

CONTINUING DISCLOSURE STATEMENT DATED MARCH 15, 2024

TOWN OF BRUNSWICK, MAINE



Questions regarding the information contained in this disclosure and requests for official statements should be directed to: Julia A.C. Henze, Finance Director, Town of Brunswick, 85 Union Street, Brunswick, Maine 04011, 207-725-6652.

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ACFR – June 30, 2023	

CUSIP NUMBERS

2013 G. O. Bonds

Amount	November 1,	CUSIP	2022 G.O. Bonds	Amount	November 1,	CUSIP
\$275,000	2024	117205LT9		\$550,000	2024	117205NY6
275,000	2025	117205LU6		550,000	2025	117205NZ3
275,000	2026	117205LV4		550,000	2026	117205PA6
275,000	2027	117205LW2		550,000	2027	117205PB4
275,000	2028	117205LX0		550,000	2028	117205PC2
275,000	2029	117205LY8		550,000	2029	117205PD0
275,000	2030	117205LZ5		550,000	2030	117205PE8
275,000	2031	117205MA9		550,000	2031	117205PF5
275,000	2032	117205MB7		550,000	2032	117205PG3

2017 G.O. Bonds

Amount	November 1,	CUSIP		Amount	November 1,	CUSIP
\$120,000	2024	117205MK7		515,000	2036	117205PL2
120,000	2025	117205ML5		515,000	2037	117205PM0
120,000	2026	117205MM3		515,000	2038	117205PN8
135,000	2029	117205MQ4		515,000	2039	117205PP3
110,000	2032	117205MT8		515,000	2040	117205PQ1
				515,000	2041	117205PR9
				515,000	2042	117205PS7
				515,000	2043	117205PT5
				515,000	2044	117205PU2
				515,000	2045	117205PV0
				515,000	2046	117205PW8

2020 G.O. Bonds

Amount	November 1,	CUSIP
\$805,000	2024	117205MZ4
845,000	2025	117205NA8
890,000	2026	117205NB6
935,000	2027	117205NC4
980,000	2028	117205ND2
1,030,000	2029	117205NE0
1,085,000	2030	117205NF7
1,120,000	2031	117205NG5
1,145,000	2032	117205NH3
1,170,000	2033	117205NJ9
1,195,000	2034	117205NK6
1,065,000	2035	117205NL4
1,065,000	2036	117205NM2
1,065,000	2037	117205NN0
1,065,000	2038	117205NP5
1,065,000	2039	117205NQ3
1,065,000	2040	117205NR1
1,065,000	2041	117205NS9
1,065,000	2042	117205NT7
1,065,000	2043	117205NU4
1,065,000	2044	117205NV2

CERTIFICATE REGARDING CONTINUING DISCLOSURE STATEMENT

The information contained herein has been prepared by the Town of Brunswick, Maine using information in the Town's possession and from various other public documents and sources which are believed to be reliable. The Town has not made any independent investigation of the information obtained from others. Such information is not guaranteed as to accuracy or completeness and is not intended to be a representation by the Town.

The purpose of the Continuing Disclosure Statement is to conform the requirements of Rule 15c2-12 and the Town's Continuing Disclosure Certificate(s) delivered by the Town with respect to its bonds issued in, and after, 1995 and not to create contractual or other rights for the purchasers or holders of the Town's bonds, any municipal securities broker or dealer, any potential purchaser of the Town's bonds, the Securities and Exchange Commission, or any other person.

To the best of the knowledge and belief of the Finance Director, this Continuing Disclosure Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Continuing Disclosure Statement obtained from sources other than the Town of Brunswick is not guaranteed as to accuracy, completeness or fairness, the Finance Director has no reason to believe that such information is materially inaccurate or misleading.

Julia A.C. Henze
Finance Director
Town of Brunswick, Maine

TOWN OF BRUNSWICK

GENERAL

Brunswick is located on the coast of the State of Maine in the northeastern section of the county of Cumberland, the State's most populous county. The Androscoggin River separates Brunswick from the town of Topsham, forming Brunswick's northern border. The city of Bath and the town of West Bath are each contiguous to Brunswick's east. The towns of Harpswell and Freeport form Brunswick's southeastern and southwestern border, respectively. Brunswick also encompasses and is bordered by various bays that flow directly into the Atlantic Ocean. The town of Durham borders Brunswick on its northwest perimeter. The Town is strategically located between Maine's major population centers being 25 miles northeast of Portland, Maine's largest city, 18 miles southeast of Lewiston - Auburn, 30 miles south of the city of Augusta, the State's capital, and eight miles west of the city of Bath. Convenient access to Brunswick is provided by U.S. Interstate Route 295 that diagonally bisects the Town's northwestern plain and by U.S. Route 1 that flows through the center of Brunswick and then through its northeastern border in a west-east direction.



**CUMBERLAND
COUNTY**

The area that encompasses the town was first settled by Europeans in 1628 as Pejepscot, named for the Pejepscot Indians of the Anasagunticook tribe. On September 14, 1715, the proprietors of the Pejepscot Company voted to lay out a township. On May 3, 1717, the township was approved by the General Court of Massachusetts and named in honor of the House of Brunswick to which family the King of England belonged. Brunswick became incorporated as a town on February 6, 1739. The first dam across the Androscoggin River, highly important in Brunswick's industrial growth, was built in 1753, and has been replaced many times since then. Blessed with water on three of its sides, the Androscoggin River, the New Meadows River and the Atlantic Ocean, Brunswick developed simultaneously as a mill town, a lumbering and shipbuilding center, and as a sea-going port.

Today, Brunswick is an industrial, commercial and cultural center for a large spread of coastal villages and resort regions in its area. Bowdoin College is located in the town, as is Mid Coast – Parkview Health, with a June 2015 consolidation of Mid Coast Hospital and Parkview Hospital. Brunswick Landing and Brunswick Executive Airport (both at the former Brunswick Naval Air Station which was closed in 2011 as part of a Base Realignment and Closure) are home to a growing number of businesses and manufacturing facilities, as well as a campus of Southern Maine Community College and TechPlace, a business incubator. Bath Iron Works, and L.L. Bean, one of the nation's most successful mail-order enterprises headquartered in Freeport, all have facilities in Brunswick.

Brunswick is a suburban-urban coastal community with highly developed shorefront areas. According to the 2020 Census, the Town's residents live in predominantly single-family dwellings of which 68% are owner occupied. The land area of the Town is comprised of residential, mixed use, commercial, industrial, college use, coastal protection, medical overlay and resource protection zones, open space, coastal and woodland areas with a total area embracing approximately 49.73 square miles.

GOVERNMENT

There are two basic forms of local government in Maine: the “Direct” form, often referred to as town meeting government, in which the town meeting serves as the legislative body, passing laws, approving the spending of monies; and the “Representational” form, in which an elected council serves as the legislative body.

The Town operates under a charter that initially became effective January 2, 1970, as amended and supplemented, most recently in November 2020 (the “Charter”), providing for a council-manager form of government with a nine-member Town Council, each serving three-year staggered terms. Seven council members are elected by district and two are elected at-large. The Charter grants to the Town Council all powers to enact, amend, or repeal rules, ordinances and resolutions relating to the Town’s property, affairs and government, to preserve the public peace, health and safety, to establish personnel policies and give effect to any vote of the Town and to authorize the issuance of debt. The Town Manager is the chief administrative officer of the Town.

MUNICIPAL SERVICES

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, highways, streets and sidewalks, parks and recreation, and coastal areas. Public education is provided by the Town for grades Pre-Kindergarten (“Pre-K”) through 12.

Water service is provided by the Brunswick & Topsham Water District, a wholly separate quasi-municipal entity whose operation and obligations are not part of the Town. Sewer service is provided by the Brunswick Sewer District, a wholly separate quasi-municipal entity whose operation and obligations are not part of the Town.

General Government and Administrative Services

General government and administrative services are located at 85 Union Street. Offices in the Town Hall building include the Town Manager’s office, the Assessing, Clerks, Economic Development, Engineering, Finance/Tax, Human Resources, Human Services, IT & Cable TV, and Planning & Codes Departments. Centrally located, the Town Hall also serves as a meeting facility, housing the Town Council Chambers and other conference rooms for Town boards and committees. As part of the Town’s building acquisition agreement in 2014, Bowdoin College continues to occupy the top floor of the building for ten years.

Public Safety

The Police Department is staffed by a Police Chief, two Commanders, three Patrol Lieutenants one Detective Lieutenant, one Detective Sergeant, four detectives, three patrol Sergeants, one Community Policing Sergeant, and 18 Patrol Officers. Included as part of the 18 patrol officers, there are two School Resource Officers and a Marine Patrol Officer. In addition, the roster also includes an Animal Control Officer, a Parking Enforcement Officer, ten Communications Officers and a Communications Officer Supervisor. There is an Executive Assistant, one Bookkeeper / Records Clerk, a non-sworn Evidence Specialist, three School Crossing Guards, and a Custodian. Brunswick’s K-9 unit is comprised of two dogs: Dutch Shepherd, ‘Jack’, and German Shepherd, ‘Brock’, who are both assigned to the Patrol Division. Beginning in 2019, Brunswick entered into an agreement with the Town of Freeport to share the services of the Animal Control Officer for a pro-rated share of that employee’s wages. Brunswick is a designated public safety answering point (“PSAP”), meaning that 911 calls from Brunswick and certain surrounding communities are directed to the Brunswick dispatch center. Under an agreement originally reached in 2010, and most recently updated effective July, 2022, Brunswick provides emergency services dispatch and

communications for the Town of Freeport. The current arrangement maintains an expiration date of June 30, 2027.

The Department maintains 25 vehicles, a motorcycle, a rescue vehicle, an electric vehicle for parking enforcement, equipment for bicycle patrols, an airboat, a 20 ft. fiberglass boat with outboard, a jet-ski, four equipment trailers, two electronic traffic sign boards, and an unmanned aerial vehicle (“UAV”), two remote surveillance robots, all of which are in good repair. The Police Department is currently headquartered at 85 Pleasant St in a building constructed in 2013. The police station building project was funded with the issuance of bonds on June 27, 2013. See “INDEBTEDNESS – DEBT SUMMARY” herein.

The Fire Department is staffed by a Fire Chief, two Deputy Chiefs, four Captains, eight Lieutenants, 28 Firefighters, an Inspector, and one Administrative Assistant. The captains, lieutenants and firefighters also serve as Emergency Medical Technicians and Paramedics for the Department’s rescue services. The Fire Department is currently housed in two fire stations, with Central station located on Pleasant Street, and Emerson Station, located in the Cook’s Corner area. The Department maintains one aerial platform truck, three pumper vehicles, one tank truck, two brush trucks, four ambulance/rescue units, two utility pickup trucks, three command SUVs, Inspector’s vehicle, one rescue boat. The department maintains a special operations unit for confined space and high angle rescue. Until January, 2024, the department also maintained a special operations unit and vehicle for Hazardous Materials response. This was disbanded as the vehicle had reached the end of its useful life, and it was determined that other regional resources were adequate to cover HazMat responses.

The Fire Department’s original Central Station was 103 years old, and studies in 2000 and 2002 identified numerous deficiencies in the structure and functionality of the facility. More recently, significant repair requirements brought the building issues to the forefront once again, and based on changes in traffic flow downtown, the Town recognized the need to consider other locations for a central station. In 2017 the Town Council established a Fire Station Task Force composed of citizens, Councilors and staff, and appropriated \$100,000 to fund programming analysis, site investigations and preliminary building design. On April 1, 2019, based upon the work of the Task Force, the Town Council approved the project and the issuance of bonds of up to \$13,500,000. During 2020, the Town acquired the property for the replacement fire station, completed the final design, and bid out construction. Construction started in March 2021 on the new 26,000 square foot Central Fire Station located at 119 Pleasant Street, and the building was placed in service in December 2022. Bonds were issued on February 8, 2022. See “INDEBTEDNESS – DEBT SUMMARY” herein.

Public Works

The Public Works Department is responsible for repair and maintenance of the Town’s roads, sidewalks, and storm drainage system, and the oversight of residential trash collection and recycling collection. The department was responsible for operation of the solid waste landfill until its closure, and currently the department operates a processing facility for certain materials. The department is staffed by one Public Works Director, one Deputy Director, one Operations Manager, one administrative assistant, and 20 full-time staff. The Public Works Department maintains 60 vehicles and various pieces of equipment. The Town Engineer and Assistant Town Engineer, formerly part of the Public Works Department, now have offices in Town Hall under the supervision of the Town Manager, where the engineers interface with several municipal departments in addition to Public Works.

The Public Works Department operates out of a 16,972 sf facility, which was constructed in 1956 and is undersized for the current needs of the public works operations. In 2022 the Town Council appropriated \$120,000 from general fund balance to conduct a needs assessment and preliminary design of a replacement facility which would include offices, locker rooms, vehicle repair bays and covered parking for vehicles

and equipment. The project is in the early phases of development, with the cost of construction currently estimated at \$12,000,000, and is expected to be funded through the issuance of bonds. See “CAPITAL IMPROVEMENT PROGRAM” herein.

The Town is responsible for maintenance and routine environmental testing at the Graham Road Landfill that was closed in April 2021. Operations at the Town’s wood and masonry landfill were discontinued in 2005 and the Town closed that facility in accordance with applicable laws and regulations. In January 2007, the Town initiated pay-as-you-throw trash bag and single sort recycling programs. The Town has funded the landfill closure with net proceeds from its pay-as-you-throw program. Based on available reserves and projected reimbursement of closure costs by the State, the Town estimates that it may not be necessary for the general fund to subsidize post-closure costs. See “ENVIRONMENTAL MATTERS” section herein.

Parks and Recreation

The Town’s Department of Parks and Recreation offers a full calendar of recreational programs and maintains a number of parks as well as active and passive recreational facilities throughout the Town. The Department is staffed by a Director and Deputy Director, one Program Assistant, three full-time Child Care staff, a Fitness Director, a Parks & Facilities Manager, two Parks Foreman, seven maintenance workers, two office support staff, and a number of part-time and seasonal personnel. In November 2013, the Parks and Recreation Department moved from its downtown location to a large multi-purpose recreation facility at the former Naval Air Station (“NASB”), now called Brunswick Landing. The building was transferred to the Town from the Navy through the public conveyance process associated with the NASB closure. In 2022, the Department finished improvements to their 50,000 square foot building that now features an Asylee Welcome Center, Child Care Center, new fitness center and administrative office spaces. Also conveyed from the Navy were a 591-acre parcel designated as passive recreation/conservation land, now named the Kate Furbish Preserve, and the former 66-acre Navy radio transmitter site in east Brunswick. The latter, along with a 163-acre site formerly owned by Maine Gravel Services, is now called the Capt. William A. Fitzgerald and Former Maine Gravel Recreation and Conservation Area. The Parks division currently is responsible for 50 parks, facilities and public spaces, constituting over 2,260 acres.

Train Station/Visitors Center

The Town leases approximately 2,125 square feet of space in a building located at Brunswick Station. The space serves as the Town’s train station/visitors center and is managed under an agreement with the Brunswick Downtown Association (“BDA”). The Maine Department of Transportation (“MDOT”) constructed a permanent station platform, located behind the train station/visitors center. The Town was not required to contribute to the construction of the platform but is responsible to maintain it at Town expense.

Following the 2010 approval of \$35 million in federal stimulus money, and \$3 million in State funds, approximately 28 miles of rail track between Brunswick and Portland were rehabilitated and Amtrak was able to extend train service to Brunswick. In November 2012, the Amtrak Downeaster train began operating from the station. In 2011, the Northern New England Rail Passenger Authority (“NNEPRA”) announced its plan to construct a layover facility in Brunswick to service the Amtrak Downeaster trains. Construction on the 650 foot by 70 foot layover facility, large enough to hold three full trains, allows for late-night trains arriving in Brunswick to remain overnight and head south again the following morning, rather than returning to Portland overnight. With the opening of the layover facility in November 2016, service increased to three round trips between Brunswick and Boston per day. In November 2018, the completion of a \$9.4 million secondary passing rail line in Falmouth and Cumberland enabled Amtrak’s Downeaster to operate five round trips per day on its entire line. This was adjusted temporarily during 2020 due to the

Covid-19 pandemic, but has resumed since.

Beginning in 2017, NNEPRA engaged with MDOT and the Central Maine and Quebec Railway to extend train service to Bath, Wiscasset, Newcastle and Rockland during the summer. This seasonal service would follow the route operated by Maine Eastern Railroad until the end of 2015. AmeriStarRail has proposed operating 6 roundtrip train excursions daily on the Rockland Branch from May 1, 2024 through October 27, 2024.

The Visitors Center also serves as a bus stop for both local, regional and long distance service. In 2010, the Brunswick Explorer began providing local bus service throughout Brunswick. In December, 2021, the name was changed to Brunswick Link, and service was expanded, increasing hours of operation and coverage of Brunswick Landing. In October 2023, special funding totaling \$17,500 was provided by Mid Coast Hospital, Immigrant Resource Center of Maine, and United Way of Mid Coast Maine to make the Brunswick Link free for six months. Mid Coast Hospital and United Way of Mid Coast Maine have applied for grants that could pay for another six months of free service.

In August 2017, the MetroBreez extended its regional express bus service between Brunswick and Portland, with stops in Freeport and Yarmouth. In 2020, the Town joined Greater Portland Metro, to continue the MetroBreez service, and the schedule currently includes 13-14 round-trips every weekday, and 5-6 round-trips on Saturday. Concord Coach Lines has used the station since it opened for the Brunswick stop on its Midcoast Maine route from Orono, Maine to Boston, Massachusetts and Logan Airport, in Boston.

Curtis Memorial Library

The Curtis Memorial Library (the “Library”) is located at 23 Pleasant Street. The original 5,400 square foot building, built with a gift from William Curtis in memory of his father Captain John Curtis, opened in 1904. A 10,600 square foot addition was added to the original building in November 1972. A major renovation and refurbishing of the 1904 building, along with a 38,000 square foot addition, were completed and opened to the public in October 1999. While the Town owns and maintains the building, the Library is managed by the Brunswick Public Library Association, a private non-profit association founded in 1883. A 12-member Board of Directors manages the Association with a staff comprised of approximately 22 full-time equivalent personnel including ten professional librarians. At June 30, 2023, the Library’s collections included approximately 120,000 items. The Library is operated by funds generated from endowments, restricted book funds, fund raising activities and funds provided by the towns of Brunswick and Harpswell, at their pleasure.

PUBLIC EDUCATION

Supervision of Educational Programs

The Town operates an educational program for grades Pre-K through 12 under its Individual Supervision (a School Administrative Unit or “SAU. Article IX of the Town’s Charter, provides that the Department of Education (“BDOE”) for the Town be administered by a School Board comprised of nine members, each serving three-year staggered terms. Seven School Board members are elected by district and two are elected at large. The School Board performs all duties and functions related to the care and management of the public schools of the Town. The School Board prepares and submits its budget to the Town Manager, who includes it in the budget process. See also “TOWN FINANCES – BUDGETARY PROCESS” section herein.

The School Department’s staff consists of a Superintendent, one Assistant Superintendent, one Director of Special Education, one Assistant Director of Special Education, one Director of Finance, one Chief Academic Officer, one Director of Human Resources, one Director of Technology, one Director of

Transportation, one Director of Facilities, Grounds, & Food Service, and an Athletic Director. Staffing also includes four full-time principals, four assistant principals, the equivalent of approximately 280 full-time teaching positions, and various other professional and non-professional staff. Brunswick's school population is shown in the following table:

<u>School</u>	<u>Grade</u>	<u>October 1, 2023 Population⁽¹⁾</u>
Kate Furbish School	Pre-K – 1	461
Harriet Beecher Stowe	2 – 5	684
Brunswick Junior High	6 – 8	537
Brunswick High	9 – 12	715

SOURCE: Town of Brunswick School Department.

NOTE: ⁽¹⁾ As of *October 1, 2023 Enrollment Reports*. This includes Brunswick residents and non-resident students attending Brunswick schools.

With the closure of Brunswick Naval Air Station in 2011, Brunswick experienced a loss of student population, dropping from an average total of 3,100 students to 2,350. Simultaneously, with the creation of Regional School Unit 5 (an “RSU”) in 2009, nearly 200 high school students from the Town of Durham who attended Brunswick High School, now attend Freeport High School. The reduction in enrollment resulted in the loss of federal and state aid and in tuition revenue. While this has required the Department to adjust its budgets accordingly, certain fixed costs have made budget adjustments difficult.

The following table illustrates the ten-year enrollment trends for Brunswick's schools:

<u>October 1,</u>	Brunswick Residents					
	<u>Grades</u>	<u>Grades</u>	<u>Grades</u>	<u>Resident Enrollment</u>	<u>Non-Resident Enrollment</u>	<u>Total Enrollment</u>
<u>PreK-5</u>	<u>6-8</u>	<u>9-12</u>				
2023	1,133	527	679	2,339	58	2,397
2022	1,108	513	690	2,311	52	2,363
2021	1,120	481	719	2,320	68	2,388
2020	1,078	501	709	2,288	78	2,366
2019 ⁽¹⁾	1,114	528	701	2,343	72	2,415
2018	1,034	537	672	2,243	84	2,327
2017	1,059	544	676	2,279	70	2,349
2016	1,048	517	681	2,246	67	2,313
2015	1,075	685	541	2,301	35	2,336
2014	1,076	471	778	2,325	33	2,358

SOURCE: State of Maine, Department of Education, “October 1 Census of Students Educated at Public Expense”.

NOTE: ⁽¹⁾ Beginning with the *October 1, 2019 Enrollment Reports*, Brunswick began offering Pre-K education services. All enrollment report figures for years before 2019 do not include amounts for Pre-K enrollments.

In August, 2011, the Town opened the Harriet Beecher Stowe School for grades 2 through 5, replacing the former Longfellow and Jordan Acres Schools (both educating grades K through 5), and reconfigured the grades at the Coffin School (formerly grades K through 5 and now serving grades K through 1). Construction of Harriet Beecher Stowe School was funded by the issuance of \$21,462,250 in school construction bonds. The Town elected to issue these bonds through the Maine Municipal Bond Bank (“MMBB”) which were issued on October 28, 2010. Based on the funding approval received from the State Department of Education (“MDOE”), approximately 87% of the annual net debt service cost on these bonds has been included in the State education subsidy formula. The formula is used to determine the total

annual State education subsidy provided to Brunswick. While the percentage of debt service included in the calculation is expected to remain constant throughout the 20-year amortization of the bonds, other factors in the formula will change annually and the education subsidy formula could be changed by the Maine Legislature. For 2024-25 the School Department is budgeting \$1,306,412 in debt service, and \$1,138,682 in subsidy from the State. See “REVENUES FROM THE STATE” for an explanation about funding of State approved school construction projects.

Over approximately six years, the School Department engaged in the development of a comprehensive facilities master plan, with the goal of identifying the facilities required to support the department’s programs as well as the costs associated with constructing and operating the required facilities. The planning and certain options were included in the Capital Improvement Program (“CIP”) for several years.

In November, 2016, responding to the aging Junior High and Coffin Schools, the school department proposed a course of action involving major repairs to the Junior High School and construction of a new elementary school. Based on the status and timing of the of MDOE’s Major Capital School Construction program, the projects did not qualify for State participation, therefore the new elementary school was funded locally through the issuance of debt. In September 2020, the Town opened the Kate Furbish Elementary School at the site of the former Jordan Acres School on Jordan Avenue. With a capacity of 660 students in grades pre-K through 2, the school replaced the aging Coffin School, and moves one grade out of the Harriet Beecher Stowe School. Construction of the school was funded through the issuance of \$24,450,000 in bonds on January 14, 2020. Debt service is entirely locally funded, and scheduled with level payments, for 15 years beginning in the 2020-21 fiscal year, followed by 10 years of declining payments. For the 2024-25 fiscal year, the fifth year of debt service, the school department is budgeting \$1,468,394 in debt service on the bonds.

The school department submitted an application for a Junior High School project to the MDOE’s Major Capital School Construction program in March, 2017. With the release of MDOE’s program priority listing, it became evident that the project could not expect state funding assistance, and attention was turned to addressing the repair needs over time, along with planning for the future of the Coffin School building. In 2016, 2017, and 2020, the school department applied for and received eligibility certificates for school repair projects under the MDOE School Revolving Renovation Fund. This project qualified the Town to borrow funds through the MMBB at 0% interest, with a percentage of the total “forgiven” by MDOE as a grant. With this funding, the School Department made repairs and access improvements to the Coffin School and the Brunswick Junior High School totaling \$1,563,426.

Beginning with the 2016-17 school year, the School Department assumed management of the REAL School program from RSU 14. The REAL School’s name stands for “Relevant, Experiential, Authentic, Learning”, and the school provides two programs. These are an alternative school program serves students who have not been successful in a traditional setting, and a special education program, which serves students who require specialized instruction and mental health treatment though their school days. The School Department receives tuition revenue from other school districts sending students. The REAL School continued to operate in its Falmouth location for the 2016-17 school year, and moved to leased space on Brunswick Landing for the school year beginning in September 2017. In August, 2022, the lease was renewed for an eight year term, and beginning with the 2022-23 school year, the program has been renamed the TREK Program, standing for “Teaching Restorative Experiential Knowledge”. However, with recent shifts in the constellation of students, the School Department is proposing to discontinue the TREK program beginning in the 2024-25 school year, and has reached an agreement to amend the lease without penalty.

Maine Region 10 Technical High School

The Town is a member of the Maine Region 10 Technical High School (“Region 10”), a school charged with delivering applied technology education. Region 10, an applied technology region (a “Region”), is

established in a cooperative agreement, (the “Cooperative Agreement”) by the SAUs from the Town of Brunswick, RSU 75 (Bowdoin, Bowdoinham, Harpswell and Topsham), and RSU 5 (Freeport, Durham and Pownal). The Cooperative Agreement provides for a nine-member Board of Directors (the “Region 10 Board”) with four members from Brunswick, three from RSU 75, and two from RSU 5.

Each SAU is responsible for its proportionate share of the Region’s operating expenses, including debt repayment, which is included in the respective unit’s annual assessment. On December 16, 2019 the Region 10 Board authorized \$3,580,664 through a 15-year lease/purchase with Androscoggin Bank for air quality and energy conservation equipment at the school facility at 68 Church Road in Brunswick. On October 1, 2023, 302 students were enrolled in Region 10, of which 99 were residents of Brunswick. The Town is responsible for its proportionate share of Region 10’s operating expenses which is assessed to the Town annually. See “INDEBTEDNESS – OVERLAPPING DEBT – Maine Region 10” herein.

Public Law Chapter 171, “*An Act To Enable Earlier Introduction of Career and Technical Education in Maine Schools*,” was enacted in June 2017 to expand career and technical education opportunities by requiring Maine schools to provide access to developmentally-appropriate career and technical education for middle school students (grades 6-8). MDOE is developing a funding plan to present to the Legislature designed to ensure adequate resources for this expansion. Beginning with the 2018/2019 budget, the State adopted a new State funding model for Career and Technical Education (“CTE”), such that CTE Centers are funded through a CTE allocation paid by the State and paid directly to the CTE Region or an SAU that has a CTE Center. The CTE funding statute still allows CTEs to assess members if their budget needs exceed the State CTE allocation; and to have cost sharing agreements.

In September 2022, Region 10 hired Hart Consulting, paid for with a \$250,000 grant from the Harold Alfond Foundation, to conduct a feasibility study into turning Region 10 into the state’s first four-year, full-service technical high school. The study proposed a new \$60 million school, possibly in Brunswick Landing, that could serve about 300 full-time and 100 part-time students. The plan has several hurdles including legislative changes to allow the new school to access state funding for special education and core classes such as English and math.

EMPLOYEE RELATIONS

The Town employs approximately 800 full and part-time employees. Approximately 500 of those are employed by the School Department. The status of various contracts for employees are:

<u>Union</u> ⁽¹⁾	<u>Covered Positions</u>	<u>Bargaining Unit</u>	<u>Date of Contract</u>	
			<u>Effective</u>	<u>Expiration</u>
Teamsters (Local #340)	24	Public Works Employees	7/01/22	6/30/25
Teamsters (Local #340)	10	Parks & Recreation	7/01/22	6/30/25
Brunswick Police Benevolent Assoc.	36	Police Officers	7/01/21	6/30/24
Brunswick Professional Firefighters.	43	Firefighters/EMS	7/01/22	6/30/25
Brunswick Emerg. Comm. Off. Assoc.	11	Police Dispatchers	7/01/23	6/30/26
AFSCME, Town departments	22	Clerical workers & other	7/01/22	6/30/25
BEA/MEA - Teachers	280	School Teachers	9/01/22	8/31/25
BEA/MEA – Educational Technicians	96	Educational Technicians	8/01/21	7/31/24
AFSCME, School department	54	Bus Drivers & Custodians	7/01/22	6/30/25

NOTES: ⁽¹⁾ “AFSCME” indicates the American Federation of State, County and Municipal Employees, affiliated with the American Federation of Labor & Congress of Industrial Organizations (“AFL-CIO”), as separate bargaining units; “MEA” indicates the Maine Education Association of which the various components of the Brunswick Educational Association (“BEA”) are affiliated, as separate bargaining units.

BUILDING PERMITS

Fiscal Yr. End June 30,	Residential		Commercial & Industrial	
	# Permits	Est. Cost Const.	# Permits	Est. Cost Const.
2023	305	\$ 31,213,456	92	\$ 56,359,568 ⁽¹⁾
2022	216	23,990,081	39	10,516,656 ⁽²⁾
2021	271	40,758,492	59	62,065,166 ⁽³⁾
2020	297	31,916,144	47	7,303,811 ⁽⁴⁾
2019	344	25,699,942	49	85,219,400 ⁽⁵⁾
2018	351	20,874,350	73	21,895,845 ⁽⁶⁾
2017	310	17,715,313	70	28,725,779 ⁽⁷⁾
2016	288	12,191,609	51	18,578,907 ⁽⁸⁾
2015	265	10,485,364	59	22,441,015 ⁽⁹⁾
2014	291	16,370,912	59	20,672,370 ⁽¹⁰⁾

NOTES: Estimated construction costs are included for both taxable and tax-exempt properties.

- ⁽¹⁾ Includes \$32,400,000 for Liberty Commons Apartments, \$8,500,000 for Brunswick Landing Condominiums, and \$4,920,534 for Harpswell Auto Sales retail center.
- ⁽²⁾ Includes \$1,911,905 for Midcoast Humane Society's new shelter, \$1,900,000 for new Mechanics Savings Bank location with drive thru, and \$1,380,000 for renovations to Brunswick Veterinary Clinic.
- ⁽³⁾ Includes \$27,275,000 for Bowdoin College's Center for Arctic Studies as well as Mills Hall academic building and \$13,500,000 for construction of the Town of Brunswick's Pleasant Street Fire Station.
- ⁽⁴⁾ Includes \$2,162,537 for Wild Oats Bakery/Restaurant facility developed on Brunswick Landing and \$1,440,000 for Priority Management Group LLC's construction of a two story bank building.
- ⁽⁵⁾ Includes \$24,850,000 for Bowdoin College's Harpswell Apartments which includes three residence halls, \$20,000,000 for the construction of the Kate Furbish elementary school, \$16,127,000 for construction of Bowdoin College's Park Row Apartments comprised of four residence halls, \$7,500,000 for expansion of the Village Green waste-to-energy plant, and \$4,200,000 for a 7,000 square foot addition to Mid Coast Senior Health.
- ⁽⁶⁾ Includes \$3,750,000 for construction of the Roman Catholic Bishop of Portland's All Saints multi-purpose facility, \$3,700,000 for construction of Bath Iron Works' replacement blast & paint facility, \$2,500,000 for a 79,970 square foot ground-mounted solar array constructed by MRRA, \$1,549,768 for an office & maintenance structure at SaviLinx, \$1,160,000 for construction of the Center for Diagnostic Imaging, and \$1,100,000 for a new Cumberland Farms facility in Cooks Corner.
- ⁽⁷⁾ Includes \$12,900,000 for construction of Bowdoin College's Roux Center for the Environment, \$2,200,000 for the Rusty Lantern Irving Station, \$2,200,000 for construction of two apartment buildings, and \$1,220,000 for office renovations to Nature Conservancy.
- ⁽⁸⁾ Includes \$8,168,011 for a 60-unit senior housing facility, \$1,350,000 for a snow removal equipment building, both at Brunswick Landing, and \$1,200,000 for renovations to a retail unit in Merrymeeting Plaza.
- ⁽⁹⁾ Includes \$4,225,000 for construction of CEI headquarters, \$6,250,000 for an anaerobic digester at Brunswick Landing, and \$2,500,000 for two 4,950 square foot maintenance garages for Brunswick Sewer District.
- ⁽¹⁰⁾Includes \$6,000,000 for commercial development at Brunswick Landing, \$2,500,000 for an administration building for Bowdoin College, \$1,800,000 for a church on Middle Street, \$1,306,000 for a solar array for Bowdoin College and \$1,100,000 for a retail building at Cooks Corner.

ECONOMIC CHARACTERISTICS

Population		Town of Brunswick	% Change		
Year			Town	State	USA
2020		21,756	7.3%	2.6%	7.4%

2010	20,278	(4.2)	4.2	9.7
2000	21,172	1.3	3.8	13.2
1990	20,906	20.4	9.2	9.8
1980	17,366	7.2	13.4	11.4
1970	16,195	2.5	2.4	13.4
1960	15,797			

Population Characteristics	Town of Brunswick	Cumberland County	State of Maine	USA
Median age (years)	44.4	42.2	44.7	38.1
% Under 5 years	5.3%	4.7%	4.7%	6.0%
% Under 18 years	16.6%	18.3%	18.5%	22.3%
% 65 years and over	21.4%	19.0%	21.2%	16.5%
Avg. household size	2.23	2.35	2.32	2.62

Housing

% Owner-occupied	68.2%	69.3%	72.3%	64.0%
Owner-occupied median value	\$243,500	\$278,100	\$190,400	\$217,500
Median gross rent	\$1,002	\$1,131	\$853	\$1,062
Households	8,455	120,644	559,921	139,684,244

Income

Median household income	\$59,922	\$73,072	\$57,918	\$62,843
Per capita income	\$37,197	\$40,527	\$32,637	\$34,103
% Below poverty level (individuals)	8.9%	8.6%	10.6%	11.4%

SOURCE: 2020 Census; U.S. Department of Commerce, Bureau of the Census.

Retail Sales

The Town is a center for retail, wholesale, distribution, transportation, banking, legal, medical, recreational, and other major services for its own base market, plus an area of the State encompassing Sagadahoc, Lincoln, southern Androscoggin and northeastern Cumberland counties. The following table displays the growth in certain sectors of the Town's economy, as measured by retail sales, by product group and by consumer sales:

Retail Sales by Product Group and Consumer Sales (000)

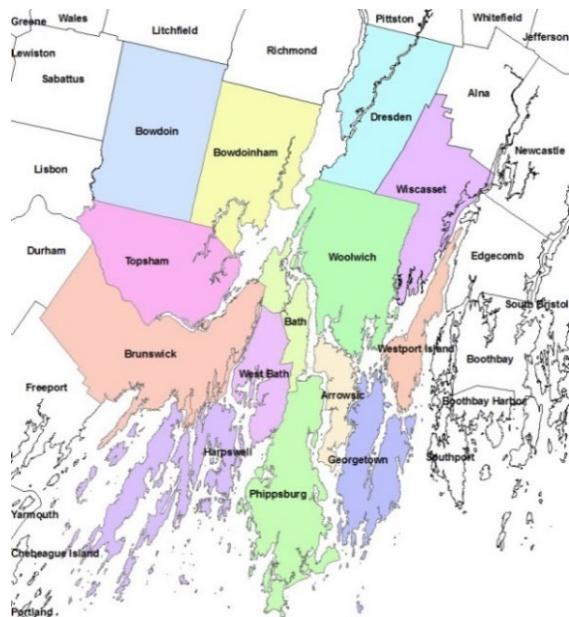
Year	Personal Consumption							
	Building Supply	Food Stores/ Gen. Mdse.	Other Retail	Auto/ Transp.	Restaurant/ Lodging	Personal Consumption	Business/ Operating	Personal & Business
2022	\$130,445	\$164,514	\$40,530	\$114,161	\$76,045	\$525,695	\$25,858	\$551,553
2021	126,217	159,115	37,040	106,615	64,595	493,582	23,189	516,771
2020	103,337	137,120	28,212	91,615	45,750	406,034	19,978	426,012
2019	91,025	142,405	29,541	81,777	67,437	412,185	19,708	431,893
2018	94,769	138,935	30,041	84,082	66,235	414,062	19,790	433,852
2017	88,239	136,748	29,880	85,342	65,767	405,976	17,739	423,715
2016	83,931	133,647	27,620	79,409	64,412	389,019	17,880	406,899
2015	74,868	116,215	25,511	77,064	60,196	353,854	16,972	370,826
2014	71,350	115,568	26,367	68,585	57,661	339,531	18,172	357,703
2013	66,785	115,077	26,639	65,575	55,659	329,735	17,564	347,299

SOURCE: State of Maine, Department of Taxation, Sales Tax Section. Retail sales table is updated in its entirety each year with the most up-to-date information available from the State of Maine.

BRUNSWICK LABOR MARKET AREA

Starting with January 2005 data, total employment and unemployment estimates developed by the Maine Department of Labor, Labor Market Information Services, are based on redefined labor market areas (“LMA”) in Maine. Labor market areas are the basic sub state geographic area used to develop employment and unemployment estimates. The Metropolitan and Micropolitan Areas defined by the Office of Management and Budget are the major labor market areas. The smaller labor market areas are defined independently by the U. S. Department of Labor, Bureau of Labor Statistics.

The Brunswick LMA includes Brunswick, Harpswell, Dresden, Westport, Wiscasset, Arrowsic, Bath, Bowdoin, Bowdoinham, Georgetown, Phippsburg, Topsham, West Bath, and Woolwich.



Unemployment

Calendar Year	Town of Brunswick	Cumberland County	State of Maine	USA
2022	2.4%	2.4%	3.0%	3.6%
2021	3.8	4.0	4.6	5.3
2020	4.5	4.9	5.1	8.1
2019	2.2	2.2	2.7	3.7
2018	2.7	2.6	3.2	3.9
2017	2.7	2.5	3.3	4.4
2016	3.0	2.9	3.8	4.9
2015	3.5	3.4	4.4	5.3
2014	4.9	4.4	5.6	6.2
2013	6.0	5.4	6.8	7.4

SOURCE: State of Maine, Department of Labor, Division of Economic Analysis and Research

Representative Employers

Name	Business	Approximate # of Employees
Bath Iron Works	Ship Building	1,700
MaineHealth	Hospital, Health Care, Retirement	1,192
Bowdoin College	College	1,012
Town of Brunswick	Municipality	800
Hannaford Bros.	Groceries/Pharmacy	280
Wal-Mart Stores, Inc.	Retail	259
LL Bean Inc., Mfg. Div.	Outdoor Equip/Sporting Goods	162
HERE Engineering / ViviCloud	Software Engineering	150
Mölnlycke Health Care Manufacturer	Health Care Manufacturing	119
Martin's Point Health Care	Hospital, Health Care, Retirement	108

SOURCE: Survey of Employers and/or Review of Employer Websites. The employee counts were determined by the employers and do not represent full-time equivalents (FTEs) in all cases.

Commuter Patterns

The following table displays the residential component of the Town's workforce, the respective component of its workers as a percentage of their local (i.e., home) workforce; and the geographic place of employment for the Town's residents:

Work in Brunswick, but live in:	Number of Workers	% Town's Workforce	Live in Brunswick, but work in:	Number of Workers	% Town's Workers
Brunswick	4,996	37.69%	Brunswick	4,996	49.74%
Topsham	1,046	7.89	Bath	966	9.62
Bath	686	5.18	Portland	741	7.38
Lisbon	458	3.46	Freeport	512	5.10
Harpswell	419	3.16	Topsham	475	4.73
Portland	350	2.64	South Portland	230	2.29
Bowdoin	349	2.63	Lewiston	218	2.17
Bowdoinham	269	2.03	Yarmouth	178	1.77
Durham	242	1.83	Augusta	144	1.43
Yarmouth	220	1.66	Falmouth	139	1.38
Richmond	216	1.63	Auburn	134	1.33
West Bath	215	1.62	Scarborough	123	1.22
Gorham	212	1.60	Harpswell	122	1.21
All Other	<u>3,576</u>	<u>26.98</u>	All Other	<u>1,067</u>	<u>10.63</u>
	13,254	100.00%		10,045	100.00%

SOURCE: State of Maine, Department of Labor, Labor Market Information Services; U.S. Department of Commerce, Bureau of Census, 2020 Census.

Mid Coast –Parkview Health

Part of MaineHealth, Mid Coast – Parkview Health is a dynamic healthcare system addressing a full continuum of community health, wellness, and prevention needs in the Midcoast region. Formed in 2015 by the Mid Coast Health Services merger with Parkview Adventist Medical Center, Mid Coast – Parkview Health's service area includes Bath, Brunswick, Topsham, Harpswell and the Islands, Phippsburg, Georgetown, Wiscasset, Bowdoinham, Lisbon, Freeport, and many other surrounding towns.

Mid Coast–Parkview Health affiliates include:

- **Mid Coast Hospital**, a full-service, 93-bed, Joint Commission accredited hospital with an active medical staff of more than 200 physicians and advanced practice professionals.
- **Mid Coast Medical Group**, community-based, multi-specialty physician group working in 4 primary care and 18 specialty practices located in Bath, Brunswick, and Topsham.
- **Mid Coast Senior Health**, a senior healthcare provider offering assisted living at Thornton Hall Assisted Living, memory care at The Garden, long-term care and skilled nursing at Mere Point, and nursing and rehabilitation at Bodwell.
- **CHANS Home Health & Hospice**, a home health care agency providing in-home nursing, rehabilitation, palliative, hospice, and private duty care. As the community leader in home health care and hospice, CHANS has provided licensed non-profit nursing services to Midcoast area residents since 1947.

Mid Coast Hospital, with its adjoining medical offices, includes a complete diagnostics suite offering state-of-the-art MRI, CT, ultrasound, mammography, bone densitometry, x-ray, and angiography cardiac

catheterization services. The hospital also has a level 2 trauma facility, 24-hour emergency department, in-house pharmacy, physical, occupational, and speech therapy, an accredited diagnostic imaging center, and a certified stroke center. The hospital offers a full range of care including in- and outpatient surgery, cardiac and pulmonary rehabilitation, sleep lab, and wound care center. The Mid Coast Hospital Laboratory offers high-quality lab services at several convenient locations in our community and serves the hospital in addition to healthcare facilities and doctors' offices in the area.

Mid Coast Hospital and CHANS Home Health & Hospice are accredited by the Joint Commission. Additionally, Mid Coast Hospital's Primary Stroke Center has been Joint Commission accredited, as one of only five in the State of Maine. In 2009, Mid Coast Hospital became the first community hospital in Maine to be recognized as a Magnet hospital for excellence in nursing and patient care by the American Nurses Credentialing Center. Mid Coast Hospital has achieved this Magnet designation three times in 10 years, an achievement only eight percent of U.S. hospitals have made. The National Committee for Quality Assurance ("NCQA") recognizes the Mid Coast Medical Group practices as NCQA Level 3 designation of Certified Patient-Centered Medical Homes, and Mid Coast Senior Health has been recognized multiple times by U.S. News & World Report as "Best Nursing Home".

As well as providing support within the hospital, Mid Coast Hospital provides urgent care at the Walk-In Clinic in downtown Brunswick and recovery support at the Addiction Resource Center. Advanced care is provided through several integrated, interdisciplinary centers including The Center for Sleep Medicine, Women's Imaging Center, Center for Joint Replacement, and Digestive Health Center. The Mid Coast Center for Community Health & Wellness, located at the Parkview Campus, is home to Cardiac and Pulmonary Rehabilitation, as well as a variety of health education and learning opportunities.

In March 2020, Mid Coast – Parkview Health joined MaineHealth and finalized the merger on January 1, 2021. MaineHealth, a regional not-for-profit family of leading high-quality providers and other healthcare organizations is consistently ranked among the Top 100 Integrated Healthcare Networks in the United States. This affiliation provides a strong connection for tertiary care with Maine Medical Center in Portland making transfer to that facility seamless when necessary. The relationship also helps the organization work collaboratively in improving quality of care, while at the same time making healthcare more efficient and cost effective. More information about Mid Coast–Parkview Health and MaineHealth is available at www.midcoastparkviewhealth.com and www.mainehealth.org.

SOURCE: Mid Coast-Parkview Health, Dept of Marketing Communications. While the Town believes these sources to be reliable the Town has not made any independent evaluation as to the accuracy or completeness of the above information.

Bath Iron Works

Bath Iron Works ("BIW") was founded on the banks of the Kennebec River in Bath, Maine in 1884. Founder, Thomas W. Hyde, leased a small iron foundry on the site of the current day shipyard. When Hyde took over the business, he patented a revolutionary windlass known as the Hyde Windlass. On November 28, 1884, Hyde incorporated Bath Iron Works, Ltd. In 1890, a passenger steamer for the Maine Steamship Co., Cottage City, was the first ship launched from the facility. Later, in 1893, BIW delivered Machias, its first US Navy vessel. It was also the first steel-hulled ship built in Maine. Since 1884, BIW has delivered more than 425 ships to the world's naval and commercial fleets, including more than 200 surface combatants for the United States Navy ("US Navy").

BIW is owned by General Dynamics, headquartered in Reston, Virginia (NYSE: GD). It is part of General Dynamics' Marine Systems Group business. BIW is one of the largest private employers in the State of Maine with 6,700 employees in the state. There are two principal manufacturing locations: (1) the main shipyard plant in Bath and (2) the Structural Fabrication Facility and the Outfit Fabrication

Facility/Consolidated Warehouse in Brunswick. Additionally, BIW has a facility in Brunswick for design and one for fleet support. Approximately 5,000 employees work at the main facility in Bath; approximately 1,700 are employed across the Brunswick facilities, which includes Engineering and Design facilities on Bath Road and on Church Road.

BIW is heavily dependent on contracts to build surface combatants for the US Navy. In 1985 the US Navy awarded to BIW the Lead Ship Design and Construction contract for the Arleigh Burke (“DDG 51”) class, and 34 ships were delivered under that program, the last being the USS Michael Murphy (DDG-112) in 2012. In 2011, the Navy restarted procurement in the Arleigh Burke program. BIW and a competitor are each building ships in the restarted program. BIW delivered the first four of these ships to the Navy in 2017, 2018, 2021 and 2023 respectively. In the fall of 2018 the Navy awarded BIW a \$3.9 billion contract to build four additional ships. In December 2018 BIW was awarded the contract for a fifth ship. In August, 2023, BIW was awarded a contract to build three more ships, one each in fiscal years 2023, 2024, and 2026. There are currently seven ships in production and five in its 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 72 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. Originally, a competitor was designated as the lead designer and builder of the DDG 1000, with that competitor and BIW each building one of the first two ships in this class. Cost has always been a concern regarding the DDG 1000 and the Navy decided to limit production to three ships, assigning responsibility for the design and construction of the DDG 1000 to BIW. In October 2016, the USS Zumwalt (DDG 1000), the first of the class was commissioned, and in January 2019, the USS Michael Monsoor (DDG 1001) was commissioned. BIW completed its work on the remaining ship of the DDG 1000 class, the USS Lyndon B. Johnson (DDG 1002) at the end of 2021. In December, 2018, BIW was awarded an \$85 million Planning Yard Services contract for the DDG 1000 class ships. BIW currently also has the maintenance and modernization contract for the class, which is handled out of the Brunswick design/support facility.

The US Navy’s procurement plans are always subject to change and any changes could eventually affect employment levels at BIW. BIW continues to look for opportunities to diversify its work beyond Navy contracts.

SOURCE: Bath Iron Works as of February, 2024. While the Town believes these sources to be reliable, the Town has not made any independent evaluation as to the accuracy or completeness of the above information.

Bowdoin College

Bowdoin College (“Bowdoin” or the “College”) is a private, undergraduate liberal arts college located in Brunswick. Founded in 1794, the College was named to honor James Bowdoin II, a distinguished past governor of the Commonwealth of Massachusetts, at the request of his son James Bowdoin III, the College’s first patron. The College is a residential, nonsectarian institution and has been coeducational since 1970. Bowdoin College offers Bachelor of Arts degree programs in more than forty defined majors including interdisciplinary programs. Bowdoin’s admissions standards are among the most selective in the nation and its enrollment trend is stable. Bowdoin employs approximately 1,012 FTE employees, including 211 FTE faculty members with payroll totaling \$99.6 million for the fiscal year ending on June 30, 2023, with approximately sixty-seven percent (62%) of that amount paid to Brunswick labor market area residents. In addition to taxes and fees, the College also makes annual financial contributions to the Town. In FY 2023, voluntary unrestricted payments totaled \$335,780 and voluntary payments restricted for capital totaled \$150,000.

Over the past several years, Bowdoin has expanded its student housing with three new housing projects. These include a set of new apartments on Park Row and a renovation of Boody Johnson House on Maine Street, both of which were finished in August of 2019 and ready for students in the fall of 2019. Construction on the new Harpswell apartments started in June 2019 and was completed in late summer 2020. The three residential projects provided more on-campus housing for students at an estimated cost of \$45 million.

Also completed in late summer 2020 were new facilities at the Schiller Coastal Studies Center in Harpswell, which offers opportunities for students and researchers studying the ocean and the environment. The project included a single story, 4,200 square foot, Dry Lab with teaching, research and preparation lab and support spaces, as well as a single story 4,950 square foot Living & Learning building, which provides spaces for classes, conferences and dining. The residential component consists of three 1,800 square foot, six-bedroom cabins, and a 950 square foot apartment cabin.

Construction on two new buildings, Barry Mills Hall and a Center for Arctic Studies, completed in January 2023 and December 2022, respectively. The 45,900 square foot project provides state-of-the-art academic facilities, a new home for Bowdoin's Peary-MacMillan Arctic Museum, and new event space. Mills Hall honors Bowdoin's fourteenth president, Barry Mills. Mills Hall and the Center for Arctic Studies were constructed adjacent to each other on a portion of the former Dayton Arena site and across from the new Roux Center for the Environment. Now that the new buildings are completed, Bowdoin looks to take down the nearby Dudley Coe Infirmary building, opening up a new quadrangle and vistas toward Bowdoin's main quadrangle.

Future plans focus on renovation of older buildings and spaces, most notably Pickard Field, Sills Hall and Ladd House. These projects are on track to be completed on time – in 2024 for Pickard, in 2025 for Sills and in the fall of 2023 for Ladd.

SOURCE: <https://www.bowdoin.edu> and from Bowdoin College. The Town has not made any independent evaluation as to the accuracy or completeness of the above information.

Brunswick Landing and Brunswick Executive Airport (BXM)

Brunswick Landing – Maine's Center for Innovation (“Brunswick Landing”) and Brunswick Executive Airport (“BXM”) are the products of the redevelopment of Naval Air Station, Brunswick (“NASB” a.k.a. “Brunswick Naval Air Station” or the “Base”). NASB was a military facility, which closed in May 2011 as the result of the 2005 Base Realignment and Closure (“BRAC”) process. Covering approximately 3,300 acres and located near the geographic center of Brunswick, NASB officials claimed the Base was Maine's second largest single-site employer in 2006, employing 4,710 full-time military and civilian personnel, of which 713 were civilians. Redevelopment is occurring under the direction of the Midcoast Regional Redevelopment Authority (“MRRA”), a public municipal corporation established by the Maine Legislature to implement the NASB Reuse Master Plan as set forth by the Brunswick Local Redevelopment Authority (“BLRA”). Soon after the 2005 BRAC closure announcement, the Defense Employment and Transitions Steering (“DETS”) Committee, a subcommittee of the Coastal Counties Workforce Board, Inc., commissioned a study that resulted in the report entitled, *The Impact of the BRAC Ordered Closure of the Brunswick Naval Air Station: A Regional Community Audit and Strategic Implications for the Coastal Economy, Business and Workers*, and dated March 31, 2006 (the “CCW Report”). The CCW Report, projected the loss of 3,435 direct jobs and 1,441 indirect jobs with the closure of the Base.

In response to the recommended closure of NASB, the Town of Brunswick and the State of Maine formed the Brunswick Local Redevelopment Authority (“BLRA”). In December 2007, the BLRA completed its *Reuse Master Plan for BNAS*. (the “Master Plan”). The Master Plan outlines aviation uses at the base and

incorporates a mix of land uses including: a professional business park; academic and research facilities; governmental and public facilities; housing; and recreational uses and open space. The Town has zoned the land at NASB consistent with the Town's economic and land-use goals. The BLRA was succeeded by the Midcoast Regional Redevelopment Authority ("MRRA"), a governmental agency established by the Maine Legislature to implement the Master Plan and manage the former NASB properties.

The United States government transfers properties to MRRA through Public Benefit Conveyances ("PBC") and Economic Development Conveyances ("EDC"). Only properties that are determined to be "clean" through a Finding of Suitability to Transfer ("FOST") are eligible to be transferred. The covenants of the Economic Development Conveyance from the United States government require all sales and leases of property be at market rate. MRRA is also required to pay the United States government 25% of its sales and lease revenues after receipt of the first \$7 million.

Since the first PBC for the airfield on March 28, 2011 and the EDC Purchase and Sale Agreement on September 28, 2011, the US Navy transferred approximately 1,960 of the approximately 2,258 acres MRRA is slated to receive. Of the non-airport property received, MRRA has sold 56 buildings and over 637 acres of land to 22 private sector developers and several individual businesses. As of the end of 2023, MRRA had 10 direct tenants leasing 144,366 square feet in 11 EDC-acquired buildings, and 2 buildings built by MRRA at Brunswick Landing. At Brunswick Executive Airport, MRRA had 47 direct tenants leasing 534,481 square feet in 10 PBC-acquired buildings, and 2 buildings built by MRRA, and 4 other tenants leasing land area.

Eighteen commercial and industrial buildings comprising 276,235 square feet have been constructed at Brunswick Landing. In 2020, Bar Harbor Bank and Trust, Dunkin Donuts, and Wild Oats opened new buildings. In the fall of 2021, Martin's Point Healthcare opened a new 55,000 square foot medical office building. A new multi-unit housing development has added 108 units on Brunswick Landing since 2020, and another 181 units are currently under construction. In addition, Brunswick Landing Ventures has received approval construct 85 single family homes, and Katahdin Property Management is currently constructing a 63-unit apartment building off Admiral Fitch Avenue. As of April 1, 2023, within the three TIF districts (as defined herein) on the former Base in Brunswick, over \$134.3 million in taxable real property value had been created from the previously tax-exempt Navy facilities, and new construction on Brunswick Landing.

The Navy has also conveyed properties to the Maine Community College System ("MCCS"). MCCS and its partner, the University of Maine System ("UMS"), have established associate, baccalaureate, certificate and training programs at Brunswick Landing. The renovated campus buildings include state-of-the-art classrooms and laboratories that support studies in pre-engineering, composites, business, health care, liberal arts and sciences and more. In addition, the Navy has conveyed properties to Bowdoin College and the Town, with approximately 1,200 acres reserved for conservation and recreation purposes.

According to MRRA, there are now over 132 public and private entities, with approximately 2,405 jobs, at Brunswick Landing and the Topsham Commerce Park, well exceeding the statutory short-term economic development goal of replacing the 713 civilian employees at Naval Air Station Brunswick. In addition, there are 120 Maine Army National Guard members and 124 Marine Corps Reservists assigned to their units at Brunswick Landing.

MRRA, in partnership with the Maine Manufacturing Extension Partnership ("MMEP") and Coastal Counties Workforce, Inc. ("CCWI"), received a \$2,425,000 grant from the Economic Development Administration, Department of Labor and National Institute of Standards and Technology to establish and fit-up a portion of the 95,000 square foot *TechPlace*, an Advanced Manufacturing, Science and Technology Business Accelerator on the campus of Brunswick Landing. The BDC and DECD/Town of Brunswick

contributed \$250,000 each. Completed in 2015, and expanded by an additional 25,000 square feet in 2016, *TechPlace* currently supports 38 early stage businesses, with 107 employees, in the sectors of aerospace, advanced materials, information technology, cleantech, and life sciences. Since its inception, *TechPlace* has ‘graduated’ 25 companies, nearly all of which have remained in Maine, and several of these have located on Brunswick Landing. Collectively, those ‘graduates’ have created 450 jobs.

Since it opened, Brunswick Executive Airport has seen significant increases in air traffic, with an estimated 24,000 flight operations in 2023. Flight Level Aviation, the Fixed Base Operator, sold 450,000 gallons of fuel, up from 350,000 in 2022. The Great State of Maine Airshow will return in August, 2024. BXM continues to see increases due to use of private aviation over commercial aviation due to the pandemic, three flight schools located at BXM, and increased training exercises from military units. BXM participates in the FAA’s Military Airport Program (MAP), which provides special funding to assist airport authorities to convert former military airfields into civilian airports.

In September 2019, in cooperation with MRRA and local property owners and developers, the Town completed Landing Drive, a new road connecting Admiral Fitch Avenue, Brunswick Landing’s main artery, to Gurnet Road in Cooks Corner. The Town and MRRA, along with Maine DOT, are currently considering another entry into Brunswick Landing from Bath Road by upgrading an existing driveway into a road connecting with Allagash Drive, and straightening Allagash Drive where it connects to Admiral Fitch Drive. Both of these connections are intended to facilitate better traffic flow and development in and around Brunswick Landing and Cook’s Corner. In 2023, MRRA, the Town, Bowdoin College, and Brunswick Housing Authority completed an extension of Wilson Avenue to provide access to the west side of the Brunswick Executive Airport, which will facilitate development of a former traffic control tower.

Over the past few years, discussions have centered around the condition and status of the roads and storm drainage on Brunswick Landing, and together, the Town and MRRA are reaching out to the federal delegation to seek financial assistance to bring the roads up to Town standards. The Town will continue to utilize funding through its TIF districts to upgrade infrastructure as allowed. See also “INDEBTEDNESS – FUTURE FINANCING” and “PROPERTY TAXATION – TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS”.

SOURCE: Information contained herein was obtained from:

- *BRAC Preparedness Strategy, Town of Brunswick, Maine, RKG Associates Inc. dated May 12, 2005;*
- *The Impact of the BRAC Ordered Closure of the Brunswick Naval Air Station: A Regional Community Audit* by Planning Decisions, Inc., and Career Prospects, Inc.;
- *Strategic Implications for the Coastal Economy, Business and Workers*, Coastal Counties Workforce, Inc., 3/31/06;
- <https://brunswicklanding.us/2023-annual-report-to-governor-janet-mills/>

NOTE: While the Town believes these sources to be reliable no independent investigation or inquiry has been made by the Town as to the accuracy or completeness of the above information.

TOWN FINANCES

BUDGETARY PROCESS

Article V of the Town’s Charter provides for a budget process. The fiscal year (or “budget year”) of the Town begins on the first day of July and ends on the thirtieth day of June of the following year. The charter provides that the Town Manager submit a budget to the council by May 1st of each budget year. The proposed budget is made available to the general public not later than two weeks after its submission to the council, which then orders a public hearing. The charter further directs the council to adopt a budget not later than June 15th. If the appropriation resolve establishes a property tax levy that exceeds the property tax levy limit, as defined in Maine law, then the excess of the appropriation must be approved in a separate

article by a majority of the entire Town Council. The property tax levy limit of one year may not exceed the property tax levy limit from the prior year by more than a specified growth limitation factor (see “TOWN FINANCES – PROPERTY TAX LEVY LIMIT” herein). State law also requires that the education portion of the budget, approved by the Town Council, is subject to a budget validation ratification referendum of the voters. Upon adoption of the budget, a property tax levy is then established and filed with the town assessor.

General Fund Budget for Fiscal Years Ending June 30, (000's)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
Property Taxes	\$ 44,727	\$ 46,659	\$ 50,357	\$ 52,840	\$ 58,572
Vehicle Excise Taxes	3,490	3,275	3,500	3,700	3,700
Other Taxes	503	525	531	522	534
Licenses, Fees, & Permits	584	570	585	596	561
Intergovernmental	13,155	14,867	15,147	18,913	21,082
Charges for Service	1,497	1,616	1,718	2,016	1,989
Interest on Investments	220	100	50	80	500
Other	1,031	1,149	1,171	471	433
Transfers and Use of Balances	2,723	2,461	2,701	5,177	4,688
TOTAL REVENUES	\$ 67,930	\$ 71,222	\$ 75,760	\$ 84,315	\$ 92,059
EXPENDITURES					
General Government	\$ 4,454	\$ 4,635	\$ 5,034	\$ 5,452	\$ 6,253
Public Safety	10,306	10,649	11,233	12,354	12,966
Public Works	4,121	4,056	4,613	4,910	5,683
Human Services	198	834	651	461	578
Education	38,566	39,760	40,602	46,434	49,949
Recreation & Culture	3,393	3,267	3,620	3,875	4,588
Debt Service	2,559	3,937	3,986	4,499	4,851
County Tax	1,590	1,675	1,664	1,714	1,892
Unclassified	550	521	766	1,005	1,542
Transfers Out	2,193	1,888	3,591	3,611	3,757
TOTAL EXPENDITURES	\$ 67,930	\$ 71,222	\$ 75,760	\$ 84,315	\$ 92,059

NOTES: This table is prepared on the Budgetary Basis. It reflects the adopted budget as amended, not the final budget. Further, (a) Debt service and education appropriations have been reclassified for comparative purposes. Previously, debt service for school construction projects was reported as part of the educational appropriation. It is now included with debt service in the table above. The education appropriation has been reduced by the corresponding amount; (b) The State of Maine reimburses the Town for a portion of the Homestead Exemptions provided to resident property taxpayers of the Town of Brunswick and the Business Equipment Tax Exemption provided to businesses. The Town budgets the reimbursements as property tax revenue.

Budget Commentary

The 2023-24 budget was adopted on May 22, 2023, in the first year of the State’s biennial budget. Budgeted expenditures for all departments increased, due largely to growing personnel costs. Also affected by the tapering off of federal CARES Act funding, School Department general fund expenditures increased by 7.05%. The School Department budget included an 8.8% (\$1.2 million) increase in estimated State Aid to Education. In 2021-22, \$1,510,784 in unanticipated education aid flowed to the fund balance restricted for education. This was used in full by the School Department offset taxes in the 2022-23 budget, and was not available for use in the 2023-24 budget.

Net non-property tax revenue for the School Department in the 2023-24 budget increased by \$394,811, or 2.2%, and the amount required from property taxes for the School Department increased by \$3,093,081, or 9.9%. The amounts required from property taxes in the 2023-24 budget for the municipal departments and Cumberland County increased by \$1,582,127 (7.52%) and \$177,992 (10.39%), respectively. With the commitment of taxes on September 15, 2023, the 2023-24 property tax rate was \$23.29/\$1,000, an increase of 7.38%, which was more than the previous year's increase of 3.98%.

The Town's 2024-25 budget, in the second year of the State's biennial budget, will also be affected by revenues from the State. State Aid to Education is based on the Essential Programs and Services ("EPS") model, which is subject to change annually, and no assurances can be made that the State's subsidy program will continue in its present form. Based on the EPS projections provided by the State in February 2024, State Aid to Education in 2024-25 is projected to increase by \$1,219,805, or 8.0%.

Revenue Sharing is program by which, since 1972, the State has shared a portion of its income and sales tax revenues with municipalities in order to provide a measure of property tax reduction. The percentage transferred into the pool for distribution to municipalities has been reduced from an original 5% since 2006, and is currently proposed to return to that level over several years. The portion transferred to the pool was set at 2% for FY 2016 to FY 2019, 3% for FY 2020, 3.75% for FY 2021, 4.5% for FY 2022 and 5% for FY 2023 and beyond. For the 2024-25 budget, Brunswick is budgeting \$5,754,834; the estimate provided by the State. This represents an increase of \$588,565 over the 2023-24 budget. When budgeting this source, the Town is aware of the continuing fluctuations in the economy affecting the sales and income tax revenues available, and that the State's budget is subject to change.

The Homestead Exemption is a property tax exemption established by the State to benefit property tax payers. Previously, the law provided for a homestead exemption in the amount of \$10,000 with the State reimbursing municipalities at a rate of 50% of the lost revenue. Beginning in FY 2017, the homestead exemption increased to \$15,000 with the State reimbursement continuing at 50%. In FY 2018, the homestead exemption increased to \$20,000, but the State reimbursement rate, which was originally projected to increase to 62.5% that year, was maintained at 50% in FY 2018, and only increased to 62.5% in FY 2019. The exemption amount and reimbursement rate were maintained for FY 2020, but for FY 2021 the homestead exemption to taxpayers was increased to \$25,000, and the State reimbursement to municipalities was increased to 70%, and was set to increase in following years by 3% each year until the reimbursement rate reaches 100%. However, with the State's 2024/2025 biennial budget, the reimbursement rate increase was paused at 76% for FY 2024 and future years.

For a more complete discussion on these three sources of State Aid, see also "REVENUES FROM THE STATE" herein, and APPENDIX A – TOWN OF BRUNSWICK, MAINE, ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023.

Budgets over the past several years have been developed with the awareness that the Town had made significant use of reserves and one-time revenues in previous budgets. The Town Council has decided to continue allocating some fund balance to the budget, and since FY 2019 had maintained the amount used at \$500,000. At this level the Town was able to restore its unassigned fund balance to the target level established in the Town's Fund Balance Policy, and budget surpluses have enabled the Town to use unassigned fund balance for capital projects through the Capital Improvement Program. Beginning with the 2023-24 budget and continuing for a total of five years, the Town expects to use an additional \$160,000 from fund balance to offset a portion of County taxes. Cumberland County is transitioning from a calendar year to a fiscal year, and will assess the 6-month transition period over five years. This will result in an assessment to Brunswick of approximately \$160,000 each year for five years beginning in 2023-24.

To anticipate future service requirements and develop sustainable budgets, the Town Finance Committee

regularly works with five-year operating revenue and expenditure forecasts, and coordinates these with the Capital Improvement Program. For example, the Town expected to encounter significant pressure on its property tax rates, particularly with debt service payments on the new elementary school beginning in FY 2021 and on the new central fire station beginning in FY 2022. In developing the budgets in those years, the Town Council deliberately limited other expenditure lines to cover the required debt service, thereby controlling the tax rate. The Town Council and staff are committed to avoiding using one-time funds for ongoing costs, and plan to be restrained in use of fund balance in the operating budget. See also “TOWN FINANCES - FUND BALANCE – GENERAL FUND” herein.

The COVID-19 pandemic required some significant adjustments to Town facilities and operations. Federal aid was particularly important for the School Department. With the first two rounds of Coronavirus Relief Funds (“CRF”) through the US Department of Education, and the Elementary and Secondary School Emergency Relief (“ESSER”) Fund, established as part of the Education Stabilization Fund in the CARES Act, the school department has expended nearly \$6 million to continue delivering education services through a variety of new technologies and curriculum methodologies, used funding targeted to school nutrition to make meals available to all school families, and provided funding for child care to assist families with day programming outside of school. As mentioned previously, some the programs developed with the federal aid are continuing, and funding has shifted to the general fund and the tax payer. With the final ESSER funds available in FY 2024, and with pressure to contain the tax rate, the School Department is developing its FY 2025 budget with the expectation of reducing programs and eliminating positions.

The Town received \$2,171,340 in a State and Local Fiscal Recovery Fund (“SLFRF”) grant from the American Rescue Plan Act of 2021. Initially, the Town decided to take time to research the eligibility rules of the program and determine the best application of the funds. After the release of the Final Rule in early January 2022, the Town developed a State and Local Fiscal Recovery Fund Expenditure Plan to guide the Town’s allocation of the grant. With the standard allowance for revenue loss of \$10 million, the restrictions on eligible uses were eased, and Brunswick is able to use some of the funds for ongoing governmental operations. The deadline to obligate funds is December of 2024, with expenditure required to be completed by December of 2026.

The Town Council adopted the Brunswick SLFRF Expenditure Plan in April, 2022, and to date has authorized expenditure of \$2,017,816 of the grant for a variety of governmental purposes as follows:

Premium Pay - Essential workers March 2020-June 2021	\$ 147,816
Midcoast Athletic and Recreation Complex	450,000
Bath Road Culvert Replacement	400,000
Mare Brook Urban Impaired Stream	120,000
Public Safety Communications	450,000
Affordable Housing Support Fund	250,000
Tedford Homeless Shelter	<u>200,000</u>
	\$ 2,017,816

Throughout the past year, the Finance Committee and Town Council have monitored revenues and potential savings in budgeted expenditures and capital outlays. With the development of the 2024-25 budget during ongoing economic uncertainties, it is expected that the Town will continue to forecast revenues conservatively. The Town currently anticipates increased expenditures in certain areas of the budget, as personnel costs are continuing to rise, due to inflation and the challenges of attracting employees in the current job market. In addition to inflationary challenges, the Town is continuing to consider the likely influx of a number of asylum-seeking families over the next year.

The development of the 2024-25 budget will also be undertaken with awareness of an anticipated property

reassessment/equalization project on the horizon. In March, 2023 the Town Assessor reported to the Town Council that changing economic conditions and the real estate market are resulting in inequities within the assessing data and a market ratio below allowable levels. The Assessor proposed to conduct an assessment equalization process to bring assessed values in line with market values for the 2023 tax commitment (2023-24 taxes) in September 2023. This project was completed in-house with the assistance of a consultant, and the results became available in July, 2023. Due to the changes in the real estate market since the last property revaluation in 2018, particularly over the past three years, the values of residential properties have increased substantially. Conversely, the market values of commercial and industrial properties have not increased to the same extent. The resulting shift of the tax burden from commercial to residential, as well as other value changes, were a shock to taxpayers.

Because of the significant consequences, the Town Assessor recommended postponement of the reassessment to a future year, and follow past practice for the 2023 tax commitment. Throughout the fall and winter 2023-24, the Finance Committee held a series of public forums to hear from the public and provide information on property assessment, the Town budget and taxes. Currently, the Town is anticipating that the reassessment will be undertaken with the assistance of a revaluation firm during FY 2025, and the updated values will be used in the 2025 commitment (2025-26 taxes). Informational sessions and materials will be made available throughout FY 2025.

PROPERTY TAX LEVY LIMIT

Unless the Town follows certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, the Town is limited to an increase in the Town's property tax levy from one year to the next to an amount not more than its Municipal Property Tax Levy Limit. The Municipal Property Tax Limit for subsequent fiscal years is the Municipal Property Tax Levy Limit for the preceding year multiplied by the Growth Limitation Factor. Therefore, in cases where the amount of the prior year's Municipal Property Tax Levy Limit exceeds the amount of the Town's actual property tax levy ("Municipal Property Tax Levy"), the Town may carry-forward that difference in establishing its future years' property tax levy. The following table displays the Town's limitation on Municipal Property Tax Levy:

Fiscal Year End	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
State Personal Income Factor	2.77%	2.89%	3.30%	3.78%	4.31%
Town Property Growth Factor	1.22%	2.10%	3.07%	3.69%	4.86%
Growth Limitation Factor	3.99%	4.99%	6.37%	7.47%	9.17%
Property Tax Levy Limit	\$ 18,191,036	\$ 19,057,267	\$ 19,669,913	\$ 20,697,717	\$ 21,374,294
Property Tax Levy	<u>14,443,227</u>	<u>14,123,472</u>	<u>15,939,732</u>	<u>17,037,394</u>	<u>19,405,718</u>
Over/(below) Prop Tax Levy Limit	\$ (3,747,809)	\$ (4,933,795)	\$ (3,730,181)	\$ (3,660,323)	\$ (1,968,576)

FUND BALANCE – GENERAL FUND

The Town has a formal fund balance policy for its General Fund. The policy, adopted in 2010, targets unassigned General Fund balance at 16.67% of generally accepted accounting principles ("GAAP") revenues. The adopted policy and fund balance targets are based on the Government Finance Officer Association's ("GFOA") recommended best practice, updated in 2009. In developing the target, the Town considered a number of factors, including the property tax base, non-property tax revenues, exposure to significant outlays, debt profile, liquidity, budget management, future uses, and the employment base. The policy calls for an annual review of these factors and a report indicating compliance with the policy as well as identification of any new factors to be considered. Should the Town fall below the targeted balance, the policy mandates the development of a three-year plan to reach the target. Amounts in excess of the target shall first be used for capital improvements, or other one-time expenditures, as recommended by the Town

Manager and approved by the Town Council. The following displays the Town's Unrestricted and Unassigned General Fund Balances for its five most recently audited fiscal years:

Fund Balance as % Revenues – General Fund

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Unrestricted General Fund Balance	\$ 15,875,333	\$ 16,599,749	\$ 19,770,996	\$ 22,689,978	\$ 26,714,622
Total Revenues	65,228,364	69,477,394	75,394,600	79,937,572	86,803,943
As a % of Revenues	24.34%	23.89%	26.22%	28.38%	30.78%
Unassigned General Fund Balance	\$ 12,430,139	\$ 12,002,583	\$ 17,115,570	\$ 20,614,603	\$ 21,155,502
Total Revenues	65,228,364	69,477,394	75,394,600	79,937,572	86,803,943
As a % of Revenues	19.06%	17.28%	22.70%	25.79%	24.37%

For the year ended June 30, 2023, the target unassigned fund balance was \$14,470,217. The actual balance, at 24.37% of GAAP revenues, is \$6,685,285 above the target. This was anticipated, as the Town had experienced balances below the target in FY 2013 and FY 2014, and has followed its plan to maintain the balance above the target level. The Town has continued its effort to limit the use of fund balance to offset operating expenditures, aiming to use a sustainable amount of \$500,000 per year. In response to lower revenue expectations in the COVID-19 pandemic, the Town increased the use of fund balance in the 2020-21 municipal budget, and to cover the additional County Tax for Cumberland County's change from a calendar year to a fiscal year, the Town expects to use an additional \$160,000 in fund balance for five years beginning with the 2023-24 municipal budget. Unanticipated surplus revenues, as well as savings resulting from personnel vacancies resulted in a larger unassigned balance than expected as of the end of the 2022-23 fiscal year. In accordance with the Fund Balance Policy, amounts in excess of the targeted unassigned fund balance as of June 30, 2023 may be used for one-time expenditures or capital improvements, with additional expenditures recommended through the Town's Capital Improvement Program, currently in development. See the TOWN FINANCES – CAPITAL IMPROVEMENT PROGRAM" following.

CAPITAL IMPROVEMENT PROGRAM

Article VI, Section 601 of the Town's Charter requires that the Town Manager prepare and submit a five-year Capital Improvement Program ("CIP") at the same time as the annual budget is submitted. The CIP includes a list of all capital improvements proposed over the next five fiscal years, methods of financing, time schedules and annual cost to support the proposed program. The CIP is a plan; it does not fund any projects. Project funding can be authorized in a variety of formats, all of which involve a separate action by the Town Council. The Town's Charter requires any project over \$1,000,000 or to be financed with debt be approved by ordinance, the process for which includes a public hearing.

The Town's current CIP policy, procedures and format were adopted by the Council in February 2013, and updated in December 2018. The annual CIP is now developed in the fall each year, and finalized in early spring for submittal to the Council. The policy establishes the content and format of the Town's capital improvement planning and provides guidelines for funding methods. For clarity in planning, the policy specifies that projects be grouped in one of four classifications:

Projects Recommended for Funding - Projects and acquisitions included shall have been sufficiently developed and defined as to clearly identify the scope and cost of the project and the recommended funding sources. It is highly likely that projects in this class will eventually be authorized for completion and funding.

Projects In Development - Projects and acquisitions of this class are under active consideration but

have not been sufficiently developed or defined to clearly identify the scope or cost of the project. Typically, projects in this category are being evaluated from several alternatives, or there is not sufficient confidence in the cost estimates to determine whether the project should be recommended for funding.

Projects Not Recommended - Projects and acquisitions of this class have been identified or requested by departments or others but are either insufficiently developed or defined, or have been deemed to be beyond the funding capacity of the Town. These projects may receive consideration at a future date should circumstances warrant.

Projects Non-Town Funded - Projects to be completed and funded solely by entities other than the Town, with an estimated operational cost impact to the Town of more than \$25,000, are of interest to the Town in its planning efforts. However, as they have a minimal, or no, impact on Town finances, they are shown separately from Town funded projects.

The CIP Policy also recommends certain principles with regard to financing methods:

Debt Financing - Projects or acquisitions to be funded wholly or partially with debt issued by the Town should have a cost to the Town of at least of \$325,000 and a life expectancy of five years or greater. However, the Town Council may authorize the issuance of debt for projects and acquisitions that have a cost to the Town of at least \$100,000. Debt shall never be issued for a term longer than the life expectancy of the project or acquisition.

General Revenues - Projects or acquisitions funded from general revenues or property taxation. Annual funding from this source should represent 4% - 7% of the total operating budget.

Fund Balances - Projects to be funded with fund balances shall be those that meet the purpose and intent of the fund. Funding from the unassigned general fund balance should be consistent with the Town's General Fund Policy.

Reserves - Projects to be funded from reserves should be those that meet the purpose and intent of the reserve.

Non-Town Sources - Projects to be funded from non-town sources should meet the restrictions requirements of the funding provider.

Beginning with its establishment in August 2014, the Finance Committee assumed the duties of the CIP Committee, and has followed the new CIP policy and procedures in the development of the CIP. On May 22, 2023, the Town Council adopted a CIP for fiscal years ending 2024-2028. This document, previous CIPs, and current drafts and presentations are available on the Town's website: <https://me-brunswick.civicplus.com/161/Capital-Improvement-Program>

Development of the 2025-2029 CIP for fiscal years ending 2025 through 2029 began in September 2023, the Finance Committee began workshops in November, and continued through January and February, 2024. The Interim Town Manager submitted the proposed CIP for fiscal years ending 2025 through 2029 on March 4, 2024. The Town Council will review the CIP in conjunction with its development of the 2024-25 budget, and it is anticipated that the 2025-2029 CIP will be adopted by the Town Council at the same time as the 2024-25 budget, in May 2024. Adoption of the CIP does not constitute funding of capital projects. Appropriation of funds, or authorization of the issuance of bonds, will happen in a separate action of the Town Council. The 2024-25 recommended projects proposed for funding from General Fund Balance or TIF Revenues, will likely be appropriated at the same time as the 2024-25 general fund budget in May.

Information from the Interim Town Manager's Proposed 2025-2029 CIP follows.

CIP Projects Recommended for Funding (Manager's Proposed, March 2024)

DRAFT -- For Fiscal Years Ending 2025-2029 -- DRAFT

PROJECTS	2024-25	2025-26	2026-27	2027-28	2028-29	TOTALS
Facilities - Improvements	\$ 4,968,000	\$ 740,000	\$ -	\$ -	\$ -	\$ 5,708,000
Infrastructure	9,976,000	4,487,000	7,762,000	2,582,000	24,726,000	49,533,000
Capital Acquisitions	2,500,000	125,000	-	-	-	2,625,000
Municipal vehicle/equip/facilities	1,349,044	1,438,100	1,529,012	1,621,868	1,716,762	7,654,786
Municipal annual work programs	2,425,000	2,550,000	2,650,000	2,775,000	2,950,000	13,350,000
School annual work programs	421,450	745,500	584,800	613,600	247,000	2,612,350
TOTALS	\$ 21,639,494	\$ 10,085,600	\$ 12,525,812	\$ 7,592,468	\$ 29,639,762	\$ 81,483,136

FUNDING SOURCES

General Obligation Bonds	\$ 6,000,000	\$ 1,000,000	\$ -	\$ -	\$ 4,500,000	\$ 11,500,000
GO Bonds - TIF funded	-	-	800,000	-	-	800,000
General Fund Balance/Advance	1,643,000	1,315,000	650,000	400,000	-	4,008,000
Municipal Revenues	3,774,044	3,988,100	4,179,012	4,396,868	4,666,762	21,004,786
School Revenues	421,450	745,500	584,800	613,600	247,000	2,612,350
State of Maine	948,600	1,365,000	3,937,000	625,000	18,825,000	25,700,600
Donations/Grants	7,995,000	485,000	328,000	300,000	-	9,108,000
TIF Revenues	857,400	1,031,000	1,711,000	1,041,000	1,113,000	5,753,400
Reserves	-	156,000	336,000	216,000	288,000	996,000
TOTALS	\$ 21,639,494	\$ 10,085,600	\$ 12,525,812	\$ 7,592,468	\$ 29,639,762	\$ 81,483,136

Within the *Projects Recommended for Funding*, the following projects, if pursued, are proposed to be funded with long-term debt, some of which would be serviced with TIF revenues:

2025-29 CIP - Recommended for Funding with General Obligation Bonds -- Mgrs Proposed, March 2024

PROJECTS	2024-25	2025-26	2026-27	2027-28	2028-29	TOTALS
Jordan Ave Culvert & Reconstruction	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000
Pleasant Street Intersections	-	-	800,000	-	-	800,000
Bunganuc Road Culvert	-	1,000,000	-	-	-	1,000,000
FD Tower 1 Replacement	2,500,000	-	-	-	-	2,500,000
Androscoggin River Path Extension	-	-	-	-	4,500,000	4,500,000
RECOMMENDED TOTALS	\$ 6,000,000	\$ 1,000,000	\$ 800,000	\$ -	\$ 4,500,000	\$ 12,300,000

Jordan Avenue Culvert & Reconstruction – The Town has been planning the construction that would add a 6 foot asphalt sidewalk along Jordan Avenue from Lori Dr to Bath Rd. In the course of planning that project, the Town reviewed the condition of the roadway and the large culvert near the Brunswick Topsham Water District pump station. Those reviews resulted in determinations that base of the roadway is inadequate and should be replaced. Likewise, the culvert was found to be in need of replacement, and the most efficient and effective solution would be to consider the street reconstruction, culvert replacement and sidewalk construction as a single project. The Town is currently exploring options for grant funding to fund a portion of the cost of the culvert replacement, with the balance of the project to be funded with debt.

Pleasant Street Intersections - In September 2019, the Town and MDOT entered into an agreement

through the Planning Partnership Initiative (“PPI”) to complete the Pleasant Street Corridor Study, which reviewed and made recommendations on access management, frontage roads, changes to lane configuration, additions to the roadway grid, traffic demand management, traffic signal modifications and bicycle and pedestrian access. Based on the study, three intersections on Pleasant Street were identified as priorities: at Mill Street, River Road and Church Road. The CIP project is for a total of \$5,275,000 over three years, with 80% funded by MDOT, and the 20% local match funded through TIF revenues and the issuance of bonds. Pleasant Street is a Transit Corridor in the Downtown Transit Oriented TIF District, and the debt service is expected to be paid with TIF revenues.

Bunganuc Road Culvert - A 75 linear foot, 16 foot diameter pipe arch that crosses Bunganuc Road at Bunganuc Brook has been identified by MaineDOT as being poor condition with corroding bolts and damaged plates which could lead to failure. The Town has contracted for preliminary design, and the Town Engineer has estimated the cost for planning purposes.

Fire Dept Tower 1 Replacement (Ladder Truck) - Tower 1 is a 2006 Pierce, and is the only aerial truck owned by the Fire Department. Based on the vehicle replacement schedule, the truck is scheduled for retirement in 2026, but would need to be authorized and ordered at least a year in advance. The Fire Department estimates the cost of replacement at \$2,500,000.

Androscoggin River Bike Path Extension – In 2004, the Town of Brunswick, along with neighboring West Bath and Bath, completed a feasibility study to construct a 4.8 mile off-road bicycle/pedestrian path to connect the existing 2.4 mile path along the Androscoggin River in Brunswick with paths in Bath connecting to the Kennebec River (the “A2K corridor”). In January 2024, Brunswick received a \$200,000 grant from Maine DOT for preliminary design, survey/mapping and right-of-way work. This project has been in the CIP since 2004, but only now is moving into the Recommended section. Without actual design details, the current estimate of construction costs is \$22,700,000, and the Town anticipates that eventual construction will be dependent on significant grant funding. For financial projection purposes only, the Town is including debt for \$4,500,000 in year 5 of the CIP.

CIP Projects in Development

The CIP includes several major projects that are under active consideration, but which have not been sufficiently developed or defined to clearly identify their scope or cost. These projects have been catalogued to allow the Town to consider its ability to afford the potential capital and operating costs. If pursued, these projects, with the cost estimates shown in the following table, would most likely be financed with the issuance of debt.

2025-29 CIP - In Development for Funding with General Obligation Bonds -- Mgrs Proposed, March 2024

PROJECTS	2024-25	2025-26	2026-27	2027-28	2028-29	TOTAL
Public Works Facility	\$ -	\$ -	\$ 12,000,000	\$ -	\$ -	\$ 12,000,000
Brunswick High School Roof	-	500,000	-	-	-	500,000
School Buildings LED Lighting	-	-	976,730	-	-	976,730
Gurnet-Thomas Pt Rd Connector	-	1,700,000	-	-	-	1,700,000
Bike Path-Bath Rd Connection	-	-	-	1,640,000	3,690,000	5,330,000
Pleasant Street Sidewalks	-	-	-	1,200,000	-	1,200,000
Thomas Point Road Improvements	-	-	-	-	4,000,000	4,000,000
Quiet Zones-Church & Stanwood	-	-	-	-	1,250,000	1,250,000
IN DEVELOPMENT TOTALS	\$ -	\$ 2,200,000	\$ 12,976,730	\$ 2,840,000	\$ 8,940,000	\$ 26,956,730

Public Works Facility - This project proposes a new 40,000 sf facility on Industry Road, which would

include offices, locker rooms, vehicle repair bays and covered parking for vehicles and equipment. Intended to replace the existing 16,972 sf facility, which was constructed in 1956 and is undersized for the current needs of the public works operations. The project is in the early phases of development, and in 2022 the Town Council appropriated \$120,000 from general fund balance to conduct a needs assessment and preliminary design of the facility. Currently estimated at \$12,000,000, the cost of construction is expected to be funded through the issuance of bonds.

Brunswick High School – The Town is anticipating the need to replace the roof of the Brunswick High School, as it is nearly 28 years old and at the end of its natural life cycle. The School Department intends to coordinate the roof replacement with a roof-top solar project.

School Buildings LED Lighting Conversion – This project is to replace and update all lights at Brunswick High School, Brunswick Junior High School, Harriet Beecher Stowe Elementary School and Coffin School with energy efficient LED light fixtures. The project is proposed for \$976,730, and the School Department estimates a 12 year pay-back with estimated savings in electricity costs.

Gurnet Road – Thomas Point Road Connector – This project is to construct a new roadway from Rt. 24 (Gurnet Road) from the traffic signal at Stevens through to Thomas Point Road. The roadway segment is needed to alleviate traffic at the intersection of Bath & Thomas Point Roads and will address an identified top transportation priority in the Cook's Corner Revitalization Plan. The CIP proposes funding through the issuance of bonds, with debt service to be paid with Cook's Corner TIF revenues.

Bike Path – Bath Road Connection - This project is to connect the Bike Path to Cook's Corner. The proposed scope of work would include Phase 1: a 6-foot wide sidewalk on Grover Lane from the terminus of the bike path to Old Bath Road, and a 10-foot wide multi-use path on Old Bath Road from Maplewood Manor to Old Bath Road Bridge; and Phase 2: a pedestrian bridge over Route 1 adjacent to the Old Bath Road bridge, and a 10-foot wide multi-use path on Old Bath Road from Maplewood Manor to the Old Bath Road bridge. The Town is looking into coordination with and possible funding from MDOT for a portion of this project, but the CIP currently lists bonds as the funding source.

Pleasant Street Sidewalks - The work on the three intersections in the Pleasant Street Corridor project would greatly improve the Pleasant Street corridor, but funding is not available to improve the existing sidewalks on Pleasant Street. This project would replace the existing granite curb and improve the sidewalks to current standards.

Thomas Point Road Improvements – This project is associated with the Gurnet Rd – Thomas Point Road Connector project, which would provide better connectivity, allowing for development of two currently undeveloped parcels, and increase activity on Thomas Point Road. With this project, Thomas Point Road would be expanded to include wider shoulders and a sidewalk to help make the area more pedestrian friendly. The CIP proposes funding through the issuance of bonds, with debt service to be paid with Cook's Corner TIF revenues.

Quiet Zones – Church & Stanwood Streets - In 2018, the Town implemented a Quiet Zone extending from the Freeport town line to the Train Station. A requirement of a quiet zone is that the crossings be analyzed regularly to determine if the safety rating falls below the national average. With increasing traffic in Brunswick and the possibility of increased rail traffic in the future it may be necessary to add additional safety measures to the crossings to maintain the quiet zones. This would likely require the installation of quad gates at the crossings on Stanwood Street and Church Road.

Other Debt Supported Projects - The Town has a number of other plans and reports that call for projects that, if undertaken, would most likely be funded with bonds. Departments have submitted a variety of

projects, including infrastructure improvements, building improvements, vehicle acquisitions, equipment acquisitions, and other items to be assessed in the CIP process. The total of the other debt-funded projects proposed to be included in the CIP process, but not currently being pursued, is estimated at \$2.33 million. While it is the Town's intent to bring all capital requests through the CIP process, no assurances can be given that projects not included in the CIP will ultimately be funded.

At the end of the CIP document, the "Other Projects and Considerations" section lists a number of project areas that are not currently within the five year CIP plan, but are likely to arise in future CIPs. The Town is aware of these situations, and the potential for future projects is considered during deliberations on the current CIP.

INVESTMENT POLICY

In October, 2016, the Town adopted a revised Investment Policy, replacing a 1985 policy. Pursuant to its policy and applicable Maine law (Title 30-A, Section 5706 *et seq.* of the Maine Revised Statutes, as amended (the "Act") all investments of the Town must be made with the judgment and care that persons of prudence, discretion and intelligence, exercise in the management of their own affairs, not for speculation but for investment considering (i) safety of principal and preservation of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements that may be reasonably anticipated, and (iii) return of income commensurate with avoidance of unreasonable risk. In September 2021, the Town amended the Investment Policy to incorporate environmental, social and corporate governance ("ESG") considerations.

The Town's investment practice is to maintain a cash and investment pool that is available for use by all funds and consists of short-term investments. The Town invests principally in bank certificates of deposit, repurchase agreements, money market mutual funds, and direct obligations of the United States government and its agencies. The Town does not invest in any obligations typically referred to as derivatives, meaning obligations created from, or whose value depends on or is derived from, the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest.

FINANCIAL STATEMENTS

Title 30-A, Chapter 223, Subchapter VIII of the Maine Revised Statutes, as amended, and Article II Section 213 of the Town's Charter provide for independent annual audits of the Town's accounts and establishes procedures for such audits. The Town, in conformance with this statute and its Charter at present engages the services of Runyon Kersteen Ouellette, Certified Public Accountants. The audited basic financial statements, as included in the Town's Annual Comprehensive Financial Report ("ACFR"), for the fiscal year ended June 30, 2023 are presented as APPENDIX A to this Continuing Disclosure Statement. Runyon Kersteen and Ouellette has not reviewed this Continuing Disclosure Statement nor taken any part in its preparation.

Beginning with the 2016-2017 fiscal year, the Town has also produced a Popular Annual Financial Report ("PAFR") under a Government Finance Officers Association ("GFOA") program. With this report, the Town has extracted information from the ACFR to produce a financial report specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. Along with other financial reports, the PAFR is made available on the Town's website at <https://me-brunswick.civicplus.com/163/Financial-Reports> and in printed form in Town Hall and the Town's library. The report intends to provide transparency, and promote interest, questions and further understanding of the Town's finances.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is operated and accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures.

Governmental Funds are used to account for the Town's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

- The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes (not including permanent funds or major capital projects).
- **Debt Service Funds** account for resources accumulated and payments made for principal and interest on general obligation debt of governmental funds.
- **Capital Projects Funds** account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or permanent funds.
- **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 government or its citizenry.

Proprietary Funds are accounted for using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Town's proprietary funds include the following types:

- **Enterprise Funds** are used to 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.
- **Internal Service Funds** are used are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component units.

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. The Town's fiduciary funds consist of the following fund type:

- **Private-Purpose Trust Funds** account for resources where principal is legally restricted by a formal trust agreement and only earnings may be used for purposes that benefit individuals, private organizations, or other governments.

Following are 5-year comparative statements for the Town's General Fund.

Town of Brunswick, Maine
Comparative Balance Sheets - General Fund
For the Year Ended June 30,

	2019	2020	2021	2022	2023
ASSETS					
Cash & Investments	\$ 16,170,103	\$ 24,174,102	\$ 24,410,240	\$ 37,148,709	\$ 47,116,182
Taxes Receivable	863,629	1,415,815	986,649	780,851	1,050,085
Tax Liens & Acq. Property	294,929	300,001	206,757	136,352	140,645
Accounts Receivable	873,255	970,715	1,220,899	1,243,287	1,360,616
Prepaid items	1,236	1,236	1,236	4,111	1,236
Due from Other Funds	6,360,945	-	3,465,252	-	-
Advances to Other Funds	727,778	1,582,610	586,606	591,696	384,981
Other	38,156	20,159	34,811	90,667	71,080
TOTAL ASSETS	<u>\$ 25,330,031</u>	<u>\$ 28,464,638</u>	<u>\$ 30,912,450</u>	<u>\$ 39,995,673</u>	<u>\$ 50,124,825</u>
LIABILITIES					
Accounts Payable	\$ 841,707	\$ 1,096,646	\$ 1,063,024	\$ 1,024,193	\$ 1,040,736
Accrued Payroll	3,820,607	4,035,079	4,061,265	4,676,205	4,235,966
Due to Other Funds	-	1,211,257	-	3,309,365	10,129,569
Other	309,791	389,052	176,682	163,461	149,704
TOTAL LIABILITIES	4,972,105	6,732,034	5,300,971	9,173,224	15,555,975
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	716,262	764,028	444,809	392,128	485,267
Unavailable Revenues	264,348	346,738	496,261	460,789	324,909
Lease Related	-	-	-	39,128	33,911
TOTAL DEFERRED INFLOWS	980,610	1,110,766	941,070	892,045	844,087
FUND BALANCES					
Nonspendable	767,170	1,604,005	622,653	646,878	422,481
Restricted	2,734,813	2,418,083	4,276,760	6,593,518	6,587,659
Assigned	3,445,194	4,597,167	2,655,425	2,075,375	5,559,120
Unassigned	12,430,139	12,002,583	17,115,571	20,614,603	21,155,503
TOTAL FUND BALANCES	19,377,316	20,621,838	24,670,409	29,930,374	33,724,763
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
	<u>\$ 25,330,031</u>	<u>\$ 28,464,638</u>	<u>\$ 30,912,450</u>	<u>\$ 39,995,643</u>	<u>\$ 50,124,825</u>

NOTES: Prepared from Audited Financial Statements. Items may have been restated for comparative purposes. The Town has a fund balance policy. See "TOWN FINANCES – FUND BALANCE – GENERAL FUND" herein.

Town of Brunswick, Maine
Comparative Statements of Revenues, Expenditures and
Changes in Fund Balances for the General Fund – GAAP Basis
For the Years Ended June 30,

	2019	2020	2021	2022	2023
REVENUES					
Taxes	\$ 47,471,712	\$ 49,424,031	\$ 53,382,098	\$ 55,153,531	\$ 58,279,497
Licenses, Fees & Permits	722,963	535,870	793,475	757,604	724,152
Intergovernmental	14,466,298	17,038,818	18,869,314	21,159,491	23,485,967
Charges for Services	1,617,504	1,727,133	1,757,173	2,081,278	2,484,380
Interest on Investments	425,712	300,692	89,306	94,690	1,226,011
Other	524,175	450,850	503,234	690,978	603,936
TOTAL REVENUES	65,228,364	69,477,394	75,394,600	79,937,572	86,803,943
EXPENDITURES					
General Government	3,797,725	4,184,097	4,453,697	4,645,005	5,290,254
Public Safety	9,160,603	9,952,658	10,418,384	10,927,887	12,042,686
Public Works	3,732,136	3,771,060	3,673,995	4,340,723	4,915,281
Human Services	202,823	374,486	326,105	240,017	289,961
Education	37,779,553	39,756,590	40,752,499	42,193,074	47,431,611
Recreation & Culture	3,083,440	3,230,972	3,178,169	3,412,614	3,818,857
Debt Service	2,628,705	2,556,331	3,934,013	3,660,271	3,704,864
County Tax	1,565,279	1,590,123	1,674,551	1,664,113	1,713,824
Unclassified	199,922	103,265	70,742	31,198	26,399
TOTAL EXPENDITURES	62,150,186	65,519,582	68,482,155	71,114,902	79,233,737
OTHER SOURCES (USES)					
Transfers In	600,000	678,946	763,000	875,344	947,370
Transfers Out	(3,106,118)	(3,392,236)	(3,626,874)	(4,438,049)	(4,723,187)
TOTAL OTHER SOURCES (USES)	(2,506,118)	(2,713,290)	(2,863,874)	(3,562,705)	(3,775,817)
NET CHANGES IN FUND BALANCE	572,060	1,244,522	4,048,571	5,259,965	3,794,389
BEGINNING FUND BALANCE	18,805,256	19,377,316	20,621,838	24,670,409	29,930,374
ENDING FUND BALANCE	\$ 19,377,316	\$ 20,621,838	\$ 24,670,409	\$ 29,930,374	\$ 33,724,763

NOTES: Prepared from Audited Financial Statements.

This statement is produced using generally accepted accounting principles (GAAP Basis). To reconcile the GAAP basis to the basis used for budget purposes (Budget Basis), it is necessary to subtract from the GAAP basis the amount the State of Maine contributes to the Maine Public Employees Retirement System (“MainePERS”) for employees enrolled in the MainePERS Teacher Retirement Plan. The amounts to be subtracted for the fiscal years ended June 30, 2023, 2022, 2021, 2020, 2019, and 2018 are \$4,027,350, \$3,677,010, \$3,687,452, \$3,592,142, and \$2,821,269, respectively.

The Town has a fund balance policy. See “TOWN FINANCES – FUND BALANCE – GENERAL FUND” herein.

PROPERTY TAXATION

GENERAL

The principal revenue source of the Town is the tax on real and personal property. A single tax applies for each fiscal year to the assessed value of the taxable real or personal property. The Town's tax collector receives the tax commitment from the town assessor, with assessed values as of April 1 of each year, after which time the tax bills are mailed. For fiscal 2023-24, personal property taxes were due by October 31, 2023. Real estate taxes are due in two installments with one-half due October 31, 2023 and one-half due April 16, 2024. All taxes paid after the due dates will be subject to interest at a rate established by the Town. The rate for fiscal year ended June 30, 2023 is 4.0% per annum.

Maine law permits towns 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 \$155,723 for the year ending June 30, 2024.

Real Estate Tax

Collection of real estate taxes is ordinarily enforced in the Town by the "tax lien" procedure as provided in the Maine Revised Statutes, as amended, to the collection of delinquent real estate taxes. Real estate tax lien mortgages are recorded against the individual property at the County Registry of Deeds. This lien has priority over all mortgages, liens, attachments and encumbrances of any nature, subject to any paramount federal tax lien and subject to bankruptcy and insolvency laws. If the account is not satisfied within 18 months, the property becomes tax acquired and may be disposed of by the Town.

Business Personal Property Tax

In accordance with Title 36, Chapter 105, Subchapter 4-C of the Maine Revised Statutes, as amended (the "BETE Act"), most types of tangible business personal property subject to an allowance for depreciation, and some specialty types of real property improvements, are exempt from personal property taxation. Municipalities receive State reimbursement for a portion of the lost property tax revenue under a program known as the Business Equipment Tax Exemption ("BETE"). In order for any personal property to be exempt from taxation, the property owner must file a complete list of that property with the municipal assessor by May 1 every year. If the owner fails to file for the exemption in a timely manner or fails to follow other statutory procedures in the legislation, the property in question is not exempt from taxation for that year.

The State reimburses municipalities with respect to the lost property taxes associated with the BETE exemption through one of two formulas, whichever is most beneficial to the municipality, as follows:

1. Basic reimbursement formula - For all municipalities in the first year after the exemption, and for a majority of the municipalities thereafter, the reimbursement would be 100% for the lost property taxes in the first tax year after the exemption takes effect (i.e., FY 2009), 90% in the second year after the exemption takes effect (i.e., FY 2010), 80% in FY 2011, 70% in 2012, 60% in 2013, and 50% in 2014 and every subsequent year. The State Constitution requires a minimum reimbursement of at least 50%.
2. Enhanced formula - Municipalities that have a total property tax base that is made up of at least 5% personal property will be eligible for an alternative reimbursement formula any year in which the alternative reimbursement formula provides a higher level of reimbursement than the basic reimbursement formula. Those municipalities will be eligible to receive the 50% minimum

reimbursement plus 50% of their tax base percentage that is made up of personal property. For example, if a town's tax base is 20% personal property, it would be eligible for a reimbursement rate of 60%, which is a combination of the minimum 50% reimbursement *plus* one-half of that municipality's 20% "personal property factor".

3. Municipal Retention TIF Districts – Certain TIF districts that were enacted prior to April 1, 2008 entitle a municipality to receive reimbursement at a rate of up to 100% for exempt business equipment that is TIF exempt business equipment as defined in Title 36, Section 691(1)(G) of the Maine Revised Statutes, as amended. The increased reimbursement percentage is based on the tax increment percentage allocated to the municipality, as provided in Title 36, Section 694(2)(C) of the Maine Revised Statutes, as amended.

For the purposes of identifying the municipality's valuation for determining the local property tax rate, the value of all property in the municipality made exempt by the BETE Act must be considered part of that municipality's local valuation to the extent the municipality is being reimbursed for its lost property taxes by the State other than property located in, and the assessed value of which is retained in, a tax increment financing district authorized prior to April 1, 2008. The value of all property in the municipality made exempt by the BETE Act will also be considered part of that municipality's equalized State Valuation to the extent the municipality is being reimbursed for its lost property taxes by the State with an additional adjustment for property in a tax increment financing district authorized prior to April 1, 2008.

TAX COLLECTIONS

Fiscal Yr. End	Equalized			Collections					
	State Valuation <u>(000)</u>	Assessed Valuation ^(1,2,3)	Tax Rate <u>(000)</u>	Tax Levy ^(1&2) <u>(000)</u>	<u>(after Supplements / Abatements)</u>		Year End <u>(000)</u>	% of Levy	% of Levy a/o 6/30/23
June 30,									
2024	\$3,039,200	\$2,521,583	\$23.29	\$58,728			-----In Process-----		
2023	2,740,850	2,489,601	21.69	53,999	\$51,753	95.84%	95.84%		
2022	2,595,900	2,424,887	20.86	50,583	48,652	96.18	99.73		
2021	2,509,500	2,374,234	20.37	48,363	47,401	98.01	99.96		
2020	2,319,900	2,304,034	19.72	45,436	44,010	96.86	99.97		
2019	2,252,400	2,276,234	18.92	43,066	42,238	98.08	99.99		
2018	2,184,050	2,266,215	18.37	41,630	40,475	97.23	99.99		
2017	2,082,600	1,382,600	29.35	40,579	39,573	97.52	99.99		
2016	2,000,400	1,374,997	28.36	38,995	38,157	97.85	99.99		
2015	2,026,250	1,359,621	27.40	37,254	36,270	97.36	100.00		
2014	1,983,450	1,335,461	26.54	35,443	34,612	97.65	100.00		

NOTES: ⁽¹⁾ Information is for the General Fund and does not include TIF valuation, tax levy, or collections.

⁽²⁾ Prior to 2018-19 the State reimbursed the Town for 50% of Homestead Exemptions provided to resident property taxpayers of the Town. Beginning in the 2018-19 fiscal year, the State reimbursed the Town for 62.5% of the taxes exempted through the Homestead Exemption program, and increased the reimbursement percentage to 70% beginning in the 2020-21 fiscal year. The percentage is scheduled to increase by 3% each year beginning in the 2022-23 fiscal year, reaching 76% in 2023-24. The Town budgets the reimbursement as property tax revenue. The Assessed Valuation has been adjusted to add back a corresponding percentage of the Homestead Exemption value. The Gross Levy has also been adjusted to include the amount of tax reimbursement.

⁽³⁾ Beginning with the fiscal year ended June 30, 2009, the State reimburses the Town for a percentage of the Business Equipment Tax Exemption. See "PROPERTY TAXATION – Business Personal Property Tax" herein. The Assessed Valuation and Gross Levy have been adjusted to add back the amount of exempt value and the taxes being reimbursed.

LARGEST TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	<u>As of April 1, 2023</u>				
		<u>Real Estate</u>	<u>Personal Property</u>	<u>Assessed Total</u>	<u>Property Tax</u>	<u>% of Levy</u>
Bath Iron Works Corp	Shipbuilding	\$ 29,543,600	\$ 11,195,600	\$ 40,739,200	\$ 948,816	1.56%
MRRA	Development	32,781,010	3,000	32,784,010	763,540	1.26%
Brunswick MZL LLC	Shopping Ctr	27,539,600	-	27,539,600	641,397	1.06%
Brookfield White Pine Hydro LLC	Utility	26,982,000	-	26,982,000	628,411	1.03%
Central Maine Power	Utility	25,366,500	1,343,200	26,709,700	622,069	1.02%
Walmart RE Business Trust	Retail	17,255,600	2,373,700	19,629,300	457,166	0.75%
Maine Natural Gas	Utility	16,306,300	526,100	16,832,400	392,027	0.65%
Thornton Oaks Homeowners	Housing	15,304,450	160,100	15,464,550	360,169	0.59%
W/S Brunswick Properties	Shopping Ctr	14,865,100	-	14,865,100	346,208	0.57%
JSIP Pegasus Bruns Lndng LLC	Housing	13,720,800	-	13,720,800	319,557	0.53%
						9.02%

NOTE: Per the tax commitment on August 30, 2023 the total taxable assessed value of the Town was \$2,607,222,560, which includes \$211,894,816 of total taxable valuation in the Town's TIF Districts and excludes all exemptions.

TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS

Chapter 206 and former 207 (now repealed) of Title 30-A of the Maine Revised Statutes, as amended, enables a municipality to finance qualified development by borrowing against the future increased property tax receipts attributable to that development. Under the statutory framework, the municipality designates a tax increment financing ("TIF") district or an affordable housing development district (a "housing district") and adopts a development program (the "Development Program") stating the means and objectives for the development of that district. The municipality may designate, or "capture", all or a portion of the increase in assessed value resulting from development within the district and dedicate the increased property taxes it receives in future years generated by the "captured" assessed value to payment of the costs of the Development Program, which may include debt service on borrowing to fund such costs.

TIF districts are subject to statutory limits on their size, including the following limitations: (a) the total area of a single district may not exceed 2% of the total acreage of the municipality, (b) the total area of all TIF districts or housing districts within a municipality each may not exceed 5% of the total acreage of the municipality, and (c) the aggregate original assessed value of property of all TIF districts and the aggregate original assessed value of property of all housing development districts within the municipality as of the April 1st preceding the date the Commissioner of the Department of Economic and Community Development ("DECD") or the Maine State Housing Authority ("MSHA") approves the designation of each such district, cannot each exceed 5% of the municipality's total value of taxable property.

Excluded from the limitations is any district excluded from the calculation under former section 5253, subsection 1, paragraph C and any district that meets the following criteria:

- (1) The development program contains project costs, authorized by section 5225, subsection 1, paragraph A, that exceed \$10,000,000;
- (2) The geographic area consists entirely of contiguous property owned by a single taxpayer;
- (3) The assessed value exceeds 10% of the total value of taxable property within the municipality or plantation; and
- (4) The development program does not contain project costs authorized by section 5225, subsection 1, paragraph C.

The foregoing limitations do not apply to approved downtown TIF districts, TIF districts included within Pine Tree Development Zones, transit districts, or TIF districts that consist solely of one or more community wind power generation facilities owned by a community wind power generator that has been certified by the Public Utilities Commission pursuant to Title 35-A, Section 3403, Subsection 3 of Maine Revised Statutes, as amended.

The Seahawk TIF District (formerly named the Molnlycke TIF District), the Brunswick Landing TIF District, and the Brunswick Executive Airport TIF District are all exempt from the foregoing limitations because the entire military redevelopment zone was designated to be considered a Pine Tree Development Zone pursuant to Title 30-A, Section 5250-J(3-A) of Maine Revised Statutes, as amended. The Downtown Transit-Oriented TIF District is also exempt from the limitations, under the transit district qualification.

The new, or incremental, assessed valuation and related tax revenue in the TIF district is not available to the Town's General Fund. The increase in assessed value captured by the municipality is excluded from the municipality's equalized just value for each year's State valuation filed with the Secretary of State in accordance with Title 36, Sections 208 and 305 of Maine Revised Statutes, as amended, and is therefore not included in calculating that municipality's share of State educational aid, State municipal revenue sharing, the county tax or the 15% debt limitation for the municipality pursuant to Title 30-A, Section 5257 of the Maine Revised Statutes, as amended.

For the year ending June 30, 2024, the Town has a total of \$211,894,816 in captured valuation within five TIF districts. Three of the TIF districts are on the site of the former Brunswick Naval Air Station, and one is nearby, in the Cook's Corner area. The last is the Downtown Development and Transit-Oriented TIF District. The tax revenue captured in these districts totals \$4,935,030 for the 2023-24 fiscal year, and totaled \$4,261,002 for the 2022-23 fiscal year. The Town has entered into several Credit Enhancement Agreements (CEAs) with individual organizations for economic development purposes, as permitted within its five TIF districts. The TIF revenues distributed under CEAs in the 2022-23 fiscal year totaled \$1,258,776. See also "APPENDIX A – TOWN OF BRUNSWICK, MAINE, ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023", pages 81-82 herein.

As described above, the Town's districts do not exceed the statutory limitation of total area and aggregate equalized value within all districts, determined as of their date of designation. The Town has not designated and is not currently considering any affordable housing districts.

REVENUES FROM THE STATE

The State provides aid to the Town in a number of areas including education, welfare assistance, road maintenance and revenue sharing. The amount of aid in each category is based upon a number of formulas, many of which contain variables that change annually. Further, most categories of State aid are governed by laws that may be changed by the State Legislature and are subject to appropriation by the State Legislature in its budgetary process.

In accordance with the provisions of applicable Maine law, the State subsidizes most local school administrative units. By law, Maine calculates and distributes State education aid to school units using a model referred to as Essential Programs and Services ("EPS"). All education subsidies, including subsidy for State approved debt service, flow through the EPS model. EPS utilizes a number of factors that are subject to change each year. In addition, the EPS model itself is subject to change by the Legislature. Furthermore, subsidies for school administrative units are an annual item in the State's budgetary process and are subject to legislative appropriation in that process. No assurance can be given that future legislation will not have an adverse impact on school funding in Maine. Because of these uncertainties, it is not possible to predict the level of State subsidy to local units in future years or whether the State's subsidy

program will continue in its present form.

The following table displays State aid received by the Town for the last five audited fiscal periods:

<u>Yr. End</u> <u>June 30,</u>	<u>School</u> <u>Subsidy</u>	<u>Revenue</u> <u>Sharing</u>	<u>Homestead</u> <u>Reimbursement</u>	<u>Other</u> <u>State Aid</u>	<u>Total</u> <u>State Aid</u>
2023	\$14,081,114	\$4,760,410	\$1,737,410	\$5,728,589	\$26,307,523
2022	13,123,839	3,979,488	1,645,407	5,172,046	23,920,780
2021	12,257,024	2,526,422	1,561,742	5,183,937	21,529,125
2020	11,058,375	1,939,959	1,112,441	4,819,632	18,930,407
2019	9,973,197	1,258,491	1,052,581	3,154,278	15,438,547

Recent Events Regarding State Aid

School Subsidy provides the bulk of Brunswick's State Aid, and there have been many changes to the appropriation formulas over the past several years. The changes have included adjustments to the calculation of municipal valuations and pupil counts, and the exclusion of certain administrative costs from the EPS formula. For example, beginning with the FY 2014 budget, school units are now required to fund the normal cost of MainePERS Teacher Plan retirement, and beginning with the FY 2019 budget, the State funding for CTE was made directly to the CTE Centers, rather than through the sending schools, and beginning in the 2022-23 school year, the State has provided additional aid for multi-language learners.

With the State's adoption of the 2022/2023 biennial budget, the FY 2022 State education aid to Brunswick, increased by \$866,815, or 7.1% from FY 2021. For FY 2023, the increase was \$957,275, or 7.3% from FY 2022. The State's 2024/2025 budget was adopted in July, 2023, and as of October 2023, the estimated increase in State education aid to Brunswick for FY 2024 is \$1,232,750, or 8.75%. As previously discussed, the EPS formula is subject to legislative change, but even with no changes to the formula, school enrollment and valuation changes in Brunswick will affect the final calculation of State Subsidy to Brunswick schools in FY 2025.

Historically *State Revenue Sharing* to municipalities has been distributed from a pool of funds comprised of roughly 5% of State sales and income taxes. As those State revenues increased or decreased, the pool to be distributed increased or decreased. Population and tax effort are the two major factors used in the formula that distributes State revenue sharing to municipalities.

Beginning in 2010, the State ordered transfers from the pool to the State's General Fund, thus reducing the amount to be distributed to municipalities. In FY 2016 the State changed the annual transfer into the revenue sharing pool to 2% of State sales and income taxes, with the 5% allocation to resume in FY 2020. With each budget, the State re-adjusted the timeline, and the allocation to revenue sharing was increased, to 3% for FY 2020, 3.75% for FY 2021 and 4.5% for FY 2022. With the State's 2022/2023 biennial budget, the allocation to the pool returned to 5% for FY 2023. The governor's proposed 2024/2025 budget maintains the allocation at 5%, and as of March 2023, the State's revenue sharing distribution for FY 2024 is projected to be \$252 million, with \$5,166,269 projected for the Town. The revenues transferred to the pool are based on actual income and sales tax revenues collected by the State, which is dependent on multiple factors in the economy.

The Maine *Homestead Exemption* program is established through statute, but is administered locally. Eligible homeowners file the homestead application with the Town Assessor, and the taxable value of their property may be reduced by the State-determined homestead exemption benefit amount. Since the beginning of the program, the State has frequently modified both the exemption amount and the amount it reimburses municipalities. Originally, the exemption amount was \$10,000 and the State reimbursed

municipalities for 100% of the property tax lost because of the exemption. Beginning in 2005, and through the 2015-16 fiscal year, the State changed the reimbursement to 50% of the property tax reduction. In 2016-17, and over the next several years, the State made a number of changes to the program. In 2021, State tax legislation established homestead reimbursements rates of 73% for 2022-23 and an additional 3% each year until the percentage of reimbursement reaches 100%, but with the adoption of the State's 2024/2025 budget, the reimbursement rate was capped at 76% for both 2023-24 and 2024-25. The following table outlines the changes in the program since 2016-17.

Fiscal year	Homestead Exemption		Brunswick Total		State Reimbursement Percentage	Homestead Reimbursement	
	Amount	Exemptions	Homestead	Total		Amount	
2023-24 est.	\$ 25,000	\$ 2,416,472	76%	\$ 1,836,519			
2022-23	25,000	2,380,014	73%	1,737,410			
2021-22	25,000	2,350,581	70%	1,645,407			
2020-21	25,000	2,231,060	70%	1,561,742			
2019-20	25,000	1,779,906	62.5%	1,112,441			
2018-19	20,000	1,684,130	62.5%	1,052,581			
2017-18	20,000	1,585,506	50%	792,753			
2016-17	15,000	1,341,042	50%	670,521			
2015-16	10,000	873,502	50%	436,751			

Though the Homestead exemption amounts increased beginning in 2016-17, the Town estimates that the increases in exemption with no increase in reimbursement rates resulted in an annual reduction of over \$350,000 in net revenue received by the Town for two years. As is evident with the 2024/2025 State biennial budget, the reimbursement rates continue to be subject to change.

For a discussion of the Town's response to state aid changes, see "TOWN FINANCES - BUDGETARY PROCESS - Budget Commentary" herein.

School Construction Projects and State Subsidy

In Maine, subsidized school construction projects must receive both local and State approval. To be eligible for State assistance (sometimes referred to as State subsidy or "State Qualified") SAUs submit projects for evaluation by the MDOE through the Major Capital School Construction program. MDOE ranks the projects and determines those that will be eligible for State subsidy based upon MDOE's capacity to subsidize them. Projects approved for State subsidy then move to Concept Approval stage, establishing an initial project budget. The total budget is broken out into a "Local Only" portion, not eligible for State subsidy, and a portion "eligible for State assistance." A local referendum is then required where voters are asked to approve both the project and the bonds proposed to be issued to fund the project. The project then proceeds through Final Design. At the conclusion of this phase, the MDOE issues a Design and Funding Approval, after which the project is bid. Once bids are received, the MDOE and the SAU establish a final project budget and DOE issues its final funding approval.

School construction bonds are obligations of the SAU and the State does not guarantee their repayment. The annual debt service on bonds issued to fund the State Qualified portion of the project is included in the State's EPS model. The debt service on bonds issued to fund the portion of project categorized as Local Only is not eligible for State subsidy and is not included in the debt service allocation of the EPS model. Under the current EPS model, eligible debt service is only one component of a SAU's annual education subsidy. In order to receive full State subsidy, an SAU must raise its required Local Share as determined by the EPS model. The required Local Share is a calculation that uses a State-mandated education mil rate and the SAU's equalized property tax valuation.

The MDOE determined that approximately 87% of the debt service on Brunswick's 2010 Harriet Beecher Stowe School was eligible for subsidy and is included in the Town's debt service allocation in the EPS model. Based on the current EPS model, and the current variables included in the EPS funding formula, Brunswick has received State subsidy equal to the entire amount deemed eligible for subsidy. The EPS funding model is, itself, subject to change by the State, and the State level of funding for EPS is subject to the State budget process. Therefore, while the Town continues to budget the 87% level of subsidy on the elementary school project debt service, no guarantee is given regarding the actual amount of future debt service subsidy it will receive.

In January 2020, the Town issued bonds for \$24,450,000 for the design and construction of a new elementary school at the site of the former Jordan Acres School. This project is entirely locally funded. The School Department submitted an application to the MDOE Major Capital School Construction program for major renovations or replacement of the Brunswick Junior High School, but when the results of the 2017/2018 Rating Cycle were issued in August 2018, Brunswick's project was ranked 44th on the DOE'S final priority list of projects. The School Department is currently planning repairs to the Junior High School, to be scheduled through the CIP.

In 2016, 2017 and 2020 the School Department applied for and received eligibility certificates from the MDOE for the School Revolving Renovation Fund ("SRRF") program. The SRRF provides funding assistance to SAUs for needs in the areas of health and safety, building systems, energy and water conservation, and learning space upgrades. The fund provides loans to SAUs to finance project expenditures, and a portion of each loan is considered a grant that portion of which is forgiven. The forgiveness rate ranges from 30% to 70%, based on the percentage of State subsidy paid to the SAU. The remaining balance of the loan is repaid over either five or 10 years at a 0% interest rate. The maximum loan provided is capped at \$1 million per priority, per school building within any five-year period.

The School Department was awarded SRRF funding for the Coffin Elementary School and for the Brunswick Junior High School in 2016, 2017 and 2020. The projects included ADA and fire safety improvements, roof renovations, and indoor air quality upgrades and totaled \$1,563,426, of which \$599,907 was forgiven in the form of grants, and \$963,519 was issued as zero percent interest rate loans. The 2017 loan was repaid in full in 2021-22. See "INDEBTEDNESS – DEBT SUMMARY" herein.

INDEBTEDNESS

LIMITATIONS AND EXCLUSIONS

In accordance with Title 30-A, Section 5702 of the Maine Revised Statutes, as amended, "No municipality shall incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7.5% of its last full State valuation, or any lower percentage or amount that a municipality may set. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full State valuation, or any lower percentage or amount that a municipality may set, for storm and sewer purposes to an amount outstanding at any time not exceeding 7.5% of its last full State valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full State valuation, or any lower percentage or amount that a municipality may set; provided, however, that in no event shall any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full State valuation, or any lower percentage or amount that a municipality may set."

Title 30-A, Section 5703 of the Maine Revised Statutes, as amended, provides that the limitations on municipal debt contained in Section 5702 do not apply "... to any funds received in trust by any municipality, any loan which has been funded or refunded, notes issued in anticipation of federal or State aid or revenue sharing money, tax anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt issued under Chapter 235 and Title 10, chapter 110, subchapter IV, obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality, and the State reimbursable portion of school debt."

The Town of Brunswick's 2021 equalized State valuation ("Equalized State Valuation") for use in the fiscal year ended June 30, 2023 was \$3,039,200,000, making the 15% debt limit \$455,880,000. The proposed 2023 Equalized State Valuation for use in the year ending June 30, 2024 is \$3,596,250,000, making the 15% debt limit \$539,437,500.

DEBT SUMMARY

General obligation debt and notes payable at fiscal year-end June 30, 2023 (audited) and projected for fiscal year-end June 30, 2024 (projected), are comprised of the following individual issues:

<u>Year Issued</u>	<u>Purpose</u>	<u>Authorized and Issued</u>	<u>Final Maturity</u>	Balance as of June 30, 2023 2024 (proj.)	
2010	Elementary School (BABs)	⁽¹⁾ \$ 21,462,250	11/01/30	\$ 8,584,900	\$ 7,511,788
2013	Police Station	5,500,000	11/01/32	2,750,000	2,475,000
2016	School Renovation (SRRF)	⁽²⁾ 655,781	09/01/26	250,604	187,953
2017	Various CIP	1,781,000	11/01/32	725,000	605,000
2020	Elementary School	24,450,000	11/01/45	22,615,000	21,850,000
2020	School Renovation (SRRF)	⁽²⁾ 243,652	09/01/25	131,908	87,938
2022	Fire Station & Fire Truck	13,231,000	11/01/46	12,675,000	12,125,000
2022	Property Acquisition	4,000,000	12/01/32	<u>4,000,000</u>	<u>3,662,518</u>
				\$ 51,732,412	\$ 48,505,197

NOTES: ⁽¹⁾ A portion of the Town's \$21,462,250 school construction bonds for the Harriet Beecher Stow School were issued in 2010 with MMBB's, federally taxable Build America Bonds ("BABs"). See "INDEBTEDNESS – PROJECTED DEBT SERVICE" herein.

⁽²⁾ The SRRF is administered jointly by the MMBB and the State, acting by and through its Department of Education. The 2016 SRRF agreement was amended in November 2018 to a total of \$1,064,752, of which \$408,971 was forgiven and \$655,781 was recorded as a loan at 0% interest. The 2020 SRRF was amended in March, 2023 for a total of \$392,291, of which \$148,639 was forgiven and \$243,652 was recorded as a loan at 0% interest.

PROJECTED ANNUAL PRINCIPAL PAYMENTS BY ISSUE

Yr. End <u>June 30,</u>	SRRF					SRRF			Total Debt
	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2017</u>	<u>2020</u>	<u>2020⁽¹⁾</u>	<u>2022</u>	<u>2022</u>	
2024	\$1,073,113	\$ 275,000	\$ 62,651	\$120,000	\$ 765,000	\$ 43,969	\$ 550,000	\$ 337,482	\$ 3,227,215
2025	1,073,112	275,000	62,651	120,000	805,000	43,969	550,000	340,591	3,270,323
2026	1,073,113	275,000	62,651	120,000	845,000	43,969	550,000	355,543	3,325,276
2027	1,073,112	275,000	62,651	120,000	890,000	-	550,000	371,151	3,341,914
2028	1,073,113	275,000	-	65,000	935,000	-	550,000	387,445	3,285,558
2029	1,073,112	275,000	-	35,000	980,000	-	550,000	404,453	3,317,565
2030	1,073,113	275,000	-	35,000	1,030,000	-	550,000	422,209	3,385,322
2031	1,073,112	275,000	-	35,000	1,085,000	-	550,000	440,744	3,458,856
2032	-	275,000	-	35,000	1,120,000	-	550,000	460,092	2,440,092
2033	-	275,000	-	40,000	1,145,000	-	515,000	480,291	2,455,291
2034	-	-	-	-	1,170,000	-	515,000	-	1,685,000
2035	-	-	-	-	1,195,000	-	515,000	-	1,710,000
2036	-	-	-	-	1,065,000	-	515,000	-	1,580,000
2037	-	-	-	-	1,065,000	-	515,000	-	1,580,000
2038	-	-	-	-	1,065,000	-	515,000	-	1,580,000
2039	-	-	-	-	1,065,000	-	515,000	-	1,580,000
2040	-	-	-	-	1,065,000	-	515,000	-	1,580,000
2041	-	-	-	-	1,065,000	-	515,000	-	1,580,000
2042	-	-	-	-	1,065,000	-	515,000	-	1,580,000
2043	-	-	-	-	1,065,000	-	515,000	-	1,580,000
2044	-	-	-	-	1,065,000	-	515,000	-	1,580,000
2045	-	-	-	-	1,065,000	-	515,000	-	1,580,000
2046	-	-	-	-	-	-	515,000	-	515,000
2047	-	-	-	-	-	-	515,000	-	515,000
	<u>\$8,584,900</u>	<u>\$2,750,000</u>	<u>\$250,604</u>	<u>\$725,000</u>	<u>\$22,615,000</u>	<u>\$131,907</u>	<u>\$12,675,000</u>	<u>\$4,000,000</u>	<u>\$ 51,732,411</u>

NOTE: ⁽¹⁾ The 2020 SRRF loan was amended in March, 2023, reducing the loan from \$279,360 to \$243,651.

DEBT SERVICE COMPONENT OF BUDGETED EXPENDITURES

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Budgeted Debt Service	\$2,630,751	\$3,994,193	\$3,986,228	\$4,499,239	\$4,838,455
(less TIF Paid Debt)	(72,105)	(70,035)	-	-	-
(less School Debt Service Subsidy) ⁽¹⁾	<u>(1,262,480)</u>	<u>(1,239,203)</u>	<u>(1,215,295)</u>	<u>(1,190,441)</u>	<u>(1,164,956)</u>
Net Tax-backed Debt Service	\$1,296,166	\$2,684,955	\$2,770,933	\$3,308,798	\$3,673,499
Budgeted Operating Expenditure	\$67,929,606	\$71,222,246	\$75,759,912	\$84,315,015	\$92,058,697
Debt Service as % of Expenditures	3.87%	5.61%	5.26%	5.34%	5.26%
Net Debt Service as % of Expenditures	1.91%	3.77%	3.66%	3.92%	3.99%

NOTE: ⁽¹⁾ “School Debt Service Subsidy” is an estimate based on the current State law governing school funding, and debt service subsidy on school construction projects. See “REVENUES FROM THE STATE – School Construction Projects and State Subsidy” herein for a detailed explanation of School Subsidy.

PROJECTED DEBT SERVICE

Fiscal Yr End June 30,	Annual Principal	Annual Interest	Annual Total	BABs Subsidy⁽¹⁾	Net Debt Service
2024	\$ 3,227,215	\$ 1,734,983	\$ 4,962,197	\$ (123,742)	\$ 4,838,455
2025	3,270,323	1,610,971	4,881,295	(109,780)	4,771,515
2026	3,325,275	1,471,110	4,796,386	(95,376)	4,701,010
2027	3,341,915	1,328,429	4,670,343	(79,276)	4,591,067
2028	3,285,557	1,184,158	4,469,715	(61,659)	4,408,056
2029	3,317,566	1,039,288	4,356,854	(44,042)	4,312,812
2030	3,385,321	893,158	4,278,480	(26,425)	4,252,055
2031	3,458,856	736,534	4,195,390	(8,809)	4,186,581
2032	2,440,092	613,877	3,053,969	-	3,053,969
2033	2,455,291	536,385	2,991,675	-	2,991,675
2034	1,685,000	468,613	2,153,613	-	2,153,613
2035	1,710,000	428,766	2,138,766	-	2,138,766
2036	1,580,000	391,213	1,971,213	-	1,971,213
2037	1,580,000	356,284	1,936,284	-	1,936,284
2038	1,580,000	320,369	1,900,369	-	1,900,369
2039	1,580,000	283,144	1,863,144	-	1,863,144
2040	1,580,000	244,609	1,824,609	-	1,824,609
2041	1,580,000	206,419	1,786,419	-	1,786,419
2042	1,580,000	167,908	1,747,908	-	1,747,908
2043	1,580,000	128,406	1,708,406	-	1,708,406
2044	1,580,000	88,906	1,668,906	-	1,668,906
2045	1,580,000	48,419	1,628,419	-	1,628,419
2046	515,000	20,922	535,922	-	535,922
2047	515,000	7,081	522,081	-	522,081
	\$ 51,732,412	\$ 14,309,950	\$ 66,042,362	\$ (549,109)	\$ 65,493,253

NOTES: ⁽¹⁾ A portion of the Town's \$21,462,250 school construction bonds, issued in 2010 with the MMBB, are taxable Build America Bonds ("BABs"). "Net Debt Service" is net of the BABs subsidy the Town anticipates MMBB will file for and receive. The Town is responsible for the full payment whether the subsidy is received in full, or a lesser amount. Federal sequestration reduced the BABs subsidy by approximately 5.7% in the fiscal year ended June 30, 2023, and assumed for future years.

DEBT RATIOS

Fiscal Yr. End <u>June 30,</u>	Population	Equalized State Val. ⁽²⁾ <u>(000)</u>	Assessed Valuation ⁽¹⁾ <u>(000)</u>	Total Debt ⁽²⁾ <u>(000)</u>	Debt as % <u>Eq. Val</u>	Per Capita ⁽²⁾ <u>Debt</u>
2024	21,756	\$ 3,596,250	\$ 2,521,583	\$ 48,505	1.35%	\$ 2,229.50
2023	21,756	3,039,200	2,489,601	51,732	1.70%	2,377.83
2022	21,756	2,740,850	2,424,887	51,341	1.87%	2,359.85
2021	21,756	2,595,000	2,374,234	39,851	1.54%	1,831.72
2020	21,756	2,509,500	2,304,034	42,082	1.68%	1,934.27
2019	20,278	2,319,900	2,276,234	19,723	0.85%	972.63
2018	20,278	2,252,400	2,266,215	21,976	0.98%	1,083.74
2017	20,278	2,184,050	1,382,600	23,944	1.10%	1,180.79
2016	20,278	2,082,600	1,374,997	23,122	1.11%	1,140.25
2015	20,278	2,000,400	1,359,621	25,220	1.26%	1,243.71
2014	20,278	2,026,250	1,335,461	27,323	1.35%	1,347.42

NOTES: ⁽¹⁾ Information is for the General Fund and does not include TIF valuation. Valuation has been adjusted to add back a percentage of Homestead Exemption values. These percentages were: 2013 to 2018 at 50%; 2019 to 2020 at 62.5%; 2021 to 2022 at 70%; 2023 at 73% and 2024 at 76%. Valuation has been adjusted to include the State reimbursement percentage (approx. 50%) of BETE values.

⁽²⁾ Total Debt, Debt as % of Equalized Valuation, and Per Capita Debt as of June 30, 2024 is projected.

OVERLAPPING DEBT

County of Cumberland

The Town is subject to an annual assessment of its proportional share of the County of Cumberland's expenses, including debt repayment, as determined by the percentage of the Town's equalized State Valuation to the County's equalized State Valuation. At June 30, 2023 the Town's equalized State Valuation of \$3,039,200,000 was 4.66% of the County's equalized State Valuation of \$65,268,050,000. The Town's share was 4.66%, or \$1,393,783 of the County's \$29,931,418 debt obligations outstanding as of June 30, 2024.

Maine Region 10 Technical High School

The Town is a participant 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, 2023, MR10 had total principal debt outstanding of \$2,900,250. The Town of Brunswick's share of MR10's debt is 37.17% or \$1,107,025. See "TOWN OF BRUNSWICK - PUBLIC EDUCATION – Maine Region 10 Technical High School" for additional information.

CONTINGENT DEBT

The Town has no debt or obligations for which it is responsible for on a Contingent Basis.

FUTURE FINANCING

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. This project had been in the Capital Improvement Program in some form since 2015, and debt service is planned to be paid with Downtown TIF Revenues.

Following authorization of the project and financing, the Town proceeded with developing bid documents for construction. No bids were received for the first posting, but with the second posting in October, 2023, the Town received one bid. As this was approximately \$1.5M over the total approved for the project, Town staff worked with the contractor to adjust the scope of the project slightly, and proposed to the Town Council that the ordinance be repealed and replaced, authorizing additional financing. On December 28, 2023, the Town Council adopted "An Ordinance for 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 Four Million, Three Hundred Fifty Thousand Dollars (\$4,350,000), And Further Authorizing Acceptance of Grants and Contributions, the Expenditure of Available Tax Increment Financing (TIF) Revenues, and Authorizing the Issuance of Bonds Of Up To Three Million, Eight Hundred Fifty Thousand Dollars (\$3,850,000)", which repealed and replaced the previous ordinance. Construction is expected to begin in spring, 2024 and to take two years. Debt service on the bonds are anticipated to be paid with Downtown TIF revenues.

Readers are encouraged to read the section of this document entitled "TOWN FINANCES – CAPITAL IMPROVEMENT PROGRAM." The CIP of the Town contemplates a number of projects which, if undertaken, are planned to be funded with long-term debt. However, the CIP does not authorize the issuance of debt. Debt issuance is subject to the prior review and approval of a Bond Ordinance by the Town Council. Debt related to State subsidized school construction projects requires the approval of the voters in a local referendum. The Town Council may choose to send bond approval to voters in a local referendum even when not required to do so by State statute.

RETIREMENT

DEFINED BENEFIT PENSION PLANS

Plan descriptions: For its participating municipal employees and certain participating School Department employees, the Town contributes to the Consolidated Plan for Participating Local Districts (the "PLD Plan") a cost-sharing multiple-employer, defined benefit pension plan administered by the MainePERS. Teachers and certain other School Department employees also participate in MainePERS through the State Employee and Teacher Plan (the "SET Plan"), a cost-sharing multiple-employer, defined benefit pension plan with a special funding situation established by the Maine Legislature.

The MainePERS is established and administered under Maine law, and the authority to establish and amend benefit provisions rests with the State Legislature. The MainePERS issues a publicly available financial report which may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046 or at www.mainepers.org.

The Town reports on the benefits provided and the contributions to the pension plans, associated pension liabilities, pension expense, deferred outflows and deferred inflows of resources related to pensions, as well as the actuarial methodology and assumptions in its ACFR. Please see "APPENDIX A – TOWN OF BRUNSWICK, MAINE, ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023", pages 65-68 herein.

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.

OTHER RETIREMENT

Most municipal and some school employees participate in the Social Security Retirement Program (“FICA”). The Town and the School department contribute to FICA. The School Department also offers its employees a variety of tax-sheltered annuity plans. The School Department does not make contributions to these plans.

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions: 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 the PLD. Teachers also participate in the Group Term Life Insurance SET Plan . 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 (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.

The State sponsors a post-retirement benefit plan for school department personnel, providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (as the “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.

The Town reports on the benefits provided and the contributions to the OPEB plans, associated OPEB liabilities, OPEB expense, deferred outflows and deferred inflows of resources related to OPEB, as well as the actuarial methodology and assumptions in its ACFR. Please see “APPENDIX A – TOWN OF BRUNSWICK, MAINE, ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023”, pages 68-75 herein.

LITIGATION

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 Town officials there is no litigation pending against the Town which, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the Town's financial position or its ability to meet its debt service obligations.

ENVIRONMENTAL MATTERS

The Town is subject to a wide variety of federal and State laws and regulations relating to land use, water resources, sewage disposal, the use, storage, discharge, emission and disposal of wastes and other environmental matters.

The Town's landfill, which opened in 1984, was closed beginning in April, 2021. The landfill operated under strict environmental regulations and for several years, the Town worked with the Maine Department of Environmental Protection ("MDEP") to comply with certain discharge parameters. In 2014, while the Town was working on resolving issues with its wastewater license, the MDEP Bureau of Remediation and Waste Management notified the Town of concerns about groundwater contamination trends at the landfill, which made the Town eligible for landfill closure funding from the State's Landfill Closure and Remediation Program. In October 2016, MDEP determined that the Town is eligible for a 75% cost share of closure costs. The Town finalized a Schedule of Closure ("SOC") with MDEP in June 2017, and in December 2020 awarded the contract for closure. The landfill was closed to additional waste at the end of March 2021, and closure construction was completed in the fall of 2021. Final closure documents are being prepared for filing with MDEP.

Between 2011 and 2019, the Town faced potential fines related to wastewater discharge limits and other violations, 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. Even after closure, the landfill is subject to strict environmental regulations. Regular monitoring, including testing of groundwater and wastewater for a variety of contaminants, is scheduled to continue for a minimum of 30 years. Recently passed legislation requires testing landfill leachate for per- and polyfluoroalkyl substances ("PFAS") for the next two years.

The Town believes that its properties and operations are presently in material compliance with all land use and environmental laws that, failure to comply with such laws, could result in the imposition of severe penalties on operations by government agencies or courts that could adversely affect the Town. The Town is not aware of any other environmental conditions or non-compliance, the remediation or correction of which the Town believes would have a material adverse impact on the financial condition of the Town. The Town is not subject to any pending or threatened proceedings or actions involving environmental matters that, if adversely decided, would have a material adverse impact upon the Town's financial condition or ability to pay debt service on the Bonds as and when due.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

Over the past several years, the Town has focused on issues related to environmental, social and governance ("ESG") risk factors, and the Town Council has initiated several actions to raise awareness and address ESG concerns. For example, in 2021, the Finance Committee recommended an update to the Town's Investment Policy to incorporate ESG investment principles, and the Trust Fund Advisory Committee updated its Investment Policy Statement to implement an ESG framework for the Trust Fund investment portfolio. The Town also recently acquired four electric vehicles, entered into a solar power purchase agreement for the bulk of its electricity needs, and in 2023 installed rooftop solar units on two school buildings.

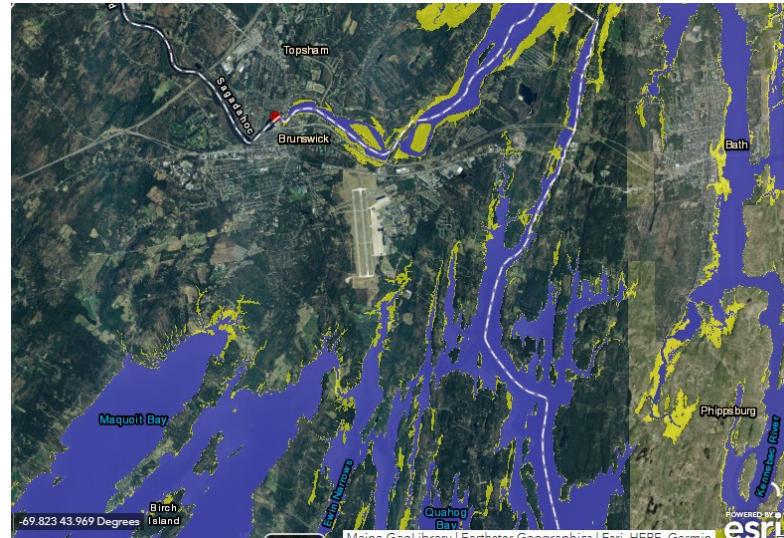
Work on environmental planning was initiated in coordination with the update of the Town's Comprehensive Plan ("Comp Plan"). The Comp Plan Steering Committee has identified the main concerns as improving sustainability policies and regulations, addressing climate change, and balancing the increasing demand for affordable housing while protecting the Town's natural resources and scenic beauty.

In collaboration with Bowdoin College, local conservation organizations, and surrounding communities, the Town has identified climate-related challenges such as sea level rise and extreme weather events.

In February, 2023, the Town received a State Community Resilient Partnership Community Action Grant, to assist in drafting its first comprehensive Climate Action Plan (“CAP”). This plan will collect information about the Town’s greenhouse gas emissions and vulnerability to climate change in order to develop actions that decrease emissions and increase community resilience to climate impacts. The Town Council formed a Climate Action Task Force (“CATF”) to oversee the development of the Brunswick CAP, with assistance from Town staff, led by the Town’s Environmental Planner, and contracted with Greater Portland Council of Government (“GPCOG”) and Bowdoin College to assist with the process. The CATF is currently working on a vulnerability assessment and climate action strategies, with input from a wide range of shareholders through surveys and workshops. See also: <https://www.brunswickclimateaction.org/>

In addition to coordinating the CAP, the Environmental Planner focuses on ensuring all development applications comply with local, state, and federal environmental programs and standards; making recommendations for improvements to the Zoning Ordinance pertaining to climate change, sustainable development, and natural resource and wildlife protection; and creating educational materials for the Town website and social media pertaining to climate change, sustainable development, and resource protection.

The Town has over 61 miles of coastline on Northern Casco Bay, as well as approximately 20 miles of frontage along the Androscoggin River. Brunswick has jurisdiction over approximately 3,900 acres of waters, of which 41% is intertidal, 37% is shallow water, and 22% is deep water. Since the 1970’s the Town has maintained a Marine Resources Committee to manage the Town’s shellfish resources. The Committee is responsible to administer the shellfish conservation program, which requires active involvement of shellfish harvesters in surveys, monitoring, re-seeding and environmental remediation.



Maine Geological Survey - Highest Astronomical Tide plus 10.9 feet
<https://www.maine.gov/dacf/mgs/hazards/slris/index.shtml>

Over the past decade, there have been several studies of the Casco Bay ecosystem, and potential impacts of climate change. In 2014, the Town developed a Harbor Management Plan and established the Rivers and Coastal Waters Commission to oversee the Plan and make recommendations to the Town Council. In 2023, the Town Council appropriated \$125,000 to conduct a study which will establish a baseline of the quality of water within and entering Maquoit Bay, evaluate the water quality impacts associated with existing and future land uses in the watershed, and develop water quality loading models to assess present and future loadings of nitrogen and fecal coliforms.

In 2019, the Town Council approved a Rural Protection Stormwater Management Overlay District in its Zoning Ordinance, identifying sensitive coastal and inland stream areas and establishing requirements for disturbance mitigation measures. On December 2, 2019, the Town Council approved a Climate Change Resolution that reflects the Town’s commitment to safeguard against the current and potential consequences of climate change, including adopting, and funding, specific policy goals. The Town is also committed to

educating its residents about the consequences of climate change, including the need for financial resources, and regulatory oversight to eliminate greenhouse gasses.

As the home of Bowdoin College and the former Brunswick Naval Air Station, Brunswick has historically been one of the more diverse communities in Maine, and even before the widespread social equity concerns of 2020, the Town has engaged in community dialogue to pro-actively address questions of bias and discrimination. In 2018, the Town adopted an income-determined Property Tax Assistance Program to provide support for longtime senior residents of Brunswick. Beginning in 2019, Brunswick has welcomed a number of asylum-seeking families, and the Town hired staff to assist with language, bureaucratic/legal processes and integration into the community. The Town is currently working to address the question of affordable housing, both through its Comp Plan as mentioned above, in its Cooks Corner Revitalization project, and with the formation of a Housing Committee which is working to develop solutions to housing shortages in Brunswick.

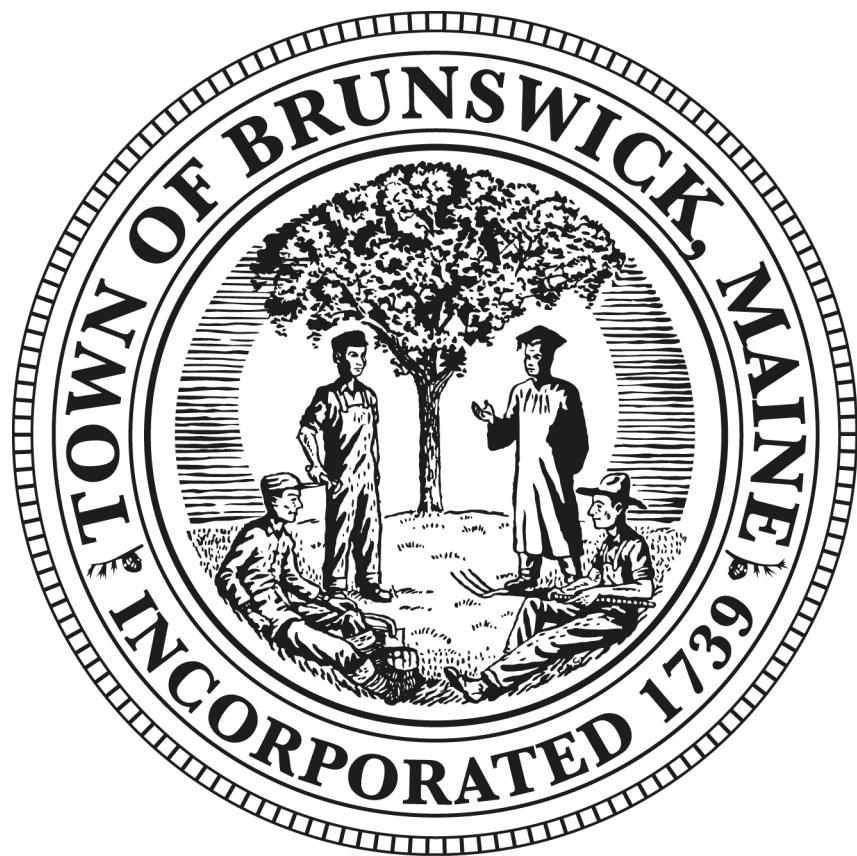
Many aspects of the Town's governance are addressed in other sections of this statement, but it should be noted that awareness and consideration of ESG risk factors have reinforced the Town's goals of transparency and communication, fiscal responsibility and conservative budgeting, regional collaboration, and advocacy for its most vulnerable citizens. With its CIP, long-term financial planning, strategic utilization of TIF, strong financial policies and regular analysis of funding mechanisms, the Town continues to focus on sustainable budgets and adequate reserves.

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APPENDIX A

**TOWN OF BRUNSWICK, MAINE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

TOWN OF BRUNSWICK, MAINE



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

TOWN OF BRUNSWICK, MAINE
Annual Comprehensive Financial Report
Year ended June 30, 2023



Prepared by:
Town of Brunswick
Department of Finance

Town of Brunswick, Maine
Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

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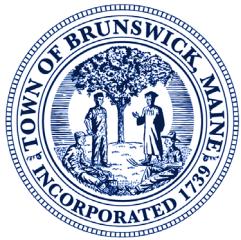
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INTRODUCTORY SECTION





Town of Brunswick, Maine

INCORPORATED 1739

OFFICE OF THE FINANCE DIRECTOR

85 UNION STREET

BRUNSWICK, MAINE 04011-2418

TELEPHONE 207-725-6652

FAX 207-725-4107

December 22, 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, 2023. 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. 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 four ships in the restarted program, currently has seven of these ships under construction. 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 71 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, which is handled out of the Brunswick design/support facility.

In the spring of 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 2022, Bowdoin had 2,012 students enrolled, and employed approximately 953 full-time equivalent (FTE) employees, including 206 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. Most recently, the College completed construction of two buildings on the corner of College Street and Sills Drive, totaling 45,900 square feet of space. The Barry Mills Hall is an academic building, which includes a 60-person cinema and event space in addition to classrooms and offices, and the John and Lile Gibbons Center for Arctic Studies includes exhibit space, archaeology research and teaching labs, a classroom and offices for museum staff. 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 2024-2028 was adopted on May 22, 2023, and recommended funding projects over five years totaling \$56,051,846. Total debt financing on recommended projects is estimated at \$4,150,000, with \$800,000 of that to be repaid from Tax Increment Financing (TIF) revenues. Infrastructure improvements estimated at \$23,017,500 are recommended, with an estimated \$7,130,500 in funding through Maine Department of Transportation grants. Projects in development (those that may eventually be considered for funding) totaled \$47,421,000. Two large projects, a public works facility for \$12,000,000 (mentioned below), and a downtown parking structure for \$15,700,000, 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 regular review of 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, 2023, the amount of unassigned fund balance was \$21,155,503 or 24.4% of general fund revenues, a total of \$6,685,286 above the policy target. The balance above the target was slightly lower than the previous year, but still reflects strong revenue collections and savings in expenditures resulting in an increase in total general fund balance of nearly \$4M. In the past seven 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. More recently, the Finance Committee has taken the lead in public outreach communicating information about budget development, property taxes, the assessment process, and the requirement for fair and equitable valuations for all properties.

Major initiatives

Central Fire Station. On April 1, 2019, after the project was included in the CIP for many years, 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. In late 2020, the Town acquired property at the selected site on Pleasant and Webster Streets, and construction began in spring 2021. GO Bonds were issued in February, 2022, generating \$13,231,000 in principal, and \$888,054 in premium. The new fire station was completed and placed in service in December, 2022. The Town's former central fire station, located in the downtown area, was built in 1919, and is considered by many to be a historic building. In May, 2022, the Town Council formed a committee to explore options for reuse and/or redevelopment of the building. This committee developed an RFP and received one bid to redevelop the site into a mixed-use building with affordable housing on the second floor and commercial space on the first floor, with public green space outside. On October 2, 2023 the Council authorized staff to enter into a purchase, sale and developers agreement.

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 (SLFRF) 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, and for the first portion of Phase I (Tier 1A), which includes site work, the perimeter trail, a skatepark and pickleball courts, the Town Council approved funding totaling \$1,670,000. This consists of a Land and Water Conservation Fund grant of \$625,000, matched with \$600,000 in Recreation Impact Fees an additional \$250,000 from the SLFRF grant, \$150,000 from Bowdoin College, and \$45,000 in private fundraising. Construction began in summer, 2023 and Tier 1A is expected to be completed in spring, 2024. The MARC Committee is currently planning and pursuing fundraising for the next portion of Phase I.

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, and a project was 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 engaged in a public process to understand needs, issues and preferences for Brunswick's downtown. The COVID-19 pandemic slowed progress on the process, but planning work resumed in 2021. In December, 2022, the Town Council adopted an ordinance authorizing the issuance of debt for up to \$3,250,000 for the construction of a hybrid concrete/brick sidewalk system on both sides of Maine Street from Mill Street to Pleasant Street. Debt service is planned to be paid with Downtown TIF revenues. Final design was completed in summer 2023, and the Town received one bid in December, 2023, which was more than the amount authorized for the project. On December 18, 2023, the Town Council held a public hearing to consider repealing the prior year's Downtown Streetscape ordinance, and replacing it with "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)". The Council expects to vote on adopting the ordinance at their December 28, 2023 meeting.

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 was 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. The project is currently estimated at \$12,000,000, the cost of construction is expected to be funded through the issuance of bonds.

Affordable Housing. The significant increase in housing prices over the past several years has exacerbated the issues of housing diversity and the affordability of housing options in Brunswick. On June 27, 2022, the Town Council adopted a moratorium on the development of new housing exceeding thirty units unless that housing included affordable units. The moratorium was intended to allow the Town time to examine its existing housing stock and to develop recommendations that would require and incentivize diversity and affordability. In July, 2022 the Town Council established a Housing Committee to take the lead in the development of zoning and other regulations related to diverse and affordable housing. In December, 2022 the Town has established an Affordable Housing Support Fund, to support the construction of affordable housing through targeted investments in land acquisition and infrastructure improvements, to stimulate and leverage private sector investment in housing development that serves households at or below 80% Affordable Median Income (AMI), to support Brunswick's Comprehensive Plan, and other related Town Plans and Policies, and to assist the Housing Committee with implementation of its action plan. In June, 2023 the moratorium expired, and Town Council approved inclusionary zoning for rental housing projects over 15 units, mandating that at least 15% of the units be affordable to households with income less than or equal to 80% AMI.

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, 2022. The certificate recognizes that Brunswick published an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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

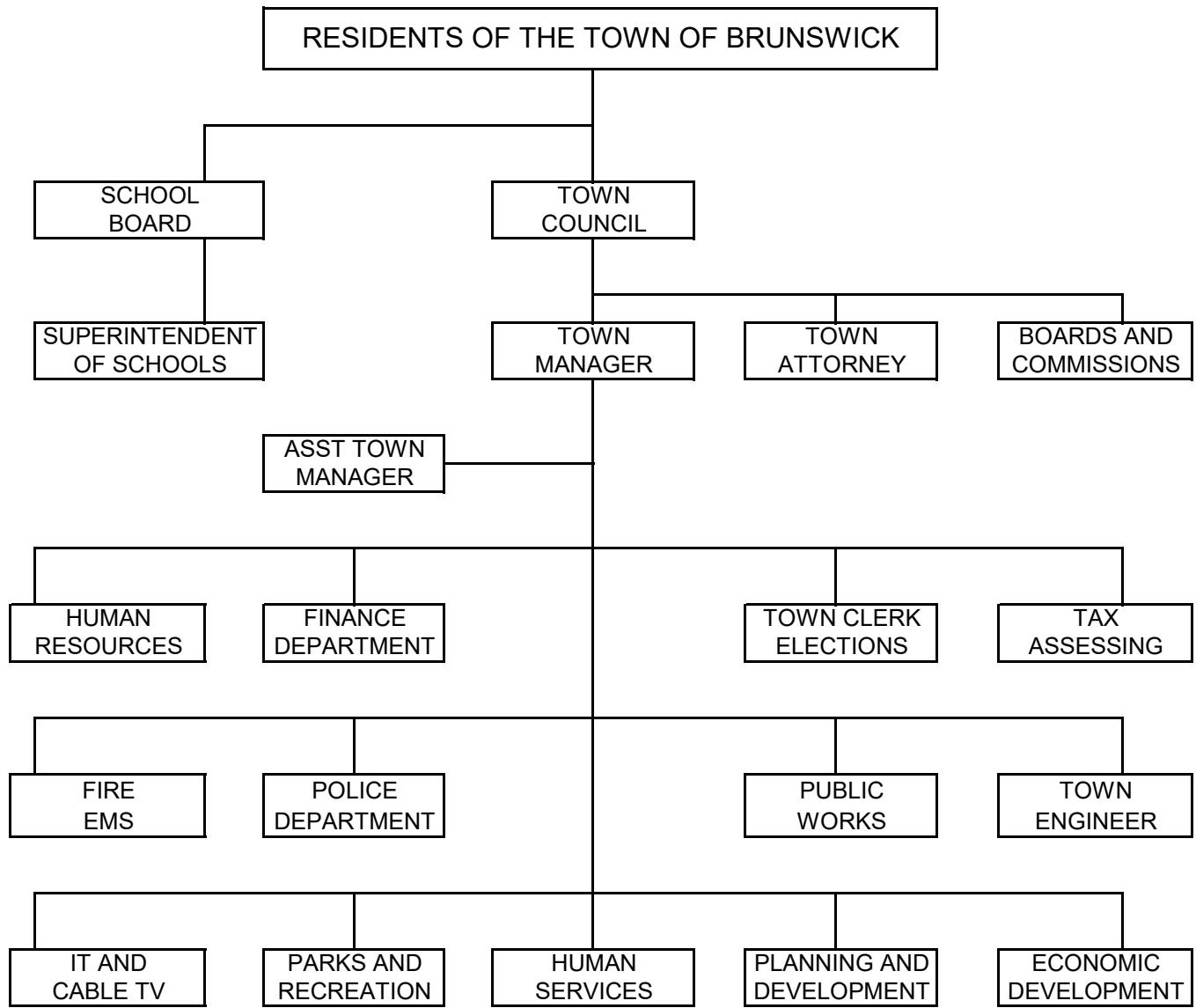
June 30, 2022

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, 2023

Elected Officials

Council Member - District 7	Chair	James Mason
Council Member - District 3	Vice Chair	Abby King
Council Member - District 1		W. David Watson
Council Member - District 2		Stephen S. Walker
Council Member - District 4		Sande Updegraph
Council Member - District 5		Jennifer Hicks
Council Member - District 6		Nathaniel Shed
Council Member - At large		Daniel Ankeles
Council Member - At large		Kathy Wilson

Appointed Officials

Town Manager	John S. Eldridge
Town Attorney	Stephen Langsdorf & Kristin Collins
Director of Finance	Julia A.C. Henze
Assessor	Taylor Burns
Town Clerk	Frances M. Smith
Director of Planning and Development	Jacob Sesker, Interim
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

FINANCIAL SECTION



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, 2023 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, 2023, 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 2023, the Town of Brunswick, Maine adopted new accounting guidance, GASBS No. 96, *Subscription-Based Information Technology Arrangements*. 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 combining and individual nonmajor 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 December 22, 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.



December 22, 2023
South Portland, Maine

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Management's Discussion and Analysis

As the Town of Brunswick's management, we offer readers of the Town of Brunswick's financial statements this narrative overview and analysis of the financial activities of the Town of Brunswick for the fiscal year ended June 30, 2023. 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, 2023, the Town of Brunswick's total net position increased by \$7,732,704 from the previous year's net position, to total \$91,604,861. Of this amount, \$11,596,210 is classified as *restricted net position*, of which the largest portion, \$6,320,284, is restricted for education purposes. *Unrestricted net position* increased from the previous year to a balance of \$19,757,960 as of June 30, 2023.
- Net investment in capital assets decreased by \$347,729 while restricted net position increased by \$1,626,540 and unrestricted net position increased by \$6,453,893 from the previous year. The decrease in net investment in capital assets was driven by the use of excess bond proceeds to pay debt service.
- The \$1,626,540 increase in restricted net position reflects a \$1,073,359 increase in the amount restricted for grants and other special revenues, including \$750,000 in the Affordable Housing Support Fund, \$130,287 in National Opioid Settlement funds, and \$117,436 in a conservation grant. The amount restricted for Tax Increment Financing purposes increased by \$802,412, as the Town plans for improvements within the TIF Districts.
- The \$5,753,817 increase in unrestricted net position in governmental activities was largely the result of surpluses in the municipal departments, increased interest revenue and property tax overlay. The \$700,076 increase in unrestricted net position in business-type activities was driven by net income in the pay-per-bag program.
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$47,190,492, an increase of \$6,192,123 from the prior fiscal year.
- The unassigned fund balance for the General Fund at June 30, 2023 was \$21,155,503. The Town's policy is to maintain the unassigned fund balance at 16.67% of revenues. At June 30, 2023, this portion of the fund balance is approximately 26.70% and 24.37% of the total General Fund expenditures and revenues, respectively.
- The Town's total outstanding long-term principal debt increased by \$1,016,656 during the current fiscal year. The Town borrowed \$4,000,000 to purchase a parcel of land, and this was offset by \$2,947,636 in debt retirement, and an amendment of the 2020 School Revolving Renovation Fund loan which reduced the borrowed amount by \$35,708.

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.

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 and the Coronavirus Relief 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 98-111 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 93-97 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 113-116.

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. The basic fiduciary fund financial statements can be found on pages 43 and 44 of this report. The combining statements can be found on pages 117-123.

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 45-82 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.

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 \$91,604,861 at the close of the most recent fiscal year, which is an increase of \$7,732,704 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	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 57,416,899	\$ 52,310,364	\$ 6,594,051	\$ 6,056,305	\$ 64,010,950	\$ 58,366,669
Capital assets	114,076,516	111,406,242	384,506	456,785	114,461,022	111,863,027
Total assets	171,493,415	163,716,606	6,978,557	6,513,090	178,471,972	170,229,696
Deferred outflows of resources	7,953,483	7,262,756	-	-	7,953,483	7,262,756
Long-term liabilities outstanding	69,525,884	64,510,297	2,264,528	2,524,947	71,790,412	67,035,244
Other liabilities	13,649,737	10,528,976	147,292	17,426	13,797,029	10,546,402
Total liabilities	83,175,621	75,039,273	2,411,820	2,542,373	85,587,441	77,581,646
Deferred inflows of resources	3,792,311	10,517,172	5,440,842	5,521,477	9,233,153	16,038,649
Net investment in capital assets	59,942,274	60,266,582	308,417	331,838	60,250,691	60,598,420
Restricted	11,596,210	9,969,670	-	-	11,596,210	9,969,670
Unrestricted	20,940,482	15,186,665	(1,182,522)	(1,882,598)	19,757,960	13,304,067
Total net position	\$ 92,478,966	\$ 85,422,917	\$ (874,105)	\$ (1,550,760)	\$ 91,604,861	\$ 83,872,157

The largest portion of the Town's net position, \$60,250,691, 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, \$11,596,210 or 12.7% 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 \$19,757,960 is categorized as unrestricted net position. The \$1,182,522 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 and notes from direct borrowing, resulting in an unrestricted net position of \$20,940,482.

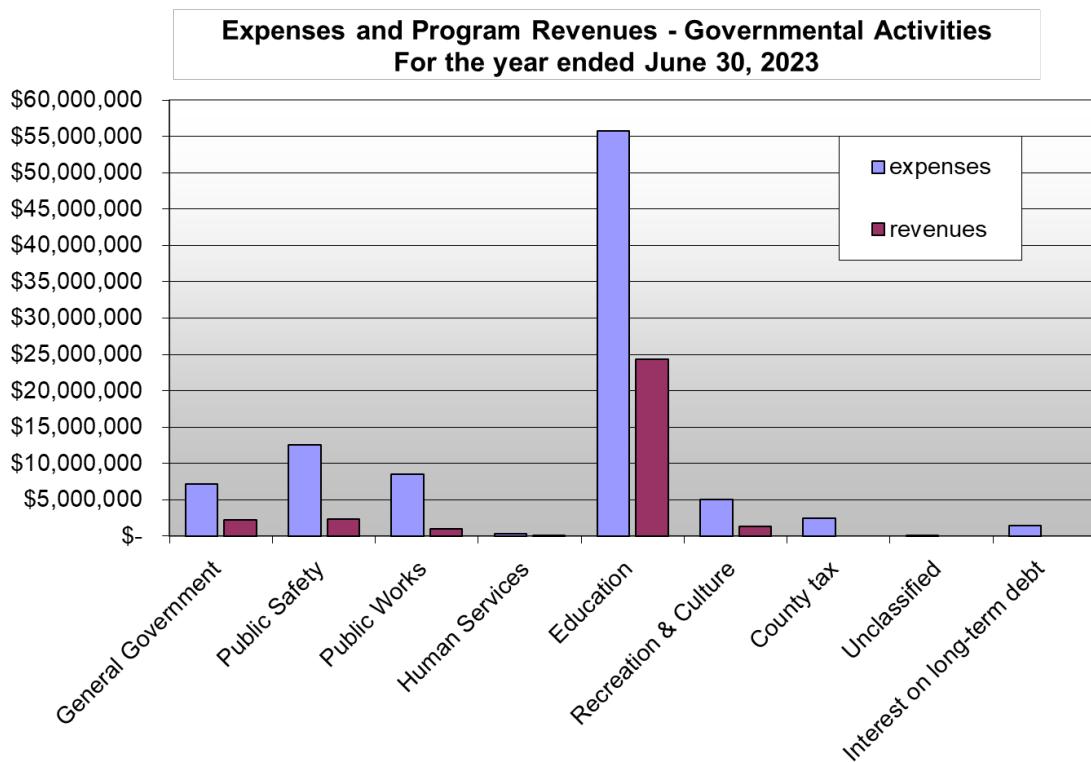
Town of Brunswick's Change in Net Position

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$ 4,697,332	\$ 4,130,518	\$ 841,580	\$ 778,294	\$ 5,538,912	\$ 4,908,812
Operating grants and contributions	24,879,400	23,207,809	-	-	24,879,400	23,207,809
Capital grants and contributions	1,694,892	1,018,546	-	-	1,694,892	1,018,546
General revenues						
Property taxes	58,544,089	54,147,507	-	-	58,544,089	54,147,507
Vehicle, w atercraft and aircraft excise taxes	4,089,549	4,005,508	-	-	4,089,549	4,005,508
Grants and contributions not restricted to specific programs	5,159,885	4,415,458	80,635	-	5,240,520	4,415,458
Unrestricted investment earnings (loss)	1,328,470	(23,330)	13,391	8,753	1,341,861	(14,577)
Other	127,462	19,610	-	-	127,462	19,610
Total revenues	<u>100,521,079</u>	<u>90,921,626</u>	<u>935,606</u>	<u>787,047</u>	<u>101,456,685</u>	<u>91,708,673</u>
Expenses:						
General government	7,182,685	7,335,813	-	-	7,182,685	7,335,813
Public safety	12,531,239	11,074,994	-	-	12,531,239	11,074,994
Public w orks	8,485,245	7,338,003	-	-	8,485,245	7,338,003
Human services	286,572	248,242	-	-	286,572	248,242
Education	55,782,334	50,705,599	-	-	55,782,334	50,705,599
Recreation and culture	5,058,554	4,065,619	-	-	5,058,554	4,065,619
County tax	2,496,061	1,664,113	-	-	2,496,061	1,664,113
Unclassified	26,399	8,698	-	-	26,399	8,698
Interest on long-term debt	1,490,941	1,251,078	-	-	1,490,941	1,251,078
Solid w aste facilities	-	-	111,771	-	-	111,771
Pay-per-bag program	-	-	151,555	124,767	151,555	124,767
Wastew ater treatment	-	-	42,283	40,900	42,283	40,900
Train station/ visitors center	-	-	151,859	148,543	151,859	148,543
Processing facility	-	-	38,254	31,049	38,254	31,049
Total expenses	<u>93,340,030</u>	<u>83,692,159</u>	<u>383,951</u>	<u>457,030</u>	<u>93,723,981</u>	<u>84,149,189</u>
Increase (decrease) in net position before transfers	7,181,049	7,229,467	551,655	330,017	7,732,704	7,559,484
Special items	-	-	-	493,011	-	493,011
Transfers	<u>(125,000)</u>	<u>(125,000)</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	7,056,049	7,104,467	676,655	948,028	7,732,704	8,052,495
Net position beginning 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>
Net position end of year	<u>\$ 92,478,966</u>	<u>\$ 85,422,917</u>	<u>\$ (874,105)</u>	<u>\$ (1,550,760)</u>	<u>\$ 91,604,861</u>	<u>\$ 83,872,157</u>

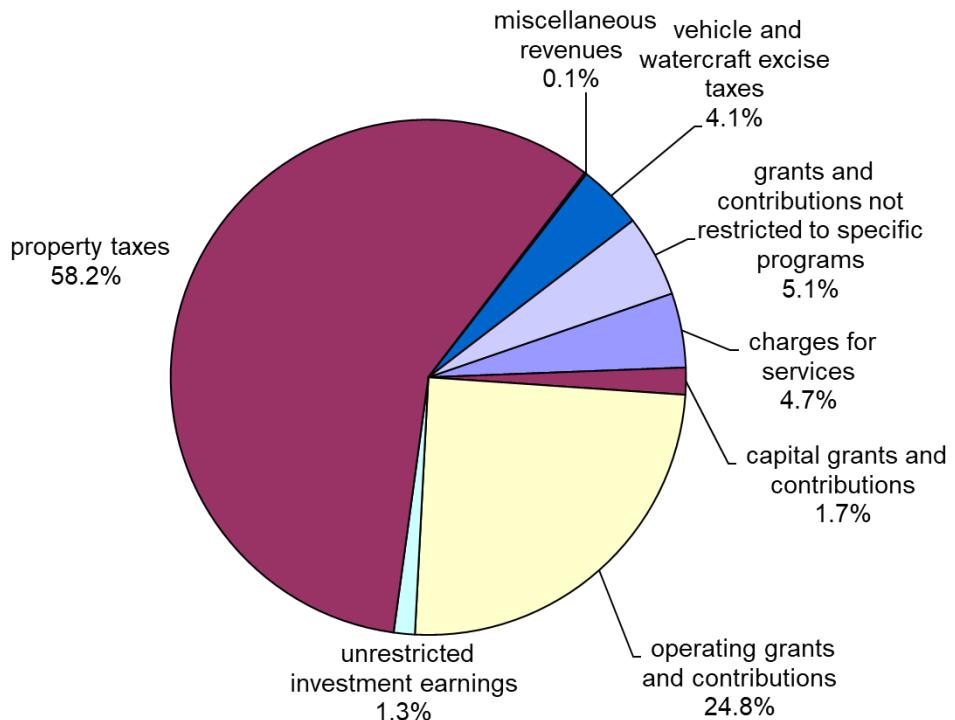
Governmental activities. Governmental activities, including transfers, increased the Town of Brunswick's total net position by \$7,056,049. The following points highlight the significant changes in revenues compared with the previous year:

- Property tax revenue, the Town's largest revenue, increased by \$4,396,582, or 8.1%. This increase was anticipated, as the tax rate increased by 4% and valuation base (total taxable valuation plus state reimbursed exemptions) increased by 4.5%. Property taxes made up 58.2% of the total revenue, down slightly from 59.6% of the total in the previous year. The percentage decrease was the result of shifts in proportion of the total revenues, primarily due to the increase in unrestricted grants and investment earnings.
- Excise tax revenue increased by \$84,041, or 2.1% from the prior year. This increase is less than prior year increases which have been an average of 4% over the past eleven years. This revenue is derived from motor vehicle registrations, and increases with purchases of new vehicles, so it is possible it has been affected by the nationwide vehicle inventory shortage.
- Charges for services revenue increased by \$566,814. In Recreation and Culture, recreation program revenues were \$277,522 more than the previous year, with increasing enrollment in an expanded selection of programs. The \$394,035 increase in Education charges for service resulted from school lunch receipts. Offsetting these, the Town experienced decreases in Public Safety due primarily to a drop in ambulance revenues, and in Public Works due to fewer street opening fees collected.
- Operating grants and contributions increased by \$1,671,591. This category of revenues made up 24.8% of the total revenue, a slight decrease from 25.5% in the previous year. An increase of \$1,200,083 was seen in the Education function, which included a \$957,275 increase in State Aid to Education, and \$334,585 in other State funding. The General Government function also experienced a \$219,825 increase, due in part to a \$500,000 grant to fund the Affordable Housing Support Fund.
- Capital grants and contributions increased by \$676,346. The increase included a \$400,000 federal grant for Public Safety communication upgrades. In Public works, the Town accepted a new subdivision road valued at \$169,000 and received a \$220,288 Municipal Partnership Initiative grant from Maine Department of Transportation for Church Road.
- Grants and contributions not restricted to specific programs increased by \$744,427. This increase was driven by State Revenue Sharing, which increased by \$780,922, primarily the result of the State increasing the percentage of sales and income tax distributed into the pool from 4.5% to 5% in the fiscal year ended June 30, 2023.
- Unrestricted investment earnings increased by \$1,351,800. The Town's cash balance is invested in interest-bearing deposit accounts, and the increase in the Fed Funds rate during the year resulted in an increase of \$1,168,129 in interest income over the previous year. For the permanent fund investments, the rebounding stock market resulted in an increase of \$183,672 over the previous year.

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

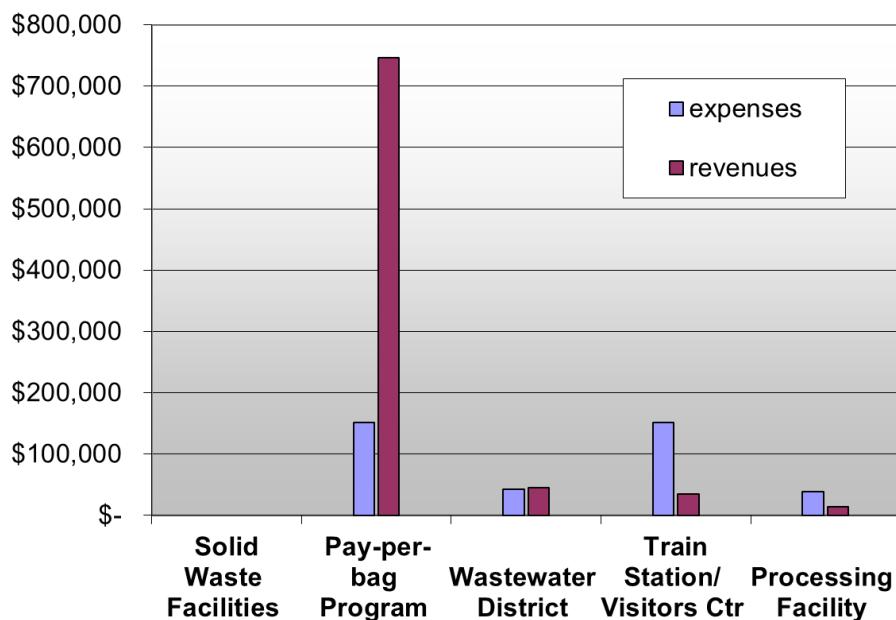


General and Program Revenues - Governmental Activities
For the year ended June 30, 2023

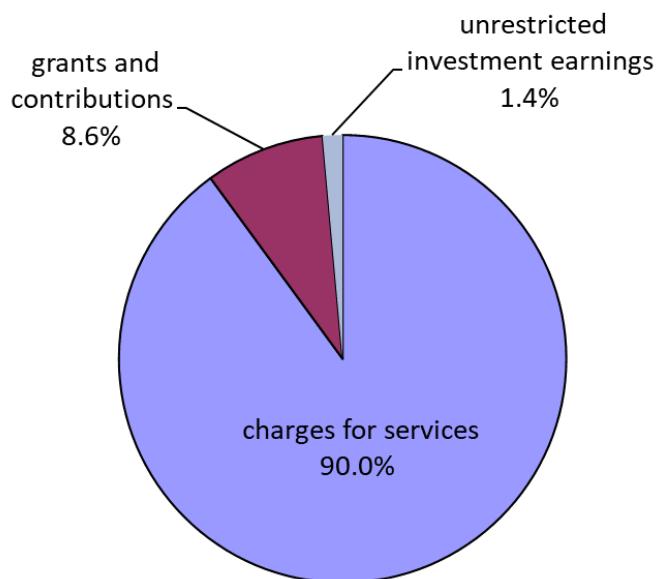


Business-type activities. The Town's business-type activities consist of five enterprise funds: two major funds accounting for its solid waste facilities and its pay-per-bag program, and three non-major funds, including a small wastewater district, the train station/visitors center, and a materials processing 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 2022-23.

Expenses and Program Revenues - Business-type Activities
For the year ended June 30, 2023



Revenues by Source - Business-type Activities
For the year ended June 30, 2023



The Town's business-type activities increased the Town's total net position by \$676,655. This was due primarily to the activity in the Pay-per-bag Program Fund, which realized operating income of \$595,475 and interest of \$4,422. The Mere Point Wastewater Fund and Train Station/Visitors Center Fund recognized increases of \$2,977 and \$10,388, respectively, while the Processing Facility Fund decreased by \$20,671. These funds are discussed below.

Previously, the major activity accounted for in the Solid Waste Facilities Fund was 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 closure was completed in the late fall of 2021, at a total cost of \$7,361,970. Reimbursement of 75% of the cost, or \$5,521,477, was 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 first payment on this reimbursement, for \$80,635, was received in FY 2023, and the Town has recorded the balance of the reimbursement as a receivable and as deferred inflow of resources as of June 30, 2023.

During the landfill's operation, the Town recognized expenses and booked an estimated post closure liability for post closure maintenance and monitoring based on an estimate from Woodard & Curran of \$78,000 per year over 30 years. With the final closure complete, the post closure phase began, and the Town's FY 2023 expenses reduced the post closure liability. As of June 30, 2023, the Town recognized a liability of \$2,264,784 for post closure costs, which is \$78,096 per year over 29 years. Also as of June 30, 2023, the Town recognized a liability of \$56,000 for 14 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. A total of \$4,800,000 was transferred from the Pay-per-bag Program to the Solid Waste Facilities to cover the cost of the landfill closure. As of June 30, 2023, the Pay-per-bag Program Fund had net position of \$839,785. Funds continue to accumulate in the fund while the Town Council considers various solid waste solutions and costs.

The Town's Mere Point Wastewater System realized an operating gain of \$2,977. This was anticipated, as the Town updated the user fees effective April 1, 2021 after the Town initiated a review and adopted a fee schedule which incorporated an allowance to recover capital costs. In FY 2022, 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 forcemain 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, 2023, the fund had a deficit unrestricted net position of \$93,466, of which \$104,981 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 2023 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. By FY 2023, collections had rebounded to \$22,589, and as of June 30, 2023, the Train Station/Visitor's Center Fund had a net position totaling \$83,937, with \$2,311 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 second full year of its operation, the facility recorded an operating loss of \$23,538. This operating loss was anticipated, as the disposal fees collected are not enough to cover the operating costs of the facility. Future operations may require funding through a subsidy from the general fund. As of June 30, 2023, the Processing Facility had a net position totaling \$249,611, with \$102,484 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 \$47,190,492. Of that amount, \$1,240,049 is classified as nonspendable. Another \$11,514,753 is restricted, \$8,001,067 is committed and \$5,559,120 is assigned.

The largest portion of the \$1,240,049 nonspendable fund balance is \$743,833 held in permanent funds for education, community improvements, recreation, and cultural and social services. An additional \$384,981 consists of advances made by the General Fund to a project in the Capital Improvement Projects Fund, and a project in the Mere Point Wastewater proprietary fund. Finally, \$111,235 is held in inventories and prepaid deposit items.

Of the \$11,514,753 in restricted fund balance, \$6,296,549, or approximately 54.7%, is restricted for education purposes. This is primarily the school department's general fund balance of \$4,835,746, but also includes a \$415,915 capital contribution for the new elementary school, and balances in student activities, cafeteria, and other grant funds. Special revenue funds hold \$1,298,980, consisting of grants and donations, the largest of which is \$750,000 in the Affordable Housing Support Fund. The Tax Increment

Financing Fund makes up \$1,168,085 in the restricted category, and an additional \$1,751,913 consists of state revenue sharing and highway revenue balances. Bond proceeds restricted for the construction of the new central fire station were \$686,111, impact fees restricted for capital projects total \$294,449, and funds restricted in the permanent funds total \$18,666.

In the fiscal year ending June 30, 2023, the combined ending fund balances increased by \$6,192,123, or 15.1%, consisting of increases in the General Fund, Tax Increment Financing Fund, and Other Governmental Funds of \$3,794,389, \$802,412, and \$1,595,322, 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, 2023, the targeted unassigned fund balance for the General Fund was \$14,470,217. At \$21,155,503, the actual unassigned fund balance was 24.37% of revenues, and \$6,685,286 over the target. As a percentage of expenditures, the unassigned fund balance was 26.70%.

Despite a planned and budgeted reduction of \$4,310,784, plus additional reductions in the form of 2022 carry-forward encumbrances of \$166,592, and capital budget of \$625,000, the fund balance of the Town of Brunswick's General Fund actually increased by \$3,794,389 during the current fiscal year. Key factors in this change are as follows:

- Total actual revenues collected were \$6,866,371 higher than in FY 2022, increasing 8.6%. The primary drivers of the increase were intergovernmental revenues, property taxes and interest revenue. The Town received \$780,922 more in State Revenue Sharing than in the prior year, largely because the State increased the percentage of shared income and sales tax from 4.5% in FY 2022 to 5% in FY 2023. With adjustments to the State budget, State Aid to Education was \$957,275 more than the prior year. Property and excise taxes collected were \$3,125,966 over the prior year, driven largely by increased property values. Due to the increases in the Fed Funds interest rate during the year, interest revenue increased \$1,131,321 over the prior year.
- Total actual expenditures in the general fund were \$8,118,835 higher than in FY 2022, an increase of 11.42%. All expenditure categories increased from the prior year, with the largest dollar increases in education, public safety and general government at \$5,238,537, \$1,114,799 and \$645,249, respectively. The most significant driver of the increase in all departments was increasing wages in response to the challenging hiring market. In the school department, the increase also reflects certain personnel previously covered by federal grants now being funded through the general fund budget.

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, 2023, the fund had a balance of \$1,168,085, 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 2023 revenues in this fund were \$1,208,837 more than in the previous year, an increase of 39.6%, reflecting an increase in value of 34.3% and a tax rate increase of 4%. Payments under credit enhancement agreements were \$255,119, or 25.4% more. Transfers to other funds for development program purposes in FY 2023 totaled \$252,230 more than the previous year, increasing 13.0%.

In FY 2023, \$866,170 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 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.

During FY 2023, the Council approved an additional \$250,000 from TIF revenues for the Affordable Housing Support Fund (AHSF). These funds, along with \$250,000 from State and Local Fiscal Funds, serve as a match for a Community Solutions Grant, establishing the AHSF with a total of \$1,000,000. This fund will support the construction of affordable housing in Brunswick.

In the 2023-24 budget, the Town Council appropriated \$1,022,055 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 \$1,270,000 from TIF revenues. This included \$98,000 for the Cedar Street Parking project, \$175,000 for the next phase of the Pleasant Street Corridor project, an additional \$10,000 for the Federal/Mason/Water Street Pedestrian Improvements, an additional \$97,000 for the Bath Road/Jordan Avenue Pedestrian Improvements, \$280,000 as the final payment on the Landing Drive advance, \$370,000 to match the Maine DOT MPI grant for Maine Street, \$200,000 for the Cook's Corner Revitalization project, and \$40,000 for pedestrian improvements in Cooks Corner.

The *Coronavirus Relief Fund* is reported as a major fund in these financial statements for the third year, reflecting funds received to assist the Town's response to the COVID-19 pandemic. As of June 30, 2023 the Town held \$1,634,486 in unearned revenue from the State and Local Fiscal Recovery Fund (SLFRF), and a receivable balance of \$1,506,247 for school department relief grants. In FY 2023, the Town expended \$1,337,091 in eligible costs under the School's Elementary and Secondary School Emergency Relief Fund (ESSER Fund), and \$426,228 from the SLFRF. ESSER Fund expenditures were \$324,444 less than the amount expended in FY 2022, and this program is scheduled to end in FY 2024. SLFRF expenditures in FY 2023 were \$278,412 more than the amount expended in FY 2022, as the Town has begun work on the projects funded with this source. The SLFRF grant funds must be obligated by December 31, 2024 and fully expended by December 31, 2026.

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 \$2,157,594. The Pay-per-bag Program Fund had unrestricted net position of \$839,785. The Train Station/Visitors Center Fund and Processing Facility had unrestricted net positions of \$81,626 and \$147,127, respectively, and the Mere Point Wastewater Fund had a deficit in unrestricted net position of \$93,466. 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.

With authorization from the Town Council, \$297,000 was transferred from the Contingency account to cover anticipated shortfalls in several functions. These transfers to functions were:

- \$75,000 net for the General Government function to cover increased personnel costs resulting from wage increases, unanticipated legal and audit costs, and advertising costs for public

meetings, increased workers compensation insurance cost, increased electricity costs, and purchase of software to track short-term rental properties.

- \$100,000 for the Public Works function to cover increased personnel costs resulting from wage increases and higher than anticipated recycling collection and disposal costs.
- \$120,000 for the Recreation and Culture function to cover increased personnel costs resulting from wage increases, unanticipated costs for appraisals and capital planning, and higher than unanticipated costs of repair and maintenance of the People Plus and Library buildings.
- \$2,000 for the Unclassified function to cover higher than anticipated cemetery maintenance costs.

The other differences between the original and final budgets result from supplemental appropriations made during the year, amounts transferred to other funds, and the capital budget, detailed below. The supplemental appropriation of \$4,027,350 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. The Town's \$4,500 contribution to the Memorial Day event, the school department's \$62,500 subsidy of the cafeteria and \$419,687 subsidy of the TREK Program (formerly REAL School) were transferred to respective special revenue funds.

Capital Budget

The Town Council adopted a capital budget in conjunction with the operating budget for the fiscal year ended June 30, 2023. As planned through the Capital Improvement Program, the capital budget authorized the use of \$625,000 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:

- Public Works Facility Planning, \$120,000 for a needs analysis, planning and initial design for improvement and/or replacement of the current Public Works Facility on Industry Road.
- Simpson's Point Access, \$175,000 for the required 50% match of a Maine Department of Transportation grant to replace the boat launch and improve water access at Simpson's Point.
- Frank J. Wood Bridge Amenities, \$330,000 for the Town's share of the cost for upgrade of 250th Anniversary Park and other amenities associated with the replacement of the bridge.

Revenues - actual vs. final budget

For the year, actual revenues exceeded budgeted revenues by \$3,638,532. The following paragraphs discuss the various categories of revenues and the variances within each category.

In total, actual tax revenues exceeded the budget by \$1,217,739. Of this amount, property tax revenue was more than budgeted by \$836,270 as the result of several factors. The total actual taxable valuation of real and personal property tax available for the general fund was more than the estimate used in the development of the budget, resulting in \$885,016 more property tax revenue than projected. In addition, the actual amount of property tax deferred was less than budgeted by \$104,976, and supplemental tax assessments were \$49,275 more than budgeted. Offsetting this, the actual amount of tax abatements granted was \$202,997 more than budgeted. Interest on delinquent taxes and tax lien cost revenue were \$22,594 and \$2,860 less than budgeted, respectively, while payment in lieu of taxes was \$41,373 more than budgeted. Excise tax revenues on vehicles, watercraft and aircraft were \$365,550 more than budgeted. Of this, \$357,547 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 \$127,720 more than the amount budgeted. The largest portion of this variance was in Codes Enforcement, where actual building permit revenue was \$56,011 more than budgeted. In addition, Planning Board application fee revenue was \$34,378 more than budgeted. Both of these were due to more new construction than anticipated. The Planning Department budgets conservatively for these revenues, as building activity has decreased from the previous year.

The Town Clerk's licenses and permit revenues also exceeded projections by \$31,704 in total, with mixed results between accounts. Revenues from business licenses, vital records and marijuana licenses exceeded expectations by \$15,869, \$9,120 and \$8,335, respectively. The remaining Town Clerk's revenues including hunting/fishing and shellfish licenses, dog licenses and mooring fees, were a total of \$1,620 less than budgeted.

In the Finance Department, revenues from processing passport applications were \$10,755 more than budgeted, reflecting an increase in travel after the pandemic, while for Public Works, fewer street opening permits resulted in revenues \$7,652 less than budgeted. The remaining revenues of this category were a total of \$2,524 more than budgeted.

Actual intergovernmental revenues were more than the budget by \$421,104. The major driver of this was in State revenue sharing, which exceeded estimates by \$389,313. 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. For the school department State Aid to Education exceeded estimates by \$30,711, an unanticipated multilingual learners hardship adjustment added \$43,100 and a Maine Learning Technology Integration (MLTI) grant that was \$4,590 more than budgeted. Offsetting these, state agency client revenues were \$7,770 less than budgeted. The state tax exemption reimbursement was \$24,647 more than budgeted, mostly attributable to reimbursement for tree growth and renewable energy exemptions. General assistance reimbursement was less than budgeted by \$95,594. This revenue estimate was based on the amount of general assistance expected to be distributed, and the Town has budgeted the expenditure conservatively in response to an influx of asylum seekers and unhoused families. Unanticipated funding came to the Town in the form of a Community Oriented Policing Services (COPS) grant for \$23,000, which supports the hiring of an additional police officer. The remaining intergovernmental revenues were more than budgeted by a total of \$9,107.

Actual charges for services in total exceeded the budget by \$444,332, though the individual service results varied. Ambulance service fees were more than anticipated by \$410,685, primarily due to an increased number of trips. Agent fees for registering motor vehicles, boats, ATVs and snowmobiles were \$15,490 more than budgeted, due to an increase in the number of registrations processed. Police Department charges for service were more than budgeted by a total of \$15,770, due to higher than anticipated witness, dispatch and special detail fees. Revenues from the sale of recycled materials was \$4,176 less than budgeted, due to a decrease in activity with the closure of the landfill. At the school department, tuition revenue was less than budgeted by \$40,405, while transportation and rental revenue exceeded budgeted amounts by \$34,092 and \$7,002, respectively. The remaining variances in this category result in a net positive variance of \$5,874.

Fines and penalties collected were more than budgeted by \$6,640, reflecting the resumption of activity in Town. In total, Police Department fines came in over the budget by \$4,605, with parking tickets recording \$5,225 more than anticipated, while ordinance fines, leash law fines and false alarms were \$620 less than budgeted. Late license fees in the Town Clerk's office generated \$485 more than budgeted, zoning violations generated \$150, and fire code violation fees and false alarm penalties were more than anticipated by \$1,400.

Interest on investments exceeded the budget estimate by \$1,146,011. 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 2022. The combination of the rate increases in 2022 and 2023, and cash flow timing resulted in more interest revenue than anticipated in FY 2023.

Finally, the other (unclassified) revenues category exceeded the budget by \$274,986. Sale of assets, including the sale of three tax acquired properties, accounted for \$127,462 of this amount. Miscellaneous revenues for the municipal departments were more than budgeted by \$104,187, of which the largest overage resulted from an unanticipated \$44,562 in commercial credit card rebates. Also in this category were unanticipated worker's compensation insurance dividends and proceeds at \$26,956 and \$12,623, respectively. School miscellaneous revenues were less than the budget by \$3,041, and Cable TV franchise fees and general assistance recoveries were \$4,812 and \$1,987 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

Transfers into the general fund totaled \$947,370. This amount represents \$866,170 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 \$81,200 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, 2023 amounts to \$114,461,022, 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 assets. The total increase in capital assets for the current fiscal year was \$2,597,995. The Town recognized additions to and retirements of governmental capital assets, net of annual depreciation, resulting in a \$2,670,274 increase in value, while the value of business-type capital assets decreased by \$72,279 in depreciation.

Major capital asset events in governmental activities were as follows:

- Land additions totaled \$6,527,675. The eight parcels acquired by the Town for the new central fire station were capitalized for \$2,619,177, and in December, 2022, the Town purchased a 286 acre parcel of vacant land valued at \$3,908,498.
- Construction projects in progress totaled \$1,545,811 at the conclusion of the year. This category of assets decreased as projects were completed during the year, notably the new fire station, which was put into service in December, 2022. The other completed project was the re-chassis of Rescue 4. As of June 30, 2023, the ongoing projects were the Public Safety Communications project at \$558,438, replacement of a section of the Rec Center roof at \$380,400, the LED Streetlight Replacement Project at \$370,149, the Wilson Ave Extension project at \$159,547, flooring at Emerson Fire Station for \$28,248, a garage addition at Kate Furbish School for \$10,000, windows at the Brunswick High School for \$26,450, and the Mare Brook Restoration Project at \$12,579.
- Additions to building assets totaled \$9,982,495. The largest addition was the new central fire station for \$9,079,431. The other municipal building addition was \$238,659 for reconfiguration and renovation at the Recreation Center. The school department added building assets totaling \$664,405. At the Brunswick Junior High School, additions totaled \$336,471, which consisted of roofing for \$192,838, window upgrades for \$61,313, an upgrade of the chorus room totaling \$50,000, and elevator work for \$32,320. At Coffin School, roofing added \$57,169, and upgrades to doors and the band room added \$46,360. The greenhouse project and new boilers at Harriet Beecher Stowe School added \$122,931 and \$27,595, respectively. Flooring and a multi-split at Hawthorne added a total of \$41,559, while roofing at Brunswick High School added \$32,320.

- Improvements other than buildings increased by \$1,014,247. Improvements to the new fire station property included drainage, landscaping and parking lot paving totaling \$964,937. Playground surface at Harriet Beecher Stowe added \$8,860, and resurfacing the driveway at Brunswick Junior High School added \$40,450.
- Machinery and equipment additions in governmental activities totaled \$858,693. The school department added \$243,301 in machinery and equipment. This included \$52,150 for copiers and \$42,326 for a tractor, IT and security equipment totaling \$56,867, janitorial equipment for \$36,725, and a system to scrape snow off bus roofs for \$31,370. Within municipal departments the largest additions were in the fire department and the recreation department. Equipment in the new central fire station totaled \$225,931, and fitness equipment in the new fitness area totaled \$197,143. The public works department added \$67,944 in construction equipment, the IT department added a switch system and a copier for \$84,052 and \$4,200, respectively, and the parks department added tractors and equipment for \$36,122.
- Vehicles were replaced in the fire, police, parks and school departments during the year, retiring \$138,240 and adding \$541,733 in value. The fire department replaced the chassis on an ambulance for a total of \$125,249, the police department purchased six cruisers for \$210,060 and the parks department added a trailer for \$7,195. The school department acquired a bus for \$144,985, a plow for \$9,599, and refurbished four buses and a truck for a total of \$44,645. Retired assets included a pickup truck by the school department for \$46,154, two police cruisers for \$56,685 and the old ambulance chassis for \$35,401.
- Infrastructure additions during the year totaled \$416,217, offset by retirements of \$17,132. The Town accepted Perreault Way at a value of \$169,000, and reconstructed Armory Street and a portion of Weymouth Street for \$190,100. Traffic signal work at the Pleasant Street/River Road/Webster Street intersection added \$57,117.
- Subscription based information technology assets (SBITAs) increased with a school department payment of \$100,062 for a three-year subscription for curriculum development software.

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	
	2023	2022	2023	2022	2023	2022
Capital assets not being depreciated:						
Land	\$ 14,470,783	\$ 7,943,108	\$ 115,000	\$ 115,000	\$ 14,585,783	\$ 8,058,108
Construction in progress	1,545,811	11,922,388	-	-	1,545,811	11,922,388
Intangibles	200,000	200,000	10,000	10,000	210,000	210,000
Capital assets being depreciated:						
Buildings	63,907,167	57,445,850	9,647	10,414	63,916,814	57,456,264
Improvements other than buildings	2,492,522	1,740,725	50,587	53,437	2,543,109	1,794,162
Machinery and equipment	3,688,353	3,422,526	4,345	5,975	3,692,698	3,428,501
Vehicles	4,401,776	4,653,012	-	-	4,401,776	4,653,012
Intangibles	88,887	149,353	-	-	88,887	149,353
Infrastructure	22,706,884	23,306,324	120,872	138,534	22,827,756	23,444,858
Right-to-use leased assets	507,625	622,956	74,055	123,425	581,680	746,381
Subscription-based IT assets	66,708	-	-	-	66,708	-
Total	\$ 114,076,516	\$ 111,406,242	\$ 384,506	\$ 456,785	\$ 114,461,022	\$ 111,863,027

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 \$51,732,412, all of which is general obligation debt.

Town of Brunswick's Outstanding Long-term Debt

	Governmental		Business-type		Total	
	<u>activities</u>		<u>activities</u>		<u>2023</u>	<u>2022</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General obligation bonds	\$ 38,765,000	\$ 40,521,000	\$ -	\$ -	\$ 38,765,000	\$ 40,521,000
Notes from direct borrowings	<u>12,967,412</u>	<u>10,194,756</u>	<u>-</u>	<u>-</u>	<u>12,967,412</u>	<u>10,194,756</u>
Total	\$ 51,732,412	\$ 50,715,756	\$ -	\$ -	\$ 51,732,412	\$ 50,715,756

On December 30, 2022, the Town issued \$4,000,000 in general obligation debt for the purchase of real property. The Town solicited bids, and issued a taxable general obligation bond in a direct borrowing with the lowest bidder, M&T Bank. On March 20, 2023 the School Revolving Renovation Fund note with Maine Municipal Bond Bank was reduced by \$35,708, reflecting the lower amount spent on the approved project.

The amount of principal debt retired during the year through debt service payments totaled \$2,947,636. The Town's outstanding debt continues to be rated Aa2 by Moody's Investors Service and AA+ by Standard & Poor's.

Maine law limits the amount of general obligation debt a governmental entity may issue to an amount equal to 15% of its total State assessed valuation. The current debt limitation for the Town is \$455,880,000, which is significantly in excess of the Town's outstanding general obligation debt. Within the 15% total debt limitation, there are also categorical limits. Those categories include debt limits for schools, sewers, airports, and other municipal projects. The Town is well within each of those categorical limits.

As of June 30, 2023, the Town had debt authorized but not issued for up to \$3,250,000 for the downtown streetscape project. Authorized by the Town Council on December 5, 2022, the project is expected to be completed over several years. To the extent possible, debt service on the bonds will be paid with available Tax increment Financing (TIF) revenues from the Downtown Development and Transit-Oriented TIF District.

Additional information on the Town's long-term debt can be found in note IV.E.1. on pages 63-64 of this report.

Economic Factors and Next Year's Budgets and Rate

The 2023-24 municipal budget was developed in the spring of 2023, and in May 2023, The Town Council adopted a 2023-24 budget which was calculated to increase the property tax rate by 7.38%. These calculations included an estimated 1.5% increase in assessed property values, and 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 in 2021-22, increasing the Town's balance restricted for education. In the development of its 2022-23 budget, the school department used this balance increase to offset expenditures, thereby reducing the amount to be raised from taxes. In the

development of the 2023-24 budget, the \$1.5M balance increase was no longer available, shifting the burden to property taxes. Based on calculations provided by the Maine Department of Education in March, 2023, FY 2024 State education aid to Brunswick is currently projected to increase by \$1,203,185 from FY 2023.

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% was estimated to yield an additional \$400,000 in the 2022-23 budget, but the Town does not expect a significant increase in the 2023-24 budget. 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 three budgets to offset taxes. These amounts were \$250,000 in the 2021-22 budget, \$300,000 in the 2022-23 budget, and \$250,000 in the 2023-24 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 was set to increase by 3 percentage points each year until the State reimbursement reaches 100%.

In FY 2024 the Town's local certified ratio (the percentage difference between the fair market value and the local assessed value, as determined by the State's sales ratio study in 2022) was 83%, and the homestead exemption was adjusted accordingly to \$20,750. With a total of \$103,755,800 in value exempted in FY 2024, the Town will receive \$1,836,519 at the 76% reimbursement rate. The Town calculates that the 3% increase from FY 2023 will result in an additional \$72,494 in reimbursement.

The State continues to explore ways to relieve the property tax burden on Maine residents, and it is likely that the homestead exemption program will continue to change. In 2022, the State legislature established the Senior Property Tax Stabilization Program, which allowed certain residents aged 65 and older to freeze the property taxes on their homesteads, with the State reimbursing municipalities for the lost tax revenue. This law was in effect for the property tax year beginning April 1, 2023, but has since been repealed, and other tax relief programs have been adjusted.

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 with the 2020-21 budget, and the debt service on the fire station to begin with the 2021-22 budget. In an effort to minimize the impact on the taxpayers, the Town Council required municipal and school department staff to adjust the revenue and expenditure budgets to accommodate these increases.

More recently, with inflationary pressures and low unemployment rates, the Town has experienced challenges in retaining and hiring employees without increasing wages. The competitive job market and negotiations with bargaining units have resulted in higher wages for all classes of employees, and have had a significant impact on the Town's annual budget. With the 2022-23 budget, the school department used the unanticipated State Aid to Education received in 2021-22 to offset expenditures, and was able to minimize the amount to be raised from taxes, but the Town Council was aware that this was a one-time source, which would not be available in future years. The 2023-24 budget reflected the increase in personnel and other costs, and increased the amount to be raised from taxes by nearly 9%.

In addition to the municipal and school department operations, the Town's budget also funds Brunswick's tax assessment from Cumberland County. In December, 2021, the County voted to change from a calendar year to a July-June fiscal year, and is implementing this change with a six-month budget for January to June, 2023. The six-month county tax was added to the regular county tax assessment for the 2023-24 fiscal year. To assist the municipalities, the County offered the option to make the payment for the six-month tax assessment in full the first year or spread the payments out over time. For the Town of Brunswick, the six-month assessment totals \$782,237, and Town chose to spread the payments over five years at \$156,447 per year, using unassigned fund balance to cover these payments. In the 2023-24 budget, the Town is using \$660,000 in unassigned fund balance. Over the past several years, the Town has found that it has been sustainable to use \$500,000 of unassigned fund balance in the budget to offset taxes, and anticipates returning to that level after five years. As noted below, the Town continues to maintain the unassigned fund balance above the target established by the fund balance policy.

As noted above, the State conducts an annual sales ratio study to determine the ratio of each municipality's assessed property value to market value, generating the Town's local certified ratio. By the time it is final and certified, the ratio lags behind actual market values and municipal assessment by nearly two years. With the significant changes in the real estate market over the past two years, the Town was aware that the 2023 sales study would yield an assessment to market ratio below 60%, and worked on a town-wide assessment adjustment beginning in March, 2023. Finalized in July, the results of the adjustment showed a significant shift in property values, with residential values increasing proportionally much more than commercial values. Due to concerns about timing and the evident need for more communication with taxpayers, the Town Assessor recommended that the re-assessment be postponed. The Town Council proposed that a series of public forums be held to communicate on the assessment process and the requirement for fair and equitable valuations for all properties.

On September 15, 2023, taxes were committed with a tax rate of \$23.29 per \$1,000.

For the fiscal year ended June 30, 2023, the unrestricted fund balance in the General Fund was \$26,714,623, with the unassigned portion of the unrestricted balance at \$21,155,503. 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, 2023 the target was \$14,470,217. The actual balance, at 24.4% of GAAP revenues, is \$6,685,286 above the target. This is the eighth consecutive year the balance was above the target, and was anticipated, as the Town had experienced balances below the target in previous years, and has made efforts to maintain the balance above the target level. In accordance with the fund balance policy, amounts above the target have been allocated for capital improvements, or other one-time expenditures. See also "Capital Budget", herein.

Requests for Information

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

BASIC FINANCIAL STATEMENTS



TOWN OF BRUNSWICK, MAINE
Statement of Net Position
June 30, 2023

Statement 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 50,801,870	\$ 933,647	\$ 51,735,517
Receivables (net of allowance for uncollectibles):			
Accounts	738,816	163,315	902,131
Taxes receivable - current year	1,024,107	-	1,024,107
Taxes receivable - prior year	25,978	-	25,978
Tax liens	140,645	-	140,645
Intergovernmental	3,674,153	5,440,842	9,114,995
Lease receivable	34,816	-	34,816
Internal balances	102,780	(102,780)	-
Deposits	51,236	-	51,236
Inventories	59,999	159,027	219,026
Permanently restricted assets:			
Cash and cash equivalents	17,842	-	17,842
Investments	744,657	-	744,657
Capital assets not being depreciated:			
Land	14,470,783	115,000	14,585,783
Construction in progress	1,545,811	-	1,545,811
Intangibles	200,000	10,000	210,000
Capital assets (net of accumulated depreciation):			
Buildings	63,907,167	9,647	63,916,814
Improvements other than buildings	2,492,522	50,587	2,543,109
Machinery and equipment	3,688,353	4,345	3,692,698
Vehicles	4,401,776	-	4,401,776
Intangibles	88,887	-	88,887
Infrastructure	22,706,884	120,872	22,827,756
Right-to-use assets	507,625	74,055	581,680
Subscription-based information technology assets	66,708	-	66,708
Total assets	<u>171,493,415</u>	<u>6,978,557</u>	<u>178,471,972</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	5,384,835	-	5,384,835
Deferred outflows of resources related to other postemployment benefits	2,568,648	-	2,568,648
Total deferred outflows of resources	<u>7,953,483</u>	<u>-</u>	<u>7,953,483</u>
LIABILITIES			
Accounts payable and other current liabilities	7,266,008	14,947	7,280,955
Interest payable	331,928	-	331,928
Unearned revenues	1,950,212	-	1,950,212
Noncurrent liabilities:			
Due within one year	4,101,589	132,345	4,233,934
Due in more than one year	69,525,884	2,264,528	71,790,412
Total liabilities	<u>83,175,621</u>	<u>2,411,820</u>	<u>85,587,441</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	2,584,657	-	2,584,657
Deferred inflows of resources related to other postemployment benefits	1,173,743	-	1,173,743
Deferred inflows of resources related to leases	33,911	-	33,911
Deferred inflows of resources related to landfill closure reimbursement	-	5,440,842	5,440,842
Total deferred inflows of resources	<u>3,792,311</u>	<u>5,440,842</u>	<u>9,233,153</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	59,942,274	308,417	60,250,691
Restricted for:			
Education	6,320,284	-	6,320,284
Municipal	1,751,913	-	1,751,913
Tax increment financing	1,168,085	-	1,168,085
Restricted grants and special revenues	1,298,980	-	1,298,980
Development projects - impact fees	294,449	-	294,449
Permanent funds:			
Expendable	18,666	-	18,666
Nonexpendable	743,833	-	743,833
Unrestricted (deficit)	<u>20,940,482</u>	<u>(1,182,522)</u>	<u>19,757,960</u>
Total net position (deficit)	<u>\$ 92,478,966</u>	<u>\$ (874,105)</u>	<u>\$ 91,604,861</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Activities
For the year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 7,182,685	\$ 880,180	\$ 1,250,313	\$ 47,579	\$ (5,004,613)	\$ -	\$ (5,004,613)	
Public safety	12,531,239	1,742,905	246,910	400,000	(10,141,424)	-	(10,141,424)	
Public works	8,485,245	74,491	213,614	665,963	(7,531,177)	-	(7,531,177)	
Human services	286,572	1,987	114,407	-	(170,178)	-	(170,178)	
Education	55,782,334	1,232,186	23,031,481	50,788	(31,467,879)	-	(31,467,879)	
Recreation and culture	5,058,554	765,583	22,675	530,562	(3,739,734)	-	(3,739,734)	
County tax	2,496,061	-	-	-	(2,496,061)	-	(2,496,061)	
Unclassified	26,399	-	-	-	(26,399)	-	(26,399)	
Interest on long-term debt	1,490,941	-	-	-	(1,490,941)	-	(1,490,941)	
Total governmental activities	<u>93,340,030</u>	<u>4,697,332</u>	<u>24,879,400</u>	<u>1,694,892</u>	<u>(62,068,406)</u>	<u>-</u>	<u>(62,068,406)</u>	
Business-type activities:								
Pay-per-bag Program	151,555	747,030	-	-	-	595,475	595,475	
Mere Point Wastewater District	42,283	45,260	-	-	-	2,977	2,977	
Train Station/ Visitors Center	151,859	34,574	-	-	-	(117,285)	(117,285)	
Processing Facility	38,254	14,716	-	-	-	(23,538)	(23,538)	
Total business-type activities	<u>383,951</u>	<u>841,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>457,629</u>	<u>457,629</u>	
Total primary government	<u>\$ 93,723,981</u>	<u>\$ 5,538,912</u>	<u>\$ 24,879,400</u>	<u>\$ 1,694,892</u>	<u>\$ (62,068,406)</u>	<u>\$ 457,629</u>	<u>\$ (61,610,777)</u>	
General revenues:								
Property taxes				58,544,089	-	58,544,089		
Vehicle, watercraft and aircraft excise taxes				4,089,549	-	4,089,549		
Grants and contributions not restricted to specific programs				5,159,885	80,635	5,240,520		
Unrestricted investment earnings (loss)				1,328,470	13,391	1,341,861		
Other				127,462	-	127,462		
Transfers				(125,000)	125,000	-	-	
Total general revenues and transfers				<u>69,124,455</u>	<u>219,026</u>	<u>69,343,481</u>		
Changes in net position				7,056,049	676,655	7,732,704		
Net position (deficit) - beginning				85,422,917	(1,550,760)	83,872,157		
Net position (deficit) - ending				<u>\$ 92,478,966</u>	<u>\$ (874,105)</u>	<u>\$ 91,604,861</u>		

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General Fund</u>	<u>Tax Increment Financing</u>	<u>Coronavirus Relief Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 47,116,182	\$ -	\$ 1,792,924	\$ 1,910,606	\$ 50,819,712
Investments	-	-	-	744,657	744,657
Receivables (net of allowance for uncollectibles):					
Accounts	711,481	-	-	27,335	738,816
Taxes - current	1,024,107	-	-	-	1,024,107
Taxes - prior years	25,978	-	-	-	25,978
Tax liens	140,645	-	-	-	140,645
Intergovernmental	649,135	-	1,506,247	1,518,771	3,674,153
Lease receivable	34,816	-	-	-	34,816
Deposits	1,236	-	-	50,000	51,236
Inventory, at cost	36,264	-	-	23,735	59,999
Due from other funds	-	1,168,085	-	10,557,255	11,725,340
Advances to other funds	384,981	-	-	-	384,981
Total assets	<u>\$ 50,124,825</u>	<u>\$ 1,168,085</u>	<u>\$ 3,299,171</u>	<u>\$ 14,832,359</u>	<u>\$ 69,424,440</u>
LIABILITIES					
Accounts payable	\$ 1,040,736	\$ -	\$ -	\$ 1,608,334	\$ 2,649,070
Retainage payable	-	-	8,327	146,191	154,518
Accrued wages and benefits payable	4,235,966	-	-	35,067	4,271,033
Other liabilities	149,704	-	-	-	149,704
Unearned revenue	-	-	1,634,486	315,726	1,950,212
Due to other funds	10,129,569	-	1,656,358	149,397	11,935,324
Advances from other funds	-	-	-	280,000	280,000
Total liabilities	<u>15,555,975</u>	<u>-</u>	<u>3,299,171</u>	<u>2,534,715</u>	<u>21,389,861</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	485,267	-	-	-	485,267
Unavailable revenue - miscellaneous	324,909	-	-	-	324,909
Lease related	33,911	-	-	-	33,911
Total deferred inflows of resources	<u>844,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>844,087</u>
FUND BALANCES (DEFICITS)					
Nonspendable:					
Long-term loans and advances	384,981	-	-	-	384,981
Inventories and deposits	37,500	-	-	73,735	111,235
Permanent funds	-	-	-	743,833	743,833
Restricted:					
Education	4,835,746	-	-	1,460,803	6,296,549
Municipal purposes	1,751,913	-	-	-	1,751,913
Tax increment financing	-	1,168,085	-	-	1,168,085
Capital projects funds	-	-	-	980,560	980,560
Special revenue funds	-	-	-	1,298,980	1,298,980
Permanent funds	-	-	-	18,666	18,666
Committed:					
Capital projects funds	-	-	-	7,698,930	7,698,930
Special revenue funds	-	-	-	302,137	302,137
Assigned:					
General fund	5,559,120	-	-	-	5,559,120
Unassigned:					
General fund	21,155,503	-	-	-	21,155,503
Capital projects funds	-	-	-	(280,000)	(280,000)
Total fund balances (deficits)	<u>33,724,763</u>	<u>1,168,085</u>	<u>-</u>	<u>12,297,644</u>	<u>47,190,492</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50,124,825</u>	<u>\$ 1,168,085</u>	<u>\$ 3,299,171</u>	<u>\$ 14,832,359</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	114,076,516
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	810,176
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.	(73,959,401)
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.	166,100
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	4,195,083
Net position of governmental activities (see Statement 1)	<u>\$ 92,478,966</u>

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2023

	<u>General Fund</u>	<u>Tax Increment Financing</u>	<u>Coronavirus Relief Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 58,279,497	\$ 4,261,002	\$ -	\$ -	\$ 62,540,499
Licenses and permits	724,152	-	-	800	724,952
Intergovernmental	23,485,967	-	1,763,319	4,736,842	29,986,128
Investment income (loss)	-	-	-	59,506	59,506
Charges for services	2,435,815	-	-	1,480,257	3,916,072
Fines and penalties	48,565	-	-	-	48,565
Interest	1,226,011	-	-	42,953	1,268,964
Donations	25,000	-	-	1,210,490	1,235,490
Other	578,936	-	-	-	578,936
Total revenues	<u>86,803,943</u>	<u>4,261,002</u>	<u>1,763,319</u>	<u>7,530,848</u>	<u>100,359,112</u>
EXPENDITURES					
Current:					
General government	5,290,254	1,258,776	-	167,049	6,716,079
Public safety	12,042,686	-	-	121,423	12,164,109
Public works	4,915,281	-	-	15,621	4,930,902
Human services	289,961	-	-	-	289,961
Education	47,431,611	-	1,337,091	4,061,959	52,830,661
Recreation and culture	3,818,857	-	-	726,332	4,545,189
County tax	1,713,824	-	-	-	1,713,824
Unclassified	26,399	-	-	-	26,399
Debt service:					
Principal	2,425,972	-	-	521,664	2,947,636
Interest	1,278,892	-	-	272,711	1,551,603
Capital outlay	-	-	-	10,325,626	10,325,626
Total expenditures	<u>79,233,737</u>	<u>1,258,776</u>	<u>1,337,091</u>	<u>16,212,385</u>	<u>98,041,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,570,206</u>	<u>3,002,226</u>	<u>426,228</u>	<u>(8,681,537)</u>	<u>2,317,123</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	947,370	-	-	7,129,380	8,076,750
Transfers to other funds	(3,616,000)	(866,170)	(426,228)	(852,521)	(5,760,919)
Transfers to other funds - capital budget	(625,000)	(1,083,644)	-	-	(1,708,644)
Transfers to other funds - suppl. approp.	-	(250,000)	-	-	(250,000)
Transfers to other funds - education	(482,187)	-	-	-	(482,187)
Bonds issued	-	-	-	4,000,000	4,000,000
Total other financing sources (uses)	<u>(3,775,817)</u>	<u>(2,199,814)</u>	<u>(426,228)</u>	<u>10,276,859</u>	<u>3,875,000</u>
Net changes in fund balances	3,794,389	802,412	-	1,595,322	6,192,123
Fund balances, beginning of year	29,930,374	365,673	-	10,702,322	40,998,369
Fund balances, end of year	<u>\$ 33,724,763</u>	<u>\$ 1,168,085</u>	<u>\$ -</u>	<u>\$ 12,297,644</u>	<u>\$ 47,190,492</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, 2023

Net change in fund balances - total governmental funds (from Statement 4)	\$ 6,192,123
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.	2,670,274
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(42,741)
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.	(1,798,893)
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.	(336,857)
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.	7,907
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.	364,236
Change in net position of governmental activities (see Statement 2)	<u>\$ 7,056,049</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2023

	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Final Budget</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES (SOURCES)						
Property Taxes	\$ 52,839,758	\$ -	\$ 52,839,758	\$ 53,676,028	\$ 836,270	
Non-property Taxes	4,222,000	-	4,222,000	4,603,469	381,469	
Licenses and Fees	596,432	-	596,432	724,152	127,720	
Intergovernmental	19,037,513	4,027,350	23,064,863	23,485,967	421,104	
Charges for Services	1,991,483	-	1,991,483	2,435,815	444,332	
Fines and Penalties	41,925	-	41,925	48,565	6,640	
Interest	80,000	-	80,000	1,226,011	1,146,011	
Donations and Contributions	25,000	-	25,000	25,000	-	
Unclassified	303,950	-	303,950	578,936	274,986	
TOTAL REVENUES	79,138,061	4,027,350	83,165,411	86,803,943	3,638,532	
	<u>Adopted Budget</u>	<u>2021 Encumbered Balances</u>	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Final Budget</u>	<u>Variance Positive (Negative)</u>
				<u>Adjustments</u>	<u>Actual</u>	<u>2022 Encumbered Balances</u>
EXPENDITURES						
General government:	\$ 5,451,914	\$ 83,722	\$ 5,535,636	\$ -	\$ 5,290,254	\$ 320,382
Public Safety	12,353,715	59,142	12,412,857	-	12,042,686	370,171
Public Works	4,909,674	17,773	4,927,447	-	4,915,281	112,166
Human Services	461,456	-	461,456	-	289,961	171,495
Education	49,443,682	-	49,443,682	4,027,350	47,431,611	3,341,742
Recreation & Culture	3,874,508	5,955	3,880,463	-	3,818,857	181,606
County Tax	1,713,824	-	1,713,824	-	1,713,824	-
Unclassified	1,005,370	-	1,005,370	-	26,399	679,471
Debt Service	1,489,372	-	1,489,372	-	-	-
TOTAL EXPENDITURES	80,703,515	166,592	80,870,107	4,027,350	84,410,770	5,177,033
Excess (deficiency) of revenues over (under) expenditures	(1,565,454)	(166,592)	(1,732,046)	-	486,687	(1,245,359)
						7,570,206
						(1,538,501)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	866,170	-	866,170	-	866,170	947,370
Transfers to other funds	(3,611,500)	-	(3,611,500)	(625,000)	(4,723,187)	(4,723,187)
Total other financing sources (uses)	(2,745,330)	-	(2,745,330)	(625,000)	(3,857,017)	(3,775,817)
Net changes in fund balances	\$ (4,310,784)	\$ (166,592)	\$ (4,477,376)	\$ (625,000)	\$ (5,102,376)	\$ 3,794,389
						\$ 8,896,765
Fund balance, beginning of year						29,930,374
Fund balance, end of year						\$ 33,724,763

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2023

	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	\$ 163,227	\$ 536,306	\$ 234,114	\$ 933,647	\$ -		
Receivables:							
Accounts	- -	151,800	11,515	163,315	- -		
Intergovernmental	5,440,842	- -	- -	5,440,842	- -		
Inventory	- -	159,027	- -	159,027	- -		
Due from other funds	- -	- -	2,204	2,204	168,248		
Total current assets	<u>5,604,069</u>	<u>847,133</u>	<u>247,833</u>	<u>6,699,035</u>	<u>168,248</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	82,834		
Infrastructure	- -	- -	766,550	766,550	- -		
Right-to-use leased assets	- -	- -	172,795	172,795	- -		
Less accumulated depreciation	- -	- -	(935,010)	(935,010)	(77,437)		
Net capital assets	<u>72,750</u>	<u>- -</u>	<u>311,756</u>	<u>384,506</u>	<u>5,397</u>		
Total assets	<u>5,676,819</u>	<u>847,133</u>	<u>559,589</u>	<u>7,083,541</u>	<u>173,645</u>		
LIABILITIES							
Current liabilities:							
Accounts payable	37	- -	7,433	7,470	2,148		
Accrual of payroll	- -	- -	129	129	- -		
Other liabilities	- -	7,348	- -	7,348	- -		
Advance from other funds	- -	- -	104,981	104,981	- -		
Due to other funds	- -	- -	3	3	- -		
Total current liabilities	<u>37</u>	<u>7,348</u>	<u>112,546</u>	<u>119,931</u>	<u>2,148</u>		
Noncurrent liabilities:							
Landfill postclosure	2,320,784	- -	- -	2,320,784	- -		
Lease liability - short term	- -	- -	50,345	50,345	- -		
Lease liability - long term	- -	- -	25,744	25,744	- -		
Total noncurrent liabilities	<u>2,320,784</u>	<u>- -</u>	<u>76,089</u>	<u>2,396,873</u>	<u>- -</u>		
Total liabilities	<u>2,320,821</u>	<u>7,348</u>	<u>188,635</u>	<u>2,516,804</u>	<u>2,148</u>		
DEFERRED INFLOWS OF RESOURCES							
Deferred landfill closure cost reimbursement	5,440,842	- -	- -	5,440,842	- -		
Total deferred inflows of resources	<u>5,440,842</u>	<u>- -</u>	<u>- -</u>	<u>5,440,842</u>	<u>- -</u>		
NET POSITION (DEFICIT)							
Net investment in capital assets	72,750	- -	235,667	308,417	5,397		
Unrestricted (deficit)	(2,157,594)	839,785	135,287	(1,182,522)	166,100		
Total net position (deficit)	<u>\$ (2,084,844)</u>	<u>\$ 839,785</u>	<u>\$ 370,954</u>	<u>\$ (874,105)</u>	<u>\$ 171,497</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, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities	
	<u>Solid Waste Facilities</u>	<u>Pay-Per-Bag Program</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Internal Service Fund</u>	<u>Printing Services</u>
OPERATING REVENUES						
Charges for services:						
Permits	\$ -	\$ -	\$ 3,905	\$ 3,905	\$ -	\$ -
Bag purchases	-	747,030	-	747,030	-	-
Service fees	-	-	45,260	45,260	-	-
Rent	-	-	11,985	11,985	-	-
Parking meter	-	-	22,589	22,589	-	-
Printing services	-	-	-	-	33,028	-
Processing fees	-	-	10,811	10,811	-	-
Total operating revenues	<u>-</u>	<u>747,030</u>	<u>94,550</u>	<u>841,580</u>	<u>33,028</u>	
OPERATING EXPENSES						
Personnel services	-	-	12,210	12,210	-	-
Contractual services	-	-	140,541	140,541	13,006	-
Materials and supplies	-	151,555	4,286	155,841	7,915	-
Depreciation	-	-	72,279	72,279	4,076	-
Total operating expenses	<u>-</u>	<u>151,555</u>	<u>229,316</u>	<u>380,871</u>	<u>24,997</u>	
Operating income (loss)	<u>-</u>	<u>595,475</u>	<u>(134,766)</u>	<u>460,709</u>	<u>8,031</u>	
NONOPERATING REVENUES (EXPENSES)						
Interest income	3,429	4,422	5,540	13,391	-	-
Interest expense	-	-	(3,080)	(3,080)	-	-
State reimbursement of closure costs	80,635	-	-	80,635	-	-
Total nonoperating revenues (expenses)	<u>84,064</u>	<u>4,422</u>	<u>2,460</u>	<u>90,946</u>	<u>-</u>	
Income (loss) before transfers and special items	84,064	599,897	(132,306)	551,655	8,031	-
Transfers in/(out)	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>	
Change in net position (deficit)	84,064	599,897	(7,306)	676,655	8,031	-
Net position (deficit), beginning of year	<u>(2,168,908)</u>	<u>239,888</u>	<u>378,260</u>	<u>(1,550,760)</u>	<u>163,466</u>	
Net position (deficit), end of year	<u>\$ (2,084,844)</u>	<u>\$ 839,785</u>	<u>\$ 370,954</u>	<u>\$ (874,105)</u>	<u>\$ 171,497</u>	

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023

	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	\$ -	\$ 689,430	\$ 87,405	\$ 776,835	\$ 33,028	
Payments to employees	- -	- -	(12,640)	(12,640)	-	
Payments to suppliers for goods and services	- -	(275,446)	(149,037)	(424,483)	(20,669)	
Net cash provided (used) by operating activities	<u>- -</u>	<u>413,984</u>	<u>(74,272)</u>	<u>339,712</u>	<u>12,359</u>	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer from/(to) other funds	- -	- -	125,000	125,000	-	
Payments for landfill post-closure costs	(84,403)	- -	- -	(84,403)	-	
Increase (decrease) in due to other funds	(667,582)	11,266	(10,042)	(666,358)	-	
Cash provided (used) by noncapital financing activities	<u>(751,985)</u>	<u>11,266</u>	<u>114,958</u>	<u>(625,761)</u>	<u>- -</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
State reimbursement for landfill closure	80,635	- -	- -	80,635	-	
Principal paid on lease liability	- -	- -	(48,858)	(48,858)	-	
Interest paid on lease liability	- -	- -	(3,080)	(3,080)	-	
Cash used by capital and related financing activities	<u>80,635</u>	<u>- -</u>	<u>(51,938)</u>	<u>28,697</u>	<u>- -</u>	
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	3,429	4,422	5,540	13,391	-	
Cash provided by investing activities	<u>3,429</u>	<u>4,422</u>	<u>5,540</u>	<u>13,391</u>	<u>- -</u>	
Net increase (decrease) in cash	(667,921)	429,672	(5,712)	(243,961)	12,359	
Cash, beginning of year	831,148	106,634	239,826	1,177,608	-	
Cash, end of year	<u>\$ 163,227</u>	<u>\$ 536,306</u>	<u>\$ 234,114</u>	<u>\$ 933,647</u>	<u>\$ 12,359</u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ -	\$ 595,475	\$ (134,766)	\$ 460,709	\$ 8,031	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	- -	- -	72,279	72,279	4,076	
(Increase) decrease in accounts receivable	- -	(57,600)	(7,145)	(64,745)	-	
(Increase) decrease in inventory	- -	(131,239)	- -	(131,239)	-	
Increase (decrease) in accounts payable	- -	- -	(4,210)	(4,210)	252	
Increase (decrease) in accrued payroll	- -	- -	(430)	(430)	-	
Increase (decrease) in other liabilities	- -	7,348	- -	7,348	-	
Total adjustments	<u>- -</u>	<u>(181,491)</u>	<u>60,494</u>	<u>(120,997)</u>	<u>4,328</u>	
Net cash provided (used) by operating activities	<u>\$ -</u>	<u>\$ 413,984</u>	<u>\$ (74,272)</u>	<u>\$ 339,712</u>	<u>\$ 12,359</u>	

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Net Position
Fiduciary Funds
June 30, 2023

	Private- purpose Trust Funds
ASSETS	
Cash and cash equivalents	\$ 20,937
Investments	501,712
Due from other funds	39,535
Total assets	<u>562,184</u>
LIABILITIES	
Accounts payable	-
Total liabilities	-
NET POSITION	
Net position held in trust for other purposes	<u>\$ 562,184</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, 2023

	Private- purpose Trust Funds
ADDITIONS	
Contributions	\$ 9,125
Investment earnings:	
Interest and dividends	13,220
Net increase (decrease) in the fair value of investments	<u>30,366</u>
Total investment earnings (loss)	43,586
Less investment expense	<u>(5,020)</u>
Total additions	<u>47,691</u>
DEDUCTIONS	
Payment to beneficiaries	<u>24,475</u>
Total deductions	<u>24,475</u>
Change in net position	23,216
Net position - beginning	<u>538,968</u>
Net position - ending	<u>\$ 562,184</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, with the exception of the subsidy transfer from governmental funds to the train station/visitors center proprietary fund.

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 individually displayed in a separate column in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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).

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 which is a major fund, and the Tax Increment Financing Fund, which the Town has chosen to report as a major fund, the Town reports three additional fund types in this category.

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

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

The *permanent funds* account for resources where principal is legally restricted by a formal trust agreement and only earnings may be used for purposes that benefit the Town or its citizenry. The Town reports 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 3 to 50 years.

Assets	Years
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 assets	3-20

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, leases payable, and adding back unspent bond proceeds. As of June 30, 2023, the Town's net investment in capital assets was calculated as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 198,876,638	\$ 1,319,516
Accumulated depreciation	(84,800,122)	(935,010)
Bonds payable and premiums	(54,383,077)	-
Unexpended bond proceeds	773,893	-
Lease liabilities	(525,058)	(76,089)
Net investment in capital assets	\$ 59,942,274	\$ 308,417

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 noncancelable 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 noncancelable 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

For the fiscal year ended June 30, 2023, the Town has implemented Government Accounting Standards Board (GASB) *Statement No. 96 – Subscription-Based Information Technology Arrangements (SBITAs)*. During the year the Town entered into a three-year agreement for school curriculum software, paying the full cost of the subscription in advance. The SBITA is recorded in a separate asset category.

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 \$114,076,516 difference are as follows:

Capital assets	\$ 198,876,638
Accumulated depreciation	<u>(84,800,122)</u>
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 114,076,516

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 \$810,176 difference are as follows:

Deferred inflows - unavailable revenue - property tax	\$ 485,267
Deferred inflows - unavailable revenue - miscellaneous	<u>324,909</u>
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 810,176

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 \$(73,959,401) difference are as follows:

Bonds payable and notes from direct borrowings	\$ (51,732,412)
Premium on bonds (to be amortized as interest expense)	(2,650,665)
Accrued interest	(331,928)
Lease liabilities	(525,057)
County tax obligation	(782,237)
Compensated absences	(1,663,687)
Other post employment benefits	(10,159,929)
Net pension liability	<u>(6,113,486)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$ (73,959,401)

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 \$166,100 difference are as follows:

Net position of the internal service fund	\$ 171,497
Less: Capital assets net of accumulated depreciation	<u>(5,397)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 166,100

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 \$4,195,083 difference are as follows:

Deferred outflows of resources related to pensions	\$ 5,384,835
Deferred outflows of resources related to other postemployment benefits	2,568,648
Deferred inflows of resources related to pensions	(2,584,657)
Deferred inflows of resources related to other postemployment benefits	<u>(1,173,743)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 4,195,083

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 \$2,670,274 difference are as follows:

Capital outlay	\$ 9,064,545
Depreciation expense	<u>(6,394,271)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 2,670,274

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 \$(42,741) difference are as follows:

Property taxes	\$ 93,139
Charges for services	<u>(135,880)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (42,741)

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 \$(1,798,893) difference are as follows:

Issuance of general obligation bonds	\$ (4,000,000)
County tax obligation	<u>(782,237)</u>
Principal repayments: General obligation debt and notes from direct borrowings	<u>2,983,344</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position in governmental activities	\$ (1,798,893)

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 \$(336,857) difference are as follows:

Compensated absences	\$ (188,928)
Other post employment benefits with related deferred inflows and outflows of resources	<u>(316,824)</u>
Accrued interest	<u>(64,709)</u>
Amortization of premium on refunding and general obligation bonds	<u>125,371</u>
Lease expense	<u>108,233</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (336,857)

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 \$7,907 difference are as follows:

Change in net position of the internal service funds	\$ 8,031
Plus: depreciation on capital assets	<u>4,076</u>
Less: acquisition of capital assets	<u>(4,200)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 7,907

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 \$364,236 difference are as follows:

Net pension liability with related deferred inflows and outflows of resources	\$ 364,236
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	\$ 364,236

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, 2023, the Town budgeted and utilized the following amounts:

2022-23 General Fund Budget effective as of July 1, 2022					
	Adopted Budget	Encumbered Balances	Original Budget	Additional Appropriations	Final Budget
Restricted fund balance:					
Educational purposes	\$ 3,510,784	\$ -	\$ 3,510,784	\$ -	\$ 3,510,784
Municipal purposes	300,000	-	300,000	-	300,000
Assigned fund balance:					
Municipal purposes	500,000	-	500,000	-	500,000
Unassigned fund balance	-	-	-	625,000	625,000
Encumbrances	<u>-</u>	<u>166,592</u>	<u>166,592</u>	<u>-</u>	<u>166,592</u>
Total utilization of fund balance	\$ 4,310,784	\$ 166,592	\$ 4,477,376	\$ 625,000	\$ 5,102,376

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 2022-23 were \$3,244,945 for retirement, \$703,942 for other benefits, and \$78,463 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 \$297,000, 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 26, 2023, 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, 2023:

Solid Waste Facilities Fund	\$ (2,084,844)
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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, 2023 is \$2,320,784, an estimate which consists of \$4,000 for 14 years for the Wood and Masonry Landfill, and \$78,096 for 29 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, or \$5,521,477, are eligible for cost sharing through the State's Landfill Closure and Remediation Program through a reimbursement arrangement over time.

In FY 2023, the Town received \$80,635 in State reimbursement, which covered the cost of the post closure maintenance and monitoring during the year. Though the timing of the State reimbursement 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, 2023, the Town of Brunswick had the following investments, with corresponding recurring fair value measurements:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Level 1 Input</u>
U. S. Treasury Notes & Government Bonds		\$ 92,025	0.75	Yes
Corporate Bonds	AAA	39,397	0.61	Yes
Certificates of Deposit		9,775	0.91	Yes
Money-Market Mutual Funds	AAA	38,780	N/A	Yes
Equities		346,962	N/A	Yes
Other Mutual Funds		758,211	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.

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, 2023, the bank balance of \$53,122,103 was covered by FDIC and two irrevocable stand-by letters of credits. One with the Federal Home Loan Bank of New York, issued to the Town of Brunswick for Manufacturers and Traders Trust Company and the other with the Federal Home Loan Bank of Boston, issued to the Town of Brunswick for Camden National Bank.

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

Concentration of credit risk. At June 30, 2023, the Town did not have a policy for concentration of credit risk.

B. Receivables

Receivables at June 30, 2023 consist of the following:

	Other			
	<u>General Fund</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Taxes	\$ 1,071,511	\$ -	\$ -	\$ 1,071,511
Tax liens	140,645	-	-	140,645
Accounts	734,638	27,335	163,315	925,288
Intergovernmental	649,135	3,025,018	5,440,842	9,114,995
Lease receivable	34,816	-	-	34,816
Gross receivables	2,630,745	3,052,353	5,604,157	11,287,255
Less: Allowance for				
Uncollectibles	(44,583)	-	-	(44,583)
Net receivables	\$ 2,586,162	\$ 3,052,353	\$ 5,604,157	\$ 11,242,672

Property taxes for the 2022-23 fiscal year were committed August 30, 2022 on the assessed value listed as of April 1, 2022, for all taxable real and personal property located in the Town. Real property taxes were due in two installments, October 17, 2022 and April 18, 2023. Personal property taxes were due in one installment, October 17, 2022. Interest was charged at the rate of 4% 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, 2022, upon which the levy for the year ended June 30, 2023 was based, was \$2,358,310,619. This assessed value was 91% of the estimated market value and 86% of the 2022 State valuation of \$2,740,850,000.

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 \$1,159,694 for the year ended June 30, 2023.

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, 2023, the Town had a total of \$196,450,062 in captured valuation for five TIF districts. The tax revenue captured in these districts totaled \$4,261,002 for the year.

C. Capital Assets

Capital asset activity for the year ended June 30, 2023 follows.

Governmental activities:

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 7,943,108	\$ 6,527,675	\$ -	\$ 14,470,783
Construction in progress	11,922,388	1,222,292	(11,598,869)	1,545,811
Intangibles	200,000	-	-	200,000
Total capital assets not being depreciated	20,065,496	7,749,967	(11,598,869)	16,216,594
Capital assets being depreciated:				
Buildings	91,930,166	9,982,495	-	101,912,661
Improvements other than buildings	5,392,373	1,014,247	-	6,406,620
Machinery and equipment	8,335,171	858,693	-	9,193,864
Vehicles	11,104,419	541,733	(138,240)	11,507,912
Intangibles	960,269	-	-	960,269
Infrastructure	51,441,284	416,217	(17,132)	51,840,369
Right-to-use assets	738,287	-	-	738,287
SBITAs	-	100,062	-	100,062
Total capital assets being depreciated	169,901,969	12,913,447	(155,372)	182,660,044
Less accumulated depreciation for:				
Buildings	(34,484,316)	(3,521,178)	-	(38,005,494)
Improvements other than buildings	(3,651,648)	(262,450)	-	(3,914,098)
Machinery and equipment	(4,912,645)	(592,866)	-	(5,505,511)
Vehicles	(6,451,407)	(792,969)	138,240	(7,106,136)
Intangibles	(810,916)	(60,466)	-	(871,382)
Infrastructure	(28,134,960)	(1,015,657)	17,132	(29,133,485)
Right-to-use assets	(115,331)	(115,331)	-	(230,662)
SBITAs	-	(33,354)	-	(33,354)
Total accumulated depreciation	(78,561,223)	(6,394,271)	155,372	(84,800,122)
Total capital assets being depreciated, net	91,340,746	6,519,176	-	97,859,922
Governmental activities capital assets, net	<u>\$ 111,406,242</u>	<u>\$ 14,269,143</u>	<u>\$ (11,598,869)</u>	<u>\$ 114,076,516</u>

Business-type activities:

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 115,000	\$ -	\$ -	\$ 115,000
Intangible	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total capital assets not being depreciated	125,000	-	-	125,000
Capital assets being depreciated:				
Buildings	11,500	-	-	11,500
Improvements other than buildings	131,038	-	-	131,038
Machinery and equipment	112,633	-	-	112,633
Infrastructure	766,550	-	-	766,550
Right-to-use assets	<u>172,795</u>	<u>-</u>	<u>-</u>	<u>172,795</u>
Total capital assets being depreciated	1,194,516	-	-	1,194,516
Less accumulated depreciation for:				
Buildings	(1,086)	(767)	-	(1,853)
Improvements other than buildings	(77,601)	(2,850)	-	(80,451)
Machinery and equipment	(106,658)	(1,630)	-	(108,288)
Infrastructure	(628,016)	(17,662)	-	(645,678)
Right-to-use assets	<u>(49,370)</u>	<u>(49,370)</u>	<u>-</u>	<u>(98,740)</u>
Total accumulated depreciation	(862,731)	(72,279)	-	(935,010)
Total business-type capital assets being depreciated, net	331,785	(72,279)	-	259,506
Business-type activities capital assets, net	<u>\$ 456,785</u>	<u>\$ (72,279)</u>	<u>\$ -</u>	<u>\$ 384,506</u>

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

Governmental activities:

General government	\$ 428,671
Public safety	727,691
Public works, including depreciation of general infrastructure assets	1,383,055
Human services	52
Education	3,598,796
Recreation and culture	<u>256,006</u>
Total depreciation expense - governmental activities	\$ 6,394,271

Business-type activities:

Mere Point wastewater	\$ 17,662
Processing Facility	3,617
Train Station/Visitors Center	<u>51,000</u>
Total depreciation expense - business-type activities	\$ 72,279

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 \$492. The Town recognized \$4,780 in lease revenue and \$1,122 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the Town's receivable for lease payments was \$34,816. The Town also has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$33,911.

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 and payments in FY 2023 consisted of \$3,080 in interest and \$48,859 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:

Town of Brunswick Business-type 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		
2023	\$ 74,055	\$ 49,370	\$ 25,743	\$ 50,345	\$ 51,939	\$ 3,080	\$ 48,859		
2024	24,685	49,370	-	25,744	51,939	1,594	50,345		
2025	-	-	-	-	25,970	226	25,744		

TREK Program (formerly 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. During FY 2023, the Town paid \$15,310 in interest and \$100,598 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 FY 2023 the Town paid \$600 in interest and \$1,975 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%. During FY 2023 the Town paid \$1,719 in interest and \$5,650 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, MAINE **Notes to Financial Statements**

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
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	28,672	46,301	11,886	23,079	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:

<u>Purpose</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Annual Principal Payments</u>	<u>Amount Outstanding</u>
<u>Governmental Activities - General obligation bonds</u>						
2013 Police Station	2013	5,500,000	2% to 3.5%	2033	\$275,000	\$ 2,750,000
2017 GO Bonds	2017	1,781,000	2% to 3.5%	2033	35,000 to 200,000	725,000
2020 GO Bonds	2020	24,450,000	2% to 5%	2045	420,000 to 1,195,000	22,615,000
2022 GO Bonds	2022	13,231,000	2% to 5%	2046	550,000 to 556,000	<u>12,675,000</u>
						38,765,000
<u>Governmental Activities - Notes from direct borrowings</u>						
2010 Elementary School (MMBB)	2010	21,462,250	2% to 5.5%	2031	1,073,113	8,584,900
2016 School Renovation (SRRF)	2016	655,780	0%	2027	62,651	250,604
2020 School Renovation (SRRF)	2020	243,652	0%	2025	43,969	131,908
2022 Land purchase (bank loan)	2022	4,000,000	4.39%	2032	337,482 to 480,291	<u>4,000,000</u>
						12,967,412
<u>Total long-term debt</u>						<u>\$ 51,732,412</u>

Three of the Town's outstanding notes from direct borrowings were 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 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. In March, 2023, the projects were

complete, and the bond was reduced by \$35,708 to \$243,652, and the annual payments were reduced accordingly.

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, 2023 are as follows:

Year Ending June 30	Governmental Activities						
	Bonds		Notes from Direct Borrowings				
	Principal	Interest	Principal	Interest	BABs Subsidy	Total	
2024	\$ 1,710,000	\$ 1,184,098	\$ 1,517,215	\$ 550,884	\$ (123,742)	\$ 4,838,455	
2025	1,750,000	1,107,108	1,520,323	503,864	(109,780)	4,771,515	
2026	1,790,000	1,027,451	1,535,275	443,659	(95,376)	4,701,009	
2027	1,835,000	950,766	1,506,915	377,662	(79,276)	4,591,067	
2028	1,825,000	877,775	1,460,557	306,383	(61,659)	4,408,056	
2029-2033	9,630,000	3,272,716	5,427,127	546,526	(79,276)	18,797,093	
2034-2038	8,135,000	1,965,244	-	-	-	10,100,244	
2039-2043	7,900,000	1,030,486	-	-	-	8,930,486	
2044-2047	4,190,000	165,328	-	-	-	4,355,328	
Total	\$38,765,000	\$11,580,972	\$12,967,412	\$ 2,728,978	\$ (549,109)	\$ 65,493,253	

For the year ended June 30, 2023, the Town paid \$2,947,636 in principal and \$1,551,603 in interest (net of \$137,260 BABs subsidy) for a total of \$4,499,237 in debt service payments. Due to federal sequestration, the BABs subsidy was reduced in FY 23 by a total of \$8,297, 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: On December 5, 2022, the Town Council adopted an ordinance authorizing the issuance of up to \$3,250,000 for a downtown streetscape project, with debt service anticipated to be paid with Tax Increment Financing (TIF) revenues from the Downtown Development and Transit-Oriented TIF District.

2. Compensated absences

Recorded long-term compensated absences are as follows:

Type of Leave	Governmental Activities
Sick paid upon termination	\$ 458,818
Vacation	693,951
Compensatory time	76,893
School retirement stipend	434,025
Totals	\$ 1,663,687

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, 2023, the Town had the following balances reported in the government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PLD Plan	\$ 4,890,676	\$ 3,622,056	\$ 2,302,404	\$ 1,183,851
SET Plan	1,222,810	1,762,779	282,253	4,289,356
Total	\$ 6,113,486	\$ 5,384,835	\$ 2,584,657	\$ 5,473,207

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 6.85%-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, 2023, ranged from 5.0%-14.7%, depending on the plan, and came in at an average 11.52% of annual

payroll. Contributions to the pension plan from the Town were \$1,720,518 for the year ended June 30, 2023.

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, 2023, 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 \$871,980 for the year ended June 30, 2023.

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, 2022, 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, 2023, the Town reported a liability of \$4,890,676 for its proportionate share of the net pension liability. At June 30, 2022, the Town's proportion of the PLD Plan was 1.8397%.

SET Plan - At June 30, 2023, the Town reported a liability of \$1,222,810 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	\$ 1,222,810
State's proportionate share of the net pension liability associated with the Town	21,531,693
Total	<u>\$ 22,754,503</u>

At June 30, 2022, the Town's proportion of the SET Plan was 0.0823%.

For the year ended June 30, 2023, the Town recognized pension expense of \$1,183,851 for the PLD Plan and pension expense of \$4,289,356 for the SET Plan. Additionally, the Town recognized revenue of \$3,244,945 for support provided by the State for the SET Plan. At June 30, 2023, 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	\$ 908,901	\$ -
Net difference between expected and actual investment earnings on pension plan investments	-	2,052,644
Changes of assumptions	992,638	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	249,760
Town contributions subsequent to the measurement date	<u>1,720,518</u>	-
	<u>\$ 3,622,057</u>	<u>\$ 2,302,404</u>

At June 30, 2023, 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	\$ 60,916	\$ -	-
Net difference between projected and actual investment earnings on pension plan investments	-	240,836	
Changes of assumptions	237,441	-	
Changes in proportion and differences between Town contributions and proportionate share of contributions	592,442	41,416	
Town contributions subsequent to the measurement date	<u>871,980</u>	-	
	<u><u>\$ 1,762,779</u></u>	<u><u>\$ 282,252</u></u>	

A portion of deferred outflows of resources related to pensions, \$1,720,518 for the PLD Plan and \$871,980 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, 2024. 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>
2024	\$ 464,019	\$ 385,585
2025	(553,770)	79,163
2026	(1,275,217)	30,208
2027	<u>964,103</u>	<u>113,591</u>
	<u><u>\$ (400,865)</u></u>	<u><u>\$ 608,547</u></u>

Actuarial assumptions: The total pension liability in the June 30, 2022 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, 2022 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, 2022 are summarized in the following table. Assets for each of the defined benefit plans are commingled for investment purposes.

<u>Asset Class</u>	Long-term Expected Real Rate of Return
Public Equities	6.0%
US Government	2.3%
Private Equity	7.6%
Real Assets:	
Real Estate	5.2%
Infrastructure	5.3%
Natural Resources	5.0%
Traditional Credit	3.2%
Alternative Credit	7.4%
Diversifiers	5.9%

Discount rate: The discount rate used to measure the collective total pension liability was 6.5% for 2022 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>
	\$ 14,448,451	\$ 4,890,676	\$ (3,009,164)
PLD Plan			
Town's proportionate share of the net pension liability (asset)	\$ 2,394,553	\$ 1,222,810	\$ 247,212
SET Plan			
Town's proportionate share of the net pension liability (asset)	\$ 2,394,553	\$ 1,222,810	\$ 247,212

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, 2023.

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, 2023, 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	\$ 320,208	\$ 101,415	\$ 113,461	\$ (25,139)
SET OPEB Plan	-	-	-	78,463
MMEHT Health Plan	1,633,311	476,729	771,758	67,198
MEABT Health Plan	<u>8,206,410</u>	<u>1,990,504</u>	<u>288,524</u>	<u>631,989</u>
Total	\$ 10,159,929	\$ 2,568,648	\$ 1,173,743	\$ 752,511

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, 2023, the following employees were covered by the benefit terms of the MMEHT and MEABT Health Plans:

	<u>MMEHT</u> <u>Health Plan</u>	<u>MEABT</u> <u>Health Plan</u>
Inactive employees or beneficiaries currently receiving benefits	9	171
Active employees	129	361
Total	138	532

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 \$12,773 for the year ended June 30, 2023. 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 \$78,463 for the year ended June 30, 2023. 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, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of June 30, 2022. 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, 2023, the Town reported a liability of \$320,208 for its proportionate share of the net OPEB liability. At June 30, 2022, the Town's proportion was 2.2109%.

SET OPEB Plan – At June 30, 2023, 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 \$658,298 as of June 30, 2023. At June 30, 2022, the Town's proportion was 0.00%.

The Town's total MMEHT Health Plan OPEB liability of \$1,633,311 and was measured as of January 1, 2023 and the Town's total MEABT Health Plan OPEB liability of \$8,206,410 as measured as of June 30, 2022. 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 an actuarial valuation as of the measurement date.

Changes in Health Plan OPEB Liabilities:

	MMEHT Health Plan <u>OPEB Liability</u>	MEABT Health Plan <u>OPEB Liability</u>
Balance at June 30, 2022	\$ 1,758,855	\$ 7,276,016
Changes for the year:		
Service cost	72,643	121,247
Interest	37,447	157,651
Differences between expected and actual experience	-	141,523
Changes in assumptions	(208,165)	708,269
Benefit payments	(27,469)	(198,296)
Net Changes	<u>(125,544)</u>	<u>930,394</u>
Balance at June 30, 2023	<u><u>\$ 1,633,311</u></u>	<u><u>\$ 8,206,410</u></u>

Change in assumptions under the MMEHT Health Plan reflects a change in the discount rate from 2.06% in 2022 to 3.72% in 2023. 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 2.16% in 2022 to 3.54% in 2023. The report updated census, economic, and health cost assumptions as well.

For the year ended June 30, 2023, the Town recognized OPEB gain of \$25,139 for the PLD OPEB Plan. For the year ended June 30, 2023, the Town recognized OPEB expense of \$78,463 and revenues of \$78,463 for support provided by the State related to the SET OPEB plan. At June 30, 2023, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan.

At June 30, 2023, 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	\$ 15,575	\$ 2,833
Differences between projected and actual earnings on OPEB plan investments	27,684	-
Changes of assumptions	26,625	99,989
Changes in proportion and differences between Town contributions and proportionate share of contributions	18,759	10,639
Town contributions subsequent to the measurement date	<u>12,773</u>	<u>-</u>
	<u><u>\$ 101,416</u></u>	<u><u>\$ 113,461</u></u>

\$12,773 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, 2024. 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,

2024	\$	(10,659)
2025		(20,610)
2026		(23,280)
2027		24,122
2028		4,598
Thereafter		<u>1,011</u>
	\$	(24,818)

For the year ended June 30, 2023, the Town recognized OPEB expense of \$67,198 related to the MMEHT Health Plan and OPEB expense of \$631,989 related to the MEABT Health Plan. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plans from the following sources:

	<u>MMEHT Health Plan</u>		<u>MEABT Health Plan</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,430	\$ 495,556	\$ 117,936	\$ 242,839
Changes of assumptions or other inputs	437,299	276,202	1,555,586	45,685
Town contributions subsequent to the measurement date	<u>-</u>	<u>-</u>	<u>316,982</u>	<u>-</u>
	<u>\$ 476,729</u>	<u>\$ 771,758</u>	<u>\$ 1,990,504</u>	<u>\$ 288,524</u>

\$316,982 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, 2024. 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>
2024	\$ (42,892)	\$ 353,092
2025	(42,892)	398,777
2026	(42,891)	340,656
2027	(66,544)	150,841
2028	(44,327)	141,632
Thereafter	<u>(55,483)</u>	<u>-</u>
	<u>\$ (295,029)</u>	<u>\$ 1,384,998</u>

Actuarial assumptions: The total OPEB liabilities in the June 30, 2022 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, 2022 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, 2015 to June 30, 2020.

The total OPEB liability in the January 1, 2023 actuarial valuation for the MMEHT Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

MMEHT	
<u>Health Plan</u>	
Inflation	3.00%
Salary increases	2.75% average, including inflation
Discount Rate	3.72%
Healthcare cost trend rates (applied in FYE 2022 grading over 20 years to 4.55% per annum)	
Pre-Medicare Medical:	7.96%
Pre-Medicare Drug:	8.15%
Medicare Medical:	4.80%
Medicare Drug:	8.15%
Retirees' share of the benefit related costs	100.00% of projected health insurance premiums

Mortality rates for the MMEHT Health Plan were based on 112.1% and 118.5% of the 2010 Public Plan General Benefits- Weighted Healthy Retiree Mortality Table, respectively, for males and females.

The actuarial assumptions used in the January 1, 2023 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, 2022 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	2.70%
Salary increases	2.8% - 13.03% per year
Discount Rate	3.54%
Healthcare cost trend rates	
Pre-Medicare:	7.95% applied in FY2023 grading over 19 years to 4.00% per annum
Medicare:	0.00% applied in FY2022 and 5.62% applied in FY2023 grading over 18 years to 4.29% 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, adjusted 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80, and 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80. Rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale.

The actuarial assumptions used in the June 30, 2022 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 2023. 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, 2023 is based upon an earlier measurement date, as of December 29, 2022, and is 3.72% per annum.

The rate used to measure the total MEABT OPEB liability was 3.54% 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	\$ 434,597	\$ 320,208	\$ 228,364

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 3.72%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.72%) or 1 percentage-point higher (4.72%) than the current rate:

	1% Decrease <u>(2.72%)</u>	Current Discount Rate <u>(3.72%)</u>	1% Increase <u>(4.72%)</u>
Total OPEB liability	\$ 1,919,575	\$ 1,633,311	\$ 1,401,862

The following presents the Town's total OPEB liability related to the MEABT Health Plan calculated using the discount rate of 3.54%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.54%) or 1 percentage-point higher (4.54%) than the current rate:

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
Total OPEB liability	\$ 9,431,208	\$ 8,206,410	\$ 7,207,966

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	\$ 1,368,368	\$ 1,633,311	\$ 1,974,777

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	\$ 7,157,680	\$ 8,206,410	\$ 9,500,053

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 paid 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 received approval for reimbursement of 75% of closure costs from the state under the Maine Landfill Closure and Remediation Program. Though the timing of the reimbursement is likely to extend over a number of years, the Town recognizes a receivable and a deferred inflow of resources for the 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, with closure of the landfill 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. During FY 2023, the Town received \$80,635 of this grant, and has recorded the balance of the reimbursement as a receivable and as deferred inflow of resources as of June 30, 2023. The Town estimates the post closure care costs at an average annual cost of \$78,096 for 29 years, and recognizes a liability for the \$2,264,784 total as of June 30, 2023. The portion of the liability reported as due within one year is \$78,000.

The Town faced potential fines related to wastewater discharge limits and other violations between 2011 and 2019, and 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, 2023, the Town estimates that \$56,000 is applicable to this facility. This represents annual monitoring at \$4,000 per year for 14 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, 2023 was as follows:

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 40,521,000	\$ -	\$ (1,756,000)	\$ 38,765,000	\$ 1,710,000
Plus premium on bonds	2,776,036	-	(125,371)	2,650,665	125,371
Notes from direct borrowings	10,194,756	4,000,000	(1,227,344)	12,967,412	1,517,215
Lease liabilities	633,290	-	(108,233)	525,057	112,326
County tax obligation	-	782,237	-	782,237	156,447
Compensated absences	1,474,759	1,253,267	(1,064,339)	1,663,687	480,230
Other postemployment benefits	9,257,017	902,912	-	10,159,929	-
Net pension liability	(346,561)	6,460,047	-	6,113,486	-
	<u>\$ 64,510,297</u>	<u>\$ 13,398,463</u>	<u>\$ (4,281,287)</u>	<u>\$ 73,627,473</u>	<u>\$ 4,101,589</u>
 Business-type Activities					
Landfill post closure care	\$ 2,400,000	\$ -	\$ (79,216)	\$ 2,320,784	\$ 82,000
Lease liabilities	124,947	-	(48,859)	76,088	50,345
	<u>\$ 2,524,947</u>	<u>\$ -</u>	<u>\$ (128,075)</u>	<u>\$ 2,396,872</u>	<u>\$ 132,345</u>

For the governmental activities, compensated absences, net pension and OPEB obligations are generally liquidated by the General Fund. General government bonds, notes payable, lease liabilities, and county

tax obligations 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, 2023 fund balance are as follows:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Advances to other funds	\$ 384,981	\$ -	\$ -	\$ -
Inventories and deposits	37,500	-	-	-
Education purposes	-	4,835,746	-	-
State road assistance funds	-	95,189	-	-
State revenue sharing funds	-	1,656,724	-	-
Encumbrances	-	-	-	162,660
Budget appropriation	-	-	-	660,000
Supplemental appropriations	-	-	-	1,882,500
Capital improvement program	-	-	-	1,700,000
Compensated absences	-	-	-	371,723
County tax	-	-	-	782,237
Tax increment financing	-	1,168,085	-	-
Capital projects funds:				
Prepaid deposits	50,000	-	-	-
Restricted capital project funding	-	1,396,475	-	-
Appropriated for capital projects	-	-	7,698,930	-
Special revenue funds:				
Recreation programs	-	-	302,137	-
Town restricted programs	-	1,298,980	-	-
School restricted programs	23,735	1,044,888	-	-
Permanent funds	<u>743,833</u>	<u>18,666</u>	<u>-</u>	<u>-</u>
Total	\$ 1,240,049	\$ 11,514,753	\$ 8,001,067	\$ 5,559,120

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, 2023, the Town's unassigned fund balance was at 24.4% 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	\$ 280,000
General Fund	Proprietary Funds - Mere Point Wastewater	104,981
	Total	\$ 384,981

In FY 2024, the advances to the Capital Improvement Projects Fund will be repaid with TIF revenues or general fund balance, and over the next several years, 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	\$ 149,397
General Fund	Coronavirus Relief Fund	1,656,358
		\$ 1,805,755
Tax Increment Financing	General Fund	\$ 1,168,085
Recreation Program Funds	General Fund	14,737
Town Restricted Funds	General Fund	1,285,606
Impact Fees	General Fund	87,979
Public Works Projects	General Fund	4,402,973
Capital Reserve Fund	General Fund	1,369,321
Capital Improvement Projects	General Fund	2,980,724
New Elementary School Fund	General Fund	415,915
Private-purpose Trust Funds	General Fund	39,535
Enterprise Funds	General Fund	2,201
Internal Service Fund	General Fund	168,248
		\$ 11,935,324

I. Interfund Transfers

	Transfers In:			
	General Fund	Nonmajor Governmental Funds	Enterprise Funds	Total transfers out
<u>Transfers Out:</u>				
General Fund	\$ -	\$ 4,598,187	\$ 125,000	\$ 4,723,187
Tax Increment Financing	866,170	1,333,644	-	2,199,814
Coronavirus Relief Fund	-	426,228	-	426,228
Nonmajor Governmental Funds				
Impact Fees	-	600,000	-	600,000
Public Works Projects	-	21,321	-	21,321
Capital Reserve Funds	-	150,000	-	150,000
Capital Improvement Projects	81,200	-	-	81,200
Total Transfers In	\$ 947,370	\$ 7,129,380	\$ 125,000	\$ 8,201,750

Of the \$4,723,187 transferred out of the General Fund, \$4,041,500 was made for a variety of capital projects. The largest of these include \$2,200,000 for the Street Resurfacing Program and Sidewalk Program, \$1,216,500 for the Capital Reserve Fund, and \$625,000 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 \$556,687, \$419,687 was transferred to cover the closed REAL School deficit fund balance within the School Restricted programs, \$62,500 was the annual subsidy of the school

cafeteria, also 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 \$947,370 of which \$866,170 was from the Tax Increment Financing Districts, and \$81,200 was unused Capital Improvement Project balances transferred back to the General Fund. Of the \$866,170 TIF transfers to the General Fund, \$200,000 was used to support a portion of the Street Resurfacing Program for qualified road work, \$176,170 was used to support transit projects, \$150,000 was used to subsidize the Capital Reserve Fund for police and fire vehicles, \$125,000 went to fund the train station and visitors center operations, \$120,000 was used to offset professional and admin costs, and the remaining \$95,000 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 2022-23, 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, 2023, 2022 and 2021, 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, 2023.

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, 2023, the Town's equalized state valuation of \$3,039,200,000 was 4.66% of the County's equalized state valuation of \$65,268,050,000. The Town's share of Cumberland County's principal debt as of June 30, 2023 is \$1,393,753 or 4.66% of the total outstanding long-term County debt of \$29,931,418.

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, 2023, MR10 had total principal debt outstanding of \$2,900,250. The Town of Brunswick's share of MR10's debt is 37.17% or \$1,107,025. 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, 2023 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	\$ 43,734,511	66.67%	\$ 29,157,798
Brunswick Sewer District	<u>17,461,463</u>	100.00%	<u>17,461,463</u>
Total	<u>\$ 61,195,974</u>		<u>\$ 46,619,261</u>

F. Joint Venture

The Town of Brunswick is a participant along with Regional School Unit 5 (RSU 5) and Regional School Unit 75 (RSU 75) in a joint venture to operate Maine Region 10 Technical High School (MR10). MR10 was established by a cooperative agreement pursuant to Maine law to deliver a program of vocational education to students of the member units. MR10 is governed by a nine-member board of directors. The Town of

Brunswick has four members, RSU 75 has three members, and RSU 5 has two members. However, the votes for each board member are weighted according to population determined by the most recent Federal Decennial Census.

With the exception of direct federal and state revenues, balances, and other miscellaneous receipts, MR10 funds its operations, debt service requirements and other programs through an annual assessment to each of the member units. The assessments are also based on the population of the units, and 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 38.17% of MR10's budget. For the year ended June 30, 2023, the total budget of MR10 was \$3,482,656. After MR10 deducted state subsidies, certain balances and miscellaneous revenues, the Town of Brunswick was assessed and paid \$277,512. At June 30, 2023, MR10 had total principal debt outstanding of \$2,900,250. As mentioned above, the Town is obligated to its share of MR10's debt. 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. 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 spring 2024, and the first CEA payment to the developer would be for the fiscal year ending June 30, 2025.

For the fiscal year ended June 30, 2023, the Town remitted a total of \$1,258,776 in Credit Enhancement payments. For the purpose of CEA payments to the Midcoast Regional Redevelopment Authority (MRRA), the Brunswick Landing and Brunswick Executive Airport TIF Districts are administered together. 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	2013-14; 20 years	Molnlycke Manufacturing, LLC	TIF revenues on one parcel: 35% - 55% based on employment levels	\$ 122,419
Seahawk	2021-22; 10 years	Shepherd Prop, LLC (Wild Oats Bakery)	TIF revenues on one parcel: 35% - 50% based on employment levels	27,231
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.	1,109,126 \$ 1,258,776

H. Construction and Other Significant Commitments

As of June 30, 2023, 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>
Hacker, Armory, Weymouth, Church, Lisbon, Graham Raymond, & Woodside road paving	\$ 1,315,717	\$ 146,191	\$ 74,397
Radio Communications System Upgrade	554,738	-	251,881
	\$ 1,870,455	\$ 146,191	\$ 326,278

Upon performance by the vendor in the next year, the encumbrances associated with these commitments are expected to be honored from the Nonmajor Capital Projects Fund.

The Town has entered into a 20-year Power Purchase Agreement with Revision Energy to purchase a share of the power generated by a solar facility to be built in Pittston, Maine. The Town has committed to 3,000,000 kWh for the first year, which is estimated to be 19.88% of the project's total annual output, and will receive a dollar credit equivalent to 15% of the Net Energy Billing (NEB) credit. The dollar credits will offset electricity costs in the annual general fund budget. The solar farm is expected to go into service in the spring of 2024, but has been delayed in the past so the Town cannot be certain when the term of the contract will begin. The NEB credit rate is determined annually by the Public Utility Commission and the Town has not estimated the value of the credits.

I. Subsequent Events

On October 16, 2023 the Town Council approved a "Resolution Authorizing an Emergency Appropriation of up to \$125,000 from Unappropriated Available General Fund Revenues for the Purpose of Funding the Work Associated with the Task Force Studying Water Quality in Maquoit Bay". The funding would allow the Task Force to engage a consultant to establish a baseline of the quality of water within and entering Maquoit Bay, evaluate the water quality impacts associated with existing and future land uses in the watershed.

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)									
	2015**	2016**	2017**	2018**	2019**	2020**	2021**	2022**	2023**
PLD Plan									
Town's proportion of the net pension liability	2.30%	2.28%	2.15%	2.07%	2.03%	1.97%	1.99%	1.94%	1.84%
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)	\$ 4,890,676
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
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%	39.41%
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%	93.26%
SET Plan									
Town's proportion of the net pension liability	0.04%	0.04%	0.04%	0.03%	0.02%	0.02%	0.02%	0.33%	0.08%
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	\$ 1,222,810
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>	<u>21,531,693</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>	<u><u>\$ 22,754,503</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	\$ 20,595,696
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%	5.94%
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%	85.79%

* Only nine 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)										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
PLD Plan										
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	\$ 1,720,518
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>	<u>(1,720,518)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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	\$ 14,941,275
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%	11.52%
SET Plan										
Contractually required contribution	\$ 414,573	\$ 423,470	\$ 542,200	\$ 586,342	\$ 727,111	\$ 748,991	\$ 821,654	\$ 843,844	\$ 790,875	\$ 871,980
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>	<u>(871,980)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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	\$ 20,595,696	\$ 22,707,805
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%	3.84%

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)						
	2018	2019	2020	2021	2022	2023
<u>Total MMEHT Health Plan OPEB Liability*</u>						
Service cost	\$ 35,837	\$ 44,817	\$ 38,497	\$ 61,785	\$ 72,166	\$ 72,643
Interest	61,834	65,988	73,020	40,995	35,653	37,447
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	(208,165)
Benefit payments	(33,157)	(41,061)	(42,703)	(27,034)	(28,115)	(27,469)
Net change in Total MMEHT Health Plan OPEB liability	277,365	(130,175)	(315,804)	175,777	135,272	(125,544)
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>	<u>1,758,855</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>	<u>\$ 1,633,311</u>
Covered-employee payroll	\$ 6,629,170	\$ 6,629,170	\$ 7,306,516	\$ 7,306,516	\$ 7,550,570	\$ 7,550,570
Total MMEHT Health Plan OPEB liability as a percentage of covered-employee payroll	28.57%	26.60%	19.82%	22.22%	23.29%	21.63%
 Maine Education Association Benefit Trust (MEABT)						
	2019**	2020***	2021***	2022***	2023***	
<u>Total MEABT Health Plan OPEB Liability**</u>						
Service cost	\$ 41,709	\$ 38,602	\$ 46,351	\$ 117,963	\$ 121,247	
Interest	227,974	237,481	228,581	158,117	157,651	
Changes of benefit terms	-	-	(645,501)	-	-	
Differences between expected and actual experience	-	-	(485,677)	-	141,523	
Changes of assumptions or other inputs	(274,115)	348,726	1,624,567	55,254	708,269	
Benefit payments	(220,147)	(228,028)	(248,237)	(182,985)	(198,296)	
Net change in Total Health Plan OPEB liability	(224,579)	396,781	520,084	148,349	930,394	
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>	<u>7,276,016</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>	<u>\$ 8,206,410</u>	
Covered-employee payroll	\$ 15,682,183	\$ 16,113,443	\$ 14,705,057	\$ 15,072,683	\$ 15,299,576	
Total MEABT Health Plan OPEB liability as a percentage of covered-employee payroll	39.60%	41.01%	48.47%	48.27%	53.64%	

* Only six years of information available.

** Only five 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	2018**	2019**	2020**	2021**	2022**	2023**
Town's proportion of the net OPEB liability	2.22%	2.17%	2.11%	2.13%	2.15%	2.21%
Town's proportionate share of the net OPEB liability	\$ 371,809	\$ 437,455	\$ 451,360	\$ 280,500	\$ 222,146	\$ 320,208
Town's covered-employee payroll	5,129,533	5,143,649	4,983,338	4,596,565	4,870,730	5,005,723
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%	6.40%
Plan fiduciary net position as a percentage of the net OPEB liability	47.42%	43.92%	43.18%	55.40%	67.26%	55.88%
<hr/>						
SET OPEB Plan						
Town's proportion of the net OPEB liability	0.00%	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>	<u>658,298</u>
Total	<u>\$ 572,376</u>	<u>\$ 628,613</u>	<u>\$ 637,006</u>	<u>\$ 701,810</u>	<u>\$ 336,997</u>	<u>\$ 658,298</u>
Plan fiduciary net position as a percentage of the net OPEB liability	47.29%	48.04%	49.22%	49.51%	62.90%	52.39%

* Only six years of information available.

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

See accompanying notes to required supplementary information.

Required Supplementary Information, Continued

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

Maine Public Employees Retirement System Consolidated Plan (PLD)

PLD OPEB Plan	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 9,923	\$ 11,301	\$ 10,180	\$ 10,614	\$ 12,499	\$ 13,172	\$ 12,773
Contributions in relation to the contractually required contribution	9,923	11,301	10,180	10,614	12,499	13,172	12,773
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 5,129,533	\$ 5,143,649	\$ 4,983,338	\$ 4,596,565	\$ 4,870,730	\$ 5,005,723	\$ 4,995,378
Contributions as a percentage of covered-employee payroll	0.19%	0.22%	0.20%	0.23%	0.26%	0.26%	0.26%

* Only seven 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	2022
Discount rate – PLD	7.25%	7.25%	7.125%	6.875%	6.75%	6.75%	6.75%	6.50%	6.50%
Discount rate – SET	7.25%	7.125%	7.125%	6.875%	6.75%	6.75%	6.75%	6.50%	6.50%
Inflation rate	3.50%	3.50%	3.50%	2.75%	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%	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%	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%	1.91%
Cost of living increases – SET	2.55%	2.55%	2.55%	2.20%	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 Healthy 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	2022
Discount rate – PLD	5.41%	5.13%	4.98%	6.75%	6.50%	6.50%
Discount rate – SET	6.875%	6.75%	6.75%	6.75%	6.50%	6.50%

Total OPEB Liability**Changes of benefit terms** – None**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	2023
Discount rate – MMEHT Health Plan	3.78%	3.44%	4.10%	2.74%	2.12%	2.06%	3.72%
Discount rate – MEABT Health Plan	N/A	3.58%	3.87%	3.50%	2.21%	2.16%	3.54%

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, 2023

	<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	\$ 52,839,758	\$ -	\$ 52,839,758	\$ 53,676,028	\$ 836,270
Interest on delinquent taxes	86,000	-	86,000	63,406	(22,594)
Tax lien costs	12,000	-	12,000	9,140	(2,860)
Payment in lieu of taxes	400,000	-	400,000	441,373	41,373
Vehicle excise taxes	3,700,000	-	3,700,000	4,057,547	357,547
Watercraft excise taxes	20,000	-	20,000	27,728	7,728
Aircraft excise taxes	4,000	-	4,000	4,275	275
Total taxes	57,061,758	-	57,061,758	58,279,497	1,217,739
Licenses and permits:					
Finance department	13,500	-	13,500	24,255	10,755
Codes enforcement	340,000	-	340,000	396,011	56,011
Town clerk	165,282	-	165,282	196,986	31,704
Planning	40,000	-	40,000	74,378	34,378
Fire department	2,000	-	2,000	3,235	1,235
Police department	650	-	650	1,939	1,289
Public works	35,000	-	35,000	27,348	(7,652)
Total licenses and permits	596,432	-	596,432	724,152	127,720
Intergovernmental:					
State education subsidy	14,050,403	-	14,050,403	14,081,114	30,711
State agency client	29,500	-	29,500	21,730	(7,770)
State education other	-	-	-	15	15
State multilingual learners hardship adjustment	-	-	-	43,100	43,100
State MLTI program	95,013	-	95,013	99,603	4,590
MainePERS contribution	-	4,027,350	4,027,350	4,027,350	-
State revenue sharing	4,371,097	-	4,371,097	4,760,410	389,313
State highway grant	195,000	-	195,000	200,576	5,576
State snowmobile funds	1,500	-	1,500	1,529	29
State tax exemption reimbursement	75,000	-	75,000	99,647	24,647
State IFW grant	10,000	-	10,000	10,000	-
State general assistance reimbursement	210,000	-	210,000	114,406	(95,594)
COPS Grant	-	-	-	23,000	23,000
State civil emergency preparedness	-	-	-	3,487	3,487
Total intergovernmental	19,037,513	4,027,350	23,064,863	23,485,967	421,104

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, 2023

	<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	62,000	-	62,000	77,216	15,216
Watercraft, ATV, snowmobile registration	1,200	-	1,200	1,474	274
Municipal building rental	7,102	-	7,102	7,439	337
Fire department	1,000	-	1,000	986	(14)
Emergency medical services	1,100,000	-	1,100,000	1,510,685	410,685
Police department	128,960	-	128,960	139,921	10,961
Dispatch services fees	159,975	-	159,975	164,784	4,809
Public works	1,500	-	1,500	611	(889)
Recycling	10,000	-	10,000	5,824	(4,176)
Education - tuition, transportation, etc.	502,046	-	502,046	495,733	(6,313)
Education - facilities rental	7,500	-	7,500	14,502	7,002
Recreation facility rentals	10,200	-	10,200	16,640	6,440
Total charges for services	<u>1,991,483</u>	<u>-</u>	<u>1,991,483</u>	<u>2,435,815</u>	<u>444,332</u>
Fines and penalties:					
Town clerk	4,525	-	4,525	5,010	485
Planning	-	-	-	150	150
Fire department	1,100	-	1,100	2,500	1,400
Police department	36,300	-	36,300	40,905	4,605
Total fines and penalties	<u>41,925</u>	<u>-</u>	<u>41,925</u>	<u>48,565</u>	<u>6,640</u>
Interest earned	<u>80,000</u>	<u>-</u>	<u>80,000</u>	<u>1,226,011</u>	<u>1,146,011</u>
Other revenue:					
Sale of miscellaneous assets	-	-	-	127,462	127,462
Cable TV franchise fees	290,000	-	290,000	294,812	4,812
General assistance recovery	-	-	-	1,987	1,987
Workers compensation proceeds	-	-	-	12,623	12,623
Workers compensation dividend	-	-	-	26,956	26,956
Brunswick Development Corporation subsidy	25,000	-	25,000	25,000	-
Miscellaneous - municipal	6,360	-	6,360	110,547	104,187
Miscellaneous - school	7,590	-	7,590	4,549	(3,041)
Total other revenue	<u>328,950</u>	<u>-</u>	<u>328,950</u>	<u>603,936</u>	<u>274,986</u>
Total revenues	<u>\$ 79,138,061</u>	<u>\$ 4,027,350</u>	<u>\$ 83,165,411</u>	<u>\$ 86,803,943</u>	<u>\$ 3,638,532</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, 2023

	2022									Variance		2023	
	Adopted	Encumbered	Original	Additional	Final	Actual	Positive	Encumbered		Positive	(Negative)	Encumbered	Balances
	Budget	Balances	Budget	Appropriation	Adjustments	Budget	(Negative)	Balances		(Negative)		Balances	
EXPENDITURES													
Current:													
General government:													
Administration	\$ 590,692	\$ -	\$ 590,692	\$ -	\$ 55,000	\$ 645,692	\$ 632,154	\$ 13,538	\$ -	\$ -	\$ -	\$ -	
Finance	911,667	-	911,667	-	10,000	921,667	908,461	13,206	-	-	-	-	
Technology Services	441,227	-	441,227	-	120,000	561,227	492,633	68,594	-	-	-	-	
Municipal Officers	249,869	-	249,869	-	30,000	279,869	260,622	19,247	-	-	-	-	
Town Hall Building	233,814	-	233,814	-	40,000	273,814	258,154	15,660	1,500	-	-	-	
Risk Management	649,007	-	649,007	-	25,000	674,007	660,228	13,779	-	-	-	-	
Cable TV	112,587	-	112,587	-	-	112,587	104,067	8,520	-	-	-	-	
Assessing	316,014	10,000	326,014	-	30,000	356,014	337,922	18,092	-	-	-	-	
Town Clerk & Elections	475,157	-	475,157	-	15,000	490,157	461,088	29,069	6,850	-	-	-	
Engineering	403,052	-	403,052	-	(110,000)	293,052	266,897	26,155	-	-	-	-	
Planning	776,453	-	776,453	-	(90,000)	686,453	669,981	16,472	45,000	-	-	-	
Economic Development	292,375	73,722	366,097	-	(50,000)	316,097	238,047	78,050	-	-	-	-	
Total general government	5,451,914	83,722	5,535,636	-	75,000	5,610,636	5,290,254	320,382	53,350	-	-	-	
Public safety:													
Fire department	4,660,500	19,549	4,680,049	-	200,000	4,880,049	4,806,822	73,227	11,430	-	-	-	
Central fire station	17,736	-	17,736	-	20,000	37,736	25,559	12,177	-	-	-	-	
Emerson fire station	90,700	-	90,700	-	-	90,700	86,551	4,149	-	-	-	-	
New Central Station	111,500	-	111,500	-	-	111,500	70,394	41,106	-	-	-	-	
Police department	5,194,247	39,593	5,233,840	-	(120,000)	5,113,840	5,071,065	42,775	36,361	-	-	-	
Emergency services dispatch	1,038,471	-	1,038,471	-	(40,000)	998,471	939,354	59,117	5,361	-	-	-	
Police station	141,601	-	141,601	-	40,000	181,601	168,482	13,119	-	-	-	-	
Marine Resources	166,960	-	166,960	-	-	166,960	124,546	42,414	-	-	-	-	
Streetlights	160,000	-	160,000	-	(60,000)	100,000	58,782	41,218	-	-	-	-	
Traffic signals	35,000	-	35,000	-	-	35,000	26,016	8,984	7,810	-	-	-	
Fire suppression (hydrants)	735,000	-	735,000	-	(40,000)	695,000	663,444	31,556	-	-	-	-	
Civil emergency preparedness	2,000	-	2,000	-	-	2,000	1,671	329	-	-	-	-	
Total public safety	12,353,715	59,142	12,412,857	-	-	12,412,857	12,042,686	370,171	60,962	-	-	-	
Public works:													
Administration	435,027	-	435,027	-	50,000	485,027	456,493	28,534	-	-	-	-	
General maintenance	2,153,180	13,377	2,166,557	-	90,000	2,256,557	2,240,356	16,201	-	-	-	-	
Refuse collection	774,220	-	774,220	-	(50,000)	724,220	704,321	19,899	-	-	-	-	
Recycling	548,640	-	548,640	-	50,000	598,640	578,262	20,378	-	-	-	-	
Central garage	998,607	4,396	1,003,003	-	(40,000)	963,003	935,849	27,154	4,100	-	-	-	
Total public works	4,909,674	17,773	4,927,447	-	100,000	5,027,447	4,915,281	112,166	4,100	-	-	-	

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2023

	2022							Variance		2023
	Adopted	Encumbered	Original	Additional	Final	Actual	Positive	Encumbered		2023
	Budget	Balances	Budget	Appropriation	Adjustments	Budget	(Negative)	Balances		Encumbered
EXPENDITURES, CONTINUED										
Human services:										
General assistance	458,364	-	458,364	-	(500)	457,864	286,376	171,488	-	-
Health and social services	3,092	-	3,092	-	500	3,592	3,585	7	-	-
Total human services	461,456	-	461,456	-	-	461,456	289,961	171,495	-	-
Education:										
Education	49,443,682	-	49,443,682	4,027,350	(2,697,679)	50,773,353	47,431,611	3,341,742	-	-
Recreation and culture:										
Recreation administration	530,540	-	530,540	-	140,000	670,540	635,271	35,269	-	-
Buildings and grounds	1,190,377	2,955	1,193,332	-	(50,000)	1,143,332	1,073,503	69,829	25,773	-
Rec Building Neptune Dr	312,815	-	312,815	-	(20,000)	292,815	238,253	54,562	18,475	-
People Plus	170,000	3,000	173,000	-	15,000	188,000	182,247	5,753	-	-
Library	1,670,776	-	1,670,776	-	35,000	1,705,776	1,689,583	16,193	-	-
Total recreation and culture	3,874,508	5,955	3,880,463	-	120,000	4,000,463	3,818,857	181,606	44,248	-
Intergovernmental:										
County tax	1,713,824	-	1,713,824	-	-	1,713,824	1,713,824	-	-	-
Unclassified:										
Promotion and development	342,170	-	342,170	-	(4,500)	337,670	327,678	9,992	-	-
Additional school assistance	10,000	-	10,000	-	-	10,000	10,000	-	-	-
Cemetery care	3,200	-	3,200	-	2,000	5,200	4,330	870	-	-
Contingency reserve	650,000	-	650,000	-	(297,000)	353,000	(315,609)	668,609	-	-
Total unclassified	1,005,370	-	1,005,370	-	(299,500)	705,870	26,399	679,471	-	-

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2023

	2022							2023	
	Adopted Budget	Encumbered Balances	Original Budget	Additional Appropriation	Adjustments	Final Budget	Actual	Variance Positive (Negative)	Encumbered Balances
EXPENDITURES, CONTINUED									
Debt service:									
Long-term debt, principal	976,000	-	976,000	-	1,449,972	2,425,972	2,425,972	-	-
Long-term debt, interest	513,372	-	513,372	-	765,520	1,278,892	1,278,892	-	-
Total debt service	<u>1,489,372</u>	<u>-</u>	<u>1,489,372</u>	<u>-</u>	<u>2,215,492</u>	<u>3,704,864</u>	<u>3,704,864</u>	<u>-</u>	<u>-</u>
Total expenditures	80,703,515	166,592	80,870,107	4,027,350	(486,687)	84,410,770	79,233,737	5,177,033	162,660
Excess (deficiency) of revenues over (under) expenditures	(1,565,454)	(166,592)	(1,732,046)	-	486,687	(1,245,359)	7,570,206	8,815,565	-
OTHER FINANCING SOURCES (USES)									
Transfers from other funds	866,170	-	866,170	-	-	866,170	947,370	81,200	-
Transfers to other funds	(3,611,500)	-	(3,611,500)	-	(4,500)	(3,616,000)	(3,616,000)	-	-
Transfers to other funds - capital budget	-	-	-	(625,000)	-	(625,000)	(625,000)	-	-
Transfers to other funds - education	-	-	-	-	(482,187)	(482,187)	(482,187)	-	-
Total other financing sources (uses)	<u>(2,745,330)</u>	<u>-</u>	<u>(2,745,330)</u>	<u>(625,000)</u>	<u>(486,687)</u>	<u>(3,857,017)</u>	<u>(3,775,817)</u>	<u>81,200</u>	<u>-</u>
Net changes in fund balances	<u><u>\$ (4,310,784)</u></u>	<u><u>\$ (166,592)</u></u>	<u><u>\$ (4,477,376)</u></u>	<u><u>\$ (625,000)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,102,376)</u></u>	<u><u>\$ 3,794,389</u></u>	<u><u>\$ 8,896,765</u></u>	<u><u>\$ -</u></u>
Fund balance, beginning of year							29,930,374		
Fund balance, end of year							<u><u>\$ 33,724,763</u></u>		

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 Fire Station and Fire Truck

To account for the funding of a new fire truck and the construction of a new central fire station

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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 912,401	\$ 980,363	\$ 17,842	\$ 1,910,606
Investments	-	-	744,657	744,657
Receivables:				
Accounts	27,335	-	-	27,335
Intergovernmental	1,114,920	403,851	-	1,518,771
Deposits	-	50,000	-	50,000
Inventory	23,735	-	-	23,735
Due from other funds	1,300,343	9,256,912	-	10,557,255
Total assets	<u>\$ 3,378,734</u>	<u>\$ 10,691,126</u>	<u>\$ 762,499</u>	<u>\$ 14,832,359</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 208,804	\$ 1,399,530	\$ -	\$ 1,608,334
Retainage payable	-	146,191	-	146,191
Accrued payroll	35,067	-	-	35,067
Unearned revenue	315,726	-	-	315,726
Due to other funds	149,397	-	-	149,397
Advances from other funds	-	280,000	-	280,000
Total liabilities	<u>708,994</u>	<u>1,825,721</u>	<u>-</u>	<u>2,534,715</u>
Fund balances (deficits):				
Nonspendable	23,735	50,000	743,833	817,568
Restricted	2,343,868	1,396,475	18,666	3,759,009
Committed	302,137	7,698,930	-	8,001,067
Unassigned	-	(280,000)	-	(280,000)
Total fund balances	<u>2,669,740</u>	<u>8,865,405</u>	<u>762,499</u>	<u>12,297,644</u>
Total liabilities and fund balances	<u>\$ 3,378,734</u>	<u>\$ 10,691,126</u>	<u>\$ 762,499</u>	<u>\$ 14,832,359</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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
REVENUES				
Licenses and permits	\$ 800	\$ -	\$ -	\$ 800
Intergovernmental	3,579,012	1,157,830	-	4,736,842
Investment income	-	-	59,506	59,506
Charges for services	1,480,257	-	-	1,480,257
Interest	6,424	36,529	-	42,953
Donations	783,233	368,062	59,195	1,210,490
Total revenues	<u>5,849,726</u>	<u>1,562,421</u>	<u>118,701</u>	<u>7,530,848</u>
EXPENDITURES				
Current:				
General government	160,766	4,000	2,283	167,049
Public safety	121,423	-	-	121,423
Public works	15,621	-	-	15,621
Education	4,061,085	-	874	4,061,959
Recreation and culture	709,877	-	16,455	726,332
Debt service:				
Principal	-	521,664	-	521,664
Interest	-	272,711	-	272,711
Capital outlay	196,433	10,129,193	-	10,325,626
Total expenditures	<u>5,265,205</u>	<u>10,927,568</u>	<u>19,612</u>	<u>16,212,385</u>
Excess (deficiency) of revenues over (under) expenditures	<u>584,521</u>	<u>(9,365,147)</u>	<u>99,089</u>	<u>(8,681,537)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	874,477	6,254,903	-	7,129,380
Transfer to other funds	-	(852,521)	-	(852,521)
Bonds issued	-	4,000,000	-	4,000,000
Total other financing sources (uses)	<u>874,477</u>	<u>9,402,382</u>	<u>-</u>	<u>10,276,859</u>
Net changes in fund balances	1,458,998	37,235	99,089	1,595,322
Fund balances, beginning of year	<u>1,210,742</u>	<u>8,828,170</u>	<u>663,410</u>	<u>10,702,322</u>
Fund balances, end of year	<u>\$ 2,669,740</u>	<u>\$ 8,865,405</u>	<u>\$ 762,499</u>	<u>\$ 12,297,644</u>

Statement C-1

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	<u>Recreation Programs</u>	<u>Town Restricted Programs</u>	<u>School Restricted Programs</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 654,124	\$ -	\$ 258,277	\$ 912,401
Receivables:				
Accounts	547	-	26,788	27,335
Intergovernmental	-	35,389	1,079,531	1,114,920
Inventory	-	-	23,735	23,735
Due from other funds	14,737	1,285,606	-	1,300,343
Total assets	<u>\$ 669,408</u>	<u>\$ 1,320,995</u>	<u>\$ 1,388,331</u>	<u>\$ 3,378,734</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 42,243	\$ 21,369	\$ 145,192	\$ 208,804
Accrued payroll	29,768	646	4,653	35,067
Unearned revenue	295,260	-	20,466	315,726
Due to other funds	-	-	149,397	149,397
Total liabilities	<u>367,271</u>	<u>22,015</u>	<u>319,708</u>	<u>708,994</u>
Fund balances:				
Nonspendable	-	-	23,735	23,735
Restricted	-	1,298,980	1,044,888	2,343,868
Committed	302,137	-	-	302,137
Total fund balances	<u>302,137</u>	<u>1,298,980</u>	<u>1,068,623</u>	<u>2,669,740</u>
Total liabilities and fund balances	<u>\$ 669,408</u>	<u>\$ 1,320,995</u>	<u>\$ 1,388,331</u>	<u>\$ 3,378,734</u>

Statement C-2

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2023

	<u>Recreation Programs</u>	<u>Town Restricted Programs</u>	<u>School Restricted Programs</u>	<u>Totals</u>
REVENUES				
Licenses and permits	\$ -	\$ 800	\$ -	\$ 800
Intergovernmental	-	748,952	2,830,060	3,579,012
Charges for services	748,576	14,279	717,402	1,480,257
Interest	6,424	-	-	6,424
Donations	12,675	214,848	555,710	783,233
Total revenues	<u>767,675</u>	<u>978,879</u>	<u>4,103,172</u>	<u>5,849,726</u>
EXPENDITURES				
Current:				
General government	-	160,766	-	160,766
Public safety	-	121,423	-	121,423
Public works	-	15,621	-	15,621
Education	-	-	4,061,085	4,061,085
Recreation and culture	709,877	-	-	709,877
Capital outlay	196,433	-	-	196,433
Total expenditures	<u>906,310</u>	<u>297,810</u>	<u>4,061,085</u>	<u>5,265,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(138,635)</u>	<u>681,069</u>	<u>42,087</u>	<u>584,521</u>
OTHER FINANCING SOURCES				
Transfer from other funds	-	392,290	482,187	874,477
Total other financing sources	-	392,290	482,187	874,477
Net changes in fund balances	(138,635)	1,073,359	524,274	1,458,998
Fund balances, beginning of year	440,772	225,621	544,349	1,210,742
Fund balances, end of year	<u>\$ 302,137</u>	<u>\$ 1,298,980</u>	<u>\$ 1,068,623</u>	<u>\$ 2,669,740</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2023

	Impact Fees	Public Works Projects	Capital Reserve Fund	Capital Improvement Projects	New Fire Station and Truck	New Elementary School	Totals
ASSETS							
Cash and cash equivalents	\$ 206,470	\$ -	\$ -	\$ 87,782	\$ 686,111	\$ -	\$ 980,363
Receivables:							
Intergovernmental	-	-	-	403,851	-	-	403,851
Deposits	-	-	-	50,000	-	-	50,000
Due from other funds	87,979	4,402,973	1,369,321	2,980,724	-	415,915	9,256,912
Total assets	<u>\$ 294,449</u>	<u>\$ 4,402,973</u>	<u>\$ 1,369,321</u>	<u>\$ 3,522,357</u>	<u>\$ 686,111</u>	<u>\$ 415,915</u>	<u>\$ 10,691,126</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 858,374	\$ 13,562	\$ 527,594	\$ -	\$ -	\$ 1,399,530
Retainage payable	-	146,191	-	-	-	-	146,191
Advances from other funds	-	-	-	280,000	-	-	280,000
Total liabilities	<u>-</u>	<u>1,004,565</u>	<u>13,562</u>	<u>807,594</u>	<u>-</u>	<u>-</u>	<u>1,825,721</u>
Fund balances (deficits):							
Nonspendable	-	-	-	50,000	-	-	50,000
Restricted	294,449	-	-	-	686,111	415,915	1,396,475
Committed	-	3,398,408	1,355,759	2,944,763	-	-	7,698,930
Unassigned	-	-	-	(280,000)	-	-	(280,000)
Total fund balances	<u>294,449</u>	<u>3,398,408</u>	<u>1,355,759</u>	<u>2,714,763</u>	<u>686,111</u>	<u>415,915</u>	<u>8,865,405</u>
Total liabilities and fund balances	<u>\$ 294,449</u>	<u>\$ 4,402,973</u>	<u>\$ 1,369,321</u>	<u>\$ 3,522,357</u>	<u>\$ 686,111</u>	<u>\$ 415,915</u>	<u>\$ 10,691,126</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, 2023

	<u>Impact Fees</u>	<u>Public Works Projects</u>	<u>Capital Reserve Fund</u>	<u>Capital Improvement Projects</u>	<u>New Fire Station and Truck</u>	<u>New Elementary School</u>	<u>Totals</u>
REVENUES							
Intergovernmental	\$ -	\$ 220,288	\$ -	\$ 937,542	\$ -	\$ -	\$ 1,157,830
Interest	13,129	-	-	1,118	22,173	109	36,529
Donations	139,823	-	185,000	43,239	-	-	368,062
Total revenues	<u>152,952</u>	<u>220,288</u>	<u>185,000</u>	<u>981,899</u>	<u>22,173</u>	<u>109</u>	<u>1,562,421</u>
EXPENDITURES							
Current:							
General government	-	-	-	4,000	-	-	4,000
Debt service:							
Principal	-	-	-	-	-	521,664	521,664
Interest	-	-	-	-	-	272,711	272,711
Capital outlay	-	2,122,366	908,557	5,812,502	1,285,768	-	10,129,193
Total expenditures	<u>-</u>	<u>2,122,366</u>	<u>908,557</u>	<u>5,816,502</u>	<u>1,285,768</u>	<u>794,375</u>	<u>10,927,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>152,952</u>	<u>(1,902,078)</u>	<u>(723,557)</u>	<u>(4,834,603)</u>	<u>(1,263,595)</u>	<u>(794,266)</u>	<u>(9,365,147)</u>
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	-	2,595,000	1,216,500	2,443,403	-	-	6,254,903
Transfers to other funds	(600,000)	(21,321)	(150,000)	(81,200)	-	-	(852,521)
Bonds issued	-	-	-	4,000,000	-	-	4,000,000
Total other financing sources (uses)	<u>(600,000)</u>	<u>2,573,679</u>	<u>1,066,500</u>	<u>6,362,203</u>	<u>-</u>	<u>-</u>	<u>9,402,382</u>
Net changes in fund balances	(447,048)	671,601	342,943	1,527,600	(1,263,595)	(794,266)	37,235
Fund balances beginning of year	741,497	2,726,807	1,012,816	1,187,163	1,949,706	1,210,181	8,828,170
Fund balances end of year	<u>\$ 294,449</u>	<u>\$ 3,398,408</u>	<u>\$ 1,355,759</u>	<u>\$ 2,714,763</u>	<u>\$ 686,111</u>	<u>\$ 415,915</u>	<u>\$ 8,865,405</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2023

	Education Funds	Community Improvements Fund	Recreation and Cultural Fund	Social Services Fund	Totals
ASSETS					
Cash and cash equivalents	\$ 500	\$ 3,926	\$ 12,085	\$ 1,331	\$ 17,842
Investments	20,876	163,833	504,387	55,561	744,657
Total assets	\$ 21,376	\$ 167,759	\$ 516,472	\$ 56,892	\$ 762,499
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
Fund balances:					
Nonspendable	21,376	153,464	512,101	56,892	743,833
Restricted	-	14,295	4,371	-	18,666
Total fund balances	21,376	167,759	516,472	56,892	762,499
Total liabilities and fund balances	\$ 21,376	\$ 167,759	\$ 516,472	\$ 56,892	\$ 762,499

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2023

	Education Funds	Community Improvements Funds	Recreation and Cultural Fund	Social Services Fund	Totals
REVENUES					
Contributions	\$ -	\$ 59,195	\$ -	\$ -	\$ 59,195
Investment earnings:					
Interest and dividends	455	4,998	10,884	1,209	17,546
Net increase (decrease) in the fair value of investments	1,385	6,483	33,182	3,684	44,734
Total investment earnings (loss)	1,840	11,481	44,066	4,893	62,280
Less investment expense	(81)	(521)	(1,955)	(217)	(2,774)
Total revenues	1,759	70,155	42,111	4,676	118,701
EXPENDITURES					
Current:					
Recreation and culture	-	-	16,455	-	16,455
Payment to beneficiaries	874	-	-	2,283	3,157
Total expenditures	874	-	16,455	2,283	19,612
Net changes in fund balances	885	70,155	25,656	2,393	99,089
Fund balances, beginning of year	20,491	97,604	490,816	54,499	663,410
Fund balances, end of year	\$ 21,376	\$ 167,759	\$ 516,472	\$ 56,892	\$ 762,499

Statement E-3

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
Education Funds
June 30, 2023

	Brunswick School Fund	Brunswick High Class of 1920 Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 387	\$ 113	\$ 500
Investments	16,175	4,701	20,876
Total assets	<u>\$ 16,562</u>	<u>\$ 4,814</u>	<u>\$ 21,376</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	16,562	4,814	21,376
Total fund balances	<u>16,562</u>	<u>4,814</u>	<u>21,376</u>
Total liabilities and fund balances	<u>\$ 16,562</u>	<u>\$ 4,814</u>	<u>\$ 21,376</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, 2023

	Brunswick School Fund	Brunswick High Class of 1920 Fund	Totals
REVENUES			
Investment earnings:			
Interest and dividends	\$ 352	\$ 103	\$ 455
Net increase (decrease) in the fair value of investments	1,072	313	1,385
Total investment earnings (loss)	1,424	416	1,840
Less investment expense	(63)	(18)	(81)
Total revenues	1,361	398	1,759
EXPENDITURES			
Payment to beneficiaries	664	210	874
Total expenditures	664	210	874
Net changes in fund balances	697	188	885
Fund balances, beginning of year	15,865	4,626	20,491
Fund balances, end of year	<u>\$ 16,562</u>	<u>\$ 4,814</u>	<u>\$ 21,376</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
Community Improvement Funds
June 30, 2023

	Joshua Chamberlain Fund	Robert L Morrell Fund	Veteran's Plaza Fund	Totals
ASSETS				
Cash and cash equivalents	\$ 1,466	\$ 585	\$ 1,875	\$ 3,926
Investments	<u>61,172</u>	<u>24,429</u>	<u>78,232</u>	<u>163,833</u>
Total assets	<u>\$ 62,638</u>	<u>\$ 25,014</u>	<u>\$ 80,107</u>	<u>\$ 167,759</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	51,791	22,101	79,572	153,464
Restricted	<u>10,847</u>	<u>2,913</u>	<u>535</u>	<u>14,295</u>
Total fund balances	<u>62,638</u>	<u>25,014</u>	<u>80,107</u>	<u>167,759</u>
Total liabilities and fund balances	<u>\$ 62,638</u>	<u>\$ 25,014</u>	<u>\$ 80,107</u>	<u>\$ 167,759</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, 2023

	Joshua Chamberlain Fund	Robert L Morrell Fund	Veteran's Plaza Fund	Totals
REVENUES				
Contributions	\$ -	\$ -	\$ 59,195	\$ 59,195
Investment earnings:				
Interest and dividends	3,483	511	1,004	4,998
Net increase (decrease) in the fair value of investments	1,697	1,557	3,229	6,483
Total investment earnings (loss)	5,180	2,068	4,233	11,481
Less investment expense	(230)	(92)	(199)	(521)
Total revenues	<u>4,950</u>	<u>1,976</u>	<u>63,229</u>	<u>70,155</u>
EXPENDITURES				
Payment to beneficiaries	- - - -	- - - -	- - - -	- - - -
Total expenditures	- - - -	- - - -	- - - -	- - - -
Net changes in fund balances	4,950	1,976	63,229	70,155
Fund balances, beginning of year	57,688	23,038	16,878	97,604
Fund balances, end of year	<u>\$ 62,638</u>	<u>\$ 25,014</u>	<u>\$ 80,107</u>	<u>\$ 167,759</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, 2023

	Mere Point <u>Wastewater</u>	Train Station/ <u>Visitors Center</u>	Processing <u>Facility</u>	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ 79,599	\$ 154,515	\$ 234,114
Accounts receivable	11,515	-	-	11,515
Due from other funds	-	2,204	-	2,204
Total current assets	11,515	81,803	154,515	247,833
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	(743,178)	(183,566)	(8,266)	(935,010)
Net capital assets	130,872	78,400	102,484	311,756
Total assets	142,387	160,203	256,999	559,589
LIABILITIES				
Current liabilities:				
Accounts payable	-	177	7,256	7,433
Accrual of payroll	-	-	129	129
Advance from other funds	104,981	-	-	104,981
Due to other funds	-	-	3	3
Total current liabilities	104,981	177	7,388	112,546
Noncurrent liabilities:				
Lease liability - Short term	-	50,345	-	50,345
Lease liability - Long term	-	25,744	-	25,744
Total noncurrent liabilities	-	76,089	-	76,089
Total liabilities	104,981	76,266	7,388	188,635
NET POSITION				
Net investment in capital assets	130,872	2,311	102,484	235,667
Unrestricted (deficit)	(93,466)	81,626	147,127	135,287
Total net position	\$ 37,406	\$ 83,937	\$ 249,611	\$ 370,954

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, 2023

	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Processing Facility</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services:				
Permits	\$ -	\$ -	\$ 3,905	\$ 3,905
Service fees	45,260	-	-	45,260
Rent	-	11,985	-	11,985
Parking meter	-	22,589	-	22,589
Processing fees	-	-	10,811	10,811
Total operating revenues	<u>45,260</u>	<u>34,574</u>	<u>14,716</u>	<u>94,550</u>
OPERATING EXPENSES				
Personnel services	-	-	12,210	12,210
Contractual services	24,621	94,404	21,516	140,541
Materials and supplies	-	3,375	911	4,286
Depreciation	17,662	51,000	3,617	72,279
Total operating expenses	<u>42,283</u>	<u>148,779</u>	<u>38,254</u>	<u>229,316</u>
Operating income (loss)	<u>2,977</u>	<u>(114,205)</u>	<u>(23,538)</u>	<u>(134,766)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	-	2,673	2,867	5,540
Interest expense	-	(3,080)	-	(3,080)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(407)</u>	<u>2,867</u>	<u>2,460</u>
Income (loss) before transfers	<u>2,977</u>	<u>(114,612)</u>	<u>(20,671)</u>	<u>(132,306)</u>
Transfers in	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Change in net position	<u>2,977</u>	<u>10,388</u>	<u>(20,671)</u>	<u>(7,306)</u>
Net position, beginning of year	<u>34,429</u>	<u>73,549</u>	<u>270,282</u>	<u>378,260</u>
Net position, end of year	<u>\$ 37,406</u>	<u>\$ 83,937</u>	<u>\$ 249,611</u>	<u>\$ 370,954</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Enterprise Funds
For the year ended June 30, 2023

	<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	\$ 38,115	\$ 34,574	\$ 14,716	\$ 87,405
Payments to employees	-	-	(12,640)	(12,640)
Payments to suppliers for goods and services	(31,044)	(102,737)	(15,256)	(149,037)
Net cash provided (used) by operating activities	<u>7,071</u>	<u>(68,163)</u>	<u>(13,180)</u>	<u>(74,272)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	-	125,000	-	125,000
Increase (decrease) in due to other funds	(7,071)	7,472	(10,443)	(10,042)
Cash provided (used) by noncapital financing activities	<u>(7,071)</u>	<u>132,472</u>	<u>(10,443)</u>	<u>114,958</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on lease liability	-	(48,858)	-	(48,858)
Interest paid on lease liability	-	(3,080)	-	(3,080)
Cash provided (used) by capital and related financing activities	<u>-</u>	<u>(51,938)</u>	<u>-</u>	<u>(51,938)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	2,673	2,867	5,540
Cash provided by investing activities	<u>-</u>	<u>2,673</u>	<u>2,867</u>	<u>5,540</u>
Net increase (decrease) in cash	-	15,044	(20,756)	(5,712)
Cash, beginning of year	-	64,555	175,271	239,826
Cash, end of year	<u>\$ -</u>	<u>\$ 79,599</u>	<u>\$ 154,515</u>	<u>\$ 234,114</u>

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

Operating income (loss)	\$ 2,977	\$ (114,205)	\$ (23,538)	\$ (134,766)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	17,662	51,000	3,617	72,279
(Increase) decrease in accounts receivable	(7,145)	-	-	(7,145)
Increase (decrease) in accounts payable	(6,423)	(4,958)	7,171	(4,210)
Increase (decrease) in accrued payroll	-	-	(430)	(430)
Total adjustments	4,094	46,042	10,358	60,494
Net cash provided (used) by operating activities	<u>\$ 7,071</u>	<u>\$ (68,163)</u>	<u>\$ (13,180)</u>	<u>\$ (74,272)</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

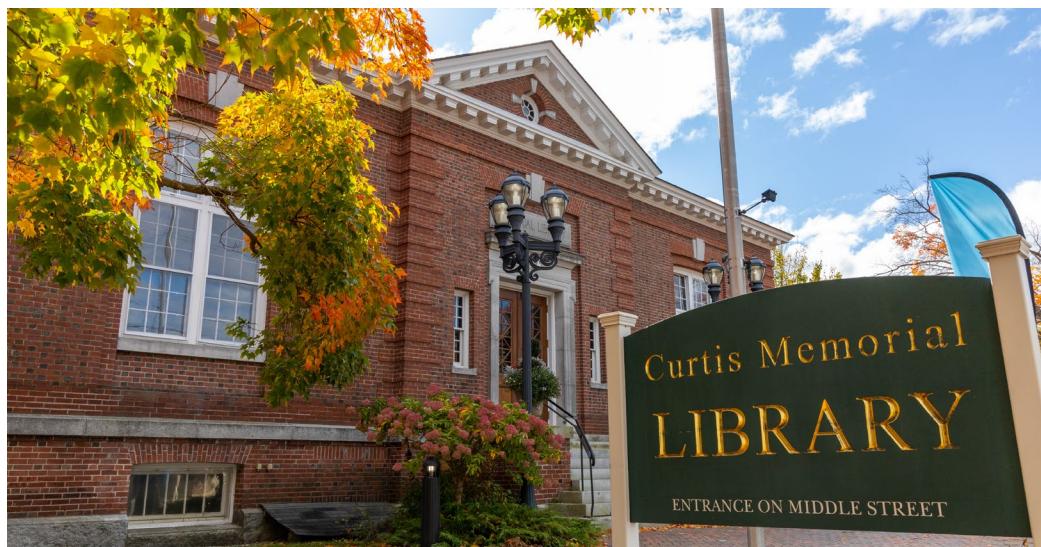
Letitia A. Curtis Library Fund

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, 2023

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	\$ 17,906	\$ 2,315	\$ 716	\$ -	\$ 20,937
Investments	375,184	96,632	29,896	-	501,712
Due from other funds	-	-	-	39,535	39,535
Total assets	<u>393,090</u>	<u>98,947</u>	<u>30,612</u>	<u>39,535</u>	<u>562,184</u>
LIABILITIES					
Accounts payable	-	-	-	-	-
Total liabilities	-	-	-	-	-
NET POSITION					
Net position held in trust for other purposes	<u>\$ 393,090</u>	<u>\$ 98,947</u>	<u>\$ 30,612</u>	<u>\$ 39,535</u>	<u>\$ 562,184</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Changes in Net Position
Fiduciary Funds
Private-purpose Trust Funds
For the year ended June 30, 2023

	Private-purpose Trust Funds					
	Scholarship and Education Funds	Public Library Funds	E. H. Pennell Village Improvement Fund	Alex Labbe Recreation Fund	Totals	
ADDITIONS						
Contributions	\$ 125	\$ -	\$ -	\$ 9,000	\$ 9,125	
Investment earnings:						
Interest and dividends	10,468	2,102	650	-	13,220	
Net increase (decrease) in the fair value of investments	<u>21,975</u>	<u>6,408</u>	<u>1,983</u>	<u>-</u>	<u>30,366</u>	
Total investment earnings (loss)	<u>32,443</u>	<u>8,510</u>	<u>2,633</u>	<u>-</u>	<u>43,586</u>	
Less investment expense	(4,526)	(377)	(117)	-	(5,020)	
Total additions	<u>28,042</u>	<u>8,133</u>	<u>2,516</u>	<u>9,000</u>	<u>47,691</u>	
DEDUCTIONS						
Payment to beneficiaries	9,280	3,970	1,229	9,996	24,475	
Total deductions	<u>9,280</u>	<u>3,970</u>	<u>1,229</u>	<u>9,996</u>	<u>24,475</u>	
Changes in net position	18,762	4,163	1,287	(996)	23,216	
Net position - beginning of year	374,328	94,784	29,325	40,531	538,968	
Net position - end of year	<u>\$ 393,090</u>	<u>\$ 98,947</u>	<u>\$ 30,612</u>	<u>\$ 39,535</u>	<u>\$ 562,184</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, 2023

	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	\$ 1,118	\$ 14,597	\$ 1,987	\$ 141	\$ 63	\$ 17,906
Investments	46,659	237,077	82,946	5,871	2,631	375,184
Total assets	<u>47,777</u>	<u>251,674</u>	<u>84,933</u>	<u>6,012</u>	<u>2,694</u>	<u>393,090</u>
LIABILITIES						
Accounts payable	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
NET POSITION						
Net position held in trust for other purposes	\$ 47,777	\$ 251,674	\$ 84,933	\$ 6,012	\$ 2,694	\$ 393,090

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, 2023

	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						
Contributions	\$ -	\$ -	\$ 125	\$ -	\$ -	\$ 125
Investment earnings:						
Interest and dividends	1,015	7,536	1,732	128	57	10,468
Net increase (decrease) in fair value of investr	3,095	13,036	5,280	389	175	21,975
Total investment earnings (loss)	4,110	20,572	7,012	517	232	32,443
Less investment expense	(182)	(4,000)	(311)	(23)	(10)	(4,526)
Total additions	<u>3,928</u>	<u>16,572</u>	<u>6,826</u>	<u>494</u>	<u>222</u>	<u>28,042</u>
DEDUCTIONS						
Payment to beneficiaries	1,928	7,000	-	241	111	9,280
Total deductions	<u>1,928</u>	<u>7,000</u>	<u>-</u>	<u>241</u>	<u>111</u>	<u>9,280</u>
Changes in net position	2,000	9,572	6,826	253	111	18,762
Net position - beginning of year	45,777	242,102	78,107	5,759	2,583	374,328
Net position - end of year	<u>\$ 47,777</u>	<u>\$ 251,674</u>	<u>\$ 84,933</u>	<u>\$ 6,012</u>	<u>\$ 2,694</u>	<u>\$ 393,090</u>

Statement G-5

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Fiduciary Funds
Private-purpose Trust Funds
Public Library Funds
June 30, 2023

	L. Augusta Curtis Library Fund	W. J. Curtis Library Fund	Letitia A. Curtis Library Fund	Totals
ASSETS				
Cash and cash equivalents	\$ 1,129	\$ 935	\$ 251	\$ 2,315
Investments	47,140	39,015	10,477	96,632
Total assets	<u>48,269</u>	<u>39,950</u>	<u>10,728</u>	<u>98,947</u>
LIABILITIES				
Accounts payable	-	-	-	-
Total liabilities	-	-	-	-
NET POSITION				
Net position held in trust for other purposes	<u>\$ 48,269</u>	<u>\$ 39,950</u>	<u>\$ 10,728</u>	<u>\$ 98,947</u>

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, 2023

	L. Augusta Curtis Library Fund	W. J. Curtis Library Fund	Letitia A. Curtis Library Fund	Totals
ADDITIONS				
Investment earnings:				
Interest and dividends	\$ 1,025	\$ 849	\$ 228	\$ 2,102
Net increase (decrease) in the fair value of investments	<u>3,126</u>	<u>2,587</u>	<u>695</u>	<u>6,408</u>
Total investment earnings (loss)	<u>4,151</u>	<u>3,436</u>	<u>923</u>	<u>8,510</u>
Less investment expense	<u>(184)</u>	<u>(152)</u>	<u>(41)</u>	<u>(377)</u>
Total additions	<u>3,967</u>	<u>3,284</u>	<u>882</u>	<u>8,133</u>
DEDUCTIONS				
Payment to beneficiaries	<u>1,936</u>	<u>1,603</u>	<u>431</u>	<u>3,970</u>
Total deductions	<u>1,936</u>	<u>1,603</u>	<u>431</u>	<u>3,970</u>
Changes in net position	2,031	1,681	451	4,163
Net position - beginning of year	<u>46,238</u>	<u>38,269</u>	<u>10,277</u>	<u>94,784</u>
Net position - end of year	<u>\$ 48,269</u>	<u>\$ 39,950</u>	<u>\$ 10,728</u>	<u>\$ 98,947</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>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>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 59,942,274
Restricted	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	11,596,210
Unrestricted	3,280,822	3,683,415	2,825,122	4,687,565	(478,699)	(6,847,630)	3,054,385	5,329,549	15,186,665	20,940,482
Total governmental activities net position	\$ 66,701,437	\$ 67,100,227	\$ 66,126,312	\$ 65,562,287	\$ 61,318,026	\$ 67,037,275	\$ 70,188,315	\$ 78,318,450	\$ 85,422,917	\$ 92,478,966
Business-type activities										
Net investment in capital assets	\$ 2,269,672	\$ 2,235,365	\$ 2,095,120	\$ 1,915,310	\$ 1,528,890	\$ 1,192,654	\$ 668,707	\$ 221,010	\$ 331,838	\$ 308,417
Unrestricted	(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)	(1,182,522)
Total business-type activities net position	\$ (2,022,084)	\$ (1,968,228)	\$ (2,040,261)	\$ (2,135,969)	\$ (2,677,530)	\$ (2,352,024)	\$ (4,322,498)	\$ (2,498,788)	\$ (1,550,760)	\$ (874,105)
Primary government										
Net investment in capital assets	\$ 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	\$ 60,250,691
Restricted	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	11,596,210
Unrestricted	(1,010,934)	(520,178)	(1,310,259)	636,286	(4,685,119)	(10,392,308)	(1,936,820)	2,609,751	13,304,067	19,757,960
Total primary government net position	\$ 64,679,353	\$ 65,131,999	\$ 64,086,051	\$ 63,426,318	\$ 58,640,496	\$ 64,685,251	\$ 65,865,817	\$ 75,819,662	\$ 83,872,157	\$ 91,604,861

(a) Net position has been restated as a result of implementing GASB Statements 68 & 71 in 2015.

(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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 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	\$ 7,182,685
Public safety	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	12,531,239
Public works	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	8,485,245
Human services	168,706	165,884	191,042	147,830	166,430	190,614	375,519	332,506	248,242	286,572
Education	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	55,782,334
Recreation and culture	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	5,058,554
County tax	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	2,496,061
Unclassified	36,996	8,683	29,082	29,868	130,537	199,922	103,265	70,742	8,698	26,399
Interest on long term debt	741,999	698,977	655,622	622,579	613,636	562,271	988,514	1,182,750	1,251,078	1,490,941
Total governmental activities expenses	<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>	<u>93,340,030</u>
Business-type activities:										
Solid waste facilities	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	85,259	90,666	92,079	88,785	121,459	70,761	82,552	119,363	124,767	151,555
Other business-type activities	143,733	143,221	124,633	137,868	140,113	117,526	122,584	151,100	220,492	232,396
Total business-type activities	<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>	<u>383,951</u>
Total primary government expenses	<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>	<u>\$ 93,723,981</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Education	\$ 417,018	\$ 727,312	\$ 700,162	\$ 1,966,093	\$ 1,872,506	\$ 1,756,317	\$ 1,540,639	\$ 939,667	\$ 838,151	\$ 1,232,186
Other activities	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	3,465,146
Operating grants and contributions	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	24,879,400
Capital grants and contributions	5,961,817	452,248	54,913	603,529	925,815	1,660,220	1,995,033	2,502,718	1,018,546	1,694,892
Total governmental activities program revenues	<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>	<u>31,271,624</u>
Business-type activities:										
Charges for services:										
Solid waste facilities	370,030	398,407	475,110	425,768	1,282,838	1,051,063	1,069,765	401,297	-	-
Pay-per-bag program	315,900	317,800	322,300	311,165	414,300	465,600	529,254	749,040	688,280	747,030
Other business-type activities	35,669	33,173	31,753	42,187	55,218	67,761	62,262	61,529	90,014	94,550
Operating grants and contributions	44,000	14,667	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<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>	<u>841,580</u>
Total primary government program revenues	<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>	<u>\$ 32,113,204</u>

Table 2, continued

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense) revenue										
Governmental activities	\$(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)	\$(62,068,406)
Business-type activities	(175,435)	(200,414)	(269,008)	(305,504)	(834,453)	(10,065)	(2,285,990)	(336,422)	321,264	457,629
Total primary government net expenses	<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>	<u>\$(61,610,777)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 58,544,089
Vehicle, watercraft and aircraft excise taxes	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	4,089,549
Unrestricted grants and contributions	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	5,159,885
Investment earnings (loss)	83,537	9,856	30,496	204,277	385,437	473,628	392,216	275,772	(23,330)	1,328,470
Other	17,965	136,631	5,700	477,767	31,683	-	-	-	19,610	127,462
Special items	225,000	-	-	-	-	-	-	-	-	-
Transfers	(240,000)	(244,000)	(194,000)	(194,000)	(225,000)	(225,000)	(225,000)	(300,000)	(125,000)	(125,000)
Total governmental activities	<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>	<u>69,124,455</u>
Business type activities:										
Unrestricted grants and contributions										80,635
Investment earnings	232	270	2,975	15,796	60,892	110,571	90,516	25,462	8,753	13,391
Other	3,328	10,000	-	-	7,000	-	-	-	-	-
Special items	-	-	-	-	-	-	1,834,670	493,011	-	-
Transfers	240,000	244,000	194,000	194,000	225,000	225,000	225,000	300,000	125,000	125,000
Total business-type activities	<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>	<u>219,026</u>
Total primary government	<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>	<u>\$ 69,343,481</u>
Change in Net Position										
Governmental activities	\$ 5,507,847	\$ 398,790	\$ (973,915)	\$ 472,679	\$ 1,970,973	\$ 5,719,249	\$ 2,844,643	\$ 8,121,409	\$ 7,104,467	\$ 7,056,049
Business-type activities	68,125	53,856	(72,033)	(95,708)	(541,561)	325,506	(1,970,474)	1,823,710	948,028	676,655
Total primary government	<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>	<u>\$ 7,732,704</u>

Table 3

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

	Fiscal Year									
	<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>2023</u>
Function/Program										
Governmental activities:										
General government	\$ 744,758	\$ 1,585,959	\$ 1,432,364	\$ 667,026	\$ 812,066	\$ 1,397,658	\$ 1,175,653	\$ 3,194,251	\$ 1,928,213	\$ 2,178,072
Public safety	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	2,389,815
Public works	1,128,833	677,835	292,592	548,949	987,977	1,424,051	873,152	1,472,661	794,114	954,068
Human services	26,976	37,298	36,313	30,755	41,111	52,176	116,099	97,257	33,397	116,394
Education	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	24,314,455
Recreation and culture	5,414,170	490,379	532,397	560,427	567,464	558,319	1,669,692	1,442,594	940,947	1,318,820
Total governmental activities	<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>	<u>31,271,624</u>
Business-type activities:										
Solid waste facilities	370,030	398,407	475,110	425,768	1,282,838	1,051,063	1,069,765	401,297	-	-
Pay-per-bag program	315,900	317,800	322,300	311,165	414,300	465,600	529,254	749,040	688,280	747,030
Other business-type activities	79,669	47,840	31,753	42,187	55,218	67,761	62,262	61,529	90,014	94,550
Total business-type activities	<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>	<u>841,580</u>
Total primary government	<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>	<u>\$ 32,113,204</u>

Table 4

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

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 (a)</u> (restated)	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund										
Nonspendable										
Long-term loans and advances	\$ -	\$ 454,080	\$ 363,264	\$ 272,448	\$ 181,632	\$ 727,778	\$ 1,582,610	\$ 586,606	\$ 591,696	\$ 384,981
Inventories and prepaids	36,767	37,711	25,220	26,523	28,015	39,392	21,395	36,047	55,182	37,500
Restricted										
Education	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	4,835,746
Municipal purposes	207,738	211,045	240,201	253,542	278,968	302,851	338,920	1,060,756	1,657,024	1,751,913
Assigned	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	5,559,120
Unassigned	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	21,155,503
Total general fund	<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>	<u>\$ 33,724,763</u>
All other governmental funds										
Nonspendable										
Special revenues funds	\$ 13,075	\$ 19,554	\$ 14,475	\$ 25,280	\$ 21,133	\$ 20,918	\$ 32,519	\$ 29,796	\$ 35,103	\$ 23,735
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	557,770	553,619	535,605	585,319	593,902	590,733	629,931	792,315	652,075	743,833
Restricted										
Tax increment financing	208,318	609,506	1,116,433	1,061,577	439,045	734,235	102,976	264,749	365,673	1,168,085
Special revenues funds	545,462	355,093	299,816	317,750	243,304	281,932	892,045	781,427	1,154,554	2,343,868
Impact fee fund	558,619	535,995	524,286	558,836	488,400	548,111	639,133	522,335	741,497	294,449
Capital projects funds	609,657	185,678	17,022	-	-	-	3,621,472	1,350,064	3,401,337	1,102,026
Permanent funds	20,877	21,603	22,408	21,160	2,811	3,830	5,881	8,097	11,335	18,666
Committed										
Capital improvements fund	1,276,859	708,636	202,393	202,171	601,865	185,469	898,513	1,293,322	1,375,357	2,944,763
Special revenues funds	178,164	255,901	319,521	730,068	684,715	553,909	596,164	481,169	440,772	302,137
Capital projects funds	995,828	496,685	259,659	405,734	895,777	1,560,901	2,109,529	2,253,630	3,739,623	4,754,167
Unassigned										
Capital improvements fund	-	(454,512)	(1,632,537)	(267,897)	(190,703)	(1,295,692)	(1,706,692)	(586,606)	(479,644)	(280,000)
Downtown TIF district	(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	(12,056)	(15,603)	(12,394)	(18,496)	-	(93)	(517)	-	-	-
Total all other governmental funds	<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>	<u>\$ 13,465,729</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>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>2023</u>
Revenues										
Taxes	\$ 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	\$ 62,540,499
Licenses and permits	399,359	387,127	438,731	497,091	542,223	722,963	535,870	793,475	757,604	724,952
Intergovernmental	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	29,986,128
Investment income (loss)	69,563	(472)	(8,119)	50,126	28,219	22,560	42,441	178,355	(124,167)	59,506
Charges for services	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	3,916,072
Fines and penalties	39,511	56,197	43,135	42,220	50,515	43,224	43,860	28,047	39,472	48,565
Interest	13,975	10,328	38,616	154,149	357,219	451,530	350,234	97,418	100,835	1,268,964
Donations	311,824	134,863	95,132	111,473	218,541	663,651	816,487	981,928	1,072,464	1,235,490
Other	731,055	736,595	519,261	992,427	642,187	530,750	451,450	507,734	665,978	578,936
Total revenues	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	100,359,112
Expenditures										
General government	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	6,716,079
Public safety	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	12,164,109
Public works	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	4,930,902
Human services	168,723	171,606	176,406	139,921	163,348	202,823	374,486	331,730	258,697	289,961
Education	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	52,830,661
Recreation and culture	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	4,545,189
County tax	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	1,713,824
Unclassified	36,996	8,683	29,082	29,868	130,537	199,922	103,265	70,742	8,698	26,399
Debt service										
Principal	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	2,947,636
Interest	763,215	725,117	680,732	639,914	644,367	590,074	712,359	1,493,528	1,293,879	1,551,603
Capital outlay	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	10,325,626
Total expenditures	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	98,041,989
Excess (deficiencies) of revenues over (under) expenditures	(4,362,452)	(717,743)	8,284	1,440,948	(87,495)	(9,569,099)	(12,761,438)	2,107,162	(684,461)	2,317,123

Table 5, continued

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

	2014	2015	2016	2017	2018	2019	2020	2021	2021	2023
Other financing sources (uses)										
Bond proceeds	-	-	-	2,277,075	225,716	-	24,450,000	14,050	13,231,000	4,000,000
Premium on bonds	-	-	-	43,902	-	-	2,079,200	-	888,054	-
Lease financing	-	-	-	-	-	-	-	-	22,500	-
Transfers from other funds	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	8,076,750
Transfers to other funds	(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)	(5,760,919)
Transfers to other funds - capital budget	(465,000)	-	(50,000)	(40,000)	(480,207)	(899,116)	(2,741,100)	(1,979,891)	(1,575,462)	(1,708,644)
Transfers to other funds - supplemental appropriations	(1,100,000)	-	(136,481)	-	(100,000)	(250,000)	(257,719)	(1,023,905)	(30,000)	(250,000)
Transfers to other funds - education	(311,430)	(36,000)	(61,000)	(90,000)	(110,000)	(126,420)	(126,420)	(51,420)	(125,000)	(482,187)
Sale of assets	225,000	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(15,000)	(244,000)	(194,000)	2,126,977	716	(225,000)	26,304,200	(285,950)	14,016,554	3,875,000
Net change in fund balances	<u>\$ (4,377,452)</u>	<u>\$ (961,743)</u>	<u>\$ (185,716)</u>	<u>\$ 3,567,925</u>	<u>\$ (86,779)</u>	<u>\$ (9,794,099)</u>	<u>\$ 13,542,762</u>	<u>\$ 1,821,212</u>	<u>\$ 13,332,093</u>	<u>\$ 6,192,123</u>
Debt service as a percentage of noncapital expenditures	6.90%	4.64%	4.53%	3.82%	4.00%	3.99%	3.94%	5.20%	4.52%	4.97%

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
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
2023	53,769,168	4,057,547	27,728	4,275	513,919	58,372,637	4,261,002	62,633,639

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
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
2023	53,676,028	4,057,547	27,728	4,275	513,919	58,279,497	4,261,002	62,540,499

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							
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%
2023	1,916,023,189	572,089,492	66,648,000	2,554,760,681	196,450,062	2,358,310,619	21.69	2,591,550,131	91.00%

(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	
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
2023	109,728,600	120,580,879

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

Table 9

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

Fiscal Year	Direct Rates			
	General Municipal	Education (a)	County Tax (b)	Total
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
2023	8.46	12.54	0.69	21.69

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	2022-23				2013-14			
	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	\$ 39,700,800	1	1.55%	1.68%	\$ 24,416,400	2	1.80%	1.86%
Midcoast Regional Redevelopment Authority	35,959,081	2	1.41%	1.52%	25,797,800	1	1.90%	1.96%
Brookfield White Pine Hydro (formerly Maine Hydro)	32,544,600	3	1.27%	1.38%	18,474,500	4	1.36%	1.41%
Central Maine Power Co.	28,815,700	4	1.13%	1.22%	10,436,800	9	0.77%	0.79%
Brunswick MZL LLC (formerly Dev. Diversified)	27,472,900	5	1.08%	1.16%	15,862,900	5	1.17%	1.21%
Walmart Real Estate Business Trust	19,315,600	6	0.76%	0.82%	12,527,400	6	0.92%	0.95%
Brunswick Landing Ventures, LLC	19,261,900	7	0.75%	0.82%	-	-	N/A	N/A
Maine Natural Gas	16,018,800	8	0.63%	0.68%	-	-	N/A	N/A
Thornton Oaks Homeowners Assn. Corp.	15,332,550	9	0.60%	0.65%	11,905,300	7	0.88%	0.91%
W/S Brunswick Properties II LLC	13,753,200	10	0.54%	0.58%	11,036,000	8	0.81%	0.84%
Affordable MidCoast Housing	-		N/A	N/A	21,554,500	3	1.59%	1.64%
Bowdoin College	-		N/A	N/A	7,840,200	10	0.58%	0.60%
	<u>\$ 248,175,131</u>		<u>9.71%</u>	<u>10.52%</u>	<u>\$ 159,851,800</u>		<u>11.78%</u>	<u>12.16%</u>
Total Assessed Valuation *	\$ 2,554,760,681				\$ 1,356,783,600			
* Includes:								
Municipal valuation	\$ 2,358,310,619				\$ 1,314,481,800			
TIF valuation	<u>196,450,062</u>				<u>42,301,800</u>			
	<u>\$ 2,554,760,681</u>				<u>\$ 1,356,783,600</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
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	(41,962)	37,818,952	36,821,979
2016	37,992,395	1,548,535	39,540,930	55,824	(62,743)	39,534,011	38,702,091
2017	39,280,373	1,842,499	41,122,872	223,901	(370,859)	40,975,914	40,116,510
2018	40,281,376	1,976,302	42,257,678	32,950	(305,963)	41,984,665	41,102,234
2019	41,309,260	1,986,422	43,295,682	36,828	(48,978)	43,283,532	42,467,493
2020	43,544,300	2,346,334	45,890,634	24,673	(53,446)	45,861,861	44,464,982
2021	45,703,639	2,486,619	48,190,258	59,477	(160,219)	48,089,516	47,131,029
2022	47,787,134	3,052,165	50,839,299	25,818	(180,672)	50,684,445	49,930,569
2023	51,151,757	4,261,002	55,412,759	33,720	(146,080)	55,300,399	54,276,292

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
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%	995,389	37,817,368	100.03%	100.00%
2016	38,702,091	97.88%	97.90%	829,923	39,532,014	99.98%	99.99%
2017	40,116,510	97.55%	97.90%	857,315	40,973,825	99.64%	99.99%
2018	41,102,234	97.27%	97.90%	877,942	41,980,176	99.34%	99.99%
2019	42,467,493	98.09%	98.11%	809,985	43,277,478	99.96%	99.99%
2020	44,464,982	96.89%	96.95%	1,383,821	45,848,803	99.91%	99.97%
2021	47,131,029	97.80%	98.01%	941,738	48,072,767	99.76%	99.97%
2022	49,930,569	98.21%	98.51%	626,072	50,556,641	99.44%	99.75%
2023	54,276,292	97.95%	98.15%	-	54,276,292	97.95%	98.15%

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)	
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%	
2023	54,908,134	6.73%	2,523.82	2.12%	

(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, 2023

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
Town of Brunswick General Obligation	\$ 51,732,412	100.00%	\$ 51,732,412
Premium on bonds	2,650,665	100.00%	2,650,665
Lease liabilities	<u>525,057</u>	100.00%	<u>525,057</u>
Total direct debt	54,908,134		54,908,134
Overlapping:			
Cumberland County	29,931,420	4.66%	1,393,753
Maine Region 10 Technical High School	<u>2,900,250</u>	38.17%	<u>1,107,025</u>
Total overlapping debt	32,831,670		2,500,778
Total direct and overlapping debt	<u>\$ 87,739,804</u>		<u>\$ 57,408,912</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, 2023

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 2023 State Valuation of \$3,039,200,000, the Town is in compliance with the total and categorical debt limits:		School	10.00%	\$ 303,920,000	\$ 31,802,412	\$ 272,117,588				
		Storm or Sanitary Sewer	7.50%	227,940,000		-				227,940,000
		Municipal Airport Special District	3.00%	91,176,000		-				91,176,000
		Municipal	7.50%	227,940,000	19,930,000					208,010,000
		Total								
		Maximum Debt	15.00%	\$ 455,880,000	\$ 51,732,412	\$ 404,147,588				

Legal Debt Margin Calculation for Fiscal Year 2022

State Valuation	\$ 3,039,200,000
Debt Limit - 15% of State Valuation	455,880,000
Less outstanding debt applicable to debt limit	<u>(51,732,412)</u>
Legal Debt Margin	<u>\$ 404,147,588</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>	<u>2023</u>
Debt limit	\$ 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	\$ 455,880,000
Total debt applicable to limit	<u>27,322,912</u>	<u>25,219,800</u>	<u>23,121,688</u>	<u>23,944,475</u>	<u>21,975,669</u>	<u>19,722,829</u>	<u>42,082,308</u>	<u>39,851,148</u>	<u>50,715,756</u>	<u>51,732,412</u>
Legal debt margin	\$ 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	\$ 404,147,588
Total debt applicable to the limit as a percentage of debt limit	8.99%	8.40%	7.40%	7.31%	6.50%	5.67%	11.18%	10.23%	12.34%	11.35%

Table 15

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

<u>Employer</u>	<u>2023</u>		<u>2014</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	1340	2	1300	2
Bowdoin College	995	3	905	3
Town of Brunswick	800	4	560	4
Wal-Mart Stores, Inc.	298	5	222	6
Hannaford Brothers	280	6	160	8
L.L. Bean Inc., Manufacturing Div.	207	7	316	5
Martin's Point Health Care	145	8		
Savilinx	120	9		
Mölnlycke Health Care Manufacturer	107	10		
Parkview Memorial Hospital			173	7
Shaw's			122	9
Bank of America, formerly MBNA			108	10

(a) Telephone Survey of Employers, March 2014 and March 2023. 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)		
2014	20,278	\$ 556,691,934	\$ 27,453	41.40	2,390	5.6%
2015	20,278	556,691,934	27,453	41.40	2,358	4.6%
2016	20,278	556,691,934	27,453	41.40	2,336	3.5%
2017	20,278	556,691,934	27,453	41.40	2,313	3.1%
2018	20,278	556,691,934	27,453	41.40	2,349	2.8%
2019	20,278	556,691,934	27,453	41.40	2,327	2.7%
2020	21,756	815,828,244	37,499	44.70	2,415	2.3%
2021	21,756	815,828,244	37,499	44.70	2,366	4.5%
2022	21,756	815,828,244	37,499	44.70	2,388	3.8%
2023	21,756	815,828,244	37,499	44.70	2,363	2.4%

(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>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>	<u>2023</u>
General government										
Administration	4	4	4	4	4	5	4	4	4	4
Finance	8	8	8	8	8	8	8	8	8	9
Technology	1	1	1	1	1	1	1	1	1	3
Assessing	3	3	3	3	3	3	3	3	3	3
Town Clerk	4	4	3.5	3.5	3.5	4	4	4	4	4
Engineering	0	0	0	0	0	0	2	2	2	2
Planning and Codes	5	5	5	5	5.5	5.5	6	6	8	8
Economic development	1	1	1	1	1	1	1	2	2	2
Municipal building	1	1	1	1	0	0	0	0	0	0
Public safety										
Fire department	36	36	36	36	36	36	41	41	43	45
Police department	51	51	51	51	50.5	50.5	52.75	52.75	55	55
Public works										
Administration	5	5	5	5	6	6	3	4	4	4
General maintenance	16	15.5	14.5	14.5	14.5	14.5	15.5	15.5	16	16
Landfill	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	0	0
Central garage	3.5	3.5	3.5	2.5	2.5	2.5	2.5	2.5	3	4
Human services	1.5	1.5	1.5	1.5	1.5	1.5	3	3	2	2
Education	394	406	422	425	424	423	436	441	447	464
Recreation										
Administration	5	5	5	5	5	5	5	5	5	5
Buildings and grounds	5	5.5	5.5	5.5	7.5	7.5	8.5	8.5	9.6	9.6
Cable TV	1	1	1	1	1	1	1	1	1	1
Totals	547.5	559.5	574	576	577	577.5	599.75	606.75	617.6	640.6

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>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>2023</u>
Fire Department										
Fire calls	1,098	1,135	1,131	1,133	1,271	1,021	1,099	981	985	914
Medical calls	2,737	2,867	2,997	3,103	3,379	3,415	3,110	3,201	3,707	3,786
Inspections	356	264	268	267	261	208	211	378	354	315
Police										
Calls for service (a)	42,332	44,426	46,758	45,593	44,519	45,563	38,856	37,978	40,602	40,811
Crash reports	715	787	814	838	1,017	853	708	849	745	760
Field interviews (b)	444	251	79	46	49	23	36	33	36	51
Offense reports	714	1,224	1,382	1,344	1,405	1,252	1,157	1,635	1,021	1,087
Physical arrests	1,022	1,035	922	962	899	1,435	971	1,030	985	1,326
Public Works										
Street resurfacing (miles)	4	3	5	4	5	6	8	4	4	7
Recyclables collected (tons)	1,622	2,402	2,829	2,482	3,095	2,453	2,430	2,749	1,971	1,504
Codes Enforcement										
Residential permits issued	293	267	293	310	351	347	297	271	216	305
Commercial/Industrial permits issued	58	58	52	70	73	46	47	59	39	92

(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>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>2023</u>
Police Department										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	16	16	16	16	16	16	17	17	17
Fire Department										
Stations	2	2	2	2	2	2	2	2	2	2
Emergency vehicles	12	13	13	13	14	16	16	17	17	17
Public Works Department										
Streets (miles)	141	141	141	141	141	142	142	142	142	147
School Department										
Schools	4	4	4	4	4	4	4	4	4	4
School buses	26	26	26	29	29	29	32	32	31	30

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