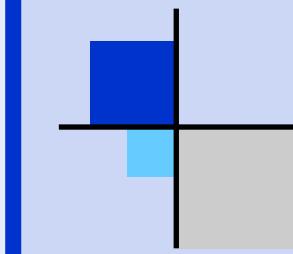




Town of Brunswick, Maine

Popular Annual Financial Report

**Fiscal Year Ended
June 30, 2024**



Popular Annual Financial Report

2023-24
Fiscal Year ended
June 30, 2024

Dear Residents of the Town of Brunswick,

We are pleased to present the Town of Brunswick's Popular Annual Financial Report (PAFR), for the fiscal year ended June 30, 2024. The financial data presented in the PAFR is derived from the Town's Annual Comprehensive Financial Report (ACFR), but as a summary, the PAFR is not expected to comply with Generally Accepted Accounting Principles (GAAP) requirements. ACFRs and budgets from this and previous years are available on the Town's website: www.brunswickme.gov

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

The Town ended the 2023-24 fiscal year in a positive financial position, due both to strong revenues and to lower expenditures than anticipated. Though positive financially, lower expenditures resulting from vacant positions also means lower service capacity for the Town. Some of the significant events in Brunswick this year included completion of the first phase of the Midcoast Area Recreation Complex (MARC), beginning the Downtown Streetscape Project, and entering into an agreement for development of the former Central Fire Station. The Town also made strides responding to the affordable housing issue, working on a Climate Action Plan, and continuing work on the Town's Comprehensive Plan.

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

Sincerely,

Branden Perreault
Finance Director

Julia Henze
Town Manager



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**Town of Brunswick
Maine**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Moriel

Executive Director/CEO

Inside the PAFR:

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



The Town of Brunswick, incorporated February 1739, is situated on the coast of Maine in Cumberland County, the state's most populous county. Brunswick is a state-designated service-center community, located between Maine's major population centers. The Town's geographic boundaries encompass approximately 49.73 square miles and the population was listed at 21,756 in the 2020 census.

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

Bath Iron Works, MaineHealth, and L.L.Bean are the Town's largest employers.

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

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

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

GENERAL DYNAMICS
Bath Iron Works

L.L.Bean

Bowdoin

 **MaineHealth**

MRRA

Midcoast Regional
Redevelopment Authority


Brunswick Landing
MAINE'S CENTER FOR INNOVATION

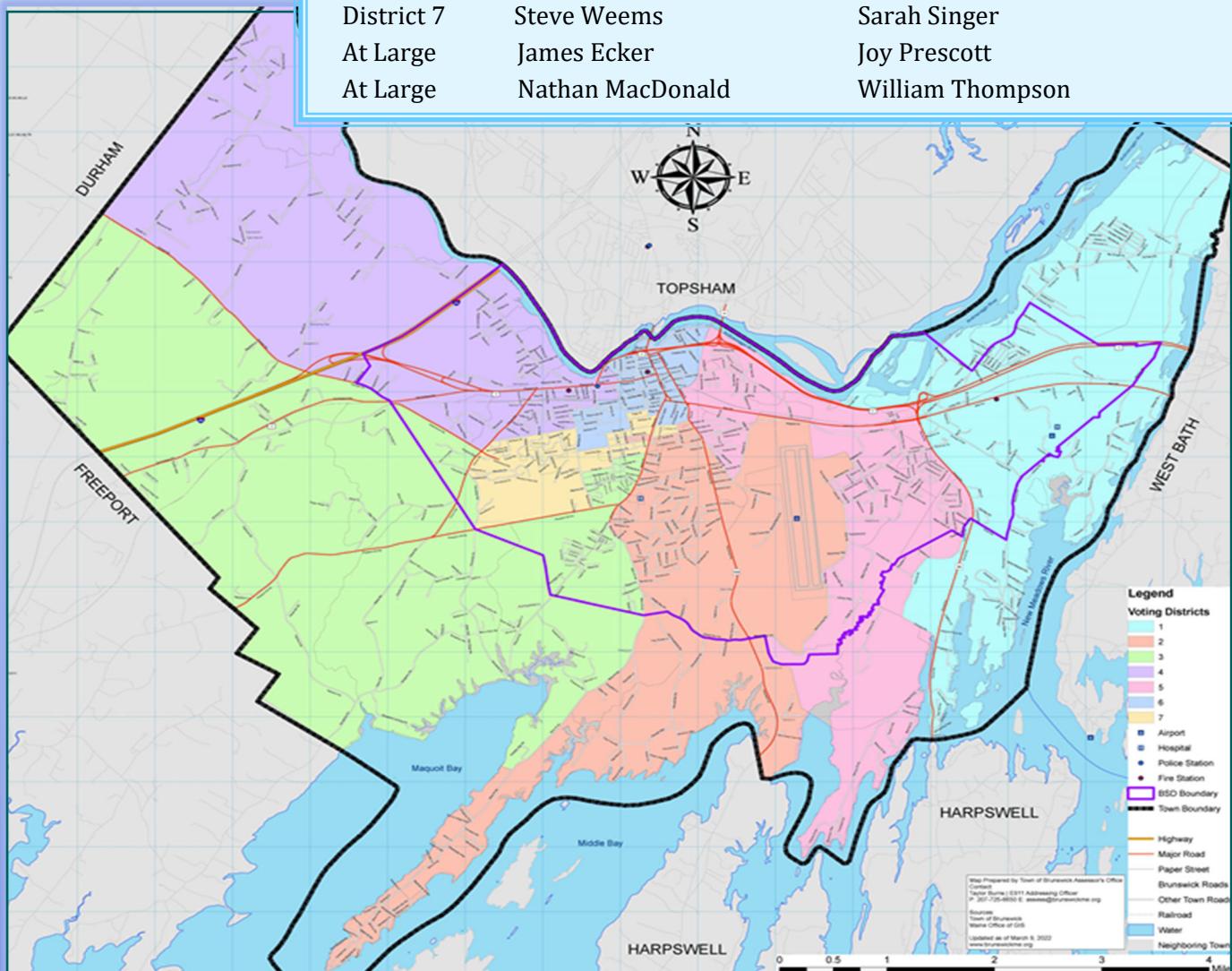
Brunswick
EXECUTIVE AIRPORT

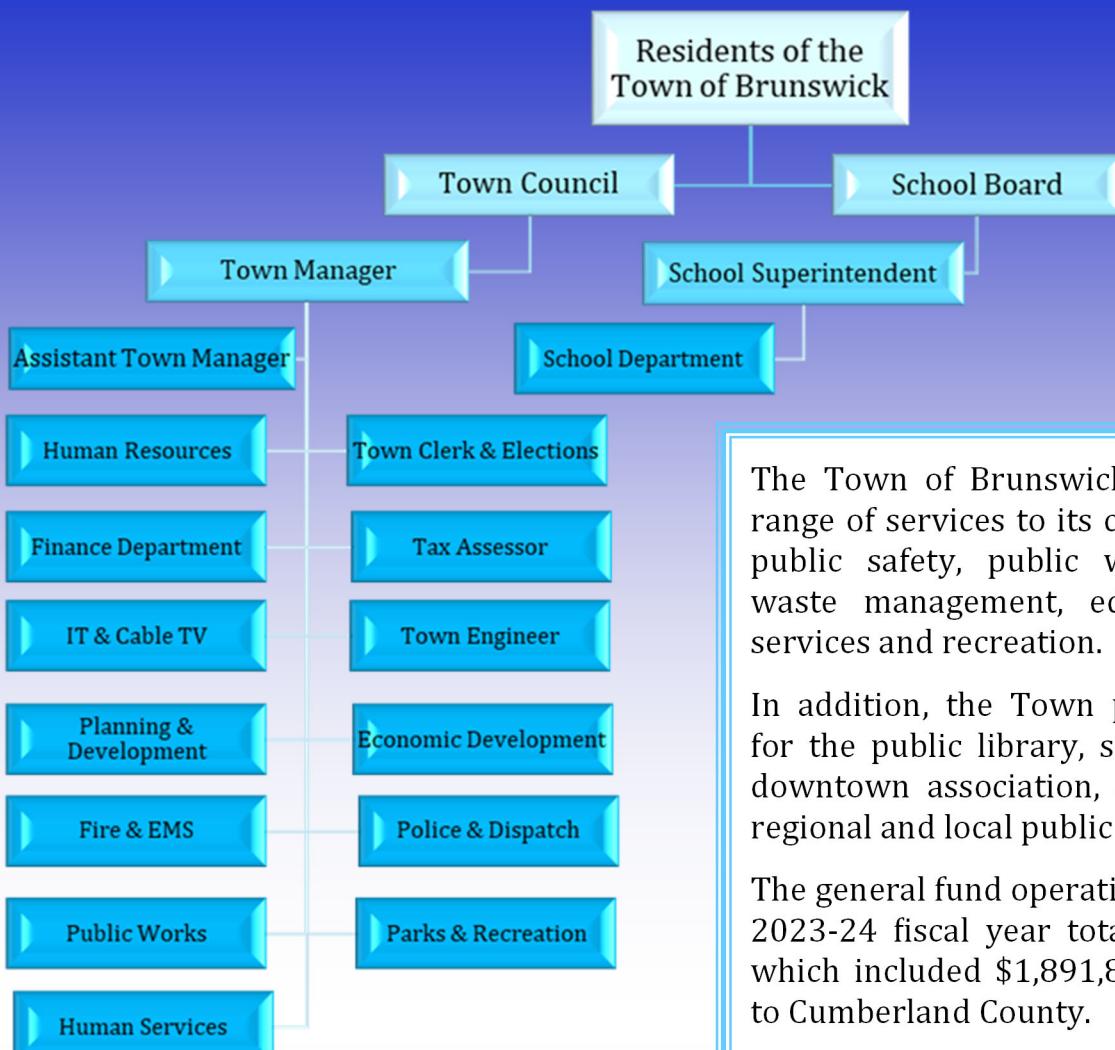
Properties identified for manufacturing and commercial uses have been conveyed to MRRA for development, and subsequently many have been sold to incoming entities, and others have been renovated or constructed, attracting a variety of businesses. The Master Plan along with information regarding the impact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

The Town of Brunswick operates under a charter that provides for a council-manager form of government with a nine-member town council elected on a non-partisan basis to three-year staggered terms. The charter grants to the town council all powers to enact, amend, or repeal ordinances, orders, resolutions, policies, and rules relating to the Town's property and affairs. The town council appoints the town manager who in turn appoints the municipal department heads, subject to confirmation by the town council.

A nine-member elected school board is responsible for the operation of all facets of a school department that provides K-12 education. The school board appoints the superintendent of schools, who administers the department and carries out the policies of the board. In consultation with the superintendent, the school board also proposes an educational budget for consideration by the Town Council and inclusion in the Town's annual budget.

Town of Brunswick Voting Districts Effective September 2022





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

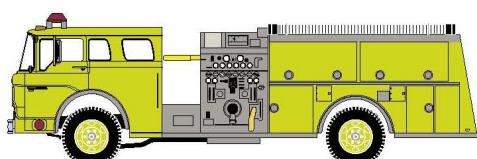
In addition, the Town provides funding for the public library, senior center and downtown association, and subsidies to regional and local public bus services.

The general fund operating budget for the 2023-24 fiscal year totaled \$92,058,697 which included \$1,891,816 in taxes paid to Cumberland County.

In the 2023-24 school year, Brunswick school department provided education to resident and non-resident students in pre-kindergarten through grade 12. The Town is also a participant, along with RSU 5 and RSU 75, in the Maine Region 10 Technical High School.

<u>School</u>	<u>Grade</u>	<u>October 1, 2023 Enrollment</u>
Kate Furbish	PreK - 2	638
Harriet Beecher Stowe	3 - 5	509
Brunswick Junior High	6 - 8	540
Brunswick High School	9 - 12	721
		2,408

The Town is responsible for capital assets including more than 140 miles of roads, over 2,000 acres of recreational land, two closed solid waste landfills, multiple buildings including Town Hall, two fire stations, a police station, a public works facility, a recreation center, six school department buildings, and fleets of vehicles for education, public safety, public works, etc.



Town of Brunswick—Net Position

Government-wide Financial Analysis

For the fiscal year ended June 30, 2024 the Town of Brunswick's total net position increased by \$11,629,353 to total \$103,888,032. Net investment in capital assets increased by \$3,888,786 with the addition of assets and reduction in associated debt. Restricted and unrestricted net position increased by \$3,445,438 and \$4,948,947, respectively, as the Town as a whole saw an increase in grants and other restricted funds, and realized positive budgetary surpluses.

The **governmental activities** of the Town include general government, public safety, public works, human services, education, recreation/culture, and county tax.

The **business-type activities** of the Town include the solid waste facilities, the pay-per-bag program, the Mere Point Wastewater District and the train station/visitors center.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023**	2024	2023	2024	2023**
Current & other assets	\$65,098,008	\$58,070,717	\$7,025,880	\$6,594,051	\$72,123,888	\$64,664,768
Capital assets	<u>114,801,378</u>	<u>114,076,516</u>	<u>364,252</u>	<u>384,506</u>	<u>115,165,630</u>	<u>114,461,022</u>
Total assets	<u>179,899,386</u>	<u>172,147,233</u>	<u>7,390,132</u>	<u>6,978,557</u>	<u>187,289,518</u>	<u>179,125,790</u>
Deferred Outflows	<u>7,080,693</u>	<u>7,953,483</u>	<u>-</u>	<u>-</u>	<u>7,080,693</u>	<u>7,953,483</u>
Long-term liabilities	70,688,704	73,627,473	2,239,000	2,264,528	72,927,704	75,892,001
Other liabilities	<u>9,280,587</u>	<u>9,548,148</u>	<u>31,986</u>	<u>147,292</u>	<u>9,312,573</u>	<u>9,695,440</u>
Total liabilities	79,969,291	83,175,621	2,270,986	2,411,820	82,240,277	85,587,441
Deferred Inflows	3,615,357	3,792,311	4,626,545	5,440,842	8,241,902	9,233,153
Net Position						
Net capital assets	<u>63,800,969</u>	<u>59,942,274</u>	<u>338,508</u>	<u>308,417</u>	<u>64,139,477</u>	<u>60,250,691</u>
Restricted	<u>15,041,648</u>	<u>12,250,028</u>	<u>-</u>	<u>-</u>	<u>15,041,648</u>	<u>12,250,028</u>
Unrestricted	<u>24,552,814</u>	<u>20,940,482</u>	<u>154,093</u>	<u>(1,182,522)</u>	<u>24,706,907</u>	<u>19,757,960</u>
Total Net Pos.	<u>103,395,431</u>	<u>93,132,784</u>	<u>\$492,601</u>	<u>\$(874,105)</u>	<u>\$103,888,032</u>	<u>\$92,258,679</u>

**FY 2023 balances restated

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

Government-wide: Capital Assets

<u>Asset Class</u> <u>(Net of Accumulated Depreciation)</u>	Governmental activities		Business-type activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 14,470,783	\$ 14,470,783	\$ 115,000	\$ 115,000	\$ 14,585,783	\$ 14,585,783
Constr in progress	1,091,099	1,545,811	51,279	-	1,142,378	1,545,811
Intangibles	200,000	200,000	10,000	10,000	210,000	210,000
Buildings	61,839,729	63,907,167	8,880	9,647	61,848,609	63,916,814
Improvements	3,995,381	2,492,522	47,737	50,587	4,043,118	2,543,109
Machinery & equip	5,682,065	3,688,353	3,461	4,345	5,685,526	3,692,698
Vehicles	4,706,411	4,401,776	-	-	4,706,411	4,401,776
Intangibles	46,698	88,887	-	-	46,698	88,887
Infrastructure	22,619,804	22,706,884	103,210	120,872	22,723,014	22,827,756
Right-to-use assets	57,345	507,625	24,685	74,055	82,030	581,680
SBITAs	92,063	66,708	-	-	92,063	66,708
Total	\$114,801,378	\$114,076,516	\$364,252	\$384,506	\$115,165,630	\$114,461,022

In Governmental activities, the Town added assets in almost all asset classes. The Midcoast Athletic and Recreation Center opened in June, 2024, adding a walking path, skate park, pickleball courts and site improvements/drainage for a total of \$1,580,866. In Business-type activities, \$51,279 for the EV charging stations at the Cedar St parking lot was construction in progress.

Government-wide: Longterm Debt

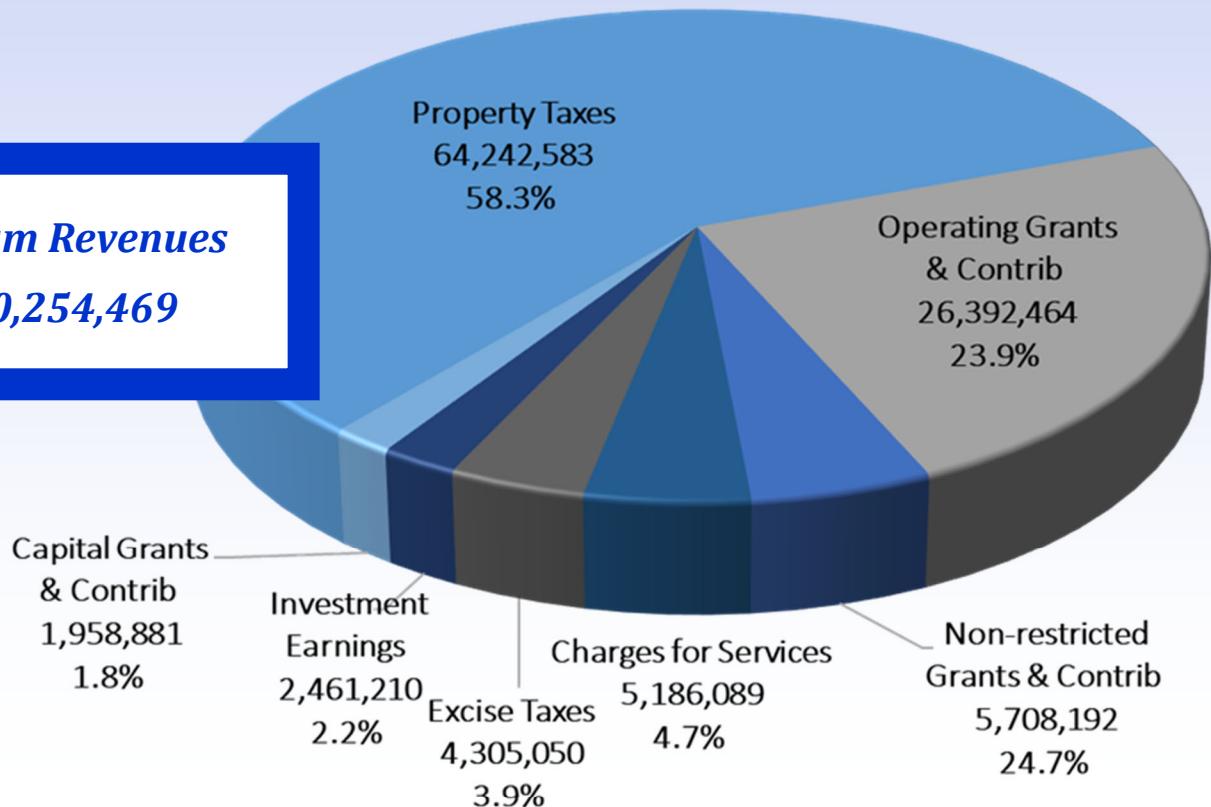
Bond Issue & Purpose	Issue Date	Amount Issued	Final Maturity Date	6/30/24 Amount Outstanding
2010 Elementary School—HBS	2010	21,462,250	2031	\$ 7,511,788
2013 Police Station	2013	5,500,000	2033	2,475,000
2016 School Revolving Renovation	2016	772,862	2027	187,953
2017 GO Bonds (five projects)	2017	1,781,000	2033	605,000
2020 Elementary School—Kate Furbish	2020	24,450,000	2045	21,850,000
2020 School Revolving Renovation	2020	279,360	2026	87,938
2022 Fire Station & Fire Truck	2022	13,231,000	2047	12,125,000
2022 Maquoit Bay Property	2022	4,000,000	2033	3,662,518
				\$ 48,505,197

The amount of principal debt retired during the year totaled \$3,227,215. Authorized, but un-issued debt includes \$3.85 million for the Downtown Streetscape Project, authorized by the Town Council in December, 2023. Subsequent to June 30, 2024, the Town Council authorized the issuance of \$2,150,000 in debt for the purchase of a new Fire Department Tower Truck.

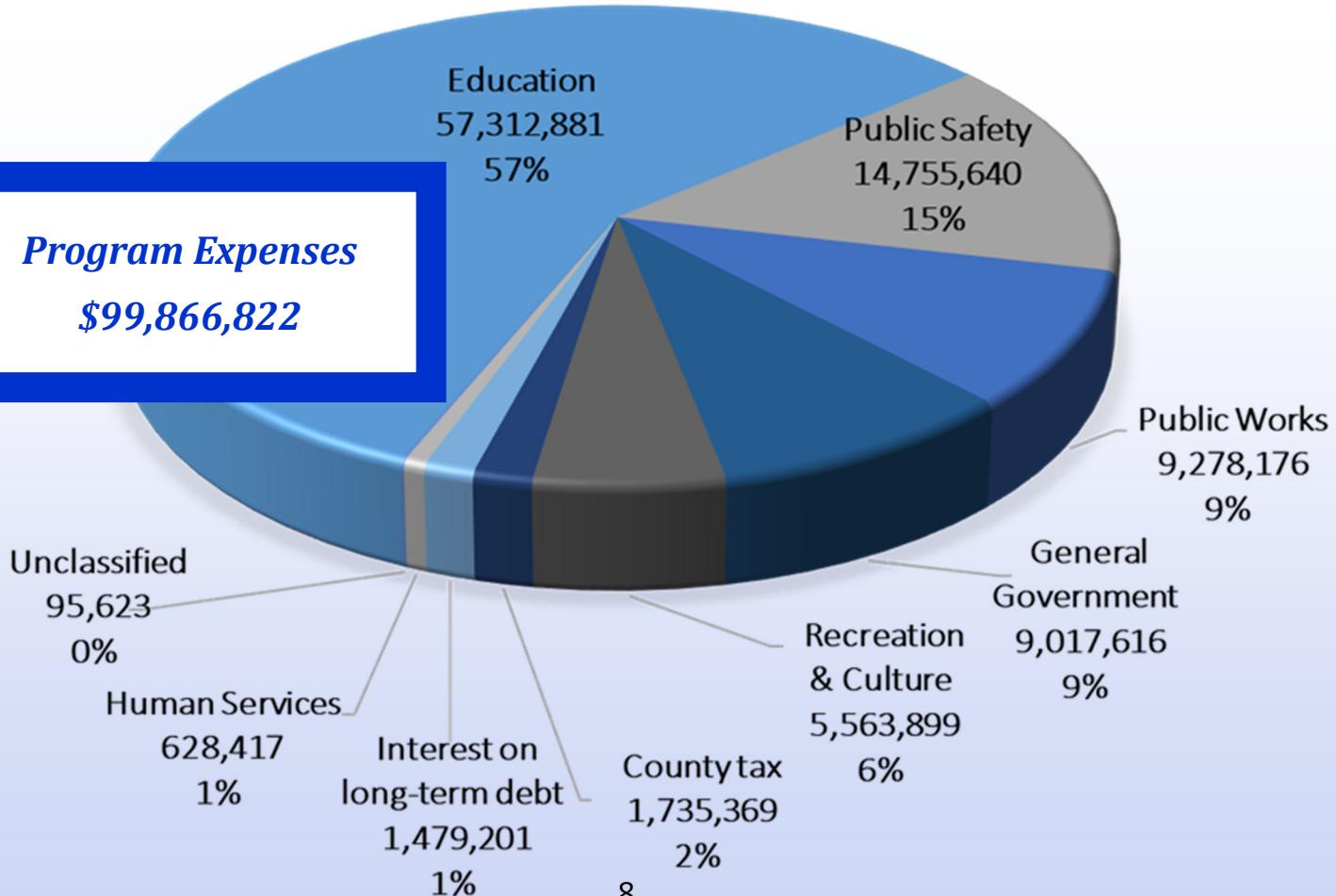
The Town's outstanding debt is rated Aa2 by Moody's and AA+ by Standard & Poor's.

Government-wide: Governmental Activities

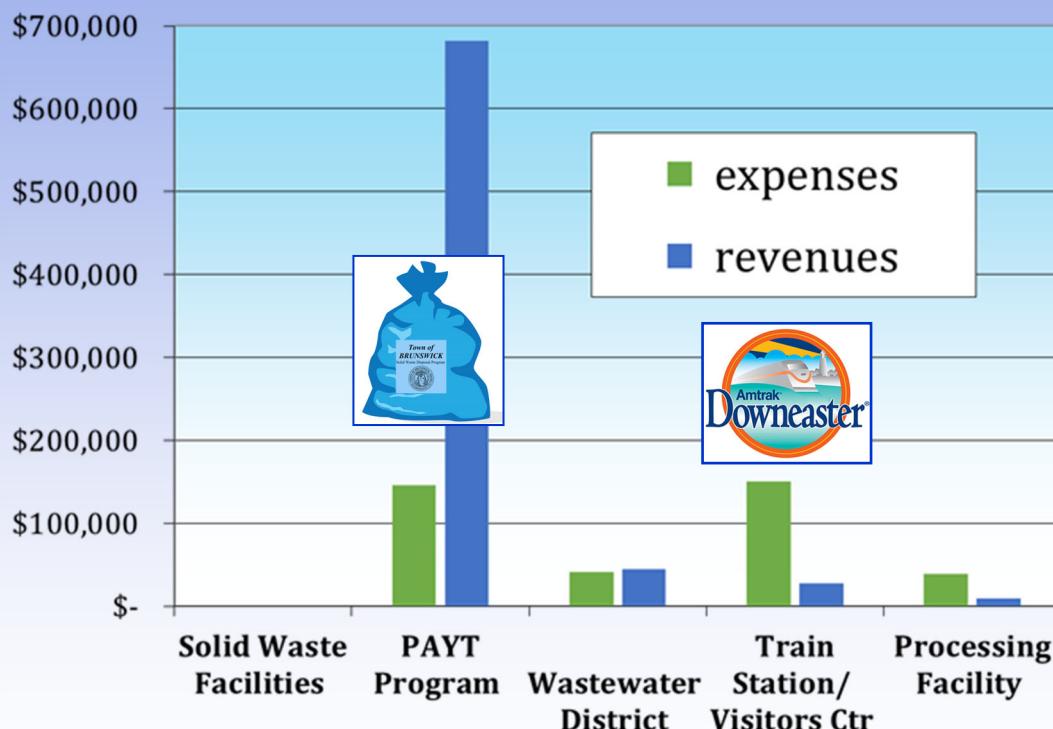
Program Revenues
\$110,254,469



Program Expenses
\$99,866,822



Government-wide: Business-Type Activities



Business-type activities increased the Town's total net position by \$1,366,706.

In the **Solid Waste Facilities Fund**, with closure of the Graham Road Landfill complete, there are no operating activities. The annual costs of maintenance and monitoring are recorded as reductions to the liability previously recognized for the postclosure costs of the Landfill.

The **Pay-Per-Bag (PAYT) Program** realized operating income of \$534,789. In accordance with the Town's plan, accumulated balances in the PAYT program were utilized to fund the landfill closure, and future income will be utilized for other solid waste solutions.

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

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

With the closing of the landfill beginning in April, 2021, the Town opened a **Processing Facility** to receive materials such as grass, leaves and brush, clean wood, metal recycling and universal waste. The facility is open one day per week for residents.

NET POSITION	Solid Waste Facilities	PAYT Program	Mere Point Wastewater	Train Station/Visitors Center	Processing Facility	Totals
Net investment in capital assets	\$ 72,750	\$ -	\$ 113,210	\$ 53,681	\$ 98,867	\$ 338,508
Unrestricted	<u>\$(1,334,775)</u>	<u>1,397,924</u>	<u>\$(71,637)</u>	<u>35,230</u>	<u>127,351</u>	<u>154,093</u>
Total net position	\$(1,262,025)	\$1,397,924	\$ 41,573	\$ 88,911	\$ 226,218	\$ 492,601

GOVERNMENTAL FUNDS

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

The Town of Brunswick maintains nineteen individual governmental funds. For the 2023-24 fiscal year, the General Fund, Tax Increment Financing Fund and Coronavirus Relief Fund are considered major funds, and the other governmental funds are combined into a single, aggregated presentation.

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

The Coronavirus Relief Fund reflects the CARES Act and American Rescue Plan Act (ARPA) federal funding distributed to the Town to respond to the COVID-19 pandemic.

	General <u>Fund</u>	Tax Increment <u>Financing</u>	Coronavirus <u>Relief Fund</u>	Other Govt <u>Funds</u>	Total Govt <u>Funds</u>
Revenues	\$ 95,205,058	\$ 4,935,030	\$ 1,754,942	\$ 7,848,486	\$ 109,743,516
Expenditures	<u>85,939,117</u>	<u>1,696,165</u>	<u>1,114,193</u>	<u>14,692,862</u>	<u>103,442,337</u>
Revenues over/ (under) expenditures	9,265,941	3,238,865	640,749	(6,844,376)	6,301,179
Other financing sources (uses)	<u>(4,760,205)</u>	<u>(1,907,055)</u>	<u>(612,019)</u>	<u>7,190,386</u>	<u>(88,893)</u>
Net change in fund balance	4,505,736	1,331,810	28,730	346,010	6,212,286
Fund balances, beginning of year (restated)	<u>33,753,493</u>	<u>1,168,085</u>	<u>(28,730)</u>	<u>12,322,935</u>	<u>47,215,783</u>
Fund balances, end of year	<u>\$38,259,229</u>	<u>\$ 2,499,895</u>	<u>\$ -</u>	<u>\$ 12,668,945</u>	<u>\$ 53,428,069</u>



The other governmental funds include:

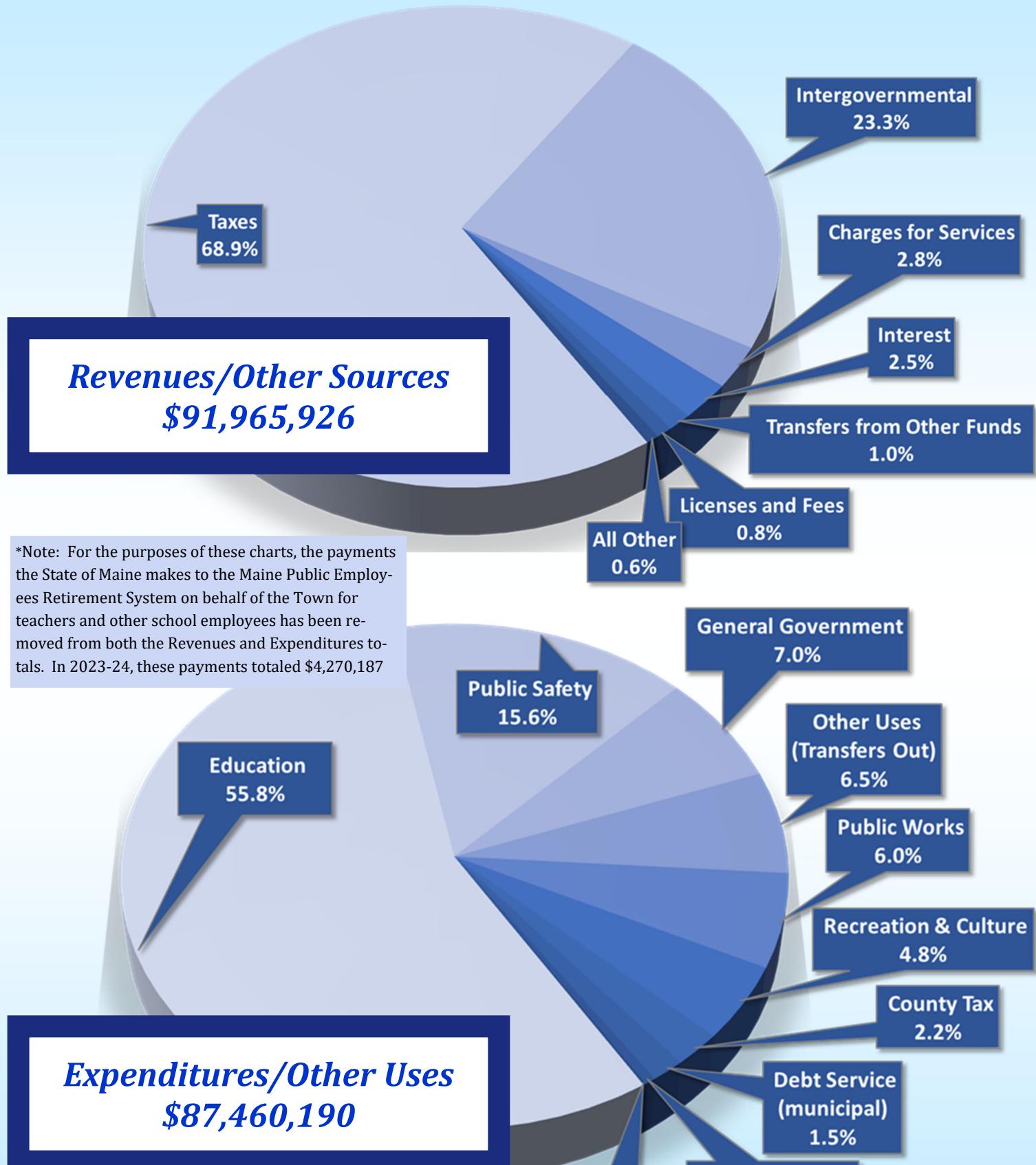
Three **Special Revenue funds** to account for revenue sources that are legally restricted or committed to expenditure for specific purposes (not including permanent funds or major capital projects).

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

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

GENERAL FUND

2023-24 Actual Revenues/Other Sources and Expenditures/Other Uses



*Note: For the purposes of these charts, the payments the State of Maine makes to the Maine Public Employees Retirement System on behalf of the Town for teachers and other school employees has been removed from both the Revenues and Expenditures totals. In 2023-24, these payments totaled \$4,270,187

GENERAL FUND BUDGET

The chief operating fund of the Town of Brunswick

Despite a planned and budgeted reduction of \$3,665,392 plus additional reductions in the form of 2023 carry-forward encumbrances of \$162,660, the capital budget of \$1,757,500, and a supplemental appropriation of \$125,000, the total fund balance of the Town's General Fund balance actually increased by \$4,505,736 during the 2023-24 fiscal year. Key factors in this change were increased State Revenue Sharing and State Aid to Education, and higher interest revenue, contributing to a 13.3% increase in total General Fund balance.

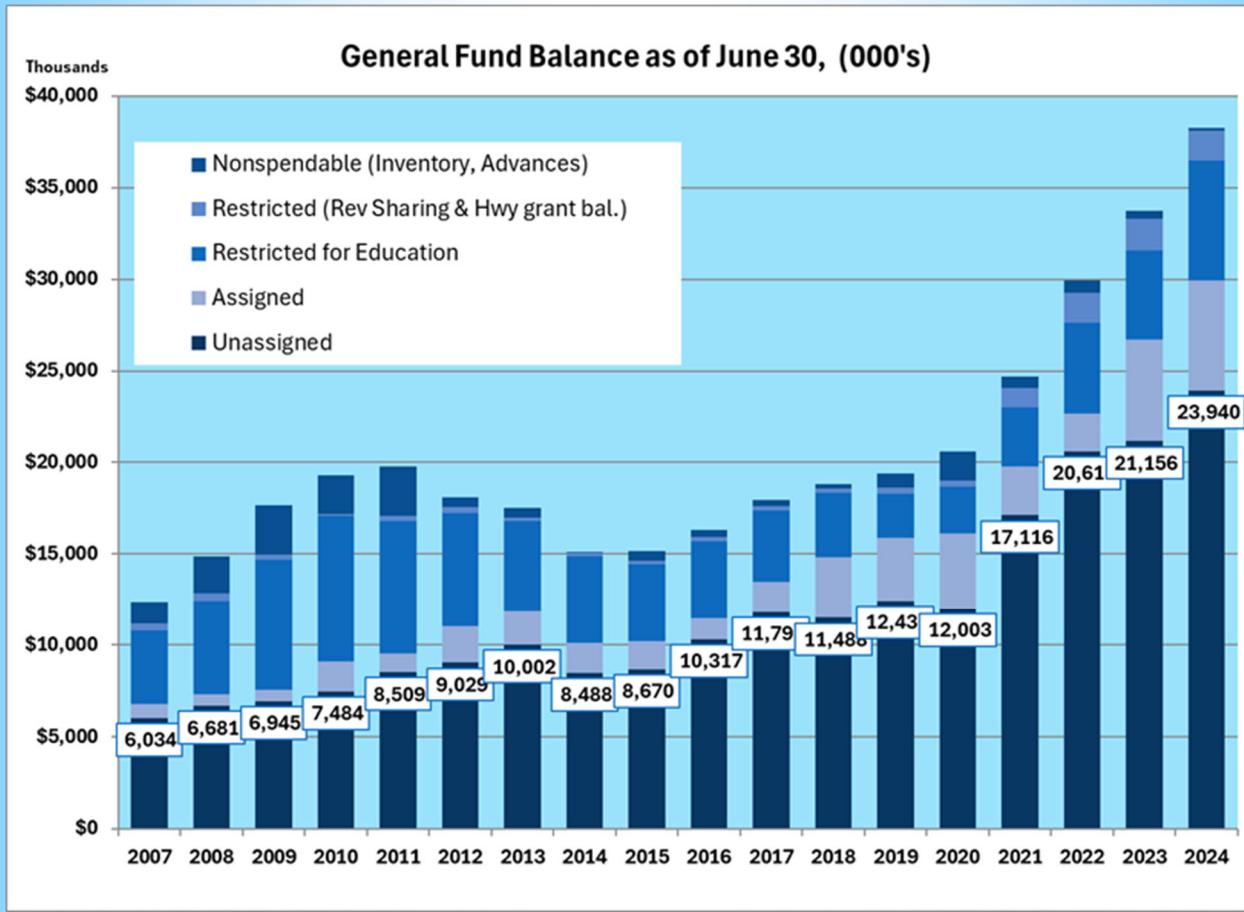
<u>Revenues - by Source</u>	2023-24 Budget	2023-24 Actual	Over/(Under) Budget
Taxes	\$62,805,948	\$63,376,044	\$570,096
Licenses and Fees	561,076	711,078	150,002
Intergovernmental	21,169,068	21,397,876	228,808
Charges for Services	1,959,303	2,564,850	605,54732
Fines and Penalties	41,925	39,568	(2,357)
Interest	500,000	2,315,209	1,815,209
Donations and Contributions	25,000	25,000	-
Unclassified	308,930	505,246	196,316
Transfers from Other Funds	1,022,055	1,031,055	9,000
Decr/(Incr) Fund Balance	3,665,392	(4,505,736)	(8,171,128)
	\$92,058,697	\$87,460,190	\$(4,598,507)

<u>Expenditures- by Function</u>	2023-24 Budget	2023-24 Actual	(Over)/Under Budget
General Government	\$6,252,754	\$6,161,275	\$91,479
Public Safety	12,965,777	13,612,449	(646,672)
Public Works	5,683,131	5,237,864	445,267
Human Services	578,160	435,703	142,457
Education*	52,931,574	48,783,555	4,148,019
Recreation & Culture	4,588,439	4,186,243	402,196
County Tax	1,891,816	1,891,816	-
Unclassified	1,542,255	95,623	1,446,632
Debt Service (municipal)	1,868,031	1,326,902	541,129
Other Uses (Transfers Out)	3,756,760	5,728,760	(1,972,000)
	\$92,058,697	\$87,460,190	\$(4,598,507)

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

GENERAL FUND BALANCE

- **Nonspendable** cannot be spent.
- **Restricted** reflects resources that are subject to externally enforceable legal restrictions, typically imposed by parties outside of the government.
- **Committed** represents resources whose use is constrained by limitations the government imposes on itself at its highest level of decision making (i.e., the Town Council), that remain binding unless removed in the same manner.
- **Assigned** reflects a government's intended use of resources.
- **Unassigned** represents the net resources in excess of what can be properly classified in one of the other four categories.



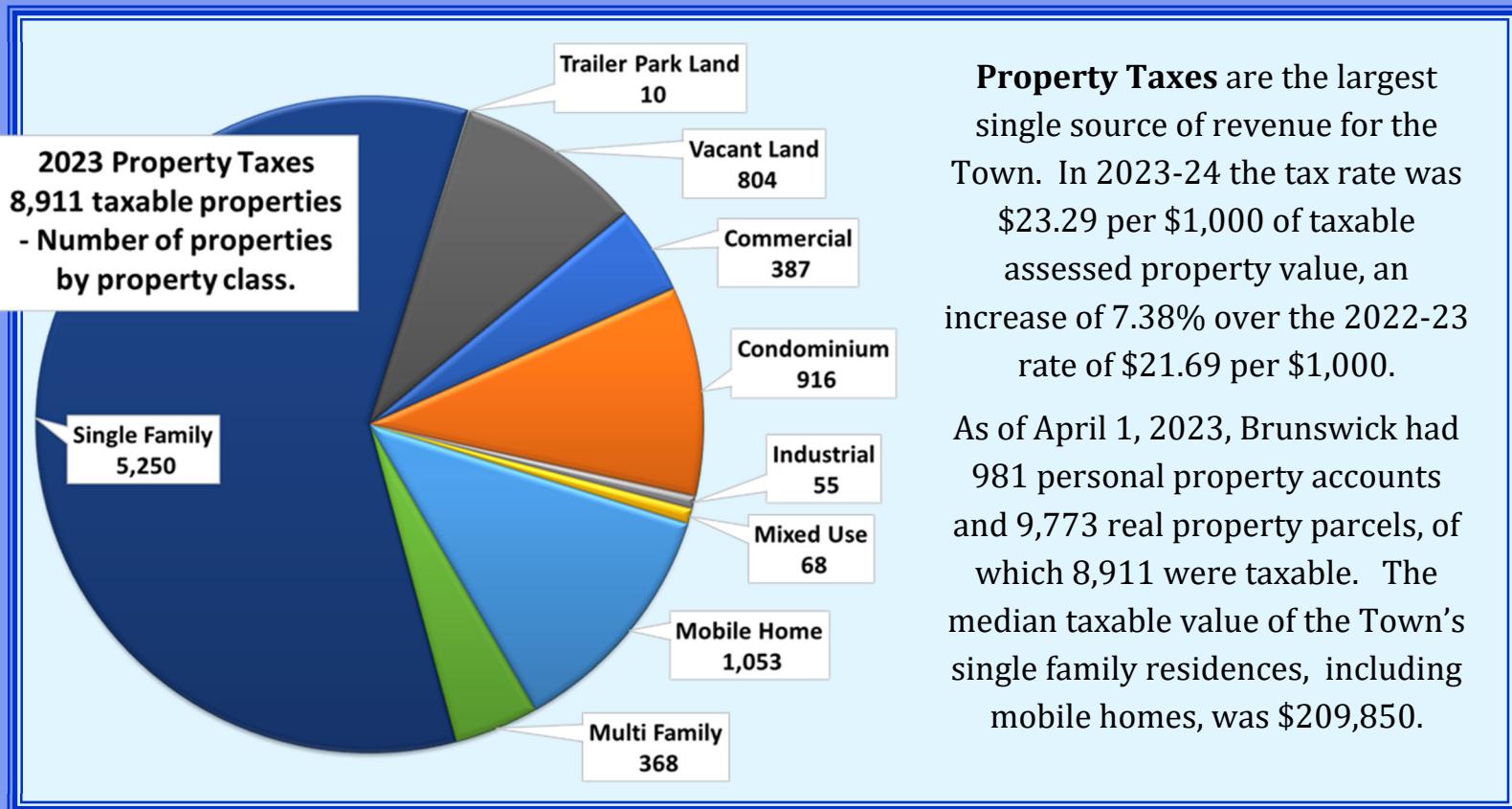
The Town's policy for its general fund sets a target range for the unassigned fund balance between 16.67% and 25% of its GAAP revenues. For the year ended June 30, 2024, the actual balance, at 25.14% of GAAP revenues is \$138,913 above the target range.

In developing the target range, 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 specifies that funds in excess of the lower limit of the range may be used for capital or other one-time expenditures, and amounts over the upper limit of the range may be used for capital or other one-time expenditures, or to offset taxes in the annual budget.

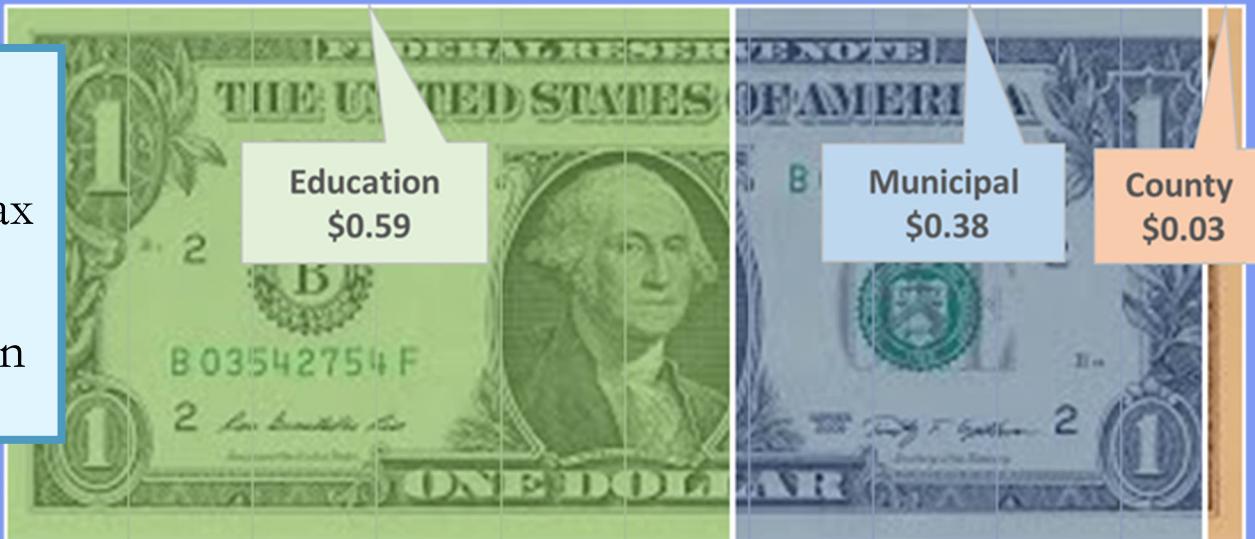
Note that the surplus in the education budget is restricted for education, and does not accrue to the Town's unassigned fund balance..

TAXES

<u>Taxes</u>	<u>2023-24 Actual</u>
Property Taxes/Interest/Lien Costs	\$58,578,073
Payments In Lieu Of Taxes (PILOT)	492,921
Excise Taxes	4,305,050
	<hr/>
	\$63,376,044



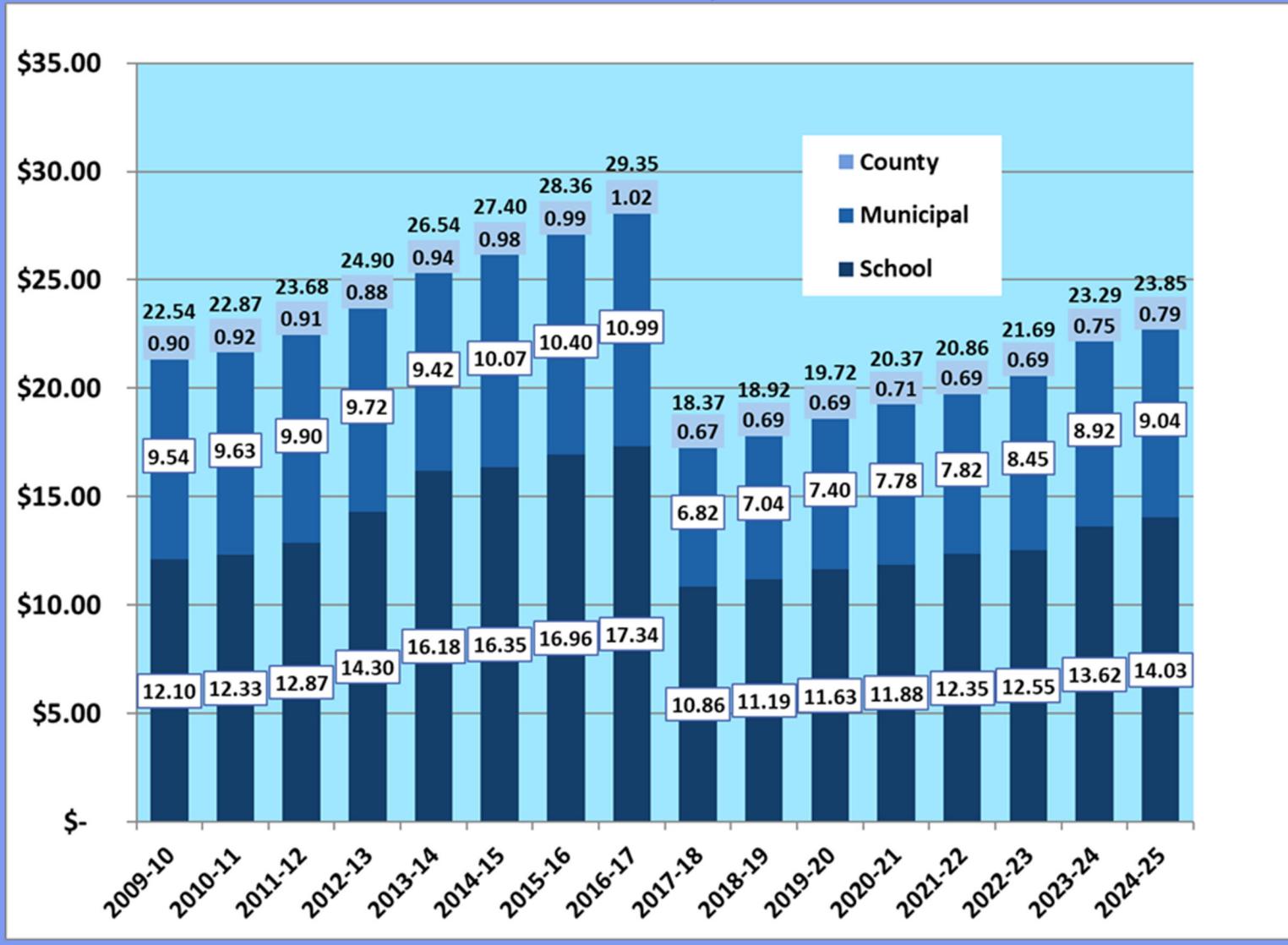
2023-24
Property Tax
Dollar
Distribution



BRUNSWICK TAX RATES

Per \$1000 of taxable
assessed value

Historical Data—16 years



Taxes for the 2024-25 fiscal year were committed on September 15, 2024 and are due in two installments—October 15, 2024 and April 15, 2025.

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

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

For More Information ~

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

<http://www.brunswickme.gov/>

**Join us on
Facebook:**



[@TownofBrunswickMaine](#)

Email:

info@brunswickme.gov

Or call us: (207) 725-6100

For detailed financial information:

The Annual General Fund Budget and the Annual Comprehensive Financial Statements (ACFRs) can be found on the Finance Department page:
www.brunswickme.gov/163/Financial-Reports



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