</u>		<u>Maximum Percent Allowable</u>		<u>Maximum Allowable Amount</u>		<u>Principal Amount Outstanding</u>	<u>Legal Debt Margin</u>
The amount of debt a Maine municipality may have is governed by Title 30-A M.R.S.A. section 5702. The law limits total debt and debt for specific categories. Total debt cannot exceed 15% of the Town's last full State Valuation. Debt for specific categories is limited to a percentage of State valuation. As the following table indicates, based on a 2022 State Valuation of \$2,740,850,000, the Town is in compliance with the total and categorical debt limits:			School		10.00%	\$ 274,085,000	\$ 33,809,756	\$ 240,275,244		
			Storm or Sanitary Sewer		7.50%	205,563,750		-	205,563,750	
			Municipal Airport Special District		3.00%	82,225,500		-	82,225,500	
			Municipal		7.50%	205,563,750	16,906,000		188,657,750	
Legal Debt Margin Calculation for Fiscal Year 2022										
State Valuation	\$ 2,740,850,000									
Debt Limit - 15% of State Valuation	411,127,500									
Less outstanding debt applicable to debt limit	<u>(50,715,756)</u>									
Legal Debt Margin	<u>\$ 360,411,744</u>									
			Total	Maximum Debt	15.00%	\$ 411,127,500	\$ 50,715,756	\$ 360,411,744		

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$ 297,517,500	\$ 303,937,500	\$ 300,060,000	\$ 312,390,000	\$ 327,607,500	\$ 337,860,000	\$ 347,985,000	\$ 376,425,000	\$ 389,385,000	\$ 411,127,500
Total debt applicable to limit	30,211,025	27,322,912	25,219,800	23,121,688	23,944,475	21,975,669	19,722,829	42,082,308	39,851,148	50,715,756
Legal debt margin	\$ 267,306,475	\$ 276,614,588	\$ 274,840,200	\$ 289,268,312	\$ 303,663,025	\$ 315,884,331	\$ 328,262,171	\$ 334,342,692	\$ 349,533,852	\$ 360,411,744
Total debt applicable to the limit as a percentage of debt limit	10.15%	8.99%	8.40%	7.40%	7.31%	6.50%	5.67%	11.18%	10.23%	12.34%

Table 15

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

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees (a)</u>	<u>Rank</u>	<u>Employees (a)</u>	<u>Rank</u>
Mid Coast-Parkview Health	2100	1	1600	1
Bath Iron Works	1800	2	1300	2
Bowdoin College	984	3	970	3
Town of Brunswick	607	4	600	4
Wayfair	355	5		
L.L. Bean Inc., Manufacturing Div.	342	6	275	6
Wal-Mart Stores, Inc.	298	7	281	5
Savilinx	165	8		
Hannaford Brothers	160	9	160	8
Pathways (formerly Providence Service Corp)	128	10		
Parkview Memorial Hospital			179	7
Lowe's			112	9
Bank of America, formerly MBNA			108	10

(a) Telephone Survey of Employers, March 2013 and March 2022. The employee counts were determined by the employers and may or may not represent full-time equivalents (FTEs).

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

Table 16

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

Fiscal Year	Population (a)	Per Capita			School Enrollment (c)	Unemployment Rate (d)
		Personal Income (b)	Personal Income (a)	Median Age (a)		
2013	20,278	\$ 556,691,934	\$ 27,453	41.40	2,363	6.1%
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	2.6%
2020	21,756	815,828,244	37,499	44.70	2,415	2.2%
2021	21,756	815,828,244	37,499	44.70	2,366	4.4%
2022	21,756	815,828,244	37,499	44.70	2,388	3.8%

(a) U.S. Department of Commerce, Bureau of Census. Fiscal years 2013 through 2019 from the 2010 Census. Fiscal years 2020 and later from the 2020 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 (a)</u>	<u>2021</u>	<u>2022</u>
General government										
Administration	4	4	4	4	4	4	5	4	4	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	3.5	3.5	3.5	4	4	4	4
Engineering	0	0	0	0	0	0	0	2	2	2
Planning and Codes	5	5	5	5	5	5.5	5.5	6	6	8
Economic development	1	1	1	1	1	1	1	1	2	2
Municipal building	1.5	1	1	1	1	0	0	0	0	0
Public safety										
Fire department	36	36	36	36	36	36	36	41	41	43
Police department	50	51	51	51	51	50.5	50.5	52.75	52.75	55
Public works										
Administration	5	5	5	5	5	6	6	3	4	4
General maintenance	11.5	16	15.5	14.5	14.5	14.5	14.5	15.5	15.5	16
Landfill	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	0
Central garage	3.5	3.5	3.5	3.5	2.5	2.5	2.5	2.5	2.5	3
Human services	1.5	1.5	1.5	1.5	1.5	1.5	1.5	3	3	2
Education	392	394	406	422	425	424	423	436	441	447
Recreation										
Administration	5	5	5	5	5	5	5	5	5	5
Buildings and grounds	5	5	5.5	5.5	5.5	7.5	7.5	8.5	8.5	9.6
Cable TV	1	1	1	1	1	1	1	1	1	1
Totals	540.5	547.5	559.5	574	576	577	577.5	599.75	606.75	617.6

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Fire Department										
Fire calls	1,144	1,098	1,135	1,131	1,133	1,271	1,021	1,099	981	985
Medical calls	2,823	2,737	2,867	2,997	3,103	3,379	3,415	3,110	3,201	3,707
Inspections	342	356	264	268	267	261	208	211	378	354
Police										
Calls for service (a)	43,815	42,332	44,426	46,758	45,593	44,519	45,563	38,856	37,978	40,602
Crash reports	713	715	787	814	838	1,017	853	708	849	745
Field interviews (b)	464	444	251	79	46	49	23	36	33	36
Offense reports	1,304	714	1,224	1,382	1,344	1,405	1,252	1,157	1,635	1,021
Physical arrests	1,184	1,022	1,035	922	962	899	1,435	971	1,030	985
Public Works										
Street resurfacing (miles)	4	4	3	5	4	5	6	8	4	4
Recyclables collected (tons)	1,548	1,622	2,402	2,829	2,482	3,095	2,453	2,430	2,749	1,971
Codes Enforcement										
Residential permits issued	249	293	267	293	310	351	347	297	271	216
Commercial/Industrial permits issued	52	58	58	52	70	73	46	47	59	39

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

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

Table 19

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police Department										
Stations	0	1	1	1	1	1	1	1	1	1
Patrol units	17	17	16	16	16	16	16	16	17	17
Fire Department										
Stations	2	2	2	2	2	2	2	2	2	2
Emergency vehicles	12	12	13	13	13	14	16	16	17	17
Public Works Department										
Streets (miles)	140	141	141	141	141	141	142	142	142	142
School Department										
Schools	4	4	4	4	4	4	4	4	4	4
School buses	26	26	26	26	29	29	29	32	32	31

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