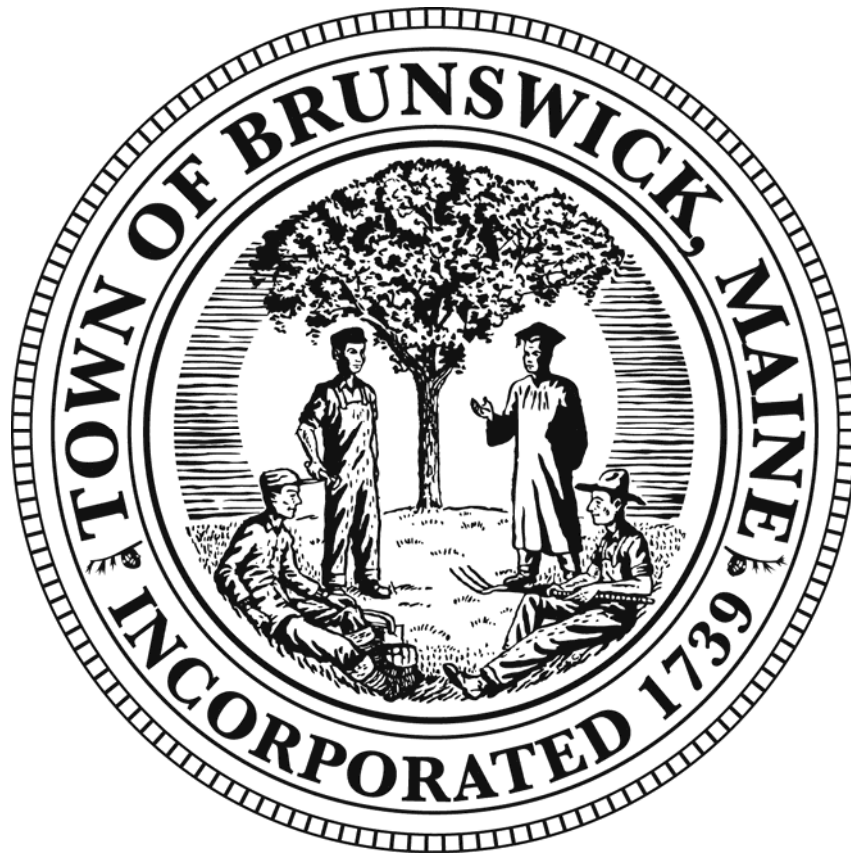


# **TOWN OF BRUNSWICK, MAINE**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016**



**TOWN OF BRUNSWICK, MAINE**  
**Comprehensive Annual Financial Report**  
**Year ended June 30, 2016**



Prepared by:  
Town of Brunswick  
Department of Finance



Town of Brunswick, Maine  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2016

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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 13, 2016

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

This CAFR 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, 2016. The goal of an independent audit is to provide reasonable assurance that the basic financial statements are free of material misstatement. Runyon Kersteen Ouelette 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. 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 2010 Census listed Brunswick's population at 20,278.

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.

The Brunswick Development Corporation (BDC) is a separate legal entity established to foster economic development within Brunswick. In previous years, BDC was reported as a component unit of the Town of Brunswick because the Town appointed a majority of the directors and because BDC had the potential to provide specific financial benefits to, or impose specific financial burdens on the Town. Effective July 1, 2013, with a change in the formation and composition of BDC's board of directors, management has determined that BDC should no longer be considered a component unit of the Town. The financial statements for BDC can be obtained directly from BDC at 85 Union Street, Brunswick, ME 04011.

### ***Local economy***

Brunswick is a commercial, industrial, educational, health care, and cultural center for the southern section of mid-coast Maine. Bath Iron Works (BIW), along with Mid Coast – Parkview Health, and Bowdoin College are the area's largest employers.

*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 and a competitor are each building ships in the restarted program. BIW has four of these ships under construction and contracts with the Navy to build an additional ship. Further, as the lead designer of the DDG 51, BIW is considered the "planning yard" as ships already delivered to the Navy are upgraded and modernized. BIW was recently awarded a modernization contract and expects to compete for future contracts.

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 concerns for this class caused the Navy to limit production to three ships, and BIW has assumed responsibility for the ships' design and construction. The US Navy accepted delivery of the USS Zumwalt (DDG 1000) on May 20, 2016, and awarded BIW an extended contract for the support of the Zumwalt through sail away and transit to the ship's homeport. The two remaining ships of the DDG 1000 class are now under construction at BIW.

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. However, the US Navy's procurement plans are always subject to change and those changes could adversely impact BIW and its

employees. Recently, BIW learned that it was not awarded the contract for the U.S. Coast Guard's new generation of offshore patrol cutters. Though BIW is continually seeking to diversify its production capabilities, the Coast Guard decision may result in workforce layoffs.

*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. With more than 1,000 employees, MCPH is the second largest employer in Brunswick. Previously named Mid Coast Health Services (MCHS), the organization operated Mid Coast Hospital. Situated in Brunswick for many years, the hospital moved into a new facility 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.

Based on a plan approved in August 2015, Mid Coast Health Services was integrated with another hospital in Brunswick, Parkview Adventist Medical Center. The consolidated entity is called Mid Coast – Parkview Health (MCPH), 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 addition, the walk-in clinic at Brunswick Station has expanded its facilities and hours for non-emergency medical services.

*Bowdoin College.* Bowdoin College (Bowdoin or College) is an undergraduate liberal arts college located in Brunswick. Bowdoin employs approximately 935 full-time equivalent (FTE) employees, including 240 faculty members. For the 2015-16 tax year, Bowdoin was the Town of Brunswick's 12<sup>th</sup> largest property taxpayer. Over the past few years, Bowdoin has completed a number of building and facilities improvements, including renovation of the historic Harriet Beecher Stowe House and upgrades in the central heating plant.

*Brunswick Landing, Maine's Center for Innovation.* Brunswick Landing is the name given to the former Naval Air Station Brunswick (NASB or BNAS) 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. A number of facilities have been sold to incoming entities, and others have been renovated or constructed, attracting a variety of businesses, including 24 new companies to Maine. The Master Plan along with information regarding the impact of NASB's closure, and MRRA's redevelopment statistics can be found on MRRA's website at [www.mrra.us](http://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.

In February, 2013, the Council adopted a new CIP policy, new procedures, and a revised document format. The 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 the replacement of vehicles and equipment. Finally, the policy requires that the CIP be developed and completed ahead of the development of the annual municipal budget.

The CIP for fiscal years ending 2017-21 recommended funding projects totaling \$15,402,237, with \$2,638,000 to be financed with debt. Projects in development (those that may eventually be considered for funding) totaled \$47,409,283. 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. Further, the CIP policy articulates the Town's goals for financing capital items. In adopting the policy, the Town understood that many of its goals will need to be accomplished over a period of time in a phased approach.

### ***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, 2016, the amount of unassigned fund balance was \$10,316,602 or 17.54% of general fund revenues. This balance was anticipated, as after previous years with unassigned fund balance below the target, the Town had developed a plan, implemented through the annual budgetary process, to bring the balance to the target level over the past three years. Continuing with the 2016-17 budget, the Town is reducing its use of fund balance in the annual budget.

In August, 2014 the Town Council adopted a policy establishing a Town Finance Committee, composed of three members of the Town Council and staffed by the Finance Director. The Committee has assumed responsibility for reviewing and participating in the financial affairs of the Town. During the year, the Finance Committee met at least monthly and worked on review of financial policies, updating Town fees, development of the Capital Improvement Program, review of the annual budget process, the annual financial reports and audit.

### ***Major initiatives***

*School Construction and Facilities Projects.* With the opening of the new Harriet Beecher Stowe School in 2011, the school department turned its attention to examining its other facilities and program needs. Although the department had at one time anticipated that it would meet its needs through renovations of and additions to the Coffin and Jordan Acres elementary schools, as well as the Junior High School, the department decided it needed to take a fresh look at those and other options. As a result, the school board embarked on 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. Phases I and II of the plan's development have been completed, and the department has identified a course of action involving major repairs to the Junior High School and construction of a new elementary school. The school department believes that projects to expand, renovate or construct school facilities would require the issuance of debt and that those projects are not likely to qualify for State participation. The results of the planning will be addressed through the Capital Improvement Program (CIP). The Town Council is being asked to consider a bond ordinance, and to put the question forward to referendum in June, 2017.

*Brunswick Station and Amtrak Downeaster Service.* With work completed on a \$38 million project to upgrade 28 miles of rail track between Brunswick and Portland and other rail-related improvements, the Downeaster has been operating two trips per day into Brunswick Station since November 1, 2012. The Northern New England Passenger Rail Authority (NNEPRA) began construction on a train layover facility



in October 2015. Beginning in November 2016, the 655-foot long layover building, which is 70 feet wide and about 37 feet high, accommodates the overnight storage of up to three diesel locomotive-powered passenger train sets used for the Downeaster service. It is equipped with a ventilation system to handle locomotive exhaust and will be heated. Offices, locker rooms, wash rooms and storage facilities are located in an attachment on the north side of the building. As of this writing, the layover facility has made possible one additional scheduled service daily to and from Brunswick.

*Brunswick Landing II Municipal TIF District and Brunswick Executive Airport II Municipal TIF District.* The Town and the Midcoast Regional Redevelopment Authority (MRRA) have continued discussing collaborative approaches for the redevelopment of Naval Air Station Brunswick (NASB). Two Tax Increment Financing (TIF) districts on the former NASB were designated by the Town Council in March 2013. With a TIF, a portion of the property taxes paid could be used for infrastructure development or rebated directly to MRRA and others, to assist in the funding of development projects. The TIF development programs, which allocate up to 50% of captured TIF revenues to be made available to MRRA and to businesses wishing to locate at Brunswick Landing, were approved by the Town in July 2013, and by the Maine Department of Economic and Community Development (DECD) in October 2013. Based on subsequent discussions, the Town and MRRA reached an agreement by which the TIF revenues may be allocated. The development programs were amended and a credit enhancement agreement between the Town and MRRA was finalized in September, 2016.

*Graham Road Landfill.* As described in the notes to the financial statements, the Graham Road Landfill operates under strict environmental regulations and continued operation is dependent on continued compliance with existing and future regulations. For several years, the Town has worked with the Maine Department of Environmental Protection (DEP) to comply with, or seek waivers from, certain discharge parameters set by the United States Environmental Protection Agency (EPA). For the most part, the parties agree the Town has had technical violations, with little to no impact on water quality. Late in 2010, the Town learned that the waivers it sought, as specifically identified in its 2004 license, were not available.

After learning that the waivers it sought were not available, the Town and the DEP engaged in negotiating an Administrative Consent Agreement (ACA) to resolve the wastewater discharge and operational violations. In January 2012, the Town and DEP discontinued the ACA discussions and instead agreed to pursue a cooperative approach by constructing an experimental treatment facility. This was completed in the late fall of 2012, and in order to allow sufficient time to assess the facility's effectiveness in cold weather, the Town monitored treatment through the winter of 2013-14. Based on DEP's analysis of the test data, the Town has engaged a consultant to explore the options for, and financial impacts of, continued landfill operations.

In April 2014, the Town learned that DEP's Remediation and Waste Bureau had concerns about groundwater trends at the landfill. While not a situation requiring immediate remediation, the groundwater questions may present an opportunity for the Town to be eligible for closure funding from the State. Depending on its collaboration with DEP, the cost of wastewater treatment options, and other factors, the Town is strongly considering closing the landfill. Though the Town faces potential fines for its failure to comply with wastewater discharge limits and other violations, DEP has indicated that it would not pursue enforcement action so long as the Town and DEP were pursuing a collaborative solution. The Town cannot reasonably estimate the amount of any potential fines, should it once again be faced with enforcement action.

*Bond Issues and Debt Authorization.* During the fiscal year ended June 30, 2016, the Town authorized the issuance of bonds for four projects, totaling \$2,109,729, as recommended in the 2016-20 CIP. Subsequent to June 30, 2016, the Town issued debt in an amount of up to \$934,729 with the Maine Municipal Bond Bank in the form of a School Revolving Renovation Fund loan.

The Town continues to enjoy an Aa2 rating with Moody's Investors Service. In January, 2014, Standard & Poor's completed a review of the Town and updated its rating of the Town from AA to AA+.

### ***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 comprehensive annual financial report for the year ended June 30, 2015. The certificate recognizes that Brunswick published an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable legal requirements. The Town of Brunswick has received this prestigious award every year since 1999. A Certificate of Achievement is valid for a period of one year. We believe this year's comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for a certificate.

Finally, this report could not have been completed without the cooperation and assistance of all the Town departments. Especially appreciated are the efficient and dedicated services of the entire Finance Department, with special recognition due to Branden Perreault, Deputy Finance Director, for his dedication and effort in preparing this report. Also 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**

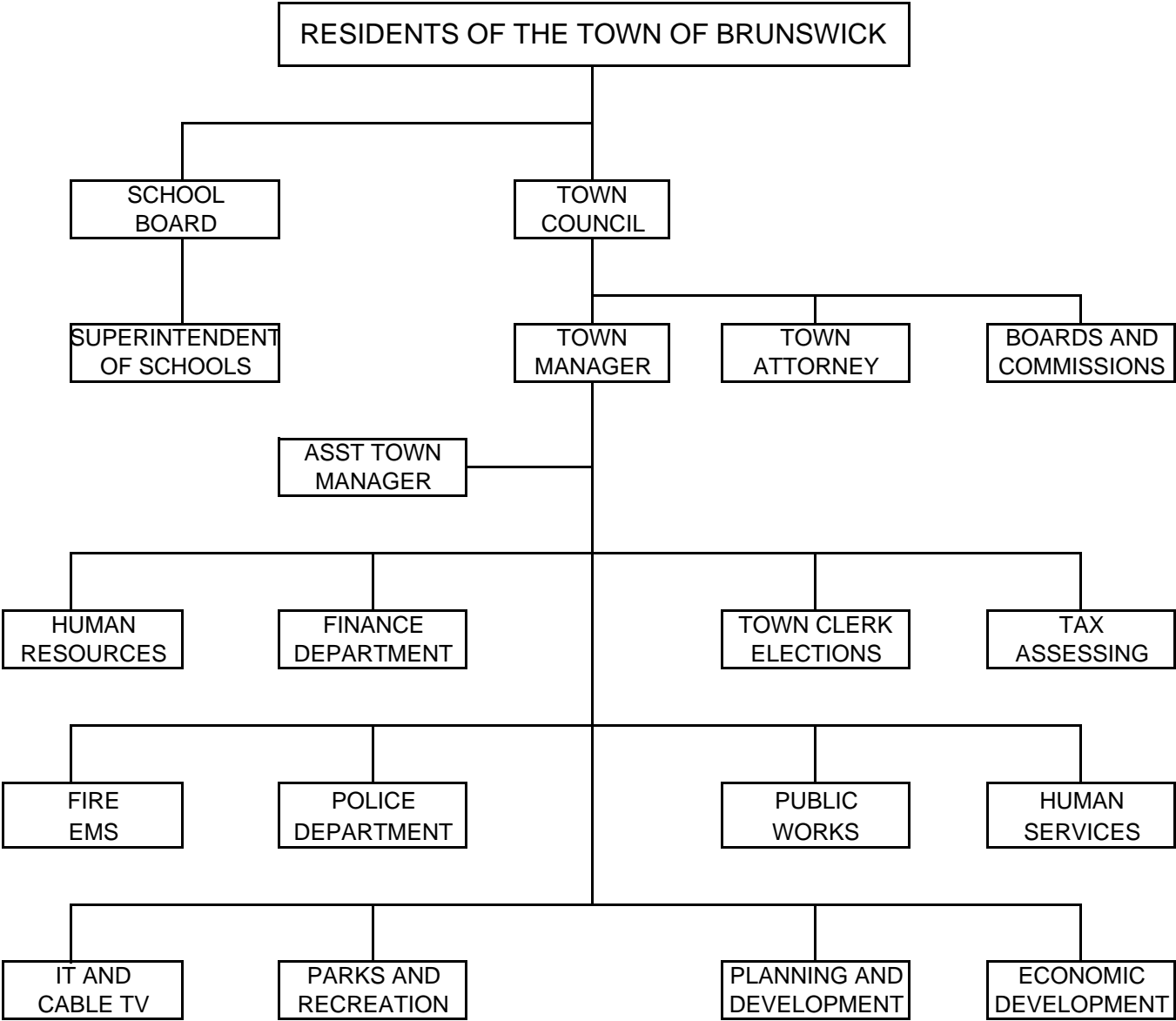
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO



**Town of Brunswick, Maine  
Organizational Chart**



TOWN OF BRUNSWICK, MAINE  
ELECTED AND APPOINTED OFFICIALS

June 30, 2016

Elected Officials

Council Member - District 7	Chair	Sarah Brayman
Council Member - District 2	Vice Chair	Stephen S. Walker
Council Member - District 1		W. David Watson
Council Member - District 3		Suzan Z. Wilson
Council Member - District 4		John M. Perreault
Council Member - District 5		Daniel E. Harris
Council Member - District 6		Jane F. Millett
Council Member - At large		Alison Harris
Council Member - At large		Kathy Wilson

Appointed Officials

Town Manager	John S. Eldridge
Town Attorney	Stephen E. F. Langsdorf
Director of Finance	Julia A.C. Henze
Assessor	Cathleen M. Jamison
Town Clerk	Frances M. Smith
Director of Planning and Development	Anna M. Breinich
Fire Chief	Kenneth A. Brilliant
Police Chief	Richard J. Rizzo
Director of Public Works	John A. Foster
Director of Parks and Recreation	Thomas M. Farrell
Superintendent of Schools	Paul Perzanoski

## FINANCIAL SECTION





## Independent Auditor's Report

Finance Committee  
Town of Brunswick, Maine

### **Report on the Financial Statements**

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, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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, 2016, and 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Postemployment Healthcare Benefit – Schedule of OPEB Funding Progress, the Schedule of Proportionate Share of Net Pension Liability, and the Schedule of Pension 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. 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Finance Committee  
Town of Brunswick, Maine

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2016 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 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 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.

A handwritten signature in black ink, reading "Remya Kristen Ouellette". The signature is written in a cursive, flowing style.

December 13, 2016  
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, 2016. 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 comprehensive annual financial report (CAFR).

### Financial Highlights

- For the fiscal year ended June 30, 2016, the Town of Brunswick's total net position decreased by \$1,045,948, to total \$64,086,051. Of this amount, \$7,006,212 is classified as *restricted net position*, of which the largest portion, \$4,403,995, is restricted for education purposes.
- In *unrestricted net position*, the Town is reporting a deficit of \$1,310,259. This is the second year that this category is negative, and results from the large closure/postclosure liability carried in the proprietary funds, as well as the recognition in the governmental funds of a net pension liability and associated deferred inflows and outflows resulting from the implementation of the Governmental Accounting Standards Board (GASB) Statement 68.
- Net investment in capital assets decreased by \$660,503, while restricted net position increased by \$404,636 and unrestricted net position decreased by \$790,081.
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$18,034,822, a decrease of \$185,716 in comparison with the prior fiscal year.
- The unassigned fund balance for the General Fund at June 30, 2016 was \$10,316,602. The Town's policy is to maintain the unassigned fund balance at 16.67% of revenues. At June 30, 2016, this portion of the fund balance is approximately 18.26% and 17.54% of the total General Fund expenditures and revenues, respectively.
- The Town's total outstanding long-term principal debt decreased by \$2,098,113 during the current fiscal year, all attributable to debt retirement.

### Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the Town of Brunswick's basic financial statements which consist of the: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, the CAFR also contains other supplementary information.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide a broad overview of the Town of Brunswick's finances, in a manner similar to a private-sector business. There are two government-wide statements: the statement of net position and the statement of activities.

The *statement of net position* presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information on how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public

works, human services, education, recreation/culture, and county tax. The business-type activities of the Town include the Town's solid waste facilities, the pay-per-bag program, the Mere Point Wastewater District and the train station/visitors center. The government-wide financial statements can be found on pages 32 and 33 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 twenty 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 and the Tax Increment Financing Fund, both 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 34-41 of this report. Individual fund data for each of the non-major governmental funds is provided in *combining statements* found on pages 86-95 of this CAFR.

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 to demonstrate compliance with the General Fund budget. 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 facilities, 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 42-44. The combining statements can be found on pages 98-100.

**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 include its private-purpose trust funds and agency funds. The private purpose trust funds report on scholarships, gifts to the library, resources available to the Village Improvement

Association, and scholarship awards for participation in recreation programs. The agency fund reports on money held for the benefit of student activities and a cemetery. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 45 and 46 of this report. The combining statements can be found on pages 102-108.

**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 47-78 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 80 of this report, with the notes to the RSI following on page 83.

The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the required supplementary information section of the financial statements. Combining and individual fund statements can be found on pages 86-108 of this report.

### Government-wide Financial Analysis

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. For the Town of Brunswick, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$64,086,051 at the close of the most recent fiscal year which is a decrease of \$1,045,948 during the fiscal year. The Town reports positive balances in two categories of net position, (net investment in capital assets, restricted) for the government as a whole.

#### Town of Brunswick's Net Position

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$24,471,333	\$23,882,922	\$ 3,272,917	\$ 2,854,278	\$27,744,250	\$ 26,737,200
Capital assets	79,553,427	80,865,456	2,095,120	2,235,365	81,648,547	83,100,821
Total assets	<u>104,024,760</u>	<u>104,748,378</u>	<u>5,368,037</u>	<u>5,089,643</u>	<u>109,392,797</u>	<u>109,838,021</u>
Deferred outflow s of resources	<u>5,338,122</u>	<u>2,090,428</u>	<u>-</u>	<u>-</u>	<u>5,338,122</u>	<u>2,090,428</u>
Long-term liabilities outstanding	33,502,224	31,719,818	7,351,866	7,039,799	40,854,090	38,759,617
Other liabilities	5,446,893	4,639,151	56,432	18,072	5,503,325	4,657,223
Total liabilities	<u>38,949,117</u>	<u>36,358,969</u>	<u>7,408,298</u>	<u>7,057,871</u>	<u>46,357,415</u>	<u>43,416,840</u>
Deferred inflow s of resources	<u>4,287,453</u>	<u>3,379,610</u>	<u>-</u>	<u>-</u>	<u>4,287,453</u>	<u>3,379,610</u>
Net investment in capital assets	56,294,978	56,815,236	2,095,120	2,235,365	58,390,098	59,050,601
Restricted	7,006,212	6,601,576	-	-	7,006,212	6,601,576
Unrestricted	<u>2,825,122</u>	<u>3,683,415</u>	<u>(4,135,381)</u>	<u>(4,203,593)</u>	<u>(1,310,259)</u>	<u>(520,178)</u>
Total net position	<u>\$66,126,312</u>	<u>\$ 67,100,227</u>	<u>\$ (2,040,261)</u>	<u>\$ (1,968,228)</u>	<u>\$ 64,086,051</u>	<u>\$ 65,131,999</u>

The largest portion of the Town's net position, \$58,390,098 or 91.11%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. As the Town uses capital assets to provide services to citizens, these assets are generally not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources. An additional portion, \$7,006,212 or 10.93% 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 deficit balance in unrestricted net position was \$1,310,259 as of June 30, 2016.

### Town of Brunswick's Change in Net Position

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues						
Charges for services	\$ 3,043,773	\$ 2,965,415	\$ 829,163	\$ 749,380	\$ 3,872,936	\$ 3,714,795
Operating grants and contributions	15,340,194	15,462,170	-	14,667	15,340,194	15,476,837
Capital grants and contributions	54,913	452,248	-	-	54,913	452,248
General revenues						
Property taxes	40,903,778	39,007,676	-	-	40,903,778	39,007,676
Vehicle, watercraft and aircraft excise taxes	3,170,899	3,071,620	-	-	3,170,899	3,071,620
Grants and contributions not restricted to specific programs	1,432,041	1,392,084	-	-	1,432,041	1,392,084
Unrestricted investment earnings	30,496	9,856	2,975	270	33,471	10,126
Other	<u>5,700</u>	<u>136,631</u>	<u>-</u>	<u>10,000</u>	<u>5,700</u>	<u>146,631</u>
Total revenues	<u>63,981,794</u>	<u>62,497,700</u>	<u>832,138</u>	<u>774,317</u>	<u>64,813,932</u>	<u>63,272,017</u>
Expenses:						
General government	5,849,369	5,006,091	-	-	5,849,369	5,006,091
Public safety	9,952,015	8,144,886	-	-	9,952,015	8,144,886
Public works	5,417,529	5,401,071	-	-	5,417,529	5,401,071
Human services	191,042	165,884	-	-	191,042	165,884
Education	37,889,171	37,759,011	-	-	37,889,171	37,759,011
Recreation and culture	3,417,837	3,336,957	-	-	3,417,837	3,336,957
County tax	1,360,042	1,333,350	-	-	1,360,042	1,333,350
Unclassified	29,082	8,683	-	-	29,082	8,683
Interest on long-term debt	655,622	698,977	-	-	655,622	698,977
Solid waste facilities	-	-	881,459	730,574	881,459	730,574
Pay-per-bag program	-	-	92,079	90,666	92,079	90,666
Wastewater treatment	-	-	48,682	50,978	48,682	50,978
Train station/ visitors center	-	-	75,951	92,243	75,951	92,243
Total expenses	<u>64,761,709</u>	<u>61,854,910</u>	<u>1,098,171</u>	<u>964,461</u>	<u>65,859,880</u>	<u>62,819,371</u>
Increase (decrease) in net position before transfers	(779,915)	642,790	(266,033)	(190,144)	(1,045,948)	452,646
Transfers	<u>(194,000)</u>	<u>(244,000)</u>	<u>194,000</u>	<u>244,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(973,915)	398,790	(72,033)	53,856	(1,045,948)	452,646
Net position beginning of year	<u>67,100,227</u>	<u>66,701,437</u>	<u>(1,968,228)</u>	<u>(2,022,084)</u>	<u>65,131,999</u>	<u>64,679,353</u>
Net position end of year	<u>\$ 66,126,312</u>	<u>\$ 67,100,227</u>	<u>\$ (2,040,261)</u>	<u>\$ (1,968,228)</u>	<u>\$ 64,086,051</u>	<u>\$ 65,131,999</u>

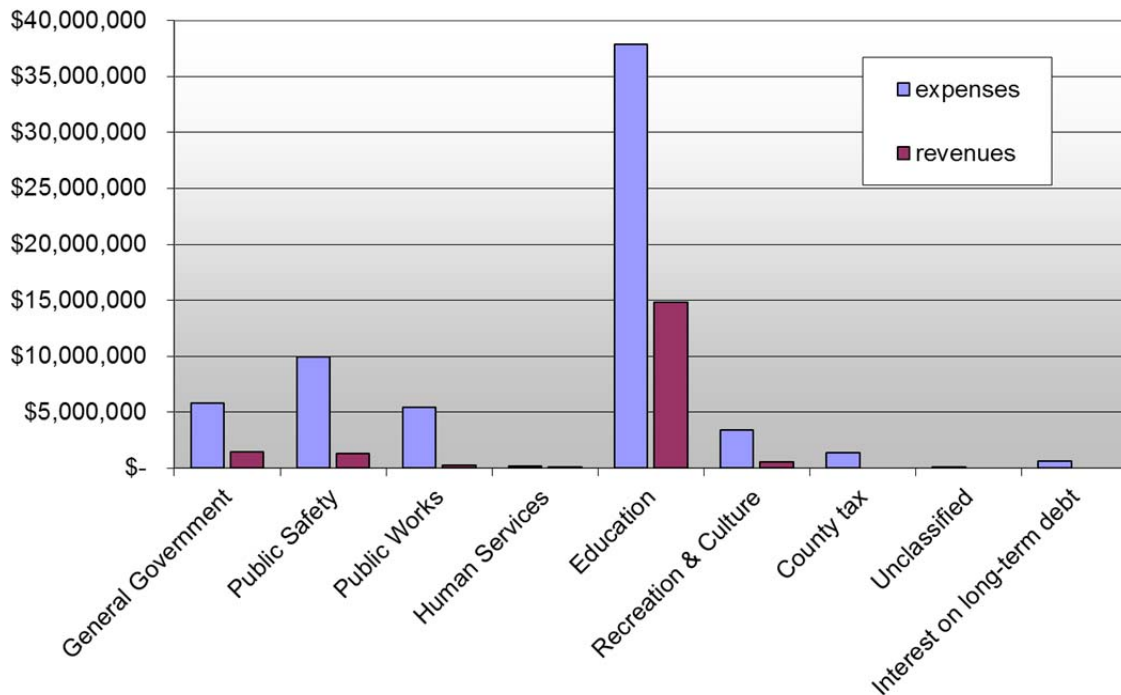
While in total the Town's net position is positive, results are very different for the governmental activities and the business-type activities. Readers should review the following analysis pertaining to those portions to fully understand the Town's financial reports.

**Governmental activities.** Governmental activities, including transfers, decreased the Town of Brunswick's total net position by \$973,915. The following points highlight the significant changes in revenues and expenses compared with changes that occurred in the previous year:

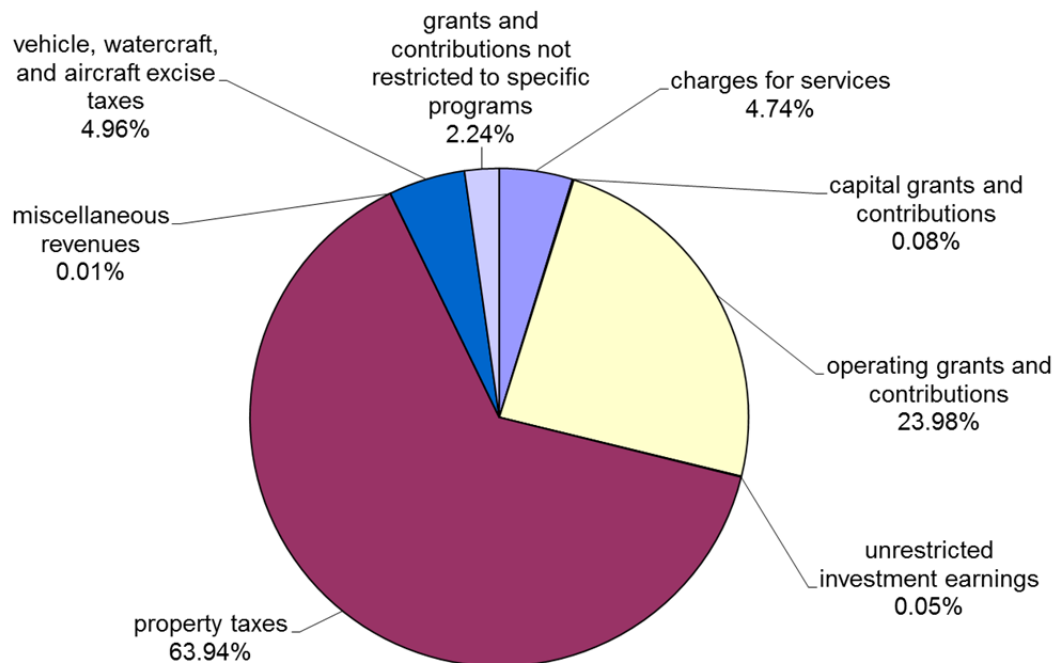
- Property tax revenue, the Town's largest revenue, increased by \$1,896,102, nearly 5%. This increase was anticipated as the tax rate increased in fiscal year 2015-16 by 3.50% and total taxable property valuation increased by 1.05%. Property taxes made up 63.85% of the total revenue, up from 62.41% of the total in the previous year. The percentage increase was the result of a shift in proportion of the total revenues, primarily influenced by higher capital contributions during the previous fiscal year.
- Excise tax revenue increased by \$99,279, primarily attributable to motor vehicle excise tax collections. This is a reflection, to a minor extent, of an increase in the number of motor vehicles, but more predominantly of an increase in the base values of the vehicles, which is used to calculate excise tax.
- Charges for services revenue increased by \$78,358. Increases were seen in ambulance service fees and special detail fees in public safety. Recreation programs also experienced an increase in enrollments, and fees on street openings, mooring fees and building permits. For both street openings and mooring fees, the increases reflect increased rates or new fees.
- Operating grants and contributions decreased by \$121,976. Reductions in the State on-behalf contributions to school retirement and State Emergency Management contributions were the primary drivers of the decrease.
- Capital grants and contributions decreased by \$397,335. This decrease is primarily due to the Town's acceptance in the previous year of several infrastructure contributions, for Botany Place and Cornerstone Drive from developers, and new and reconstructed sidewalks from various entities.
- Other revenues decreased by \$130,931. This decrease is primarily due to the prior year activity of \$136,481 returned to the Town by Maine Public Employees Retirement System (MainePERS).
- Total expenses in governmental activities increased by \$2,906,799 from the previous year. The most significant contributor to this difference was the \$1,488,461 pension expense recognized in 2015-16, compared to the \$1,296,505 negative expense in 2014-15. The cost of pension benefits earned, net of contributions, was distributed over the related functions, and with the exception of education, which realized a negative expense of \$81,669, all the other functional expenses were increased by a minimum of 2.3%. For public safety, due to the number of participating employees, the pension expense increased the functional expense by \$1,021,752, or 11.4%.
- Other than the pension related increase in expenses, general government expenses increased by \$341,051. This increase was primarily related to activity in the Tax Increment Financing (TIF) economic development programs.
- Offsetting these increases, expenses in the public works function decreased in comparison with 2014-15, largely due to a milder winter with less snow.

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

**Expenses and Program Revenues - Governmental Activities**  
For the year ended June 30, 2016



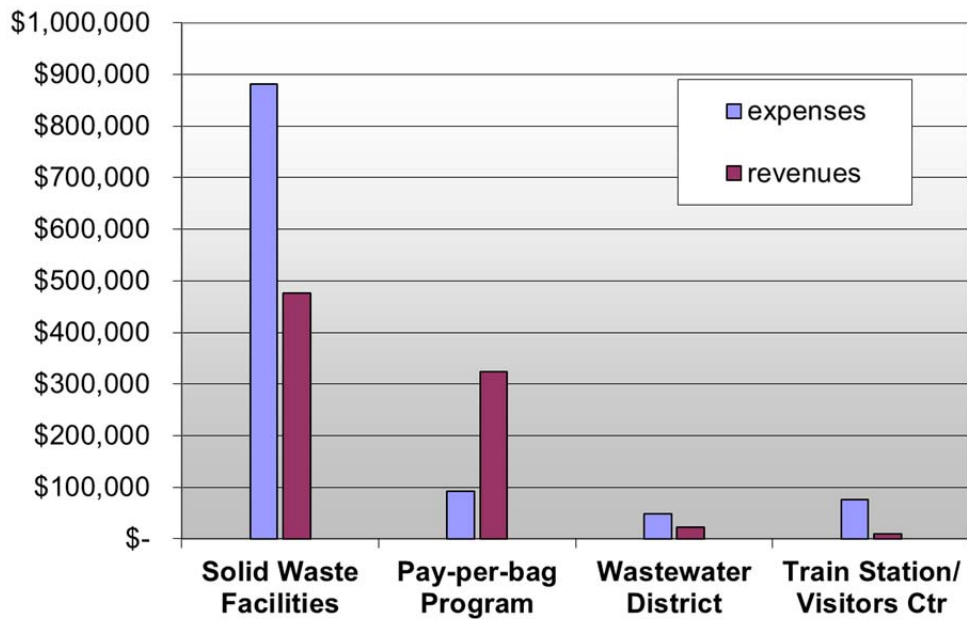
**General and Program Revenues - Governmental Activities**  
For the year ended June 30, 2016



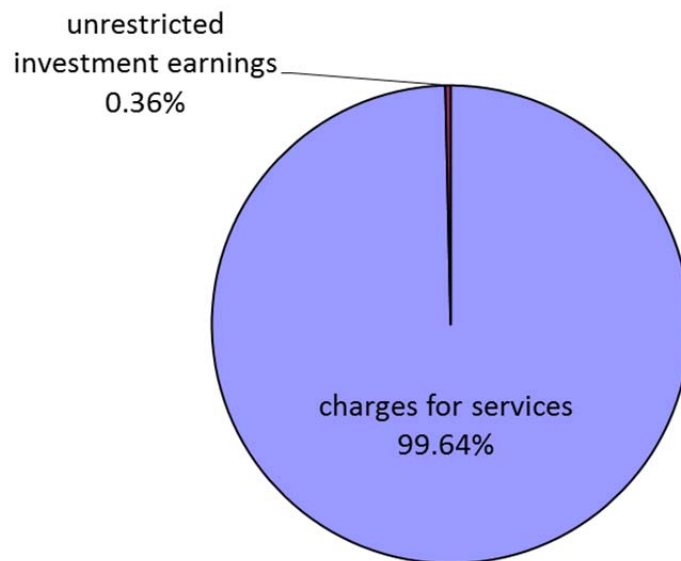


**Business-type activities.** The Town's business-type activities consist of four enterprise funds: two major funds accounting for its solid waste facilities and its pay-per-bag program, and two non-major funds, including a small wastewater district and the train station/visitors center. The following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

**Expenses and Program Revenues - Business-type Activities**  
For the year ended June 30, 2016



**Revenues by Source - Business-type Activities**  
For the year ended June 30, 2016



The Town's business-type activities reduced the Town's total net position by \$72,033. This was a result of decreases in the Solid Waste Facilities Fund, Mere Point Wastewater System and the Train Station/Visitors Center Fund of \$255,503, \$26,766 and \$22,028, respectively, offset by an increase in the Pay-per-bag Program Fund of \$232,264.

The major activity accounted for in the Solid Waste Facilities Fund is the operation of the Town's solid waste landfill located on Graham Road. For the year ended June 30, 2016, the landfill experienced a \$406,349 operating loss. This was largely due to costs associated with sampling and testing, as well as costs related to continued negotiations with the Maine Department of Environmental Protection (DEP) to resolve wastewater discharge and other violations. In addition, the Town recognized expenses related to an increased estimate of closure and post closure costs. The Town estimates a closure/post closure liability based on the landfill capacity. For the year ended June 30, 2016, the Town had filled 80.5% of the landfill capacity, and recognized a corresponding liability for the eventual cost of closure and post closure. The Town currently estimates eventual landfill closure costs at \$6,880,000 and post closure costs at \$2,135,000. For the fiscal year, the amount of expense related to closure and post closure was \$311,654.

The Town continues to operate pay-per-bag trash disposal and single-stream recycling programs. The pay-per-bag disposal program charges residents a fee for each bag of trash collected at curbside. The fee was implemented to encourage recycling. The single-stream recycling program makes it easier for residents to recycle. The two programs, instituted in 2007, are intended to extend the life of the landfill. While these programs have decreased the volume of solid waste delivered to the landfill, the Town has not been able to sufficiently reduce operating costs to meet the reduction in revenue. Recognizing the need to reduce the deficit in this fund, the Town's FY 2016 budget included a \$150,000 General Fund subsidy for the Solid Waste Facilities Fund. In a previous year, the Town Council voted its intent that the net funds generated by the pay-per-bag program be used toward future landfill closure costs. By June 30, 2016, the Pay-per-bag Program Fund had net position of \$2,301,176.

The Town's Mere Point Wastewater System also experienced an operating loss. Most of this loss was anticipated as the district user fees were not designed to recover depreciation expenses. If depreciation was excluded, the fund would have experienced a very small operating gain, as the remaining revenues were \$299 more than expenses. Additionally, during the year, there was a leach field failure which required infrastructure replacement totaling \$46,811, and contributed to the deficit of \$20,283 in unrestricted net position. User fees for this fund have not changed since it was created in 1993, and in the spring of 2016 the Town initiated a review and proposed an increase of the fees. On August 15, 2016, the Town Council adopted an updated fee schedule which incorporated an allowance to recover capital costs and build a capital reserve for future system upgrades. The new fees are set to become effective in October, 2016, and it is expected that operating income will eliminate the deficit over the period of two years.

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. The Town uses the leased space for 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 initial five-year lease term concluded in November, 2014. In April, 2014, the Town and JHR signed a letter of intent to amend the lease, extending the term an additional five years at the same rental rate of \$44,000 per year. In 2009, the Brunswick Development Corporation (BDC) provided a \$220,000 grant to the Town for the prepayment of all five years of the lease rent. For the following two fiscal year, BDC provided grants to the Town to defray the rental costs, including a contribution of \$44,000 for FY 2016. The Town does not anticipate future grants from BDC for this purpose, and for FY 2017 the Council authorized the use of tax revenues from the Downtown Development TIF district to fund the Train Station rental costs. As of June 30, 2016, the Train Station/Visitor's Center Fund had a net position totaling \$76,797, with \$14,248 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 \$18,034,822. Of that amount, \$988,564 is classified as nonspendable. Another \$6,462,224 is restricted, \$781,573 is committed and \$1,130,790 is assigned.

The largest portion of the \$988,564 nonspendable fund balance consists of \$535,605 which is held in permanent funds for education, community improvements, recreation, and cultural and social services. Another \$363,264 in advances was made by the General Fund to a capital project in the 2016 Bond Fund and \$89,695 is held in inventories and deposit items.

Of the \$6,462,224 in restricted fund balance, \$4,389,520, or approximately 68%, is restricted for education purposes. An additional \$1,116,433, or approximately 17%, is restricted for Tax Increment Financing programs and \$541,308 is in bond proceeds and impact fees restricted for various capital projects.

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 aren't 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, 2016, the targeted unassigned fund balance for the General Fund was \$9,807,479. At \$10,316,602, the actual unassigned fund balance was 17.54% of revenues, and \$509,123 over the target. As a percentage of expenditures, the unassigned fund balance was 18.26%.

Despite a planned and budgeted reduction of \$4,062,109, plus additional reductions in the form of 2015 carry-forward encumbrances of \$120,384 and supplemental appropriations of \$186,481, the fund balance of the Town of Brunswick's General Fund actually increased by \$1,179,351 during the current fiscal year. The General Fund changes are more thoroughly discussed later in this MD&A in the section entitled "General Fund Budgetary Highlights" following.

The *Tax Increment Financing Fund* includes all of the activity in the Town's four 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, 2016 the fund had a balance of \$1,116,433, 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. With the 2016-17 budget, the Town Council appropriated a total of \$514,000 from TIF revenues for economic

development, train station operations, road reconstruction, and public safety vehicles. Subsequent to June 30, 2016 the Council approved a credit enhancement agreement with Midcoast Regional Redevelopment Authority and authorized a payment of \$572,883 from the TIF fund balance, and \$463,377 from 2016-17 TIF revenues. Also in September 2016, the Council appropriated an additional \$50,000 from TIF revenues for the study and design of a connector road between Brunswick Landing and Gurnet Road in Cooks Corner.

**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 \$6,478,823. The Pay-per-bag Program Fund had unrestricted net position of \$2,301,176. The unrestricted net position of the Mere Point Wastewater District Fund amounted to a deficit of \$20,283. The Train Station/Visitors Center Fund had unrestricted net position of \$62,549. The finances of these funds have been addressed previously in the discussion of the Town of Brunswick's business-type activities.

## **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 Council, upon the request of the Town Manager, may move funds from departments with anticipated budget surpluses to those with anticipated budget shortfalls. Adjustments of this type have no impact on the budget in total.

During the year, adjustments totaling \$230,000 were made from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations. These adjustments were:

- \$70,000 for Refuse Collection. Funds were used to cover costs resulting from higher than anticipated tipping fees on curbside trash collection.
- \$50,000 for Central Garage, to cover unanticipated repair costs of public works vehicles and equipment.
- \$20,000 for Health & Social Services, to cover a grant made to Family Focus related to the cost of taxes on a new facility.
- \$15,000 for Risk Management, to cover worker's compensation premiums which were higher than anticipated.
- \$15,000 for Emerson Fire Station for unanticipated building maintenance costs associated with a partial heating system failure.
- \$10,000 for Administration to cover legal costs and personnel lines.
- \$10,000 for Municipal Building for replacement of parking lot lighting and HVAC repairs.
- \$10,000 for Streetlights due to higher than anticipated electricity costs.
- \$10,000 for Recreation Administration for professional services and part-time wages.
- \$10,000 for Promotion & Development to cover repair costs at Growstown School.
- \$10,000 for Cemetery Care, to fund the operating costs of Riverside Cemetery.

The other difference between the original and final budgets results from supplemental appropriations made during the year and the capital budget. These differences total \$2,211,481. Of that amount, \$2,025,000 is the amount the State of Maine contributed to 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.

An additional \$136,481 represents a supplemental appropriation, and as this was made from fund balance, there is no increase in the revenue budget; only the expenditure budget is increased. This

amount represents the MainePERS repayment of the Town's Individual Unpooled Unfunded Actuarial Asset (IUUAA) balance as of June 30, 2015. On November 2, 2015, the Town Council adopted an amendment to the 2015-16 General Fund Budget appropriating the repayment amount for the vehicle and equipment reserve funds, primarily to fund purchase of an ambulance previously authorized to be funded through the issuance of bonds. The supplemental appropriation was made from unassigned fund balance.

### Capital Budget

The Town Council adopted a capital budget in conjunction with the operating budget for the fiscal year ended June 30, 2016. The capital budget authorized the use of \$50,000 in unassigned General Fund balance, and is shown as an additional appropriation to distinguish it from the operating budget. The \$50,000 was appropriated to fund the third of three installments for the cost of the new telephone system serving all Town departments.

### Revenues - actual vs. final budget

For the year, actual revenues exceeded budgeted revenues by \$1,773,730. The following paragraphs discuss the various categories of revenues and the variances within each category.

In total, actual tax revenues exceeded the budget by \$822,078. Of this amount, property tax revenue was more than budgeted by \$486,507. This is the result of several factors. The total actual taxable valuation of real and personal property tax was more than the estimate used in the development of the budget, resulting in \$169,969 more property tax revenue than projected. The actual amount of tax abatements granted was \$15,082 less than budgeted, and the actual amount of property tax deferred was less than budgeted by \$245,122. Additionally, supplemental tax assessments were \$56,334 more than budgeted. Tax lien costs interest on delinquent taxes and payments in lieu of taxes were \$3,251, \$16,035 and \$38,886 more than budgeted, respectively. Excise tax revenues were \$278,064 more than budgeted, because of better than expected collections on vehicles and watercraft, while aircraft excise taxes were less than anticipated by \$665.

In total, actual license and permit revenues were \$78,381 more than the amount budgeted. The largest portion of this variance was in Codes Enforcement revenue where actual building permit revenue was \$35,983 more than budgeted due to more new construction than anticipated, largely at Brunswick Landing and Bowdoin College. The Town Clerk's revenue also exceeded projections by \$23,045, primarily due to \$17,400 received in mooring fees, which were newly established and levied in 2016, so were not in the 2015-16 budget. Fees from shellfish licenses, dog licenses, vital record copies, marriage licenses and burial permits also exceeded the budget. For Public Works, increased rates for street opening permits resulted in \$12,018 more revenue than budgeted. The Finance Department's revenues from processing passport applications were \$6,822 more than budgeted, reflecting a sustained increase in volumes over the past few years. The remaining revenues of this category were a total of \$513 more than budgeted.

Actual intergovernmental revenues were more than the budget by \$595,929. The primary driver of this was State aid to education, which was \$501,418 higher than the amount budgeted. The School Department's budget was based on a preliminary estimate from the State provided in February 2015. Subsequently, the State appropriated an additional \$15 million for education aid statewide.

State revenue sharing exceeded estimates by \$75,008. For budgeting, the Town uses projections provided by Maine Revenue Services, because this revenue is primarily dependent on state income and sales tax collections. State tax exemption reimbursement and state general assistance were more than budgeted by \$10,173 and \$7,640, respectively. The State general assistance reimbursement rate for Brunswick increased from 50% to 70% in 2015-16, but reimbursements are based on actual experience, which can vary from year to year, so the Town is generally conservative when budgeting this source. State highway grant funds was more than budgeted by \$4,148. Highway grant revenue is based on a municipality's qualifying mileage and a per mile reimbursement rate established by the State. The rate

per mile was not known at the time the budget was prepared. The net of all other intergovernmental revenues was less than budgeted by \$2,458, primarily due to lower Emergency Management Performance Grant activities in 2015-16.

Actual charges for services exceeded the budget by \$189,564. The largest portion of this variance was in emergency medical service fees, which were \$108,895 more than anticipated, primarily due to an increase in services provided and improved collection results. Tuition and transportation revenues received by the school department were more than budgeted by \$71,074. Most of that is attributable to tuition received for non-resident students attending Brunswick High School. This source is subject to variation, and as a consequence, Brunswick continues to conservatively estimate tuition revenues. Fire and Police Department charges were also more than anticipated by \$10,653 and \$2,168, respectively, primarily for special details, but also as a result of updated permit fees on fuel-fired heating systems and fire suppression systems. Revenues from recycling were \$9,256 less than budgeted, largely due to suppressed values for resale of recyclable materials. The remaining variances in this category result in a net positive variance of \$6,030.

Fines and penalties collected were more than budgeted by \$1,335. Parking tickets and other police department fines exceeded the budget by \$4,595. The increase was due largely to more aggressive enforcement of parking regulations in the downtown area. Offsetting this, fire department permits were \$595 less than anticipated, while unlicensed dog fines brought in \$2,665 less than budgeted.

Interest on investments exceeded the budget estimate by \$17,482. This was largely the result of efforts to analyze cash flow and maximize interest earnings on available cash balances. The Town continues to be invested in conservative instruments with low yields, and budgets remain conservative.

Finally, the other revenues category exceeded the budget by \$68,961. Of that variance, \$42,336 is attributable to Cable TV franchise fees. Miscellaneous revenues for the municipal departments were more than budgeted by \$18,175, primarily due to credits received for prior year telephone billing errors. School miscellaneous revenues were less than the budget by \$12,184. The net of the other revenues in this category was more than budgeted by \$20,634.

#### 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 accounts with unanticipated surpluses to those accounts for which there were unanticipated expenditures. In addition, the Council authorized department over-expenditures up to \$10,000, but there were no over-expenditures at the department level.

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

Unbudgeted transfers into the general fund totaled \$120,942. The largest portion of this, \$119,811 was a transfer from the Elementary School Bond fund of unused bond proceeds to pay debt service in the general fund. This was the third year of transfers for this purpose, and all bond proceeds on the project have now been expended. An additional \$1,131 was transferred to the general fund from remaining balances on 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, 2016 amounts to \$81,648,547, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, improvements, buildings, machinery and equipment, vehicles, intangibles and infrastructure. The total decrease in the Town's investment in capital assets for the current fiscal year was approximately 1.7%. Decreases were seen in both governmental and business-type capital assets, primarily as the result of depreciation and the retirement of assets. Major capital asset events during the current fiscal year are listed below.

- Land assets increased by \$136,387, of which \$131,387 represents the Town's purchase of a parcel containing a vacant Cumberland Farms building. The lot is at an intersection which has long been identified as one requiring traffic improvements, and the Town's interest in the property is to provide additional right-of-way for a potential solution. An additional \$5,000 was for 5.93 acres of wetlands conservation land at Bay Bridge Landing, transferred to the Town from the State Department of Environmental Protection.
- Construction/development projects in progress totaled \$166,544 at the conclusion of the year. This category of assets increased slightly as certain projects progressed during the year. These included the Emerson Fire Station improvements at \$98,265, the Property Revaluation project at \$33,404, the Union Street Storm Drain project at \$30,504, and the River Road Culvert project at \$4,371. The increases were offset by the completion and capitalization of the Nancy/Patricia/Pierce road reconstruction.
- Additions to building assets totaled \$926,720, of which \$120,313 was the Cumberland Farms building referenced above, and \$47,777 represents a new roof and heat pump at the Recreation Center. The other additions were all associated with school buildings. These included \$575,000 for a new boiler at Brunswick High School, a total of \$133,440 for security enhancements in all four schools, and \$50,190 for structural, HVAC and air quality improvements at Brunswick Junior High School and Coffin School.
- Improvements other than buildings totaled \$138,750, consisting of paving and parking lot/walkway improvements at Brunswick High School.
- Machinery and equipment additions totaled \$289,791. The largest portion of this was \$246,832 for two sidewalk tractors and two sweeper attachments for the public works and parks departments. Public works also added \$16,442 for an equipment trailer. The school department added a total of \$26,517, which included \$16,325 for a tractor with cab, and \$10,192 for computer equipment at Brunswick High School.
- Vehicles were replaced in the public works, school, police, and fire departments during the year, retiring \$140,559 in fully-depreciated assets and adding new vehicles with a cost totaling \$368,696. Public works added \$163,359 for a dump truck, \$29,980 for a replacement dump body on another truck and \$11,398 for a used passenger vehicle. Other additions included \$79,806 for three new police cruisers, \$35,401 for an ambulance chassis, and \$48,752 at the school department for a lift van and trailer.
- Governmental activities added infrastructure during the year totaling \$666,465. Reconstruction of Nancy Drive, Patricia Road and Pierce Lane and associated drainage replacement by the Town totaled \$505,815. The Town also reconstructed a section of Greenwood Road for \$59,800. A total of \$75,850 was realized in new and reconstructed sidewalks and curbing. Of this \$58,075 was Town projects, including \$22,000 for a new sidewalk on South Street for which Bowdoin College contributed \$11,000. Maine Natural Gas reconstructed town-owned sidewalks valued at \$17,775. For \$25,000, the Town also added a paved, 14' wide bicycle/pedestrian access path from the end of Pine Street to the perimeter road on Brunswick Landing.

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	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Capital assets not being depreciated:						
Land	\$ 6,172,799	\$ 6,036,412	\$ 115,000	\$ 115,000	\$ 6,287,799	\$ 6,151,412
Construction in progress	166,544	52,365	-	-	166,544	52,365
Intangibles	200,000	200,000	-	-	200,000	200,000
Capital assets being depreciated:						
Buildings	43,400,451	44,548,489	-	-	43,400,451	44,548,489
Improvements other than buildings	1,511,538	1,589,855	1,574,391	1,698,784	3,085,929	3,288,639
Machinery and equipment	1,849,180	1,952,473	314,315	349,910	2,163,495	2,302,383
Vehicles	2,851,916	2,864,270	-	-	2,851,916	2,864,270
Intangibles	-	5,019	-	-	-	5,019
Infrastructure	23,400,999	23,616,573	91,414	71,671	23,492,413	23,688,244
Total	\$79,553,427	\$80,865,456	\$2,095,120	\$2,235,365	\$81,648,547	\$83,100,821

Additional information on the Town of Brunswick's capital assets can be found in note IV.C on pages 61 and 62 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Brunswick had total bonded debt outstanding of \$23,121,687, all of which is general obligation debt.

**Town of Brunswick's Outstanding Long-term Debt**

	Governmental activities		Business-type activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General obligation bonds	\$ 23,121,687	\$ 25,219,800	\$ -	\$ -	\$ 23,121,687	\$ 25,219,800
Total	\$ 23,121,687	\$ 25,219,800	\$ -	\$ -	\$ 23,121,687	\$ 25,219,800

The amount of principal debt retired during the year totaled \$2,098,113. 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 \$312,390,000, 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, 2016, the Town had debt authorized but not issued for up to a total of \$3,422,664. Up to \$580,000 was authorized for a road reconstruction project, \$150,000 was authorized for upgrades to the Emerson fire station HVAC system, \$400,000 was authorized for a town-wide real property revaluation, \$575,000 was authorized for the replacement of the boiler at the Brunswick High School, and \$200,000 was authorized for replacement of the exterior trim on the Town Hall. In addition, when the Town was approved to participate in the School Revolving Renovation Fund program through the Maine Department



of Education, the Town Council authorized \$1,517,664 for various health, safety and ADA improvements at the Coffin School and the Junior High School.

Subsequent to June 30, 2016, on September 9, 2016, the Town issued debt in the form of a School Revolving Renovation Fund Bond for \$934,729 with the Maine Municipal Bond Bank. This represents the authorized project cost of \$1,517,664 and principal forgiveness of 38.41% or \$582,935. The term is 10 years at 0% interest, with the first payment due on September 1, 2017.

Additional information on the Town's long-term debt can be found in note IV.E on pages 63-65 of this report, and additional information on subsequent events can be found in note V.I on page 78.

### **Economic Factors and Next Year's Budgets and Rate**

As in prior years, development of the 2016-17 municipal budget was affected by the State's budget process. The Governor's 2016-17 biennial budget, proposed in January, 2015, contained several proposals that would have dramatically affected Brunswick's budget and its property taxpayers, including eliminating state revenue sharing to municipalities effective July 2016. 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. For the year ended June 30, 2016, just over 58% of the pool's fund was transferred. Still, Brunswick received \$1,163,162. Raising that amount from property taxes would have required a 2.9% increase in the property tax rate. Ultimately, the Legislature rejected the Governor's proposal to eliminate revenue sharing. However, the state biennial budget, developed by the Legislature's Committee on Appropriations and Financial Affairs, continues the lower level of revenue sharing for four fiscal years, pegging it at 2% of income and sales tax revenues.

Other elements of the state budget which directly affect Brunswick's budget and property taxpayers include a slight increase in state aid to education, a change in the general assistance reimbursement formula and an increase of the homestead exemption. With the education aid increase the state is funding 47.54% of the total amount the Essential Programs and Services school funding model (EPS) calculates as necessary for FY 2017. As in FY 2016, this is an increase from the FY 2015 state share of 46.80%, but is still short of the 55% legislated in 2004. The change in the general assistance reimbursement formula increased Brunswick's reimbursement percentage from 50% to 70% effective with FY 2016. The Town received approximately \$9,000 more in reimbursement in FY 2016 than it would have under the previous formula.

The State's changes to the homestead exemption take effect beginning with the 2016-17 tax year and will be phased in over two years. The exemption to taxpayers for the 2016-17 year will increase from \$10,000 to \$15,000, but the State reimbursement to the municipalities will remain at 50%. The Town has calculated the resulting reduction in revenue to the Town for FY 2017 at approximately \$223,500. With the 2017-18 tax year, the exemption will increase to \$20,000, and the State reimbursement will increase to 75%, increasing Town revenues to the previous level.

With the 2016-17 municipal budget, the Town Council continued to reduce the significant use of reserves which had been approved over the past several years. The budget required a property tax rate increase of 3.49%, very similar to the 2015-16 tax rate increase of 3.50%. 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 develop sustainable budgets.

For the fiscal year ended June 30, 2016, the unrestricted fund balance in the General Fund was \$11,447,392, with the unassigned portion of the unrestricted balance at \$10,316,602. 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, 2016 the target was \$9,807,479. The actual balance, at 17.54% of GAAP revenues, is \$509,123 above the target. This was anticipated, as the Town had experienced balances below the target for two previous years, and had developed a plan to bring the balance to the target level over a period of no more than three years.

**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, 2016**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 20,844,588	\$ 3,239,074	\$ 24,083,662
Receivables (net of allowance for uncollectibles):			
Accounts	606,237	55,064	661,301
Taxes receivable - current year	837,551	-	837,551
Taxes receivable - prior year	14,168	-	14,168
Tax liens	338,931	-	338,931
Intergovernmental	1,127,225	-	1,127,225
Internal balances	59,905	(59,905)	-
Deposits	51,236	-	51,236
Inventories	38,459	38,684	77,143
Other	1,533	-	1,533
Permanently restricted assets:			
Cash and cash equivalents	56,018	-	56,018
Investments	495,482	-	495,482
Capital assets not being depreciated:			
Land	6,172,799	115,000	6,287,799
Construction in progress	166,544	-	166,544
Intangibles	200,000	-	200,000
Capital assets (net of accumulated depreciation):			
Buildings	43,400,451	-	43,400,451
Improvements other than buildings	1,511,538	1,574,391	3,085,929
Machinery and equipment	1,849,180	314,315	2,163,495
Vehicles	2,851,916	-	2,851,916
Infrastructure	23,400,999	91,414	23,492,413
Total assets	<u>104,024,760</u>	<u>5,368,037</u>	<u>109,392,797</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	<u>5,338,122</u>	-	<u>5,338,122</u>
Total deferred outflows of resources	<u>5,338,122</u>	-	<u>5,338,122</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	5,122,657	56,432	5,179,089
Interest payable	107,538	-	107,538
Payable to agency fund - student activities	95,844	-	95,844
Unearned revenues	120,854	-	120,854
Noncurrent liabilities:			
Due within one year	2,330,476	5,250	2,335,726
Due in more than one year	31,171,748	7,346,616	38,518,364
Total liabilities	<u>38,949,117</u>	<u>7,408,298</u>	<u>46,357,415</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	<u>4,287,453</u>	-	<u>4,287,453</u>
Total deferred inflows of resources	<u>4,287,453</u>	-	<u>4,287,453</u>
<b>NET POSITION</b>			
Net investment in capital assets	56,294,978	2,095,120	58,390,098
Restricted for:			
Education	4,403,995	-	4,403,995
Municipal	240,201	-	240,201
Tax increment financing	1,116,433	-	1,116,433
Public safety grants	152,354	-	152,354
Development projects - impact fees	524,286	-	524,286
Capital projects	10,930	-	10,930
Permanent funds:			
Expendable	22,408	-	22,408
Nonexpendable	535,605	-	535,605
Unrestricted	<u>2,825,122</u>	<u>(4,135,381)</u>	<u>(1,310,259)</u>
Total net position	<u>\$ 66,126,312</u>	<u>\$ (2,040,261)</u>	<u>\$ 64,086,051</u>

*See accompanying notes to financial statements.*

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2016**

Program Revenues					Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 5,849,369	\$ 519,523	\$ 912,841	\$ -	\$ (4,417,005)	\$ -	\$ (4,417,005)
Public safety	9,952,015	1,273,357	61,163	-	(8,617,495)	-	(8,617,495)
Public works	5,417,529	37,800	207,262	47,530	(5,124,937)	-	(5,124,937)
Human services	191,042	4,673	31,640	-	(154,729)	-	(154,729)
Education	37,889,171	700,162	14,110,532	-	(23,078,477)	-	(23,078,477)
Recreation and culture	3,417,837	508,258	16,756	7,383	(2,885,440)	-	(2,885,440)
County tax	1,360,042	-	-	-	(1,360,042)	-	(1,360,042)
Unclassified	29,082	-	-	-	(29,082)	-	(29,082)
Interest on long-term debt	655,622	-	-	-	(655,622)	-	(655,622)
Total governmental activities	64,761,709	3,043,773	15,340,194	54,913	(46,322,829)	-	(46,322,829)
Business-type activities:							
Solid Waste Facilities	881,459	475,110	-	-	-	(406,349)	(406,349)
Pay-per-bag Program	92,079	322,300	-	-	-	230,221	230,221
Mere Point Wastewater District	48,682	21,913	-	-	-	(26,769)	(26,769)
Train Station/ visitors center	75,951	9,840	-	-	-	(66,111)	(66,111)
Total business-type activities	1,098,171	829,163	-	-	-	(269,008)	(269,008)
Total primary government	\$ 65,859,880	\$ 3,872,936	\$ 15,340,194	\$ 54,913	\$ (46,322,829)	\$ (269,008)	\$ (46,591,837)
General revenues:							
Property taxes					40,903,778	-	40,903,778
Vehicle, watercraft and aircraft excise taxes					3,170,899	-	3,170,899
Grants and contributions not restricted to specific programs					1,432,041	-	1,432,041
Unrestricted investment earnings					30,496	2,975	33,471
Other					5,700	-	5,700
Transfers					(194,000)	194,000	-
Total general revenues and transfers					45,348,914	196,975	45,545,889
Changes in net position					(973,915)	(72,033)	(1,045,948)
Net position - beginning					67,100,227	(1,968,228)	65,131,999
Net position - ending					\$ 66,126,312	\$ (2,040,261)	\$ 64,086,051

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	<b>General Fund</b>	<b>Tax Increment Financing</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,822,700	\$ -	\$ 1,077,906	\$ 20,900,606
Investments	-	-	495,482	495,482
Receivables (net of allowance for uncollectibles):				
Accounts	590,024	-	16,213	606,237
Taxes - current	837,551	-	-	837,551
Taxes - prior years	14,168	-	-	14,168
Tax liens	338,931	-	-	338,931
Intergovernmental	154,125	-	973,100	1,127,225
Deposits	1,236	-	50,000	51,236
Inventory, at cost	23,984	-	14,475	38,459
Prepaid Items	1,533	-	-	1,533
Due from other funds	-	1,116,433	685,805	1,802,238
Advances to other funds	363,264	-	-	363,264
Total assets	<u>\$ 22,147,516</u>	<u>\$ 1,116,433</u>	<u>\$ 3,312,981</u>	<u>\$ 26,576,930</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 916,388	\$ -	\$ 664,849	\$ 1,581,237
Accrued wages and benefits payable	3,170,965	-	109,788	3,280,753
Payable to agency fund - student activities	95,844	-	-	95,844
Other liabilities	72,445	-	8,644	81,089
Payments in escrow	167,691	-	-	167,691
Unearned revenue	-	-	120,854	120,854
Due to other funds	410,666	-	1,445,328	1,855,994
Advances from other funds	-	-	363,264	363,264
Total liabilities	<u>4,833,999</u>	<u>-</u>	<u>2,712,727</u>	<u>7,546,726</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	726,061	-	-	726,061
Unavailable revenue - miscellaneous	269,321	-	-	269,321
Total deferred inflows of resources	<u>995,382</u>	<u>-</u>	<u>-</u>	<u>995,382</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable:				
Long-term loans and advances	363,264	-	-	363,264
Inventories and deposits	25,220	-	64,475	89,695
Permanent funds	-	-	535,605	535,605
Restricted:				
Education	4,242,058	-	147,462	4,389,520
Municipal purposes	240,201	-	-	240,201
Tax increment financing	-	1,116,433	-	1,116,433
Capital projects funds	-	-	541,308	541,308
Special revenue funds	-	-	152,354	152,354
Permanent funds	-	-	22,408	22,408
Committed:				
Capital projects funds	-	-	462,052	462,052
Special revenue funds	-	-	319,521	319,521
Assigned:				
General fund	1,130,790	-	-	1,130,790
Unassigned:				
General fund	10,316,602	-	-	10,316,602
Capital improvements fund	-	-	(1,632,537)	(1,632,537)
Permanent funds	-	-	(12,394)	(12,394)
Total fund balances	<u>16,318,135</u>	<u>1,116,433</u>	<u>600,254</u>	<u>18,034,822</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,147,516</u>	<u>\$ 1,116,433</u>	<u>\$ 3,312,981</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.	79,553,427
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	995,382
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.	(33,609,762)
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.	101,774
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	1,050,669
Net position of governmental activities (see Statement 1)	<u>\$ 66,126,312</u>

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2016**

	<u>General Fund</u>	<u>Tax Increment Financing</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 42,531,410	\$ 1,548,535	\$ -	\$ 44,079,945
Licenses and permits	438,731	-	-	438,731
Intergovernmental	13,810,564	-	2,553,192	16,363,756
Investment income (loss)	-	-	(8,119)	(8,119)
Charges for services	1,452,524	-	974,256	2,426,780
Fines and penalties	43,135	-	-	43,135
Interest	37,482	-	1,134	38,616
Donations	-	-	95,132	95,132
Other	519,261	-	-	519,261
Total revenues	<u>58,833,107</u>	<u>1,548,535</u>	<u>3,615,595</u>	<u>63,997,237</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,548,096	719,147	812,894	5,080,137
Public safety	8,372,964	-	58,212	8,431,176
Public works	3,558,509	-	8,114	3,566,623
Human services	176,406	-	-	176,406
Education	34,092,968	-	2,338,673	36,431,641
Recreation and culture	2,650,179	-	452,027	3,102,206
County tax	1,360,042	-	-	1,360,042
Unclassified	29,082	-	-	29,082
Debt service:				
Principal	2,027,113	71,000	-	2,098,113
Interest	669,672	11,060	-	680,732
Capital outlay	-	-	3,032,795	3,032,795
Total expenditures	<u>56,485,031</u>	<u>801,207</u>	<u>6,702,715</u>	<u>63,988,953</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,348,076</u>	<u>747,328</u>	<u>(3,087,120)</u>	<u>8,284</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	620,942	-	2,344,156	2,965,098
Transfers to other funds	(1,542,186)	-	(1,369,431)	(2,911,617)
Transfers to other funds - capital budget	(50,000)	-	-	(50,000)
Transfers to other funds - suppl. approp.	(136,481)	-	-	(136,481)
Transfers to other funds - education	(61,000)	-	-	(61,000)
Total other financing sources (uses)	<u>(1,168,725)</u>	<u>-</u>	<u>974,725</u>	<u>(194,000)</u>
Net changes in fund balances	1,179,351	747,328	(2,112,395)	(185,716)
Fund balances, beginning of year	15,138,784	369,105	2,712,649	18,220,538
Fund balances, end of year	<u>\$ 16,318,135</u>	<u>\$ 1,116,433</u>	<u>\$ 600,254</u>	<u>\$ 18,034,822</u>

*See accompanying notes to financial statements.*

**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, 2016**

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Net change in fund balances - total governmental funds (from Statement 4)                      \$                      (185,716)

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 depreciation expense exceeded capital outlays in the current period. (1,290,818)

The statement of activities reports losses arising from the disposal of existing capital assets. Losses on disposal of capital assets do not appear in the governmental funds. Thus, the change in net position differs from the change in fund balance. (21,211)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (49,218)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes 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. 2,098,113

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. (45,561)

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. 8,957

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. (1,488,461)

Change in net position of governmental activities (see Statement 2)                      \$                      (973,915)

*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, 2016**

	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>					
Taxes:					
Real and personal property	\$ 38,549,832	\$ -	\$ 38,549,832	\$ 39,036,339	\$ 486,507
Interest on delinquent taxes	78,000	-	78,000	94,035	16,035
Tax lien costs	13,000	-	13,000	16,251	3,251
Payment in lieu of taxes	175,000	-	175,000	213,886	38,886
Vehicle excise taxes	2,865,000	-	2,865,000	3,141,600	276,600
Watercraft excise taxes	25,000	-	25,000	26,464	1,464
Aircraft excise taxes	3,500	-	3,500	2,835	(665)
Total taxes	<u>41,709,332</u>	<u>-</u>	<u>41,709,332</u>	<u>42,531,410</u>	<u>822,078</u>
Licenses and permits:					
Finance department	12,500	-	12,500	19,322	6,822
Codes enforcement	201,000	-	201,000	236,983	35,983
Town clerk	115,250	-	115,250	138,295	23,045
Planning	22,500	-	22,500	22,268	(232)
Fire department	500	-	500	1,125	625
Police department	600	-	600	720	120
Public works	8,000	-	8,000	20,018	12,018
Total licenses and permits	<u>360,350</u>	<u>-</u>	<u>360,350</u>	<u>438,731</u>	<u>78,381</u>
Intergovernmental:					
State education subsidy	9,826,081	-	9,826,081	10,327,499	501,418
MainePERS contribution	-	2,025,000	2,025,000	2,025,000	-
State revenue sharing	1,088,154	-	1,088,154	1,163,162	75,008
State highway grant	195,000	-	195,000	199,148	4,148
State snowmobile funds	1,400	-	1,400	1,543	143
State tax exemption reimbursement	40,000	-	40,000	50,173	10,173
State general assistance reimbursement	24,000	-	24,000	31,640	7,640
EMPG grant	15,000	-	15,000	12,399	(2,601)
Total intergovernmental	<u>11,189,635</u>	<u>2,025,000</u>	<u>13,214,635</u>	<u>13,810,564</u>	<u>595,929</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, 2016**

	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES, CONTINUED</b>					
Charges for services:					
Auto registration	47,000	-	47,000	51,464	4,464
Watercraft, ATV, snowmobile registration	1,500	-	1,500	1,676	176
Municipal building rental	1,200	-	1,200	1,200	-
Fire department	1,000	-	1,000	11,653	10,653
Emergency medical services	845,000	-	845,000	953,895	108,895
Police department	96,500	-	96,500	98,668	2,168
Dispatch services fees	143,760	-	143,760	143,760	-
Recycling	25,000	-	25,000	15,744	(9,256)
Education - tuition, transportation, etc.	102,000	-	102,000	173,074	71,074
Recreation fees	-	-	-	1,390	1,390
Total charges for services	<u>1,262,960</u>	<u>-</u>	<u>1,262,960</u>	<u>1,452,524</u>	<u>189,564</u>
Fines and penalties:					
Town clerk	10,000	-	10,000	7,335	(2,665)
Fire department	1,000	-	1,000	405	(595)
Police department	30,800	-	30,800	35,395	4,595
Total fines and penalties	<u>41,800</u>	<u>-</u>	<u>41,800</u>	<u>43,135</u>	<u>1,335</u>
Interest earned	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>37,482</u>	<u>17,482</u>
Other revenue:					
Sale of miscellaneous assets	-	-	-	5,700	5,700
Cable TV franchise fees	225,000	-	225,000	267,336	42,336
General assistance recovery	-	-	-	4,673	4,673
Property & casualty dividend	-	-	-	10,052	10,052
Brunswick Development Corporation subsidy	94,000	-	94,000	94,000	-
MRRA contribution to MCOG dues	15,000	-	15,000	15,209	209
Miscellaneous - municipal	23,300	-	23,300	41,475	18,175
Miscellaneous - school	93,000	-	93,000	80,816	(12,184)
Total other revenue	<u>450,300</u>	<u>-</u>	<u>450,300</u>	<u>519,261</u>	<u>68,961</u>
Total revenues	<u>\$ 55,034,377</u>	<u>\$ 2,025,000</u>	<u>\$ 57,059,377</u>	<u>\$ 58,833,107</u>	<u>\$ 1,773,730</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, 2016**

	<b>Adopted Budget</b>	<b>2015 Encumbered Balances</b>	<b>Original Budget</b>	<b>Additional Appropriation</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>2016 Encumbered Balances</b>
<b>EXPENDITURES</b>									
Current:									
General government:									
Administration	\$ 583,769	\$ -	\$ 583,769	\$ -	\$ 10,000	\$ 593,769	\$ 567,487	\$ 26,282	\$ -
Finance department	710,161	-	710,161	-	-	710,161	675,948	34,213	-
Technology services	363,164	-	363,164	-	-	363,164	319,254	43,910	31,375
Municipal officers	85,665	-	85,665	-	-	85,665	80,691	4,974	-
Town hall building	214,863	200	215,063	-	10,000	225,063	213,226	11,837	3,914
Risk management	479,057	-	479,057	-	15,000	494,057	481,110	12,947	-
Cable TV	61,298	-	61,298	-	-	61,298	55,487	5,811	2,279
Assessing	295,863	-	295,863	-	-	295,863	281,005	14,858	-
Town clerk and elections	363,719	400	364,119	-	-	364,119	310,979	53,140	140
Planning	480,995	2,093	483,088	-	-	483,088	453,250	29,838	5,493
Economic development	115,106	1,620	116,726	-	-	116,726	109,659	7,067	-
Total general government	<u>3,753,660</u>	<u>4,313</u>	<u>3,757,973</u>	<u>-</u>	<u>35,000</u>	<u>3,792,973</u>	<u>3,548,096</u>	<u>244,877</u>	<u>43,201</u>
Public safety:									
Fire department	3,154,491	12,525	3,167,016	-	-	3,167,016	3,127,012	40,004	2,264
Central fire station	59,158	-	59,158	-	-	59,158	40,501	18,657	5,275
Emerson fire station	49,328	-	49,328	-	15,000	64,328	54,083	10,245	-
Police department	3,836,175	-	3,836,175	-	(60,000)	3,776,175	3,632,458	143,717	-
Emergency services dispatch	812,214	-	812,214	-	-	812,214	763,090	49,124	700
Police station	101,431	-	101,431	-	-	101,431	81,640	19,791	-
Streetlights	211,000	-	211,000	-	10,000	221,000	210,026	10,974	-
Traffic signals	31,600	-	31,600	-	-	31,600	15,955	15,645	-
Fire suppression (hydrants)	465,000	-	465,000	-	-	465,000	446,919	18,081	-
Civil emergency preparedness	2,000	-	2,000	-	-	2,000	1,280	720	-
Total public safety	<u>8,722,397</u>	<u>12,525</u>	<u>8,734,922</u>	<u>-</u>	<u>(35,000)</u>	<u>8,699,922</u>	<u>8,372,964</u>	<u>326,958</u>	<u>8,239</u>
Public works:									
Administration	446,577	-	446,577	-	-	446,577	430,125	16,452	-
General maintenance	1,713,865	88,486	1,802,351	-	(178,634)	1,623,717	1,438,771	184,946	-
Refuse collection	611,556	-	611,556	-	70,000	681,556	657,319	24,237	-
Recycling	298,631	-	298,631	-	-	298,631	295,470	3,161	-
Central garage	724,112	-	724,112	-	50,000	774,112	736,824	37,288	-
Total public works	<u>3,794,741</u>	<u>88,486</u>	<u>3,883,227</u>	<u>-</u>	<u>(58,634)</u>	<u>3,824,593</u>	<u>3,558,509</u>	<u>266,084</u>	<u>-</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, 2016**

	<u>Adopted Budget</u>	<u>2015 Encumbered Balances</u>	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2016 Encumbered Balances</u>
<b>EXPENDITURES, CONTINUED</b>									
Human services:									
General assistance	169,994	-	169,994	-	-	169,994	145,914	24,080	-
Health and social services	12,766	-	12,766	-	20,000	32,766	30,492	2,274	-
Total human services	182,760	-	182,760	-	20,000	202,760	176,406	26,354	-
Education:									
Education	36,525,855	-	36,525,855	2,025,000	(1,949,096)	36,601,759	34,092,968	2,508,791	-
Recreation and culture:									
Recreation administration	439,700	1,080	440,780	-	10,000	450,780	439,102	11,678	1,080
Buildings and grounds	699,391	7,980	707,371	-	-	707,371	646,052	61,319	8,695
Rec Building Neptune Dr	173,982	-	173,982	-	-	173,982	108,426	65,556	35,105
People Plus	133,300	6,000	139,300	-	-	139,300	134,300	5,000	-
Library	1,325,000	-	1,325,000	-	-	1,325,000	1,322,299	2,701	-
Total recreation and culture	2,771,373	15,060	2,786,433	-	10,000	2,796,433	2,650,179	146,254	44,880
Intergovernmental:									
County tax	1,360,042	-	1,360,042	-	-	1,360,042	1,360,042	-	-
Unclassified:									
Promotion and development	161,917	-	161,917	-	5,500	167,417	162,545	4,872	-
Additional school assistance	10,000	-	10,000	-	-	10,000	10,000	-	-
Cemetery care	3,000	-	3,000	-	10,000	13,000	8,250	4,750	-
Wage & benefits adjustment	43,000	-	43,000	-	(70,000)	(27,000)	(151,713)	124,713	-
Total unclassified	217,917	-	217,917	-	(54,500)	163,417	29,082	134,335	-

*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, 2016**

	<b>Adopted Budget</b>	<b>2015 Encumbered Balances</b>	<b>Original Budget</b>	<b>Additional Appropriation</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>2016 Encumbered Balances</b>
<b>EXPENDITURES, CONTINUED</b>									
Debt service:									
Long-term debt, principal	698,000	-	698,000	-	1,329,113	2,027,113	2,027,113	-	-
Long-term debt, interest	201,505	-	201,505	-	468,167	669,672	669,672	-	-
Total debt service	899,505	-	899,505	-	1,797,280	2,696,785	2,696,785	-	-
Total expenditures	58,228,250	120,384	58,348,634	2,025,000	(234,950)	60,138,684	56,485,031	3,653,653	96,320
Excess (deficiency) of revenues over (under) expenditures	(3,193,873)	(120,384)	(3,314,257)	-	234,950	(3,079,307)	2,348,076	5,427,383	-
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers from other funds	500,000	-	500,000	-	-	500,000	620,942	120,942	-
Transfers to other funds	(1,368,236)	-	(1,368,236)	-	(173,950)	(1,542,186)	(1,542,186)	-	-
Transfers to other funds - capital budget	-	-	-	(50,000)	-	(50,000)	(50,000)	-	-
Transfers to other funds - supplemental appropriations	-	-	-	(136,481)	-	(136,481)	(136,481)	-	-
Transfers to other funds - education	-	-	-	-	(61,000)	(61,000)	(61,000)	-	-
Total other financing sources (uses)	(868,236)	-	(868,236)	(186,481)	(234,950)	(1,289,667)	(1,168,725)	120,942	-
Net changes in fund balances	\$ (4,062,109)	\$ (120,384)	\$ (4,182,493)	\$ (186,481)	\$ -	\$ (4,368,974)	\$ 1,179,351	\$ 5,548,325	\$ -
Fund balance, beginning of year							15,138,784		
Fund balance, end of year							\$ 16,318,135		

*See accompanying notes to financial statements.*

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2016**

	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 Services</u>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 916,771	\$ 2,255,101	\$ 67,202	\$ 3,239,074	\$ -
Accounts receivable	22,523	27,200	5,341	55,064	-
Inventory	-	38,684	-	38,684	-
Prepaid expense	-	-	-	-	-
Due from other funds	-	6,100	400	6,500	104,403
Total current assets	939,294	2,327,085	72,943	3,339,322	104,403
Capital assets:					
Land	115,000	-	-	115,000	-
Buildings	54,220	-	-	54,220	-
Improvements other than buildings	7,367,865	-	74,038	7,441,903	-
Machinery and equipment	551,282	-	97,500	648,782	92,681
Vehicles	88,632	-	-	88,632	-
Intangibles	6,470	-	-	6,470	-
Infrastructure	-	-	636,738	636,738	-
Less accumulated depreciation	(6,194,011)	-	(702,614)	(6,896,625)	(84,918)
Net capital assets	1,989,458	-	105,662	2,095,120	7,763
Total assets	2,928,752	2,327,085	178,605	5,434,442	112,166
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	18,694	24,558	6,906	50,158	2,629
Accrual of payroll	4,923	-	-	4,923	-
Other liabilities	-	1,351	-	1,351	-
Landfill closure and postclosure	4,000	-	-	4,000	-
Compensated absences	1,250	-	-	1,250	-
Due to other funds	42,634	-	23,771	66,405	-
Total current liabilities	71,501	25,909	30,677	128,087	2,629
Noncurrent liabilities:					
Landfill closure and postclosure	7,337,963	-	-	7,337,963	-
Compensated absences	8,653	-	-	8,653	-
Total noncurrent liabilities	7,346,616	-	-	7,346,616	-
Total liabilities	7,418,117	25,909	30,677	7,474,703	2,629
<b>NET POSITION</b>					
Investment in capital assets	1,989,458	-	105,662	2,095,120	7,763
Unrestricted	(6,478,823)	2,301,176	42,266	(4,135,381)	101,774
Total net position	\$ (4,489,365)	\$ 2,301,176	\$ 147,928	\$ (2,040,261)	\$ 109,537

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2016**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b><u>Solid Waste Facilities</u></b>	<b><u>Pay-Per-Bag Program</u></b>	<b><u>Nonmajor Funds</u></b>	<b><u>Totals</u></b>	<b><u>Internal Service Fund Printing Services</u></b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 13,054	\$ 322,300	\$ 31,753	\$ 367,107	\$ 49,153
Tipping fees	462,056	-	-	462,056	-
Total operating revenues	475,110	322,300	31,753	829,163	49,153
<b>OPERATING EXPENSES</b>					
Personnel services	173,797	-	-	173,797	-
Administrative expenses	8,453	-	-	8,453	-
Contractual services	175,959	-	85,003	260,962	34,726
Central garage costs	40,000	-	-	40,000	-
Materials and supplies	22,294	92,079	1,876	116,249	5,470
Closure and postclosure costs	311,654	-	-	311,654	-
Depreciation	149,302	-	37,754	187,056	2,048
Total operating expenses	881,459	92,079	124,633	1,098,171	42,244
Operating income (loss)	(406,349)	230,221	(92,880)	(269,008)	6,909
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	846	2,043	86	2,975	-
Total nonoperating revenues (expenses)	846	2,043	86	2,975	-
Income (loss) before transfers	(405,503)	232,264	(92,794)	(266,033)	6,909
Transfers in	150,000	-	44,000	194,000	-
Change in net position	(255,503)	232,264	(48,794)	(72,033)	6,909
Net position, beginning of year	(4,233,862)	2,068,912	196,722	(1,968,228)	102,628
Net position, end of year	\$ (4,489,365)	\$ 2,301,176	\$ 147,928	\$ (2,040,261)	\$ 109,537

*See accompanying notes to financial statements.*

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2016**

	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>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 474,339	\$ 325,400	\$ 29,022	\$ 828,761	\$ 49,153
Payments to employees	(171,808)	-	-	(171,808)	-
Payments to suppliers for goods and services	(234,275)	(69,223)	(86,517)	(390,015)	(39,550)
Net cash provided (used) by operating activities	<u>68,256</u>	<u>256,177</u>	<u>(57,495)</u>	<u>266,938</u>	<u>9,603</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfer from other funds	150,000	-	44,000	194,000	-
Increase (decrease) in due to other funds	<u>34,014</u>	<u>3,900</u>	<u>24,863</u>	<u>62,777</u>	<u>(9,603)</u>
Cash provided (used) by noncapital financing activities	<u>184,014</u>	<u>3,900</u>	<u>68,863</u>	<u>256,777</u>	<u>(9,603)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	-	(46,811)	(46,811)	-
Cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(46,811)</u>	<u>(46,811)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	<u>846</u>	<u>2,043</u>	<u>86</u>	<u>2,975</u>	<u>-</u>
Cash provided by investing activities	<u>846</u>	<u>2,043</u>	<u>86</u>	<u>2,975</u>	<u>-</u>
Net increase (decrease) in cash	253,116	262,120	(35,357)	479,879	-
Cash, beginning of year	<u>663,655</u>	<u>1,992,981</u>	<u>102,559</u>	<u>2,759,195</u>	<u>-</u>
Cash, end of year	<u>\$ 916,771</u>	<u>\$ 2,255,101</u>	<u>\$ 67,202</u>	<u>\$ 3,239,074</u>	<u>\$ -</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (406,349)	\$ 230,221	\$ (92,880)	\$ (269,008)	\$ 6,909
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	149,302	-	37,754	187,056	2,048
(Increase) decrease in accounts receivable	(771)	3,100	(2,731)	(402)	-
(Increase) decrease in inventory	-	(1,161)	-	(1,161)	-
(Increase) decrease in prepaid expense	-	26	-	26	-
Increase (decrease) in accounts payable	12,431	24,558	362	37,351	646
Increase (decrease) in accrued payroll	1,576	-	-	1,576	-
Increase (decrease) in other liabilities	-	(567)	-	(567)	-
Increase (decrease) in closure/postclosure	311,654	-	-	311,654	-
Increase (decrease) in compensated absences	413	-	-	413	-
Total adjustments	<u>474,605</u>	<u>25,956</u>	<u>35,385</u>	<u>535,946</u>	<u>2,694</u>
Net cash provided (used) by operating activities	<u>\$ 68,256</u>	<u>\$ 256,177</u>	<u>\$ (57,495)</u>	<u>\$ 266,938</u>	<u>\$ 9,603</u>

See accompanying notes to financial statements.



**TOWN OF BRUNSWICK, MAINE**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

	<b>Private- purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 77,150	\$ -
Investments	741,701	-
Due from other funds	<u>16,657</u>	<u>95,844</u>
Total assets	<u>835,508</u>	<u>95,844</u>
<b>LIABILITIES</b>		
Accounts payable	-	10,972
Amounts held for others - cemeteries	-	20,221
Amounts held for others - student activities	-	64,651
Due to other funds	<u>7,399</u>	<u>-</u>
Total liabilities	<u>7,399</u>	<u>95,844</u>
<b>NET POSITION</b>		
Net position held in trust for other purposes	<u>\$ 828,109</u>	<u>\$ -</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, 2016**

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	<b>Private- purpose Trust Funds</b>
<b>ADDITIONS</b>	
Contributions	\$ 14,859
Investment earnings:	
Interest and dividends	15,615
Net increase (decrease) in the fair value of investments	<u>(12,832)</u>
Total investment earnings	2,783
Less investment expense	<u>(7,927)</u>
Total additions	<u>9,715</u>
<b>DEDUCTIONS</b>	
Payment to beneficiaries	<u>13,839</u>
Total deductions	<u>13,839</u>
Change in net position	(4,124)
Net position - beginning	<u>832,233</u>
Net position - ending	<u><u>\$ 828,109</u></u>

*See accompanying notes to financial statements.*

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

The Town of Brunswick is a municipal corporation (Town or primary government) governed by an elected nine-member council (Town Council). The accompanying financial statements present information for the primary government.

#### *Related Organizations*

The Town of Brunswick appoints a voting majority of the governing boards of each of the entities described below. However, the Town of Brunswick is not financially accountable for these organizations and therefore they are not component units under Statements 14, 39, and 61 of the Governmental Accounting Standards Board.

The Brunswick Housing Authority was established in 1965 pursuant to Maine law. It is managed by five commissioners appointed by the Brunswick Town Council.

The Brunswick Sewer District was established by the State of Maine in 1947 as a quasi-municipal corporation for the purpose of providing and maintaining, within the territorial limits of the District, a sewer system for the collection, treatment and disposal of sewage. The District is managed by a five-member board of trustees appointed by the Brunswick Town Council.

The Brunswick-Topsham Water District was established by the State of Maine in 1903 as a body politic and corporate for the purpose of supplying the inhabitants of the District and said municipalities with pure water for domestic and municipal purposes. The affairs of the District are managed by a six-member board of trustees, four chosen by the Brunswick Town Council and two chosen by the Topsham municipal officers.

### **B. Government-wide Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. They report information on all of the non-fiduciary activities of the Town of Brunswick. While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. The exceptions to this rule are charges between the General Fund and the Solid Waste Facilities fund for landfill disposal fees and administrative costs incurred by the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### **C. Fund Financial Statements**

The fund financial statements provide information about the Town's funds, including its fiduciary funds and, if the Town had any, blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

1. Major governmental funds

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *Tax Increment Financing Fund* accounts for resources accumulated and payments made for the Tax Increment Financing Districts established by the Town.

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.* In addition to the general fund, which is always a major fund and described above, 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 ten 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 four 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 operations, the Pay-per-bag Program, the Mere Point Wastewater District and the Train Station.

*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 or as an agent on behalf of others. 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.

*Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The Student Activities Fund and Riverside Cemetery Fund are used to account for assets that the government holds for others in an agency capacity.

#### 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.

4. Agency funds

Agency Funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

**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 an office, department or agency. Accordingly, the legal level of budgetary control is an office, department or agency. Historically, 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. 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 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 *et seq.* 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 maintenance of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements with which a fund is charged, that is reasonably expected, and (iii) return of income commensurate with avoidance of unreasonable risk. 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. 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. Interest incurred during the construction phase of capital assets of business-type activities has not been included as part of the capitalized value of the assets constructed.

Land, construction in progress, and intangible assets such as conservation easements are not depreciated. Property, equipment, intangibles and infrastructure of the Town is depreciated using the straight line method over the assets' estimated useful lives ranging from 5 to 50 years.

<u>Assets</u>	<u>Years</u>
Buildings	45-50
Improvements other than buildings	5-20
Machinery and equipment	5-20
Vehicles	5-20
Intangibles	5-20
Infrastructure	20-50

#### 5. Deferred outflows/inflows of resources

*Statement of Net Position:* In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The deferred outflows relate to the net pension liability, which include the Town's contributions subsequent to the measurement date. These will be recognized as a reduction of the net pension liability 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 pension plan investments, which is deferred and amortized over a five-year period.

In addition to liabilities, the statement of net position 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 position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows relate to the net pension liability, which include the differences between expected and actual experience and 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 pension plan investments, which is deferred and amortized over a five-year period.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position 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.

*Balance Sheet – Governmental Funds:* 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.

#### 6. 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.

#### 7. 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.

#### 8. 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.

#### 9. 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.

**10. 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.

**11. 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.

**12. New pronouncements**

For the fiscal year ended June 30, 2016, the Town has implemented the following Statements of the Governmental Accounting Standards Board:

- Statement No. 72 – *Fair Value Measurement and Application*.
- Statement No. 77 – *Tax Abatement Disclosures*.

**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 committed on or around September 1<sup>st</sup> of each year, on the assessed value listed as of the previous April 1<sup>st</sup>. Real property taxes are due in two installments, on or near October 15<sup>th</sup> and April 15<sup>th</sup>. Personal property taxes are due in one installment on or near October 15<sup>th</sup>. 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 that “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of this \$79,553,427 are as follows:

Capital assets	\$ 133,974,985
Accumulated depreciation	(54,421,558)
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 79,553,427

Another element of that reconciliation explains that “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 \$995,382 difference are as follows:

Deferred inflows - unavailable revenue - property tax	\$ 726,061
Deferred inflows - unavailable revenue - miscellaneous	269,321
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 995,382

Another element of that reconciliation explains that “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 \$(33,609,762) difference are as follows:

Bonds payable	\$ (23,121,687)
Premium on bonds (to be amortized as interest expense)	(142,854)
Accrued interest	(107,538)
School retirement incentive	(22,573)
Compensated absences	(1,435,746)
Other post employment benefits	(988,227)
Net pension liability	(7,791,137)
Net adjustment to decrease fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ (33,609,762)

Another element of that reconciliation explains that “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 \$101,774 difference are as follows:

Net position of the internal service fund	\$	109,537
Less: Capital assets net of accumulated depreciation		<u>(7,763)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$	101,774

Another element of that reconciliation explains that “deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.” The details of this \$1,050,669 difference are as follows:

Deferred outflows of resources related to pensions	\$	5,338,122
Deferred inflows of resources related to pensions		<u>(4,287,453)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$	1,050,669

**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 that “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 \$(1,290,818) difference are as follows:

Capital outlay	\$	2,640,988
Depreciation expense		<u>(3,931,806)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	(1,290,818)

Another element of that reconciliation states that “losses arising from the disposal of existing capital assets are reported in the statement of activities but do not appear in the governmental funds.” The details of this \$(21,211) difference are as follows:

Cost of disposed capital assets	\$	(494,140)
Accumulated depreciation on disposed capital assets		<u>472,929</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	(21,211)

Another element of that reconciliation states that “revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds.” The details of this \$(49,218) difference are as follows:

Property taxes	\$	(55,442)
Charges for services		<u>6,224</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	(49,218)

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes 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.” The details of this \$2,098,113 difference are as follows:

Principal repayments: General obligation debt	\$ 2,098,113
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position in governmental activities	\$ 2,098,113

Another element of that reconciliation states that “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 \$(45,561) difference are as follows:

Compensated absences	\$ 10,745
School retirement incentive	35,448
Post employment benefits annual required contribution	(116,864)
Accrued interest	6,646
Amortization of premium on refunding and general obligation bonds	18,464
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (45,561)

Another element of that reconciliation states that “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 \$8,957 difference are as follows:

Change in net position of the internal service funds	\$ 6,909
Plus: depreciation on capital assets	2,048
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 8,957

Another element of that reconciliation states that “governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.” The details of this \$(1,488,461) difference are as follows:

Employer pension contributions	\$ 1,552,003
Cost of benefits earned, net of employee contributions	(3,040,464)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	\$ (1,488,461)

### **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, 2016, the Town budgeted and utilized the following amounts:

	2015-16 General Fund Budget As of June 30, 2015			
	<u>Original Budget</u>	<u>Encumbered Balances</u>	<u>Additional Appropriations</u>	<u>Final Budget</u>
Restricted fund balance:				
Educational purposes	\$ 3,067,309	\$ -	\$ -	\$ 3,067,309
Municipal purposes	50,000	-	186,481	236,481
Bond proceeds	119,800	-	-	119,800
Assigned fund balance:				
Municipal purposes	825,000	-	-	825,000
Encumbrances	-	120,384	-	120,384
Total utilization of fund balance	\$ 4,062,109	\$ 120,384	\$ 186,481	\$ 4,368,974

### C. Additional Appropriations

#### 1. Supplemental appropriations

The Town Council made two supplemental budgetary appropriations during the year totaling \$186,481. Vehicle and equipment reserves were funded, for the purchase of a sidewalk tractor previously authorized to be funded with the issuance of bonds, by a \$136,481 MainePERS repayment of the Town's Individual Unpooled Unfunded Actuarial Asset (IUUAA) balance as of June 30, 2015. The remaining \$50,000 supplemental budgetary appropriation was transferred to the capital projects fund to be used as the final repayment of the 2013-14 advance for a new Town-wide telephone system.

#### 2. On-behalf payments

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 2015-16 were \$1,617,000 for retirement, and \$408,000 for other 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 Council, upon the request of the town manager, may move funds from departments with anticipated budget surpluses to those with anticipated budget shortfalls. Adjustments of this type have no impact on the budget in total. During the year, adjustments totaling \$230,000 were made by 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 23, 2016, the Town Council adopted a resolution authorizing expenditures to exceed the gross appropriation in an appropriated account so long as the amount was \$10,000 or less.

### F. Deficit Fund Balance or Net Position

The following *total fund balance deficits* exist as of June 30, 2016:

Nonmajor Capital Projects	
Capital Improvement Projects	\$ (56,600)
2016 Bond Fund	(1,149,285)
Revolving Renovation Fund	(174,259)

The deficit balance in the Capital Improvements Fund is primarily the result of the \$363,264 General Fund advance to the School Department for an air quality project at the Junior High School that was completed in May, 2015. The School Department budgeted the first of five installments to repay the advance in 2015-16, and plans to budget the remaining repayments over the next four years. The balances of the thirteen other improvement projects in the fund total a positive balance of \$306,664.

The deficit balance in the 2016 Bond Fund reflects outlays for several projects which have been authorized for funding through the issuance of bonds. These projects are the replacement of the boiler at Brunswick High School for \$575,000, the reconstruction of Nancy Drive, Patricia Road and Pierce Lane for \$442,616, the improvements at Emerson Station for \$98,629, and the Property Revaluation project for \$33,404. The Emerson Station and Property Revaluation projects are still in process. It is anticipated that bonds will be issued for these and the upcoming Town Hall Trim project in late 2016 or early 2017.

The deficit balance in the School Revolving Renovation Bond Fund represents expenditures made on the projects authorized for partial reimbursement by the Maine Department of Education, and for a borrowing with Maine Municipal Bond Bank through the School Revolving Renovation Program. The Town issued bonds associated with this program on September 9, 2016, and plans to request funds in October 2016.

The following *net position deficit* exists as of June 30, 2016:

Solid Waste Facilities Fund	\$	(4,489,365)
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The deficit balance in the Solid Waste Facilities Fund is primarily the result of insufficient assets to fund the liability that the Town has accumulated for the closure and postclosure of its landfills. The Town has implemented two strategies to reduce the deficit, annual subsidies from the General Fund, and its plan to use accumulated net revenue from its pay-as-you-throw residential solid waste collection program. More recently the Town has learned that the closure may be eligible for cost sharing through the Maine Department of Environmental Protection's Landfill Closure and Remediation Program, and has begun to explore the possibility of closing the landfill within five years. Should a deficit remain at the time the operating landfill is closed, debt may be issued to finance the 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, 2016, the Town of Brunswick had the following investments, with corresponding recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Level 1 Input</u>
Money-market Mutual Funds	\$ 4,479,441	N/A	N/A
Certificates of Deposit	4,000,363	N/A	N/A
Equities	394,154	N/A	Yes
Other Mutual Funds	884,635	N/A	Yes

*Interest rate risk.* The Town does not currently have a deposit policy for interest rate risk.

*Credit risk.* The Town does not have a formal policy regarding credit risk. Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and certain corporate stocks and bonds. At June 30, 2016, the Town was not invested in corporate bonds.

*Custodial credit risk – deposits.* This is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. The Town's bank balances were covered by the FDIC, the tri-party collateral agreement among the Town of Brunswick, Bank of America, and Bank of New York, and an irrevocable stand-by letter of credit with the Federal Home Loan Bank of Boston, issued to the Town of Brunswick for People's United Bank. At June 30, 2016, \$834,372 of the \$19,823,249 was exposed to custodial credit risk because it was uninsured and uncollateralized due to overnight timing issues with the tri-party collateral agreement. Although CDs have been classified as investments for financial reporting, they are considered deposits for the purposes of custodial credit risk disclosure.

*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, 2016, the Town did not have a policy for concentration of credit risk.

## **B. Receivables**

Receivables at June 30, 2016 consist of the following:

	General <u>Fund</u>	Other Governmental <u>Funds</u>	Enterprise <u>Funds</u>	<u>Total</u>
Taxes	\$ 881,478	\$ -	\$ -	\$ 881,478
Tax liens	338,931	-	-	338,931
Accounts	623,368	16,213	55,064	694,645
Intergovernmental	154,125	973,100	-	1,127,225
Gross receivables	1,997,902	989,313	55,064	3,042,279
Less: Allowance for Uncollectibles	(63,103)	-	-	(63,103)
Net receivables	\$ 1,934,799	\$ 989,313	\$ 55,064	\$ 2,979,176

Property taxes for the current year were committed September 2, 2015 on the assessed value listed as of April 1, 2015, for all taxable real and personal property located in the Town. Real property taxes were due in two installments, October 15, 2015 and April 15, 2016. Personal property taxes were due in one installment, October 15, 2015. Interest was charged at the rate of 7.00% 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, 2015, upon which the levy for the year ended June 30, 2016 was based, was \$1,339,647,200. This assessed value was 70% of the estimated market value and 66.97% of the 2015 State valuation of \$2,000,400,000.

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 \$445,090 for the year ended June 30, 2016. 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, 2016, the Town had a total of \$54,602,800 in captured valuation for four TIF districts. The tax revenue captured in these districts totaled \$1,548,535 for the year.

### C. Capital Assets

Capital asset activity for the year ended June 30, 2016 follows.

#### Governmental activities:

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	\$ 6,036,412	\$ 136,387	\$ -	\$ 6,172,799
Construction in progress	52,365	140,724	(26,545)	166,544
Intangibles	200,000	-	-	200,000
Total capital assets not being depreciated	6,288,777	277,111	(26,545)	6,539,343
Capital assets being depreciated:				
Buildings	63,401,185	926,720	-	64,327,905
Improvements other than buildings	3,667,131	138,750	-	3,805,881
Machinery and equipment	5,040,557	289,791	(294,223)	5,036,125
Vehicles	7,602,519	368,696	(140,559)	7,830,656
Intangibles	428,618	-	-	428,618
Infrastructure	45,399,350	666,465	(59,358)	46,006,457
Total capital assets being depreciated	125,539,360	2,390,422	(494,140)	127,435,642
Less accumulated depreciation for:				
Buildings	(18,852,696)	(2,074,758)	-	(20,927,454)
Improvements other than buildings	(2,077,276)	(217,067)	-	(2,294,343)
Machinery and equipment	(3,088,084)	(373,648)	274,787	(3,186,945)
Vehicles	(4,738,249)	(381,050)	140,559	(4,978,740)
Intangibles	(423,599)	(5,019)	-	(428,618)
Infrastructure	(21,782,777)	(880,264)	57,583	(22,605,458)
Total accumulated depreciation	(50,962,681)	(3,931,806)	472,929	(54,421,558)
Total capital assets being depreciated, net	74,576,679	(1,541,384)	(21,211)	73,014,084
Governmental activities capital assets, net	<u>\$ 80,865,456</u>	<u>\$ (1,264,273)</u>	<u>\$ (47,756)</u>	<u>\$ 79,553,427</u>

**Business-type activities:**

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	\$ 115,000	\$ -	\$ -	\$ 115,000
Total capital assets not being depreciated	115,000	-	-	115,000
Capital assets being depreciated:				
Buildings	54,220	-	-	54,220
Improvements other than buildings	7,441,903	-	-	7,441,903
Machinery and equipment	648,782	-	-	648,782
Vehicles	88,632	-	-	88,632
Intangibles	6,470	-	-	6,470
Infrastructure	589,927	46,811	-	636,738
Total capital assets being depreciated	8,829,934	46,811	-	8,876,745
Less accumulated depreciation for:				
Buildings	(54,220)	-	-	(54,220)
Improvements other than buildings	(5,743,119)	(124,393)	-	(5,867,512)
Machinery and equipment	(298,872)	(35,595)	-	(334,467)
Vehicles	(88,632)	-	-	(88,632)
Intangibles	(6,470)	-	-	(6,470)
Infrastructure	(518,256)	(27,068)	-	(545,324)
Total accumulated depreciation	(6,709,569)	(187,056)	-	(6,896,625)
Total business-type capital assets being depreciated, net	2,120,365	(140,245)	-	1,980,120
Business-type activities capital assets, net	<u>\$ 2,235,365</u>	<u>\$ (140,245)</u>	<u>\$ -</u>	<u>\$ 2,095,120</u>

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

**Governmental activities:**

General government	\$ 306,623
Public safety	439,668
Public works, including depreciation of general infrastructure assets	1,140,066
Human services	11
Education	1,820,553
Recreation and culture	224,885
Total depreciation expense - governmental activities	<u>\$ 3,931,806</u>

**Business-type activities:**

Mere Point wastewater	\$ 27,068
Solid Waste facilities	149,302
Train Station/Visitors Center	10,686
Total depreciation expense - business-type activities	<u>\$ 187,056</u>

**D. Leases**

During the fiscal year ended June 30, 2016, the Town was a lessee in a variety of operating leases, one of which is considered material. The Town is a lessor in two operating leases, neither of which are considered material.

*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 (formerly Maine Street Station). 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 term of the initial five-year lease began November 1, 2009. During the year ended June 30, 2009, the Town received a \$220,000 grant from the Brunswick Development Corporation (BDC) which allowed the Town to pre-pay all five years of the rent. On April 15, 2014 the Town and JHR signed an amendment to the lease, extending the agreement five years, to November 1, 2019. For the year ended June 30, 2016, the lease expense was \$44,000. For future years, lease expenses will be recognized as follows:

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2017	\$ 44,000
2018	44,000
2019	<u>14,667</u>
	\$ 102,667

**E. Long-term Liabilities**

1. General obligation bonds

The Town issues general obligation debt 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 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</u>					\$ 200,000	
2006 Fire Station & Truck	2006	\$ 3,125,000	4.00%	2021	to 275,000	\$ 1,000,000
			2.00%			
2010 Elementary School	2010	21,462,250	to 5.50%	2030	1,073,113	16,096,687
			2.00%		270,000	
2011 GO Bonds	2011	4,120,000	to 3.00%	2021	to 555,000	1,350,000
			2.00%			
2013 Police Station	2013	5,500,000	to 3.50%	2033	275,000	4,675,000
						<u>\$ 23,121,687</u>

All long-term debt of the Town of Brunswick has been issued as general obligation. All of the 2010 Elementary School Bonds were issued through the Maine Municipal Bond Bank (MMBB). A large percentage of those 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 Elementary School Bonds is eligible for State subsidy.

The amounts required to amortize all bonds and notes outstanding as of June 30, 2016, are as follows:

Year Ending June 30	Governmental Activities				
	Principal	Interest	Total	BABs Subsidy	Net Total
2017	\$ 1,818,112	\$ 845,262	\$ 2,663,374	\$ (220,447)	\$ 2,442,927
2018	1,818,113	792,810	2,610,923	(210,212)	2,400,711
2019	1,818,112	736,377	2,554,489	(198,584)	2,355,905
2020	1,818,113	677,038	2,495,151	(185,937)	2,309,214
2021	1,818,112	616,621	2,434,733	(172,916)	2,261,817
2022-2026	6,740,563	2,322,970	9,063,533	(653,854)	8,409,679
2027-2031	6,740,562	884,813	7,625,375	(233,522)	7,391,853
2032-2033	550,000	18,906	568,906	-	568,906
Total	\$ 23,121,687	\$ 6,894,797	\$ 30,016,484	\$ (1,875,472)	\$ 28,141,012

For the year ended June 30, 2016, the Town paid \$2,098,113 in principal and \$680,732 in interest (net of \$213,331 BABs subsidy) for a total of \$2,778,845 in debt service payments. Due to federal sequestration, the BABs subsidy was reduced in FY 16 by a total of \$15,565, or a 6.8% reduction. 87% of the sequestration reduction is eligible for State subsidy. The Town anticipates BABs subsidy reductions in future years, but cannot estimate the amount of the reduction going forward.

*Additional debt authorizations:* The Town Council has authorized the issuance of bonds for several projects. General Obligation bonds are expected to be issued late in 2016 for the following:

On September 2, 2014, the Town Council adopted "An Ordinance Authorizing Storm Drain Improvements and Reconstruction of Nancy Drive, Patricia Road and Pierce Lane, with Total Project Costs Not to Exceed \$580,000 (plus any other authorized costs), and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$580,000 (plus the cost of issuance)." The project was completed in the spring of 2016.

On December 1, 2014, the Town Council adopted "An Ordinance Authorizing the Upgrading of Heating, Ventilation, Cooling, and Related Improvements at Emerson Station, with Total Project Costs Not to Exceed \$150,000 (plus any other costs authorized hereunder), and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$150,000 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder." The project was nearing completion as of June 30, 2016.

On September 21, 2015, the Town Council adopted "An Ordinance Authorizing the Funding and Completion of Reappraisal and Revaluation of All Taxable Real Property and All Tax-exempt Real Property Located Within the Town of Brunswick With Total Project Costs Not to Exceed \$400,000 (plus any other costs authorized hereunder), and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$400,000 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder." The project is currently underway with anticipated completion in late summer 2017.

On October 5, 2015, the Town Council adopted "An Ordinance Authorizing the Replacement and Upgrade of the Boiler and Domestic Hot Water System at Brunswick High School, with Total Project Costs Not to Exceed \$575,000 (plus any other costs authorized hereunder), and Further Authorizing Issuance of Bonds and Notes in the Amount not to Exceed \$575,000 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder." The project was completed in the spring of 2016.

On March 21, 2016, the Town Council adopted an "Ordinance Authorizing various Health, Safety and ADA Compliance Improvements at the Coffin Elementary School and the Brunswick Junior High School, with Total Project Costs Not to Exceed \$1,517,664, and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$934,729 (following loan forgiveness of \$582,935)." The projects are currently underway, and a bond/loan agreement with Maine Municipal Bond Bank was completed on September 9, 2016.

On June 6, 2016, the Town Council adopted “An Ordinance Authorizing the Removal and Replacement of Exterior Trim Elements of the Brunswick Town Hall, with Total Project Costs Not to Exceed \$200,000 (plus any other costs authorized hereunder), and Further Authorizing Issuance of Bonds and notes in an Amount not to Exceed \$200,000 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder.”

One bond ordinance adopted by the Town Council is not expected to result in a borrowing, and is reflected in the financial statements as an advance from the General Fund to the Capital Improvements Fund. On July 7, 2014, the Town Council adopted “An Ordinance Authorizing the Acquisition and Installation of Heating, Ventilation, Cooling, and Related Equipment at the Junior High School, with Total Project Costs Not to Exceed \$454,080 (plus any other costs authorized hereunder), and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$454,080 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder.” The Town is authorized to make advances to a capital projects fund, and the air quality project was completed in May, 2015 using funds advanced from the General Fund. Bonds will not be issued for this project, as the School Department plans to budget repayments of the advance over five years, beginning with the 2015-16 fiscal year.

The following debt activity occurred after June 30, 2016. Also see Note “V. OTHER INFORMATION – I. Subsequent Events” herein.

On September 9, 2016 the Town issued a bond with the Maine Municipal Bond Bank in the amount of \$934,729. This represents the bonds authorized on March 21, 2016 for the school health, safety and ADA improvements to the Brunswick Junior High and Coffin Schools totaling \$1,517,664. The projects were approved for the School Revolving Renovation Fund Program by the Maine Department of Education, and qualify for 38.41% forgiveness of principal, equivalent to \$582,935.

*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 Comprehensive Annual Financial Report (CAFR).

## 2. Compensated absences

Recorded long-term compensated absences are as follows:

<u>Type of Leave</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Sick paid upon termination	\$ 470,240	\$ 4,666
Vacation	583,444	5,237
Compensatory time	53,288	-
School retirement stipend	328,774	-
Totals	\$ 1,435,746	\$ 9,903

## 3. Pension obligations

*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 the Maine Public Employees Retirement System (MainePERS). Teachers and certain other School Department employees also participate in the Maine Public Employees Retirement System (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. 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.maineopers.org](http://www.maineopers.org).

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

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

PLD Plan - Employees are required to contribute 7.5%-9.0% of their annual pay depending on the plan they participate in. The Town's contractually required contribution rate for the year ended June 30, 2016, ranged between 8.9%-14.0%, depending on the plan, and came in at an average 10.44% of annual payroll. Contributions to the pension plan from the Town were \$1,009,803 for the year ended June 30, 2016.

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, 2016, was 13.38% of annual payroll of which 3.36% of payroll was required from the Town and 10.02% was required from the State. Contributions to the pension plan from the Town were \$542,200 for the year ended June 30, 2016.

*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, 2015, 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, 2016, the Town reported a liability of \$7,269,492 for its proportionate share of the net pension liability. At June 30, 2015, the Town's proportion of the PLD Plan was 2.2785%.

SET Plan - At June 30, 2016, the Town reported a liability of \$521,645 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 OF BRUNSWICK, MAINE**      **Notes to Financial Statements**

Town's proportionate share of the net pension liability	\$ 521,645
State's proportionate share of the net pension liability associated with the Town	18,852,281
Total	<u>\$ 19,373,926</u>

At June 30, 2015, the Town's proportion of the SET Plan was 0.0386%.

For the year ended June 30, 2016, the Town recognized pension expense of \$2,579,933 for the PLD Plan and \$2,077,449 for the SET Plan. Additionally, the Town recognized revenue of \$1,617,000 for support provided by the State for the SET Plan.

At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 293,515	\$ 937,265
Differences between projected and actual investment earnings on pension plan investments	2,354,011	2,926,814
Changes of assumptions	656,802	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	481,791	423,374
Town contributions subsequent to the measurement date	<u>1,552,003</u>	<u>-</u>
	<u>\$ 5,338,122</u>	<u>\$ 4,287,453</u>

A portion of deferred outflows of resources related to pensions, \$1,552,003, 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, 2017. 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>	<u>Pension Expense</u>
2017	\$ (218,191)
2018	(372,819)
2019	(498,824)
2020	<u>588,500</u>
	\$ (501,334)

*Actuarial assumptions:* The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	3.5%	3.5%
Salary increases, per year	3.5% to 9.5%	3.5% to 13.5%
Investment return, per annum, compounded annually	7.125%	7.125%
Cost of living benefit increases, per annum	2.55%	2.55%

Mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

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 asset class. 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 arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	5.2%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	<u>25%</u>	0.7%
Total	<u>100%</u>	

*Discount rate:* The discount rate used to measure the total pension liability was 7.125% for each of the plans. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 liabilities.

*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 calculated using the discount rate of 7.125% for the PLD Plan and 7.125% 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 (6.125% for PLD Plan and 6.125% for SET Plan) or 1 percentage-point higher (8.125% for PLD Plan and 8.125% for SET Plan) than the current rate:

	1% Decrease (6.125%)	Current Discount Rate (7.125%)	1% Increase (8.125%)
<u>PLD Plan</u>			
Town's proportionate share of the net pension liability	\$ 14,482,981	\$ 7,269,492	\$ 430,658
	1% Decrease (6.125%)	Current Discount Rate (7.125%)	1% Increase (8.125%)
<u>SET Plan</u>			
Town's proportionate share of the net pension liability	\$ 913,277	\$ 521,645	\$ 195,461



*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.maineopers.org](http://www.maineopers.org).

*Payables to the pension plan:* The Town reported no payables to the pension plan as of June 30, 2016.

4. Other postemployment benefits

**Maine Municipal Employees Health Trust**

*Plan Description:* The Town is a member of the Maine Municipal Employees Health Trust (MMEHT), an agent multiple-employer healthcare plan that provides employment and postemployment healthcare benefits. Retiree eligibility to receive health care benefits follows the same requirements as the retirement requirement of the Maine Public Employees Retirement System (MainePERS), meaning that employees eligible to retire under MainePERS are eligible to participate in the retiree health benefit offered by MMEHT. Eligible retirees are required to pay 100% of the health insurance premiums to receive healthcare benefits. For non-Medicare eligible retirees, premiums are the same as for active employees. Medicare eligible retirees pay reduced premiums and the coverage is adjusted to supplement Medicare.

MMEHT contracts with an actuarial consultant to provide a biennial actuarial valuation of the Town's OPEB liability under GASB Statement 45. The most recent OPEB liability actuarial valuation was completed in July 2015 for the fiscal years ending June 30, 2015 and June 30, 2016. A copy of the financial report and the required supplementary information for the Health Trust may be obtained from the Maine Municipal Employees Health Trust, 60 Community Drive, Augusta, ME 04333.

*Funding policy:* GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The Town currently funds these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits.

*Annual OPEB cost:* The Town's annual OPEB cost is calculated based on the annual required contribution (ARC), an actuarially determined amount. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty (30) years. The components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation are summarized in the following table.

Normal cost	\$ 63,101
Amortization of Unfunded	118,822
Interest	3,603
Annual Required Contribution	185,526
Interest on Net OPEB Obligation	4,862
Amortizing Adjustment to ARC	(7,029)
Annual OPEB Cost	183,359
Contributions made	(66,495)
Increase in Net OPEB Obligation	116,864
Net OPEB obligation - beginning of year	871,363
Net OPEB obligation - end of year	<u>\$ 988,227</u>

The following table represents the OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2016, and two preceding years:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2014	208,091	30.02%	763,433
June 30, 2015	171,913	37.22%	871,363
June 30, 2016	183,359	36.26%	988,227

Funding Status and Funding Progress: The funded status of the plan as of June 30, 2016 was as follows:

Actuarial accrued liability	\$ 2,136,856
Plan assets	-
Unfunded actuarial accrued liability	<u>\$ 2,136,856</u>
Funded ratio	0%
Covered payroll	\$ 8,361,278
Unfunded actuarial accrued liability as a percentage of covered payroll	25.56%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, found in the required supplementary information (RSI) on page 82, provides multiyear trend information (seven years available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions: Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefits costs between the Town and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/2015
Actuarial cost method	Projected unit credit
Amortization method	Level dollar
Amortization period	Open, 30 years

Actuarial assumptions:	
Discount rate	4.00%
Rate of salary increases	3.00%
Ultimate rate of medical inflation	4.25%

##### 5. Landfill closure and postclosure 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 postclosure 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. In addition to operating expenditures related to current activities of the landfill, a related liability is recognized based on the future closure and postclosure care costs that will be paid near or after the date that the landfill stops accepting waste. The Town reports a portion of these closure and postclosure care costs as a liability in the statement of net position based on landfill capacity used as of June 30, 2016.

The actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in laws or regulations. The Town intends to pay for the actual closure and postclosure costs with funds collected and retained in the solid waste enterprise fund. If those funds are not sufficient, the Town will look to other funding sources including the pay-per-bag enterprise fund, long-term debt, and subsidies from the General Fund.

The Town has the following solid waste facilities:

*Graham Road Landfill:* This facility was designed with three cells, with construction and use of the individual cells to be phased in over the life of the facility. As of June 30, 2016, the Town estimates the facility has a remaining capacity of 19.49% and, at current disposal rates, could continue to accept waste for 15-20 more years. The Town estimates the final closure cost for the entire facility to be approximately \$6,880,000. The total postclosure care costs are estimated at \$2,135,000 which is an annual cost of \$71,167 for 30 years. Of the total estimated liability, \$9,015,000, the Town estimates that \$7,257,963 is applicable to this facility based on the estimated capacity used as of June 30, 2016.

The landfill operates under strict environmental regulations and its operation is dependent on continued compliance with existing and future regulations. Licensing for operations and wastewater discharge are regulated by two divisions of the Maine Department of Environmental Protection (DEP): the Bureau of Remediation and Waste Management, and the Bureau of Land and Water Quality.

The facility's wastewater discharge license was last renewed in August 2016. For several years the Town has worked with the Maine DEP to comply with, or seek waivers from, certain discharge parameters set by the United States Environmental Protection Agency (EPA). Initially, the Town believed it could obtain a waiver of those limits based upon Fundamentally Different Factors (FDF), the variance process described in its 2004 wastewater discharge license. Late in 2010, the Town learned that the waivers it sought were not available. Since that time, the Town and the Maine DEP first worked to negotiate an Administrative Consent Agreement (ACA) to resolve violations of certain wastewater discharge limits, and then cooperated in the construction and operation of a small-scale experimental treatment facility. The Town operated the facility through the 2013-14 winter months in order to obtain data about the facility's effectiveness in cold weather conditions. In November 2014 DEP presented their report on the pilot project, and as the results were not conclusive, the Town has continued discussion with DEP on the next steps. The Town believes that treatment options to meet the wastewater parameters will be costly and will not appreciably impact water quality.

In 2014, while the Town was working on resolving issues with its wastewater license, the Maine DEP Bureau of Remediation and Waste Management notified the Town of concerns about groundwater contamination trends at the landfill. While the groundwater quality is not out of compliance, the recorded trends make the Town eligible for landfill closure funding from the State's Landfill Closure and Remediation Program.

Based on its collaboration with DEP, the cost of wastewater and groundwater treatment options, and other factors, the Town is actively exploring the possibility of closing the landfill. The Town has contracted with a consultant to analyze the viability of continued operations of the landfill and to explore different solid waste alternatives available to the Town. Discussions of closure have addressed the potential for DEP cost-sharing through the Maine Landfill Closure and Remediation Program.

While the Town faces potential fines for its failure to comply with wastewater discharge limits and other violations, DEP has indicated that it would not pursue enforcement action so long as the Town and DEP were pursuing a collaborative solution. The Town cannot reasonably estimate the amount of any potential fines, should it once again be faced with enforcement action.

*Wood & Masonry Landfill:* This facility ceased operations on October 29, 2005. Work to close the facility in accordance with Maine Department of Environmental Protection guidelines was completed as of September 1, 2006. Of the total liability estimated for landfill closure and postclosure care as of June 30, 2016, the Town estimates that \$84,000 is applicable to this facility. This represents annual monitoring at \$4,000 per year for 21 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, 2016 was as follows:

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016	Due Within One Year
<u>Governmental Activities</u>					
Bonds payable:					
General government	\$ 25,219,800	\$ -	\$ (2,098,113)	\$ 23,121,687	\$ 1,818,112
Plus premium on bonds	161,318	-	(18,464)	142,854	18,464
School retirement incentive	58,021	-	(35,448)	22,573	17,237
Compensated absences	1,446,491	858,508	(869,253)	1,435,746	476,663
Other postemployment benefits	871,363	116,864	-	988,227	-
Net pension liability	3,962,825	3,828,312	-	7,791,137	-
	<u>\$ 31,719,818</u>	<u>\$ 4,803,684</u>	<u>\$ (3,021,278)</u>	<u>\$ 33,502,224</u>	<u>\$ 2,330,476</u>
	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016	Due Within One Year
<u>Business-type Activities</u>					
Compensated absences	\$ 9,490	\$ 9,493	\$ (9,080)	\$ 9,903	\$ 1,250
Landfill closure and postclosure care	7,030,309	315,654	(4,000)	7,341,963	4,000
	<u>\$ 7,039,799</u>	<u>\$ 325,147</u>	<u>\$ (13,080)</u>	<u>\$ 7,351,866</u>	<u>\$ 5,250</u>

For the governmental activities, compensated absences and net pension obligations are generally liquidated by the General Fund. For business-type activities, compensated absences and net pension obligations are liquidated by the Solid Waste Facilities Fund. General government bonds payable are predominantly paid from the General Fund, with a portion paid from the TIF fund. To the extent that the net OPEB obligation is liquidated, it is liquidated by plan member contributions.

**G. Components of Fund Balances**

The components of the June 30, 2016 fund balance are as follows:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Advances to other funds	\$ 363,264	\$ -	\$ -	\$ -
Inventories and deposits	25,220	-	-	-
Education purposes	-	4,242,058	-	-
State road assistance funds	-	69,641	-	-
State revenue sharing funds	-	170,560	-	-
Encumbrances	-	-	-	96,320
Budget appropriation	-	-	-	600,000
Supplemental appropriations	-	-	-	40,000
Compensated absences	-	-	-	394,470
Tax increment financing	-	1,116,433	-	-
Capital projects funds:				
Advances and deposits	50,000	-	-	-
Restricted capital project funding	-	541,308	-	-
Appropriated for capital projects	-	-	462,052	-
Special revenue funds:				
Recreation programs	-	-	319,521	-
Town restricted programs	-	152,354	-	-
School restricted programs	14,475	147,462	-	-
Permanent funds	535,605	22,408	-	-
Total	\$ 988,564	\$ 6,462,224	\$ 781,573	\$ 1,130,790

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, 2016, the Town's unassigned fund balance was at 17.54% 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	Capital Improvement Projects	\$ 363,264
		\$ 363,264

It is planned that the advances to the Capital Improvement Projects Fund will be repaid through the School Department budget over five years. As of June 30, 2016 the balance represents four years of anticipated payments.

2. Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	School Restricted Fund	\$ 537,107
General Fund	2016 Bond Fund	902,340
General Fund	Nonmajor Permanent Funds	5,881
General Fund	Private-purpose Trust Funds	7,399
General Fund	Enterprise Funds	59,905
		<u>\$ 1,512,632</u>
Tax Increment Financing	General Fund	\$ 1,116,433
Recreation Program Funds	General Fund	14,980
Town Restricted Funds	General Fund	104,129
Public Works Projects	General Fund	112,328
Vehicle/ Equipment Reserves	General Fund	208,142
Capital Improvement Projects	General Fund	246,226
Private-purpose Trust Funds	General Fund	16,657
Internal Service Fund	General Fund	104,403
		<u>\$ 1,923,298</u>

**I. Interfund transfers**

	<u>Transfers In:</u>			
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total transfers out</u>
<u>Transfers Out:</u>				
General Fund	\$ -	\$ 1,595,667	\$ 194,000	\$ 1,789,667
Nonmajor Governmental Funds				
Capital Project Funds	620,942	-	-	620,942
Total Transfers In	<u>\$ 620,942</u>	<u>\$ 1,595,667</u>	<u>\$ 194,000</u>	<u>\$ 2,410,609</u>

Of the \$1,789,667 transferred out of the General Fund, \$1,530,167 was made for a variety of capital projects. The largest of these include \$655,717 for vehicle acquisitions and, \$655,000 for the Street Resurfacing Program. The \$194,000 transfer to Enterprise Funds represents General Fund subsidies of the Graham Road Landfill operations of \$150,000 and the Train Station/Visitors Center of \$44,000. Of the remaining \$65,500, \$61,000 was the annual subsidy of the school cafeteria, within the School Restricted programs, and \$4,500 was the annual contribution to the Memorial Day program to match small grants.

Transfers in to the General Fund include a transfer of \$119,811 in unspent bond proceeds used to pay debt service, and \$501,131 in balances from completed projects and activities.

**J. Donor-restricted Endowments**

The Town maintains several permanent funds and private-purpose trust funds with donor-restricted endowments. It is the Town's policy that only interest and dividends on investments are authorized for spending. Any appreciation on investments is added to the original endowment and is not authorized for spending.

**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, 2016, 2015 and 2014, 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, 2016.

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, 2016, the Town's equalized state valuation of \$2,082,600,000 was 5.10% of the County's equalized state valuation of \$40,806,800,000. The Town's share of Cumberland County's principal debt as of June 30, 2016 is \$1,823,757 or 5.10% of the total outstanding long-term County debt of \$35,735,000.

## 2. Maine Region 10 Technical High School

The Town of Brunswick is a participant along with the 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, 2016, MR10 held no outstanding debt obligations. Should MR10 authorize and issue debt in the future, the Town of Brunswick's share of MR10's debt is 38.29%. 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, 2016 is provided as an indication of the combined debt burden of the constituent ratepayer/taxpayer base.

	<u>Total</u> <u>Principal Debt</u>	<u>% Applicable</u> <u>to Brunswick</u>	<u>Amt Applicable</u> <u>to Brunswick</u>
Brunswick and Topsham Water District	\$ 8,522,641	66.67%	\$ 5,682,045
Brunswick Sewer District	23,193,866	100.00%	23,193,866
Total	<u>\$ 31,716,507</u>		<u>\$ 28,875,911</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 as determined by the most recent Federal Decennial Census. Each member unit must also approve its assessment through its own budgetary process. The Town of Brunswick currently has an on-going financial responsibility to fund 38.29% of MR10's budget. For the year ended June 30, 2016, the total budget of MR10 was \$2,076,290. After MR10 deducted certain balances and miscellaneous revenues, the Town of Brunswick was assessed and paid \$786,381. At June 30, 2016, MR10 held no outstanding debt obligation balances. Should MR10 authorize and issue debt in the future, the Town of Brunswick's share of MR10's debt is 38.29%. 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". While not called 'tax abatements', the Town of Brunswick does currently have certain Credit Enhancement Agreements (CEAs) which fit this definition.

The Town of Brunswick has entered into several Credit Enhancement Agreements (CEAs) with individual organizations as permitted within its four 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 30, 2016 the Town had two executed CEAs and a Memorandum of Agreement (MOA) with Midcoast Regional Redevelopment Authority (MRRA) for a third. Based on the MOA, and the expectation of an executed CEA, the Town Council approved an advance of \$500,000 in TIF revenues to MRRA during the 2015-16 fiscal year. Subsequent to June 30, 2016, the CEA with MRRA was executed as anticipated. Also see Note "V. OTHER INFORMATION – I. Subsequent Events" herein.

For the fiscal year ended June 30, 2016, the Town remitted a total of \$719,147 in Credit Enhancement payments, including the following, each of which exceeded 10 percent of the total amount:

<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>
Downtown Development	2011-12; 10 years	JHR Development of Maine	TIF revenues on one parcel: five years at 100%, two years at 80%, two years at 70%, final year at 50%	\$ 111,591
Molnlycke Manufacturing	2013-14; 20 years	Molnlycke Manufacturing, LLC	TIF revenues within district: 35% - 55% based on employment levels	107,556
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.	500,000
				<u>\$ 719,147</u>

## H. Commitments

As of June 30, 2016, the Town had various contractual commitments. The significant commitments are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Emerson Station Improvements	\$ 95,083	\$ 21,130
Property Revaluation	33,404	314,596
	<u>\$ 128,487</u>	<u>\$ 335,726</u>

**I. Subsequent Events**

Issuance of debt - On September 9, 2016, the Town issued debt in the form of a School Revolving Renovation Fund Bond for \$934,729 with the Maine Municipal Bond Bank. This represents funding for health, safety and ADA compliance improvements at the Brunswick Junior High School and the Coffin School, with total authorized project costs of \$1,517,664 and principal forgiveness of 38.41% or \$582,935. The term is 10 years at 0% interest, with the first payment due on September 1, 2017.

Tax Increment Financing (TIF) District development program amendments, and Credit Enhancement Agreement (CEA) – On September 14, 2016 the Maine Department of Economic and Community Development approved amendments to the Brunswick Landing II TIF District and Brunswick Executive Airport II TIF District development programs. On September 22, 2016, with the completion of these amendments, and in accordance with the agreement previously established with the Midcoast Regional Redevelopment Association (MRRA), the Town and MRRA executed a Credit Enhancement Agreement (CEA). Under the terms of the CEA, up to 50% of the TIF revenues from the two TIF districts may be distributed to MRRA.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

Schedule of Other Post-Employment Benefits Funding Progress

Notes to Required Supplementary Information

## Required Supplementary Information

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

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

	<u>2016</u>	<u>2015**</u>
<b><u>PLD Plan</u></b>		
Town's proportion of the net pension liability	2.28%	2.30%
Town's proportionate share of the net pension liability	\$ 7,269,492	\$ 3,536,451
Town's covered-employee payroll	9,672,593	9,702,984
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	75.16%	36.45%
Plan fiduciary net position as a percentage of the total pension liability	88.27%	94.10%
 <b><u>SET Plan</u></b>		
Town's proportion of the net pension liability	0.04%	0.04%
Town's proportionate share of the net pension liability	\$ 521,645	\$ 426,374
State's proportionate share of the net pension liability associated with the Town	<u>18,852,281</u>	<u>15,095,418</u>
Total	<u>\$ 19,373,926</u>	<u>\$ 15,521,792</u>
 Town's covered-employee payroll	 \$ 16,136,902	 \$ 15,980,002
Town's proportion share of the net pension liability as a percentage of its covered-employee payroll	3.23%	2.67%
Plan fiduciary net position as a percentage of the total pension liability	81.18%	83.91%

\* Only two years of information available

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

See accompanying notes to required supplementary information.

## Required Supplementary Information, Continued

### TOWN OF BRUNSWICK, MAINE Schedule of Pension Contributions Last Ten Fiscal Years\*

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><u>PLD Plan</u></b>			
Contractually required contribution	\$ 1,009,803	\$ 931,375	\$ 796,662
Contributions in relation to the contractually required contribution	<u>(1,009,803)</u>	<u>(931,375)</u>	<u>(796,662)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Town's covered-employee payroll	 \$ 9,672,593	 \$ 9,702,984	 \$ 9,245,553
Contributions as a percentage of covered- employee payroll	10.44%	9.60%	8.62%
 <b><u>SET Plan</u></b>			
Contractually required contribution	\$ 542,200	\$ 423,470	\$ 414,573
Contributions in relation to the contractually required contribution	<u>(542,200)</u>	<u>(423,470)</u>	<u>(414,573)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Town's covered-employee payroll	 \$ 16,136,902	 \$ 15,980,002	 \$ 15,644,284
Contributions as a percentage of covered- employee payroll	3.36%	2.65%	2.65%

\* Only three years of information available

See accompanying notes to required supplementary information.

# Required Supplementary Information, Continued

## TOWN OF BRUNSWICK, MAINE Postemployment Healthcare Benefit Schedule of OPEB Funding Progress

Fiscal year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2009	1/1/2009	\$ -	\$ 2,045,926	\$ (2,045,926)	0.00%	\$ 7,921,177	25.83%
2010	1/1/2009	-	2,045,926	(2,045,926)	0.00%	7,900,785	25.90%
2011	1/1/2011	-	2,090,744	(2,090,744)	0.00%	7,846,250	26.65%
2012	1/1/2011	-	2,090,744	(2,090,744)	0.00%	7,758,089	26.95%
2013	1/1/2013	-	2,464,551	(2,464,551)	0.00%	7,788,043	31.65%
2014	1/1/2013	-	2,464,551	(2,464,551)	0.00%	8,114,329	30.37%
2015	1/1/2015	-	2,136,856	(2,136,856)	0.00%	8,356,113	25.57%
2016	1/1/2015	-	2,136,856	(2,136,856)	0.00%	8,361,278	25.56%

**Changes of benefit terms**

There were no changes in benefit terms in the Maine Public Employees Retirement System Plans.

**Changes of assumptions**

The discount rate used to measure the collective total pension liability in the Maine Public Employees Retirement System Participating Local District (PLD) plan decreased from 7.25% in the 2014 valuation to 7.125% in the 2015 valuation. The cost of living benefit increase assumption on the PLD plan was changed from 3.12% in the 2014 valuation to 2.55% in the 2015 valuation.

# **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 are 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.

### **Industrial Park**

To account for funding of the construction of Brunswick's Industrial Park and related expansions.

### **Public Works Projects**

To account for public works projects related to street resurfacing and sidewalk repair.

### **Vehicle/Equipment Reserves**

To account for vehicle and capital equipment purchases.

### **Downtown Improvement Projects**

To account for certain capital improvements in the downtown master development plan.

### **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.

### **Elementary School Bond Fund**

To account for a capital project which is funded by long-term debt obligations.



**Police Station Building Fund**

To account for a capital project which is funded by long-term debt obligations.

**2016 Bond Fund**

To account for capital projects for which long-term debt is authorized but unissued as of June 30, 2015, as follows:

*Nancy Drive, Patricia Road and Pierce Lane* – Storm drain improvements on Nancy Drive, and reconstruct Nancy Drive, Patricia Road and Pierce Lane.

*HVAC upgrade for Emerson Station* – Acquisition and installation of heating, ventilation, cooling, and related improvements to Emerson Station.

*Property Revaluation* – Complete reappraisal and revaluation of all taxable and tax-exempt real property in the Town of Brunswick.

*Brunswick High School Boiler* – Replacement and upgrade of the boiler and domestic hot water system at the high school.

*Town Hall Exterior Trim* – Project to remove and replace exterior trim elements on the Brunswick Town Hall.

**Revolving Renovation Fund**

To account for health, safety and ADA compliance improvements at the Coffin Elementary and Brunswick Junior High Schools, funded through the Maine School Revolving Renovation Fund Program

**PERMANENT FUNDS**

Permanent funds are used 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 government or its citizenry.

Nonexpendable permanent funds:

**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 Fund:**

Joshua Chamberlain Fund

This fund was established for the maintenance of the Joshua Chamberlain Statue.

**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, 2016**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>	<u>Nonmajor Permanent Funds</u>	<u>Total Other Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 461,824	\$ 560,064	\$ 56,018	\$ 1,077,906
Investments	-	-	495,482	495,482
Receivables:				
Accounts	16,213	-	-	16,213
Intergovernmental	973,100	-	-	973,100
Deposits	-	50,000	-	50,000
Inventory	14,475	-	-	14,475
Due from other funds	119,109	566,696	-	685,805
Total assets	<u>\$ 1,584,721</u>	<u>\$ 1,176,760</u>	<u>\$ 551,500</u>	<u>\$ 3,312,981</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 174,516	\$ 490,333	\$ -	\$ 664,849
Accrued payroll	109,788	-	-	109,788
Other liabilities	8,644	-	-	8,644
Unearned revenue	120,854	-	-	120,854
Due to other funds	537,107	902,340	5,881	1,445,328
Advances from other funds	-	363,264	-	363,264
Total liabilities	<u>950,909</u>	<u>1,755,937</u>	<u>5,881</u>	<u>2,712,727</u>
Fund balances (deficits):				
Nonspendable	14,475	50,000	535,605	600,080
Restricted	299,816	541,308	22,408	863,532
Committed	319,521	462,052	-	781,573
Unassigned	-	(1,632,537)	(12,394)	(1,644,931)
Total fund balances (deficits)	<u>633,812</u>	<u>(579,177)</u>	<u>545,619</u>	<u>600,254</u>
Total liabilities and fund balances	<u>\$ 1,584,721</u>	<u>\$ 1,176,760</u>	<u>\$ 551,500</u>	<u>\$ 3,312,981</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**All Other Governmental Funds**  
**For the year ended June 30, 2016**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>	<u>Nonmajor Permanent Funds</u>	<u>Total Other Governmental Funds</u>
<b>REVENUES</b>				
Intergovernmental	\$ 2,553,192	\$ -	\$ -	\$ 2,553,192
Investment income (loss)	-	-	(8,119)	(8,119)
Charges for services	974,256	-	-	974,256
Interest	362	772	-	1,134
Donations	73,993	21,139	-	95,132
Total revenues	<u>3,601,803</u>	<u>21,911</u>	<u>(8,119)</u>	<u>3,615,595</u>
<b>EXPENDITURES</b>				
Current:				
General government	812,013	-	881	812,894
Public safety	58,212	-	-	58,212
Public works	8,114	-	-	8,114
Education	2,338,673	-	-	2,338,673
Recreation and culture	447,027	-	5,000	452,027
Capital outlay	-	3,032,795	-	3,032,795
Total expenditures	<u>3,664,039</u>	<u>3,032,795</u>	<u>5,881</u>	<u>6,702,715</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,236)</u>	<u>(3,010,884)</u>	<u>(14,000)</u>	<u>(3,087,120)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other funds	65,500	2,278,656	-	2,344,156
Transfer to other funds	-	(1,369,431)	-	(1,369,431)
Total other financing sources (uses)	<u>65,500</u>	<u>909,225</u>	<u>-</u>	<u>974,725</u>
Net changes in fund balances	3,264	(2,101,659)	(14,000)	(2,112,395)
Fund balances, beginning of year	630,548	1,522,482	559,619	2,712,649
Fund balances (deficits), end of year	<u>\$ 633,812</u>	<u>\$ (579,177)</u>	<u>\$ 545,619</u>	<u>\$ 600,254</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2016**

	<u>Recreation Programs</u>	<u>Town Restricted Programs</u>	<u>School Restricted Programs</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 454,260	\$ 7,564	\$ -	\$ 461,824
Receivables:				
Accounts	1,945	3,285	10,983	16,213
Intergovernmental	-	57,388	915,712	973,100
Inventory	-	-	14,475	14,475
Due from other funds	14,980	104,129	-	119,109
Total assets	<u>\$ 471,185</u>	<u>\$ 172,366</u>	<u>\$ 941,170</u>	<u>\$ 1,584,721</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 23,189	\$ 18,944	\$ 132,383	\$ 174,516
Accrued payroll	19,490	1,068	89,230	109,788
Other liabilities	-	-	8,644	8,644
Unearned revenue	108,985	-	11,869	120,854
Due to other funds	-	-	537,107	537,107
Total liabilities	<u>151,664</u>	<u>20,012</u>	<u>779,233</u>	<u>950,909</u>
Fund balances:				
Nonspendable	-	-	14,475	14,475
Restricted	-	152,354	147,462	299,816
Committed	319,521	-	-	319,521
Total fund balances	<u>319,521</u>	<u>152,354</u>	<u>161,937</u>	<u>633,812</u>
Total liabilities and fund balances	<u>\$ 471,185</u>	<u>\$ 172,366</u>	<u>\$ 941,170</u>	<u>\$ 1,584,721</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the year ended June 30, 2016**

	<u>Recreation Programs</u>	<u>Town Restricted Programs</u>	<u>School Restricted Programs</u>	<u>Totals</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 848,187	\$ 1,705,005	\$ 2,553,192
Charges for services	506,845	21,139	446,272	974,256
Interest	355	7	-	362
Donations	-	20,965	53,028	73,993
Total revenues	<u>507,200</u>	<u>890,298</u>	<u>2,204,305</u>	<u>3,601,803</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	812,013	-	812,013
Public safety	-	58,212	-	58,212
Public works	-	8,114	-	8,114
Education	-	-	2,338,673	2,338,673
Recreation and culture	443,580	3,447	-	447,027
Total expenditures	<u>443,580</u>	<u>881,786</u>	<u>2,338,673</u>	<u>3,664,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>63,620</u>	<u>8,512</u>	<u>(134,368)</u>	<u>(62,236)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer from other funds	-	4,500	61,000	65,500
Total other financing sources	<u>-</u>	<u>4,500</u>	<u>61,000</u>	<u>65,500</u>
Net changes in fund balances	63,620	13,012	(73,368)	3,264
Fund balances, beginning of year	<u>255,901</u>	<u>139,342</u>	<u>235,305</u>	<u>630,548</u>
Fund balances, end of year	<u>\$ 319,521</u>	<u>\$ 152,354</u>	<u>\$ 161,937</u>	<u>\$ 633,812</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2016**

	<u>Impact Fees</u>	<u>Industrial Park</u>	<u>Public Works Projects</u>	<u>Vehicle/ Equipment Reserves</u>	<u>Downtown Improvement Projects</u>	<u>Capital Improvement Projects</u>	<u>Elementary School Bond</u>	<u>Police Station Bldg Fund</u>	<u>2016 Bond Fund</u>	<u>Revolving Renovation Fund</u>	<u>Totals</u>
<b>ASSETS</b>											
Cash and cash equivalents	\$ 524,286	\$ -	\$ -	\$ -	\$ 10,930	\$ 18,756	\$ -	\$ 6,092	\$ -	\$ -	\$ 560,064
Deposits	-	-	-	-	-	50,000	-	-	-	-	50,000
Due from other funds	-	-	112,328	208,142	-	246,226	-	-	-	-	566,696
Total assets	<u>\$ 524,286</u>	<u>\$ -</u>	<u>\$ 112,328</u>	<u>\$ 208,142</u>	<u>\$ 10,930</u>	<u>\$ 314,982</u>	<u>\$ -</u>	<u>\$ 6,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,176,760</u>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities:											
Accounts payable	\$ -	\$ -	\$ 60,811	\$ -	\$ -	\$ 8,318	\$ -	\$ -	\$ 246,945	\$ 174,259	\$ 490,333
Due to other funds	-	-	-	-	-	-	-	-	902,340	-	902,340
Advances from other funds	-	-	-	-	-	363,264	-	-	-	-	363,264
Total liabilities	<u>-</u>	<u>-</u>	<u>60,811</u>	<u>-</u>	<u>-</u>	<u>371,582</u>	<u>-</u>	<u>-</u>	<u>1,149,285</u>	<u>174,259</u>	<u>1,755,937</u>
Fund balances (deficits):											
Nonspendable	-	-	-	-	-	50,000	-	-	-	-	50,000
Restricted	524,286	-	-	-	10,930	-	-	6,092	-	-	541,308
Committed	-	-	51,517	208,142	-	202,393	-	-	-	-	462,052
Unassigned	-	-	-	-	-	(308,993)	-	-	(1,149,285)	(174,259)	(1,632,537)
Total fund balances (deficits)	<u>524,286</u>	<u>-</u>	<u>51,517</u>	<u>208,142</u>	<u>10,930</u>	<u>(56,600)</u>	<u>-</u>	<u>6,092</u>	<u>(1,149,285)</u>	<u>(174,259)</u>	<u>(579,177)</u>
Total liabilities and fund balances	<u>\$ 524,286</u>	<u>\$ -</u>	<u>\$ 112,328</u>	<u>\$ 208,142</u>	<u>\$ 10,930</u>	<u>\$ 314,982</u>	<u>\$ -</u>	<u>\$ 6,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,176,760</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, 2016**

	Impact Fees	Industrial Park	Public Works Projects	Vehicle/ Equipment Reserves	Downtown Improvement Projects	Capital Improvement Projects	Elementary School Bond	Police Station Bldg Fund	2016 Bond Fund	Revolving Renovation Fund	Totals
<b>REVENUES</b>											
Interest	\$ 510	\$ 179	\$ -	\$ -	\$ 47	\$ 18	\$ 11	\$ 7	\$ -	\$ -	\$ 772
Donations	10,139	-	-	-	-	11,000	-	-	-	-	21,139
Total revenues	10,649	179	-	-	47	11,018	11	7	-	-	21,911
<b>EXPENDITURES</b>											
Capital outlay	22,358	-	691,331	576,883	43,897	370,201	-	5,013	1,148,853	174,259	3,032,795
Total expenditures	22,358	-	691,331	576,883	43,897	370,201	-	5,013	1,148,853	174,259	3,032,795
Excess (deficiency) of revenues over (under) expenditures	(11,709)	179	(691,331)	(576,883)	(43,850)	(359,183)	11	(5,006)	(1,148,853)	(174,259)	(3,010,884)
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers from other funds	-	-	655,000	655,717	-	513,859	-	-	454,080	-	2,278,656
Transfers to other funds	-	(279,708)	-	-	-	(969,912)	(119,811)	-	-	-	(1,369,431)
Total other financing sources (uses)	-	(279,708)	655,000	655,717	-	(456,053)	(119,811)	-	454,080	-	909,225
Net changes in fund balances	(11,709)	(279,529)	(36,331)	78,834	(43,850)	(815,236)	(119,800)	(5,006)	(694,773)	(174,259)	(2,101,659)
Fund balances, beginning of year	535,995	279,529	87,848	129,308	54,780	758,636	119,800	11,098	(454,512)	-	1,522,482
Fund balances (deficits), end of year	\$ 524,286	\$ -	\$ 51,517	\$ 208,142	\$ 10,930	\$ (56,600)	\$ -	\$ 6,092	\$ (1,149,285)	\$ (174,259)	\$ (579,177)

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**June 30, 2016**

	<u>Education Funds</u>	<u>Community Improvements Fund</u>	<u>Recreation and Cultural Fund</u>	<u>Social Services Fund</u>	<u>Totals</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,203	\$ 4,083	\$ 44,869	\$ 4,863	\$ 56,018
Investments	16,035	39,560	396,877	43,010	495,482
Total assets	<u>\$ 18,238</u>	<u>\$ 43,643</u>	<u>\$ 441,746</u>	<u>\$ 47,873</u>	<u>\$ 551,500</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Due to other funds	\$ -	\$ 881	\$ 5,000	\$ -	\$ 5,881
Total liabilities	<u>-</u>	<u>881</u>	<u>5,000</u>	<u>-</u>	<u>5,881</u>
Fund balances (deficits):					
Nonspendable	14,136	39,596	449,140	32,733	535,605
Restricted	4,102	3,166	-	15,140	22,408
Unassigned	<u>-</u>	<u>-</u>	<u>(12,394)</u>	<u>-</u>	<u>(12,394)</u>
Total fund balances	<u>18,238</u>	<u>42,762</u>	<u>436,746</u>	<u>47,873</u>	<u>545,619</u>
Total liabilities and fund balances	<u>\$ 18,238</u>	<u>\$ 43,643</u>	<u>\$ 441,746</u>	<u>\$ 47,873</u>	<u>\$ 551,500</u>



**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the year ended June 30, 2016**

	<u>Education Funds</u>	<u>Community Improvements Fund</u>	<u>Recreation and Cultural Fund</u>	<u>Social Services Fund</u>	<u>Totals</u>
<b>REVENUES</b>					
Investment earnings:					
Interest and dividends	\$ 302	\$ 724	\$ 7,330	\$ 794	\$ 9,150
Net increase (decrease) in the fair value of investments	(401)	(961)	(9,732)	(1,055)	(12,149)
Total investment earnings	(99)	(237)	(2,402)	(261)	(2,999)
Less investment expense	(169)	(405)	(4,102)	(444)	(5,120)
Total revenues	(268)	(642)	(6,504)	(705)	(8,119)
<b>EXPENDITURES</b>					
Payment to beneficiaries	-	881	5,000	-	5,881
Total expenditures	-	881	5,000	-	5,881
Net changes in fund balances	(268)	(1,523)	(11,504)	(705)	(14,000)
Fund balances, beginning of year	18,506	44,285	448,250	48,578	559,619
Fund balances, end of year	<u>\$ 18,238</u>	<u>\$ 42,762</u>	<u>\$ 436,746</u>	<u>\$ 47,873</u>	<u>\$ 545,619</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**Education Funds**  
**June 30, 2016**

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	<b>Brunswick School Fund</b>	<b>Brunswick High Class of 1920 Fund</b>	<b>Totals</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,766	\$ 437	\$ 2,203
Investments	<u>12,171</u>	<u>3,864</u>	<u>16,035</u>
Total assets	<u><u>\$ 13,937</u></u>	<u><u>\$ 4,301</u></u>	<u><u>\$ 18,238</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	10,485	3,651	14,136
Restricted	<u>3,452</u>	<u>650</u>	<u>4,102</u>
Total fund balances	<u><u>13,937</u></u>	<u><u>4,301</u></u>	<u><u>18,238</u></u>
Total liabilities and fund balances	<u><u>\$ 13,937</u></u>	<u><u>\$ 4,301</u></u>	<u><u>\$ 18,238</u></u>

**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, 2016**

---

	<u>Brunswick School Fund</u>	<u>Brunswick High Class of 1920 Fund</u>	<u>Totals</u>
<b>REVENUES</b>			
Investment earnings:			
Interest and dividends	\$ 231	\$ 71	\$ 302
Net increase (decrease) in the fair value of investments	(307)	(94)	(401)
Total investment earnings	(76)	(23)	(99)
Less investment expense	(129)	(40)	(169)
Total revenues	(205)	(63)	(268)
<b>EXPENDITURES</b>			
Payment to beneficiaries	-	-	-
Total expenditures	-	-	-
Net changes in fund balances	(205)	(63)	(268)
Fund balances, beginning of year	14,142	4,364	18,506
Fund balances, end of year	<u>\$ 13,937</u>	<u>\$ 4,301</u>	<u>\$ 18,238</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 system serving 35 households.

#### **Train Station/Visitors Center**

Operation of a downtown train station and visitors center.

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**Enterprise Funds**  
**June 30, 2016**

---

	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ 67,202	\$ 67,202
Accounts receivable	5,341	-	5,341
Due from other funds	-	400	400
Total current assets	<u>5,341</u>	<u>67,602</u>	<u>72,943</u>
Capital assets:			
Improvements other than buildings	-	74,038	74,038
Machinery and equipment	97,500	-	97,500
Infrastructure	636,738	-	636,738
Less accumulated depreciation	<u>(642,824)</u>	<u>(59,790)</u>	<u>(702,614)</u>
Net capital assets	<u>91,414</u>	<u>14,248</u>	<u>105,662</u>
Total assets	<u>96,755</u>	<u>81,850</u>	<u>178,605</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,853	5,053	6,906
Due to other funds	<u>23,771</u>	<u>-</u>	<u>23,771</u>
Total liabilities	<u>25,624</u>	<u>5,053</u>	<u>30,677</u>
<b>NET POSITION</b>			
Net investment in capital assets	91,414	14,248	105,662
Unrestricted	<u>(20,283)</u>	<u>62,549</u>	<u>42,266</u>
Total net position	<u>\$ 71,131</u>	<u>\$ 76,797</u>	<u>\$ 147,928</u>

**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, 2016**

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	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 21,913	\$ 9,840	\$ 31,753
Total operating revenues	<u>21,913</u>	<u>9,840</u>	<u>31,753</u>
<b>OPERATING EXPENSES</b>			
Contractual services	21,614	63,389	85,003
Materials and supplies	-	1,876	1,876
Depreciation	<u>27,068</u>	<u>10,686</u>	<u>37,754</u>
Total operating expenses	<u>48,682</u>	<u>75,951</u>	<u>124,633</u>
Operating income (loss)	<u>(26,769)</u>	<u>(66,111)</u>	<u>(92,880)</u>
<b>NONOPERATING REVENUES</b>			
Interest income	<u>3</u>	<u>83</u>	<u>86</u>
Total nonoperating revenues	<u>3</u>	<u>83</u>	<u>86</u>
Income (loss) before transfers	(26,766)	(66,028)	(92,794)
Transfers in	<u>-</u>	<u>44,000</u>	<u>44,000</u>
Change in net position	(26,766)	(22,028)	(48,794)
Net position, beginning of year	<u>97,897</u>	<u>98,825</u>	<u>196,722</u>
Net position, end of year	<u>\$ 71,131</u>	<u>\$ 76,797</u>	<u>\$ 147,928</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**Enterprise Funds**  
**For the year ended June 30, 2016**

	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 18,882	\$ 10,140	\$ 29,022
Payments to suppliers for goods and services	(20,519)	(65,998)	(86,517)
Net cash provided (used) by operating activities	(1,637)	(55,858)	(57,495)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer from other funds	-	44,000	44,000
Increase (decrease) in due to other funds	25,263	(400)	24,863
Cash provided (used) by noncapital financing activities	25,263	43,600	68,863
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(46,811)	-	(46,811)
Cash provided (used) by capital and related financing activities	(46,811)	-	(46,811)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	3	83	86
Cash provided by investing activities	3	83	86
 Net decrease in cash	(23,182)	(12,175)	(35,357)
Cash, beginning of year	23,182	79,377	102,559
Cash, end of year	\$ -	\$ 67,202	\$ 67,202
 <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (26,769)	\$ (66,111)	\$ (92,880)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	27,068	10,686	37,754
(Increase) decrease in accounts receivable	(3,031)	300	(2,731)
Increase (decrease) in accounts payable	1,095	(733)	362
Total adjustments	25,132	10,253	35,385
Net cash provided (used) by operating activities	\$ (1,637)	\$ (55,858)	\$ (57,495)



## 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".

##### Solon E. and Lydia Skolfield Turner Scholarship Fund

Provides scholarships to assist worthy graduates or students of the Brunswick High School in pursuing advanced studies in approved secondary schools.

##### Pearl H. Baker Scholarship Fund

Provides scholarships to encourage and assist deserving and needy graduates of Brunswick High School to continue their education.

##### Lewis P. Gallagher Scholarship Fund

Provides scholarships to selected graduates of Brunswick High School to attend a vocational institution, college or university.

##### Doris C. Bibber Memorial Fund

Provides an award to a high school senior who has demonstrated outstanding ability and excellence in history class.

##### 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.

##### John Bibber Scholarship Fund

Provides a scholarship to a graduate of Brunswick High School or a resident of Brunswick who intends to pursue a degree in Public Administration.

##### 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.

### **Agency Funds:**

The Student Activities Agency Fund and Riverside Cemetery Agency Fund are used to report resources held by the Town in a purely custodial capacity.

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**June 30, 2016**

	<b>Private-purpose Trust Funds</b>				
	<b>Scholarship and Education Funds</b>	<b>Public Library Funds</b>	<b>E. H. Pennell Village Improvement Fund</b>	<b>Alex Labbe Recreation Fund</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 66,014	\$ 8,458	\$ 2,678	\$ -	\$ 77,150
Investments	643,207	74,809	23,685	-	741,701
Due from other funds	-	-	-	16,657	16,657
Total assets	<u>709,221</u>	<u>83,267</u>	<u>26,363</u>	<u>16,657</u>	<u>835,508</u>
<b>LIABILITIES</b>					
Due to other funds	<u>7,225</u>	-	174	-	7,399
Total liabilities	<u>7,225</u>	-	174	-	7,399
<b>NET POSITION</b>					
Net position held in trust for other purposes	<u>\$ 701,996</u>	<u>\$ 83,267</u>	<u>\$ 26,189</u>	<u>\$ 16,657</u>	<u>\$ 828,109</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Changes in Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**For the year ended June 30, 2016**

	<b>Private-purpose Trust Funds</b>				
	<b>Scholarship and Education Funds</b>	<b>Public Library Funds</b>	<b>E. H. Pennell Village Improvement Fund</b>	<b>Alex Labbe Recreation Fund</b>	<b>Totals</b>
<b>ADDITIONS</b>					
Contributions	\$ -	\$ -	\$ -	\$ 14,859	\$ 14,859
Investment earnings:					
Interest and dividends	13,795	1,382	438	-	15,615
Net increase (decrease) in the fair value of investments	(10,416)	(1,835)	(581)	-	(12,832)
Total investment earnings	3,379	(453)	(143)	-	2,783
Less investment expense	(6,909)	(773)	(245)	-	(7,927)
Total additions	(3,530)	(1,226)	(388)	14,859	9,715
<b>DEDUCTIONS</b>					
Payment to beneficiaries	9,237	-	174	4,428	13,839
Total deductions	9,237	-	174	4,428	13,839
Changes in net position	(12,767)	(1,226)	(562)	10,431	(4,124)
Net position - beginning of year	714,763	84,493	26,751	6,226	832,233
Net position - end of year	<u>\$ 701,996</u>	<u>\$ 83,267</u>	<u>\$ 26,189</u>	<u>\$ 16,657</u>	<u>\$ 828,109</u>

TOWN OF BRUNSWICK, MAINE  
Combining Statement of Net Position  
Fiduciary Funds  
Private-purpose Trust Funds  
Scholarship and Education Funds  
June 30, 2016

	Samuel Davis School Prize Fund	Skolfield Turner Scholarship Fund	Pearl Baker Scholarship Fund	Lewis Gallagher Scholarship Fund	Doris Bibber Memorial Fund	Elizabeth Nickerson Scholarship Fund	John Bibber Scholarship Fund	Lester Rogers Memorial Fund	Brunswick JHS Personal Growth Award Fund	Totals
<b>ASSETS</b>										
Cash and cash equivalents	\$ 4,131	\$ 32,904	\$ 443	\$ 16,219	\$ 157	\$ 8,758	\$ 2,638	\$ 523	\$ 241	\$ 66,014
Investments	36,539	291,037	3,920	202,763	1,390	77,464	23,337	4,629	2,128	643,207
Total assets	<u>40,670</u>	<u>323,941</u>	<u>4,363</u>	<u>218,982</u>	<u>1,547</u>	<u>86,222</u>	<u>25,975</u>	<u>5,152</u>	<u>2,369</u>	<u>709,221</u>
<b>LIABILITIES</b>										
Due to other funds	100	-	-	-	-	7,000	-	50	75	7,225
Total liabilities	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>50</u>	<u>75</u>	<u>7,225</u>
<b>NET POSITION</b>										
Net position held in trust for other purposes	<u>\$ 40,570</u>	<u>\$ 323,941</u>	<u>\$ 4,363</u>	<u>\$ 218,982</u>	<u>\$ 1,547</u>	<u>\$ 79,222</u>	<u>\$ 25,975</u>	<u>\$ 5,102</u>	<u>\$ 2,294</u>	<u>\$ 701,996</u>

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, 2016

	Samuel Davis School Prize Fund	Skolfield Turner Scholarship Fund	Pearl Baker Scholarship Fund	Lewis Gallagher Scholarship Fund	Doris Bibber Memorial Fund	Elizabeth Nickerson Scholarship Fund	John Bibber Scholarship Fund	Lester Rogers Memorial Fund	Brunswick JHS Personal Growth Award Fund	Totals
<b>ADDITIONS</b>										
Investment earnings:										
Interest and dividends	\$ 675	\$ 5,375	\$ 72	\$ 5,662	\$ 25	\$ 1,431	\$ 431	\$ 85	\$ 39	\$ 13,795
Net incr (decr) in fair value of investments	(896)	(7,137)	(96)	382	(34)	(1,899)	(572)	(113)	(51)	(10,416)
Total investment earnings	(221)	(1,762)	(24)	6,044	(9)	(468)	(141)	(28)	(12)	3,379
Less investment expense	(378)	(3,008)	(40)	(2,357)	(14)	(801)	(241)	(48)	(22)	(6,909)
Total additions	(599)	(4,770)	(64)	3,687	(23)	(1,269)	(382)	(76)	(34)	(3,530)
<b>DEDUCTIONS</b>										
Payment to beneficiaries	100	-	-	2,012	-	7,000	-	50	75	9,237
Total deductions	100	-	-	2,012	-	7,000	-	50	75	9,237
Changes in net position	(699)	(4,770)	(64)	1,675	(23)	(8,269)	(382)	(126)	(109)	(12,767)
Net position - beginning of year	41,269	328,711	4,427	217,307	1,570	87,491	26,357	5,228	2,403	714,763
Net position - end of year	\$ 40,570	\$ 323,941	\$ 4,363	\$ 218,982	\$ 1,547	\$ 79,222	\$ 25,975	\$ 5,102	\$ 2,294	\$ 701,996

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**Public Library Funds**  
**June 30, 2016**

	L. Augusta Curtis Library Fund	W. J. Curtis Library Fund	Letitia A. Curtis Library Fund	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,126	\$ 3,415	\$ 917	\$ 8,458
Investments	<u>36,494</u>	<u>30,204</u>	<u>8,111</u>	<u>74,809</u>
Total assets	<u>40,620</u>	<u>33,619</u>	<u>9,028</u>	<u>83,267</u>
<b>LIABILITIES</b>				
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net position held in trust for other purposes	<u>\$ 40,620</u>	<u>\$ 33,619</u>	<u>\$ 9,028</u>	<u>\$ 83,267</u>

**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, 2016**

	<b>L. Augusta Curtis Library Fund</b>	<b>W. J. Curtis Library Fund</b>	<b>Letitia A. Curtis Library Fund</b>	<b>Totals</b>
<b>ADDITIONS</b>				
Investment earnings:				
Interest and dividends	\$ 674	\$ 558	\$ 150	\$ 1,382
Net increase (decrease) in the fair value of investments	(895)	(741)	(199)	(1,835)
Total investment earnings	(221)	(183)	(49)	(453)
Less investment expense	(377)	(312)	(84)	(773)
Total additions	(598)	(495)	(133)	(1,226)
<b>DEDUCTIONS</b>				
Payment to beneficiaries	-	-	-	-
Total deductions	-	-	-	-
Changes in net position	(598)	(495)	(133)	(1,226)
Net position - beginning of year	41,218	34,114	9,161	84,493
Net position - end of year	<u>\$ 40,620</u>	<u>\$ 33,619</u>	<u>\$ 9,028</u>	<u>\$ 83,267</u>

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Changes in Assets and Liabilities**  
**Fiduciary Funds**  
**Agency Fund**  
**For the year ended June 30, 2016**

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	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS</b>				
Due from other funds	\$ 73,463	112,202	89,821	\$ 95,844
Total assets	<u>73,463</u>	<u>112,202</u>	<u>89,821</u>	<u>95,844</u>
<b>LIABILITIES</b>				
Accounts payable	7,393	3,579	-	10,972
Amounts held for others - cemeteries	-	20,221	-	20,221
Amounts held for others - student activities	66,070	88,402	89,821	64,651
Total liabilities	<u>\$ 73,463</u>	<u>\$ 112,202</u>	<u>\$ 89,821</u>	<u>\$ 95,844</u>



# 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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011(a)</u>	<u>2012</u>	<u>2013</u>	<u>2014(b)</u>	<u>2015</u>	<u>2016</u>
Governmental activities										
Net investment in capital assets	\$ 39,042,020	\$ 40,125,041	\$ 45,120,315	\$ 45,552,625	\$ 45,183,666	\$ 45,338,934	\$ 47,805,066	\$ 55,925,927	\$ 56,815,236	\$ 56,294,978
Restricted	6,833,786	8,134,803	9,851,093	10,935,859	12,444,106	9,412,416	9,100,700	7,494,688	6,601,576	7,006,212
Unrestricted	<u>7,171,177</u>	<u>8,437,332</u>	<u>6,460,505</u>	<u>7,423,485</u>	<u>7,612,316</u>	<u>11,150,181</u>	<u>10,836,336</u>	<u>3,280,822</u>	<u>3,683,415</u>	<u>2,825,122</u>
Total governmental activities net position	<u>\$ 53,046,983</u>	<u>\$ 56,697,176</u>	<u>\$ 61,431,913</u>	<u>\$ 63,911,969</u>	<u>\$ 65,240,088</u>	<u>\$ 65,901,531</u>	<u>\$ 67,742,102</u>	<u>\$ 66,701,437</u>	<u>\$ 67,100,227</u>	<u>\$ 66,126,312</u>
Business-type activities										
Net investment in capital assets	\$ 2,359,347	\$ 2,236,796	\$ 2,126,001	\$ 2,405,839	\$ 2,494,242	\$ 2,525,417	\$ 2,432,176	\$ 2,269,672	\$ 2,235,365	\$ 2,095,120
Unrestricted	<u>(4,360,674)</u>	<u>(4,576,316)</u>	<u>(4,376,319)</u>	<u>(4,573,897)</u>	<u>(4,650,533)</u>	<u>(4,797,321)</u>	<u>(4,522,385)</u>	<u>(4,291,756)</u>	<u>(4,203,593)</u>	<u>(4,135,381)</u>
Total business-type activities net position	<u>\$ (2,001,327)</u>	<u>\$ (2,339,520)</u>	<u>\$ (2,250,318)</u>	<u>\$ (2,168,058)</u>	<u>\$ (2,156,291)</u>	<u>\$ (2,271,904)</u>	<u>\$ (2,090,209)</u>	<u>\$ (2,022,084)</u>	<u>\$ (1,968,228)</u>	<u>\$ (2,040,261)</u>
Primary government										
Net investment in capital assets	\$ 41,401,367	\$ 42,361,837	\$ 47,246,316	\$ 47,958,464	\$ 47,677,908	\$ 47,864,351	\$ 50,237,242	\$ 58,195,599	\$ 59,050,601	\$ 58,390,098
Restricted	6,833,786	8,134,803	9,851,093	10,935,859	12,444,106	9,412,416	9,100,700	7,494,688	6,601,576	7,006,212
Unrestricted	<u>2,810,503</u>	<u>3,861,016</u>	<u>2,084,186</u>	<u>2,849,588</u>	<u>2,961,783</u>	<u>6,352,860</u>	<u>6,313,951</u>	<u>(1,010,934)</u>	<u>(520,178)</u>	<u>(1,310,259)</u>
Total primary government net position	<u>\$ 51,045,656</u>	<u>\$ 54,357,656</u>	<u>\$ 59,181,595</u>	<u>\$ 61,743,911</u>	<u>\$ 63,083,797</u>	<u>\$ 63,629,627</u>	<u>\$ 65,651,893</u>	<u>\$ 64,679,353</u>	<u>\$ 65,131,999</u>	<u>\$ 64,086,051</u>

(a) Net position has been restated as a result of implementing GASB Statements 63 & 65 in 2012. Years prior to 2011 have not been restated.

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

Table 2

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

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011(a)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 6,325,899	\$ 5,975,174	\$ 4,450,115	\$ 3,950,035	\$ 4,368,816	\$ 4,414,316	\$ 4,144,050	\$ 4,382,918	\$ 5,006,091	\$ 5,849,369
Public safety	5,973,835	7,246,419	7,390,601	7,493,862	7,656,381	7,650,053	8,095,189	8,643,119	8,144,886	9,952,015
Public works	4,212,477	4,877,097	4,720,393	5,099,104	4,809,787	4,991,362	5,740,333	5,180,234	5,401,071	5,417,529
Human services	169,445	183,258	146,580	134,805	150,279	168,829	154,429	168,706	165,884	191,042
Education	34,371,439	35,844,028	36,159,857	36,967,698	35,576,224	34,590,451	34,366,120	36,080,222	37,759,011	37,889,171
Recreation and culture	2,397,979	5,035,862	2,717,282	2,660,828	2,447,708	2,619,742	2,749,776	3,319,591	3,336,957	3,417,837
County tax	998,732	1,052,971	1,088,467	1,149,612	1,171,049	1,187,020	1,183,264	1,249,487	1,333,350	1,360,042
Unclassified	898,278	369,038	308,691	133,725	120,725	296,682	281,424	36,996	8,683	29,082
Interest on long term debt	379,004	317,925	307,106	251,625	644,723	785,569	698,508	741,999	698,977	655,622
Total governmental activities expenses	<u>55,727,088</u>	<u>60,901,772</u>	<u>57,289,092</u>	<u>57,841,294</u>	<u>56,945,692</u>	<u>56,704,024</u>	<u>57,413,093</u>	<u>59,803,272</u>	<u>61,854,910</u>	<u>64,761,709</u>
Business-type activities:										
Solid waste facilities	646,244	1,151,731	627,056	693,496	1,260,786	876,942	614,661	712,042	730,574	881,459
Pay-per-bag program	127,956	73,856	81,282	72,789	83,584	80,969	80,200	85,259	90,666	92,079
Other business-type activities	57,126	49,216	49,216	87,635	94,121	97,773	127,122	143,733	143,221	124,633
Total business-type activities	<u>831,326</u>	<u>1,274,803</u>	<u>757,554</u>	<u>853,920</u>	<u>1,438,491</u>	<u>1,055,684</u>	<u>821,983</u>	<u>941,034</u>	<u>964,461</u>	<u>1,098,171</u>
Total primary government expenses	<u>\$ 56,558,414</u>	<u>\$ 62,176,575</u>	<u>\$ 58,046,646</u>	<u>\$ 58,695,214</u>	<u>\$ 58,384,183</u>	<u>\$ 57,759,708</u>	<u>\$ 58,235,076</u>	<u>\$ 60,744,306</u>	<u>\$ 62,819,371</u>	<u>\$ 65,859,880</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Education	\$ 2,606,605	\$ 1,820,813	\$ 1,799,297	\$ 1,468,047	\$ 887,731	\$ 605,689	\$ 679,596	\$ 417,018	\$ 727,312	\$ 700,162
Other activities	2,228,401	2,449,894	2,451,870	2,328,099	2,518,376	1,961,989	2,080,643	2,192,461	2,238,103	2,343,611
Operating grants and contributions	20,074,892	23,027,043	22,273,609	21,959,665	19,758,529	18,275,484	15,249,827	15,533,543	15,462,170	15,340,194
Capital grants and contributions	1,131,548	3,202,015	1,226,969	897,073	1,069,654	247,704	2,487,876	5,961,817	452,248	54,913
Total governmental activities program revenues	<u>26,041,446</u>	<u>30,499,765</u>	<u>27,751,745</u>	<u>26,652,884</u>	<u>24,234,290</u>	<u>21,090,866</u>	<u>20,497,942</u>	<u>24,104,839</u>	<u>18,879,833</u>	<u>18,438,880</u>
Business-type activities:										
Charges for services:										
Solid waste facilities	558,208	427,487	434,935	411,035	380,115	351,918	321,153	370,030	398,407	475,110
Pay-per-bag program	209,700	340,600	321,200	308,900	328,100	303,400	299,100	315,900	317,800	322,300
Other business-type activities	21,552	21,609	21,533	21,883	34,005	35,669	35,806	35,669	33,173	31,753
Operating grants and contributions	-	-	-	29,333	44,000	44,000	44,000	44,000	14,667	-
Capital grants and contributions	-	-	-	25,000	-	-	53,430	-	-	-
Total business-type activities program revenues	<u>789,460</u>	<u>789,696</u>	<u>777,668</u>	<u>796,151</u>	<u>786,220</u>	<u>734,987</u>	<u>753,489</u>	<u>765,599</u>	<u>764,047</u>	<u>829,163</u>
Total primary government program revenues	<u>\$ 26,830,906</u>	<u>\$ 31,289,461</u>	<u>\$ 28,529,413</u>	<u>\$ 27,449,035</u>	<u>\$ 25,020,510</u>	<u>\$ 21,825,853</u>	<u>\$ 21,251,431</u>	<u>\$ 24,870,438</u>	<u>\$ 19,643,880</u>	<u>\$ 19,268,043</u>

Table 2, continued

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

	Fiscal Year									
	2007	2008	2009	2010	2011(a)	2012	2013	2014	2015	2016
<b>Net (expense) revenue</b>										
Governmental activities	\$ (29,685,642)	\$ (30,402,007)	\$ (29,537,347)	\$ (31,188,410)	\$ (32,711,402)	\$ (35,613,158)	\$ (36,915,151)	\$ (35,698,433)	\$ (42,975,077)	\$ (46,322,829)
Business-type activities	(41,866)	(485,107)	20,114	(57,769)	(652,271)	(320,697)	(68,494)	(175,435)	(200,414)	(269,008)
Total primary government net expenses	<u>\$ (29,727,508)</u>	<u>\$ (30,887,114)</u>	<u>\$ (29,517,233)</u>	<u>\$ (31,246,179)</u>	<u>\$ (33,363,673)</u>	<u>\$ (35,933,855)</u>	<u>\$ (36,983,645)</u>	<u>\$ (35,873,868)</u>	<u>\$ (43,175,491)</u>	<u>\$ (46,591,837)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 27,391,240	\$ 28,230,949	\$ 29,205,064	\$ 29,348,586	\$ 30,047,418	\$ 31,373,355	\$ 34,120,685	\$ 36,850,361	\$ 39,007,676	\$ 40,903,778
Vehicle, watercraft and aircraft excise taxes	2,595,301	2,576,634	2,475,618	2,496,579	2,549,546	2,653,928	2,904,995	2,950,348	3,071,620	3,170,899
Unrestricted grants and contributions	2,298,024	2,363,928	2,513,424	1,850,600	1,764,401	1,791,677	1,815,749	1,319,069	1,392,084	1,432,041
Investment earnings	892,719	699,275	112,774	83,101	387,470	27,287	55,750	83,537	9,856	30,496
Other	21,201	301,414	25,204	9,600	43,950	365,434	3,261	17,965	136,631	5,700
Special items	-	-	-	-	-	267,920	105,282	225,000	-	-
Transfers	(598,045)	(120,000)	(60,000)	(120,000)	(664,000)	(205,000)	(250,000)	(240,000)	(244,000)	(194,000)
Total governmental activities	<u>32,600,440</u>	<u>34,052,200</u>	<u>34,272,084</u>	<u>33,668,466</u>	<u>34,128,785</u>	<u>36,274,601</u>	<u>38,755,722</u>	<u>41,206,280</u>	<u>43,373,867</u>	<u>45,348,914</u>
Business type activities:										
Investment earnings	2,265	26,911	9,088	29	38	84	189	232	270	2,975
Other	-	-	-	20,000	-	-	-	3,328	10,000	-
Transfers	598,045	120,000	60,000	120,000	664,000	205,000	250,000	240,000	244,000	194,000
Total business-type activities	<u>600,310</u>	<u>146,911</u>	<u>69,088</u>	<u>140,029</u>	<u>664,038</u>	<u>205,084</u>	<u>250,189</u>	<u>243,560</u>	<u>254,270</u>	<u>196,975</u>
Total primary government	<u>\$ 33,200,750</u>	<u>\$ 34,199,111</u>	<u>\$ 34,341,172</u>	<u>\$ 33,808,495</u>	<u>\$ 34,792,823</u>	<u>\$ 36,479,685</u>	<u>\$ 39,005,911</u>	<u>\$ 41,449,840</u>	<u>\$ 43,628,137</u>	<u>\$ 45,545,889</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 2,914,798	\$ 3,650,193	\$ 4,734,737	\$ 2,480,056	\$ 1,417,383	\$ 661,443	\$ 1,840,571	\$ 5,507,847	\$ 398,790	\$ (973,915)
Business-type activities	558,444	(338,196)	89,202	82,260	11,767	(115,613)	181,695	68,125	53,856	(72,033)
Total primary government	<u>\$ 3,473,242</u>	<u>\$ 3,311,997</u>	<u>\$ 4,823,939</u>	<u>\$ 2,562,316</u>	<u>\$ 1,429,150</u>	<u>\$ 545,830</u>	<u>\$ 2,022,266</u>	<u>\$ 5,575,972</u>	<u>\$ 452,646</u>	<u>\$ (1,045,948)</u>

(a) As a result of implementing GASB Statements 63 & 65 in 2012, 2011 expenses have been restated to reflect a change in the accounting for debt issuance costs. Years prior to 2011 have not been restated.

Table 3

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

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Function/Program</b>										
Governmental activities:										
General government	\$ 2,122,317	\$ 2,823,207	\$ 1,497,628	\$ 1,411,158	\$ 1,666,819	\$ 1,029,607	\$ 726,191	\$ 744,758	\$ 1,585,959	\$ 1,432,364
Public safety	960,310	889,669	991,905	981,767	1,253,600	1,235,942	1,341,026	1,399,505	1,315,187	1,334,520
Public works	1,231,591	580,899	1,518,156	1,111,713	1,135,478	390,552	2,121,817	1,128,833	677,835	292,592
Human services	19,169	28,498	37,609	29,566	29,538	38,337	29,305	26,976	37,298	36,313
Education	21,258,944	22,902,105	23,341,642	22,784,394	19,780,838	18,005,614	15,309,950	15,390,597	14,773,175	14,810,694
Recreation and culture	449,115	3,275,387	364,805	334,286	368,017	390,814	969,653	5,414,170	490,379	532,397
Total governmental activities	<u>26,041,446</u>	<u>30,499,765</u>	<u>27,751,745</u>	<u>26,652,884</u>	<u>24,234,290</u>	<u>21,090,866</u>	<u>20,497,942</u>	<u>24,104,839</u>	<u>18,879,833</u>	<u>18,438,880</u>
Business-type activities:										
Solid waste facilities	558,208	427,487	434,935	411,035	380,115	351,918	321,153	370,030	398,407	475,110
Pay-per-bag program	209,700	340,600	321,200	308,900	328,100	303,400	299,100	315,900	317,800	322,300
Other business-type activities	21,552	21,609	21,533	76,216	78,005	79,669	133,236	79,669	47,840	31,753
Total business-type activities	<u>789,460</u>	<u>789,696</u>	<u>777,668</u>	<u>796,151</u>	<u>786,220</u>	<u>734,987</u>	<u>753,489</u>	<u>765,599</u>	<u>764,047</u>	<u>829,163</u>
Total primary government	<u>\$ 26,830,906</u>	<u>\$ 31,289,461</u>	<u>\$ 28,529,413</u>	<u>\$ 27,449,035</u>	<u>\$ 25,020,510</u>	<u>\$ 21,825,853</u>	<u>\$ 21,251,431</u>	<u>\$ 24,870,438</u>	<u>\$ 19,643,880</u>	<u>\$ 19,268,043</u>

Table 4

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

		Fiscal Year									
		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General fund											
Nonspendable											
Long-term loans and advances	\$	1,162,313	\$ 1,953,201	\$ 2,653,201	\$ 2,053,201	\$ 2,685,795	\$ 495,297	\$ 450,580	\$ -	\$ 454,080	\$ 363,264
Inventories and prepaids		50,509	62,772	16,101	30,054	34,266	23,925	55,570	36,767	37,711	25,220
Restricted											
Education		4,014,296	5,116,194	7,110,084	7,952,876	7,269,640	6,202,796	4,968,986	4,773,172	4,240,381	4,242,058
Municipal purposes		351,058	416,890	326,784	129,721	281,669	370,351	210,670	207,738	211,045	240,201
Assigned		749,070	625,002	608,524	1,626,364	1,014,339	1,987,354	1,824,835	1,619,378	1,525,233	1,130,790
Unassigned		6,034,017	6,680,850	6,944,897	7,484,221	8,508,525	9,028,572	10,001,974	8,488,177	8,670,334	10,316,602
Total general fund		<u>\$ 12,361,263</u>	<u>\$ 14,854,909</u>	<u>\$ 17,659,591</u>	<u>\$ 19,276,437</u>	<u>\$ 19,794,234</u>	<u>\$ 18,108,295</u>	<u>\$ 17,512,615</u>	<u>\$ 15,125,232</u>	<u>\$ 15,138,784</u>	<u>\$ 16,318,135</u>
All other governmental funds											
Nonspendable											
Special revenues funds	\$	441,382	\$ 21,336	\$ 22,479	\$ 27,896	\$ 13,640	\$ 23,109	\$ 15,797	\$ 13,075	\$ 19,554	\$ 14,475
Capital projects funds		-	-	-	-	50,000	50,000	50,000	50,000	50,000	50,000
Permanent funds		501,530	482,545	389,919	414,534	478,429	455,125	489,301	557,770	553,619	535,605
Restricted											
Tax increment financing		-	-	-	-	-	-	-	208,318	609,506	1,116,433
Special revenues funds		471,712	1,027,052	806,966	996,936	993,665	841,722	535,723	545,462	355,093	299,816
Impact fee fund		979,592	1,044,245	1,081,920	1,103,566	631,845	824,059	580,862	558,619	535,995	524,286
Capital projects funds		-	-	-	-	2,755,373	674,476	2,293,969	609,657	185,678	17,022
Permanent funds		17,586	20,375	22,375	21,826	19,845	20,778	21,189	20,877	21,603	22,408
Committed											
Capital improvements fund		-	-	-	1,942,117	1,624,805	2,149,690	1,866,798	1,276,859	708,636	202,393
Special revenues funds		42,489	57,731	94,554	98,440	108,355	167,422	203,617	178,164	255,901	319,521
Capital projects funds		866,584	1,406,068	1,429,981	1,355,914	950,421	1,238,270	1,634,358	995,828	496,685	259,659
Unassigned											
Capital improvements fund		(188,553)	(785,477)	(1,190,875)	(7,780,477)	(2,453,705)	(498,142)	(225,430)	-	-	-
Downtown TIF district		-	-	-	-	(1,486,278)	(1,490,853)	(1,413,629)	(945,524)	(240,401)	-
Debt service funds		(490)	(23)	(1,289)	-	-	-	-	-	-	-
Capital projects funds		-	-	(2,768,225)	(11,347,552)	-	-	-	-	(454,512)	(1,632,537)
Permanent funds		-	-	-	-	(1,108)	(2,157)	(5,437)	(12,056)	(15,603)	(12,394)
Total all other governmental funds		<u>\$ 3,131,832</u>	<u>\$ 3,273,852</u>	<u>\$ (112,195)</u>	<u>\$ (13,166,800)</u>	<u>\$ 3,685,287</u>	<u>\$ 4,453,499</u>	<u>\$ 6,047,118</u>	<u>\$ 4,057,049</u>	<u>\$ 3,081,754</u>	<u>\$ 1,716,687</u>

Beginning with the year ended June 30, 2009, the Town reported governmental fund balances in accordance with the categories defined in Government Accounting Standards Board (GASB) Statement 54. Prior years have been restated to reflect the GASB 54 categorization.

Table 5

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

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues</b>										
Taxes	\$ 29,800,475	\$ 30,822,507	\$ 31,625,044	\$ 31,689,472	\$ 32,488,432	\$ 34,021,307	\$ 37,040,074	\$ 39,613,007	\$ 41,973,364	\$ 44,079,945
Licenses and permits	373,905	278,999	259,430	267,450	337,927	310,181	372,259	399,359	387,127	438,731
Intergovernmental	22,639,688	26,932,362	24,547,076	23,158,881	20,272,445	18,727,482	16,497,591	15,510,495	16,423,413	16,363,756
Investment income (loss)	65,961	(7,996)	(83,626)	29,066	67,955	(18,420)	36,307	69,563	(472)	(8,119)
Charges for services	3,424,296	4,269,577	3,352,421	3,663,930	3,832,176	2,908,738	2,427,793	2,632,025	2,247,651	2,426,780
Fines and penalties	-	26,731	31,190	22,148	29,063	20,019	34,756	39,511	56,197	43,135
Interest	1,012,869	707,270	196,400	54,036	319,515	45,707	19,440	13,975	10,328	38,616
Donations	252,686	319,463	893,074	582,786	989,051	317,071	265,575	311,824	134,863	95,132
Other	1,084,613	1,015,958	951,563	828,785	583,613	920,986	744,501	731,055	736,595	519,261
Total revenues	58,654,493	64,364,871	61,772,572	60,296,554	58,920,177	57,253,071	57,438,296	59,320,814	61,969,066	63,997,237
<b>Expenditures</b>										
General government	5,801,427	5,365,558	3,860,752	3,513,241	3,741,931	3,929,459	3,738,745	3,808,446	4,726,521	5,080,137
Public safety	5,601,493	6,995,272	7,064,771	7,063,771	7,163,104	7,455,083	7,755,060	8,126,462	8,372,751	8,431,176
Public works	2,845,638	3,398,383	5,379,632	3,075,136	3,226,444	3,051,783	3,394,481	3,703,154	4,120,313	3,566,623
Human services	169,445	183,258	146,587	134,829	150,281	168,813	154,425	168,723	171,606	176,406
Education	33,886,447	35,371,000	35,750,312	36,302,217	34,998,644	32,669,127	32,690,215	34,655,815	36,206,987	36,431,641
Recreation and culture	2,371,349	2,486,347	2,599,504	2,535,604	2,313,753	2,496,881	2,669,560	2,955,429	3,071,931	3,102,206
County tax	998,732	1,052,971	1,088,467	1,149,612	1,171,049	1,187,020	1,183,264	1,249,487	1,333,350	1,360,042
Unclassified	448,278	319,038	308,691	133,725	120,725	296,682	281,424	36,996	8,683	29,082
Debt service										
Principal	2,080,000	1,725,000	1,545,000	1,525,000	1,120,000	2,738,113	2,728,113	2,888,113	2,103,113	2,098,113
Interest	423,235	369,063	311,245	256,465	533,417	818,911	704,610	763,215	725,117	680,732
Capital outlay	4,488,927	4,343,315	4,179,052	15,924,714	12,039,460	3,219,832	6,490,340	5,327,426	1,846,437	3,032,795
Total expenditures	59,114,971	61,609,205	62,234,013	71,614,314	66,578,808	58,031,704	61,790,237	63,683,266	62,686,809	63,988,953
Excess (deficiencies) of revenues over (under) expenditures	(460,478)	2,755,666	(461,441)	(11,317,760)	(7,658,631)	(778,633)	(4,351,941)	(4,362,452)	(717,743)	8,284



Table 5, continued

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

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Other financing sources (uses)</b>										
Bond proceeds	3,125,000	-	-	-	25,582,250	-	5,500,000	-	-	-
Premium on bonds	29,408	-	-	-	110,265	-	99,880	-	-	-
Transfers from other funds	3,544,286	2,968,450	2,156,561	2,737,090	5,269,207	4,135,515	4,613,380	4,339,887	2,158,360	2,965,098
Transfers to other funds	(1,509,920)	(2,545,674)	(1,914,085)	(2,241,590)	(5,542,161)	(3,974,324)	(3,424,833)	(2,703,457)	(2,366,360)	(2,911,617)
Transfers to other funds - capital budg	-	-	-	-	-	-	(462,250)	(465,000)	-	(50,000)
Transfers to other funds - supplemental appropriations	(2,092,074)	(90,000)	(362,400)	(615,500)	(319,500)	(147,000)	(845,580)	(1,100,000)	-	(136,481)
Transfers to other funds - education	(540,337)	(452,776)	-	-	(71,546)	(219,191)	(130,717)	(311,430)	(36,000)	(61,000)
Transfers to other funds - recreation	-	-	-	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	65,906	-	225,000	-	-
Total other financing sources (uses)	2,556,363	(120,000)	(119,924)	(120,000)	25,028,515	(139,094)	5,349,880	(15,000)	(244,000)	(194,000)
Net change in fund balance	<u>\$ 2,095,885</u>	<u>\$ 2,635,666</u>	<u>\$ (581,365)</u>	<u>\$ (11,437,760)</u>	<u>\$ 17,369,884</u>	<u>\$ (917,727)</u>	<u>\$ 997,939</u>	<u>\$ (4,377,452)</u>	<u>\$ (961,743)</u>	<u>\$ (185,716)</u>
Debt service as a percentage of noncapital expenditures	4.55%	3.65%	3.30%	3.19%	3.03%	6.66%	6.34%	6.90%	4.64%	4.53%

Table 6

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

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Vehicle Taxes</b>	<b>Watercraft Taxes</b>	<b>Aircraft Taxes</b>	<b>Other</b>	<b>Subtotal</b>	<b>TIF Property Taxes</b>	<b>Total</b>
2007	\$ 26,966,009	\$ 2,570,099	\$ 25,202	\$ -	\$ 223,180	\$ 29,784,490	\$ 178,976	\$ 29,963,466
2008	27,749,607	2,551,351	25,283	-	281,386	30,607,627	182,888	30,790,515
2009	28,667,329	2,446,611	29,006	-	323,416	31,466,362	189,295	31,655,657
2010	28,818,278	2,469,748	26,831	-	313,066	31,627,923	191,838	31,819,761
2011	29,197,918	2,524,770	24,776	-	317,778	32,065,242	504,158	32,569,400
2012	30,611,542	2,626,177	27,750	-	411,003	33,676,472	319,305	33,995,777
2013	33,278,146	2,746,331	25,477	133,187	393,279	36,576,420	410,155	36,986,575
2014	35,383,401	2,920,776	25,976	3,595	299,976	38,633,724	1,122,690	39,756,414
2015	37,272,769	3,042,291	25,269	4,060	298,801	40,643,190	1,390,457	42,033,647
2016	38,980,897	3,141,600	26,464	2,835	324,172	42,475,968	1,548,535	44,024,503

Table 7

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

<b><u>Fiscal Year</u></b>	<b><u>Property Taxes</u></b>	<b><u>Vehicle Taxes</u></b>	<b><u>Watercraft Taxes</u></b>	<b><u>Aircraft Taxes</u></b>	<b><u>Other</u></b>	<b><u>Subtotal</u></b>	<b><u>TIF Property Taxes</u></b>	<b><u>Total</u></b>
2007	\$ 26,803,018	\$ 2,570,099	\$ 25,202	\$ -	\$ 223,180	\$ 29,621,499	\$ 178,976	\$ 29,800,475
2008	27,781,599	2,551,351	25,283	-	281,386	30,639,619	182,888	30,822,507
2009	28,649,218	2,446,611	29,006	-	310,914	31,435,749	189,295	31,625,044
2010	28,784,236	2,469,748	26,831	-	313,178	31,593,993	95,479	31,689,472
2011	29,147,629	2,524,770	24,776	-	317,778	32,014,953	473,479	32,488,432
2012	30,510,035	2,626,177	27,750	-	411,003	33,574,965	446,342	34,021,307
2013	33,331,645	2,746,331	25,477	133,187	393,279	36,629,919	410,155	37,040,074
2014	35,239,994	2,920,776	25,976	3,595	299,976	38,490,317	1,122,690	39,613,007
2015	37,212,486	3,042,291	25,269	4,060	298,801	40,582,907	1,390,457	41,973,364
2016	39,036,339	3,141,600	26,464	2,835	324,172	42,531,410	1,548,535	44,079,945

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							
2007	\$ 861,934,150	\$ 307,763,800	\$ 60,348,800	\$ 1,230,046,750	\$ 8,228,800	\$ 1,221,817,950	21.75	\$ 1,879,719,923	65.00%
2008	883,143,300	304,772,100	55,783,100	1,243,698,500	8,238,200	1,235,460,300	22.20	2,059,100,500	60.00%
2009	896,393,400	311,134,500	54,447,600	1,261,975,500	8,398,200	1,253,577,300	22.54	2,089,295,500	60.00%
2010	904,220,600	310,846,200	51,868,100	1,266,934,900	8,511,000	1,258,423,900	22.54	2,097,373,167	60.00%
2011	913,791,250	315,010,700	52,768,800	1,281,570,750	22,044,500	1,259,526,250	22.87	2,031,493,952	62.00%
2012	924,335,340	321,920,200	49,578,800	1,295,834,340	13,484,180	1,282,350,160	23.68	1,942,954,788	66.00%
2013	932,031,750	344,908,040	55,428,400	1,332,368,190	16,472,100	1,315,896,090	24.90	1,879,851,557	70.00%
2014	942,358,200	362,093,700	52,331,700	1,356,783,600	42,301,800	1,314,481,800	26.54	1,877,831,143	70.00%
2015	952,243,200	378,758,600	48,776,700	1,379,778,500	50,746,600	1,329,031,900	27.40	1,898,617,000	70.00%
2016	971,853,600	376,011,300	46,385,100	1,394,250,000	54,602,800	1,339,647,200	28.36	1,913,781,714	70.00%
	Homestead Assessed Values	Homestead Estimated Actual Values							
2007	\$ 17,831,800	\$ 27,433,538							
2008	16,842,700	28,071,167							
2009	16,939,950	28,233,250							
2010	17,028,100	28,380,167							
2011	13,500,700	21,775,323							
2012	14,319,950	21,696,894							
2013	15,359,950	21,942,786							
2014	15,426,200	22,037,429							
2015	15,492,550	22,132,214							
2016	15,400,250	22,000,357							

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**

<b>Direct Rates</b>				
<b><u>Fiscal Year</u></b>	<b><u>General Municipal</u></b>	<b><u>Education (a)</u></b>	<b><u>County Tax (b)</u></b>	<b><u>Total</u></b>
2007	8.97	11.97	0.81	21.75
2008	9.18	12.18	0.84	22.20
2009	9.48	12.20	0.86	22.54
2010	9.54	12.10	0.90	22.54
2011	9.95	12.00	0.92	22.87
2012	9.90	12.87	0.91	23.68
2013	9.72	14.30	0.88	24.90
2014	9.42	16.18	0.94	26.54
2015	10.07	16.35	0.98	27.40
2016	10.41	16.96	0.99	28.36

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.

Table 10

**TOWN OF BRUNSWICK, MAINE**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2015-16				2006-07			
	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
Affordable Midcoast Housing LLC	\$ 31,162,300	1	2.24%	2.33%	\$ -		N/A	N/A
Bath Iron Works Corporation	23,745,900	2	1.70%	1.77%	27,771,600	1	2.26%	2.27%
Midcoast Regional Redevelopment Authority	21,263,500	3	1.53%	1.59%	-		N/A	N/A
BIF II US Renewable LLC (formerly Maine Hydro)	19,560,600	4	1.40%	1.46%	17,205,000	3	1.40%	1.41%
Developers Diversified (Cooks Corner)	15,862,900	5	1.14%	1.18%	18,857,300	2	1.53%	1.54%
Central Maine Power Co.	12,857,200	6	0.92%	0.96%	-		N/A	N/A
Wade, W.J. Trustee (Wal-Mart)	12,657,400	7	0.91%	0.94%	13,555,100	4	1.10%	1.11%
Thornton Oakes Homeowners Assn. Corp.	12,016,700	8	0.86%	0.90%	12,994,000	5	1.06%	1.06%
W/S Brunswick Properties LP	11,036,000	9	0.79%	0.82%	11,548,600	6	0.94%	0.95%
Maine Natural Gas	9,037,500	10	0.65%	0.67%	-		N/A	N/A
Cooper Industries Inc. (Arrowhart Division)	-		N/A	N/A	9,468,000	7	0.77%	0.77%
Bowdoin College	-		N/A	N/A	7,963,900	8	0.65%	0.65%
LL Bean Inc.	-		N/A	N/A	6,671,600	9	0.54%	0.55%
Galileo Brunswick Plaza	-		N/A	N/A	6,461,300	10	0.53%	0.53%
	<u>\$ 169,200,000</u>		<u>12.14%</u>	<u>12.63%</u>	<u>\$ 132,496,400</u>		<u>9.50%</u>	<u>9.89%</u>
Total Assessed Valuation *	\$ 1,394,250,000				\$ 1,230,046,750			
* Includes:								
Municipal valuation	\$ 1,339,647,200				\$ 1,221,817,950			
TIF valuation	54,602,800				8,228,800			
	<u>\$ 1,394,250,000</u>				<u>\$ 1,230,046,750</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**

<b>Fiscal Year</b>	<b>Municipal Tax Levy</b>	<b>TIF Levy</b>	<b>Total Tax Levy</b>	<b>Supplemental Taxes</b>	<b>Abatements</b>	<b>Net Collectible</b>	<b>Amount Collected within the Fiscal Year</b>
2007	\$ 26,574,540	\$ 178,976	\$ 26,753,516	\$ 23,194	\$ (20,481)	\$ 26,756,229	\$ 26,116,835
2008	27,427,219	182,888	27,610,107	17,587	(72,700)	27,554,994	26,935,530
2009	28,255,632	189,295	28,444,927	7,891	(33,970)	28,418,848	27,837,707
2010	28,364,875	191,838	28,556,713	17,321	(50,985)	28,523,049	27,698,194
2011	28,805,365	504,158	29,309,523	30,300	(71,868)	29,267,955	28,598,906
2012	30,366,052	319,305	30,685,357	38,223	(128,754)	30,594,826	29,777,364
2013	32,765,813	410,155	33,175,968	12,744	(33,011)	33,155,701	32,348,601
2014	34,886,347	1,122,690	36,009,037	82,077	(135,407)	35,955,707	35,177,642
2015	36,415,474	1,390,457	37,805,931	44,253	(33,275)	37,816,909	36,821,979
2016	37,992,395	1,548,535	39,540,930	43,779	(45,067)	39,539,642	38,702,091

<b>Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>			<b>Collected in Subsequent Years</b>	<b>Total Collections to Date</b>		
	<b>Amount</b>	<b>Percentage of Levy</b>	<b>Percentage of Net Collectible</b>		<b>Amount</b>	<b>Percentage of Levy</b>	<b>Percentage of Net Collectible</b>
2007	\$ 26,116,835	97.62%	97.61%	\$ 638,820	\$ 26,755,655	100.01%	100.00%
2008	26,935,530	97.56%	97.75%	617,859	27,553,389	99.79%	99.99%
2009	27,837,707	97.87%	97.96%	574,599	28,412,306	99.89%	99.98%
2010	27,698,194	96.99%	97.11%	817,065	28,515,259	99.85%	99.97%
2011	28,598,906	97.58%	97.71%	656,520	29,255,426	99.82%	99.96%
2012	29,777,364	97.04%	97.33%	808,470	30,585,834	99.68%	99.97%
2013	32,348,601	97.51%	97.57%	796,569	33,145,170	99.91%	99.97%
2014	35,177,642	97.69%	97.84%	763,730	35,941,372	99.81%	99.96%
2015	36,821,979	97.40%	97.37%	699,764	37,521,743	99.25%	99.22%
2016	38,702,091	97.88%	97.88%	-	38,702,091	97.88%	97.88%

Table 12

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

Fiscal Year	Governmental Activities				Other Governmental Activities Debt				
	Ratios of Net General Bonded Debt				Ratios of Total Outstanding Debt				
	General Obligation Bonds (a)(b)	Percentage of Personal Income (c)	Per Capita	Percentage of Estimated Actual Taxable Value of Property (d)	Capital Lease	Total Outstanding Debt	Percentage of Personal Income (c)	Per Capita	Percentage of Estimated Actual Taxable Value of Property (d)
2007	\$ 10,504,061	2.44%	\$ 496.13	0.56%	\$ 46,536	\$ 10,550,597	2.45%	\$ 498.33	0.56%
2008	8,782,435	2.04%	414.81	0.43%	-	8,782,435	2.04%	414.81	0.43%
2009	7,240,808	1.68%	342.00	0.35%	-	7,240,808	1.68%	342.00	0.35%
2010	5,719,181	1.33%	270.13	0.27%	-	5,719,181	1.33%	270.13	0.27%
2011	30,290,602	5.44%	1,430.69	1.49%	-	30,290,602	5.44%	1,430.69	1.49%
2012	27,578,697	4.95%	1,360.03	1.42%	-	27,578,697	4.95%	1,360.03	1.42%
2013	30,416,098	5.46%	1,499.96	1.62%	-	30,416,098	5.46%	1,499.96	1.62%
2014	27,502,694	4.94%	1,356.28	1.46%	-	27,502,694	4.94%	1,356.28	1.46%
2015	25,381,118	4.56%	1,251.66	1.34%	-	25,381,118	4.56%	1,251.66	1.34%
2016	23,264,541	4.18%	1,147.28	1.22%	-	23,264,541	4.18%	1,147.28	1.22%

(a) Presented net of original issuance discounts and premiums.

(b) General Bonded Debt includes debt issued as General Obligation Tax Increment Financing Bonds. Although the debt has been issued as general obligations, it is anticipated that it will be fully paid from Tax Increment Financing (TIF) revenues.

(c) Per capita income and population can be found in Table 16.

(d) For taxable property value data see Table 8.



Table 13

**TOWN OF BRUNSWICK, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2016**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
Town of Brunswick General Obligation	\$ 23,121,687	100.00%	\$ 23,121,687
Premium on bonds	142,854	100.00%	142,854
Total direct debt	23,264,541		23,264,541
Overlapping:			
Cumberland County	35,735,000	5.10%	1,823,757
Total direct and overlapping debt	<u>\$ 58,999,541</u>		<u>\$ 25,088,298</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.

Table 14

**TOWN OF BRUNSWICK, MAINE**  
**Legal Debt Margin Information**  
**June 30, 2016**

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 2016 State Valuation of \$2,082,600,000, the Town is in compliance with the total and categorical debt limits:

**Legal Debt Margin Calculation for Fiscal Year 2016**

State Valuation	\$ 2,082,600,000
Debt Limit - 15% of State Valuation	312,390,000
Less outstanding debt applicable to debt limit	<u>(23,121,687)</u>
Legal Debt Margin	<u>\$ 289,268,313</u>

**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>
School	10.00%	\$ 208,260,000	\$ 16,096,687	\$ 192,163,313
Storm or Sanitary Sewer	7.50%	156,195,000	-	156,195,000
Municipal Airport Special District	3.00%	62,478,000	-	62,478,000
Municipal	7.50%	156,195,000	<u>7,025,000</u>	149,170,000
Total Maximum Debt	15.00%	\$ 312,390,000	<u>\$ 23,121,687</u>	\$ 289,268,313

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 296,340,000	\$ 313,927,500	\$ 325,800,000	\$ 330,720,000	\$ 321,225,000	\$ 304,207,500	\$ 297,517,500	\$ 303,937,500	\$ 300,060,000	\$ 312,390,000
Total debt applicable to limit	<u>10,510,000</u>	<u>8,785,000</u>	<u>7,240,000</u>	<u>5,715,000</u>	<u>30,177,250</u>	<u>27,439,138</u>	<u>30,211,025</u>	<u>27,322,912</u>	<u>25,219,800</u>	<u>23,121,688</u>
Legal debt margin	\$ 285,830,000	\$ 305,142,500	\$ 318,560,000	\$ 325,005,000	\$ 291,047,750	\$ 276,768,362	\$ 267,306,475	\$ 276,614,588	\$ 274,840,200	\$ 289,268,312
Total debt applicable to the limit as a percentage of debt limit	3.55%	2.80%	2.22%	1.73%	9.39%	9.02%	10.15%	8.99%	8.40%	7.40%

Table 15

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

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Employees (a)</u>	<u>Rank</u>	<u>Employees (a)</u>	<u>Rank</u>
Bath Iron Works	1400	1	1400	1
Mid Coast-Parkview Health	1012	2		
Bowdoin College	935	3	882	3
Town of Brunswick	560	4	690	5
L.L. Bean Inc., Manufacturing Div.	497	5	342	8
Wal-Mart Stores, Inc.	249	6	398	7
Providence Service Corp	174	7		
Hannaford Brothers	160	8	198	9
Shaw's	116	9		
Bank of America, formerly MBNA	108	10	198	10
Mid Coast Health Services			1200	2
Naval Air Station, Brunswick (civilian employment only)			719	4
Parkview Memorial Hospital			440	6

(a) Telephone Survey of Employers, March 2007 and March 2016. 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.

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

<b>Fiscal Year</b>	<b>Population (a)</b>	<b>Personal Income (b)</b>	<b>Per Capita Personal Income (a)</b>	<b>Median Age (a)</b>	<b>School Enrollment (c)</b>	<b>Unemployment Rate (d)</b>
2007	21,172	\$ 430,257,384	\$ 20,322	35.50	3,158	3.8%
2008	21,172	430,257,384	20,322	35.50	3,126	4.0%
2009	21,172	430,257,384	20,322	35.50	2,950	5.9%
2010	21,172	430,257,384	20,322	35.50	2,666	7.2%
2011	20,278	556,691,934	27,453	41.40	2,534	6.9%
2012	20,278	556,691,934	27,453	41.40	2,420	6.1%
2013	20,278	556,691,934	27,453	41.40	2,380	6.9%
2014	20,278	556,691,934	27,453	41.40	2,378	6.0%
2015	20,278	556,691,934	27,453	41.40	2,341	4.9%
2016	20,278	556,691,934	27,453	41.40	2,323	3.5%

(a) U.S. Department of Commerce, Bureau of Census. Years prior to 2011 from the 2000 Census; Fiscal years 2011 and later from the 2010 Census

(b) Personal income equals per capita income times the population.

(c) State of Maine Department of Education, April 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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government										
Administration	4	4	4	4	4	4	4	4	4	4
Finance	10	9	9	8	8	8	8	8	8	8
Technology	0	0	0	0	1	1	1	1	1	1
Assessing	4	4	4	3	3	3	3	3	3	3
Town Clerk	4.5	4.5	4.5	4	4	4	4	4	4	3.5
Planning and Codes	6	6	6	5	5	5	5	5	5	5
Natural Resources	1	1	1	0	0	0	0	0	0	0
Economic development	2	2	3	3	2	2	1	1	1	1
Municipal building	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1	1	1
Public safety										
Fire department	36	36	36	36	36	36	36	36	36	36
Police department	51	51	51	51	48	50	50	51	51	51
Public works										
Administration	6	6	6	5	5	5	5	5	5	5
General maintenance	17	17	17	17	17	15.5	11.5	16	15.5	14.5
Landfill	3.5	3.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Recycling	4	0	0	0	0	0	0	0	0	0
Central garage	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Human services	2	2	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Education	413	415	410	402	396	390	392	394	406	422
Recreation										
Administration	6	6	6	5	5	5	5	5	5	5
Buildings and grounds	7	7	7	6	5	5	5	5	5.5	5.5
Cable TV	1	1	1	1	1	1	1	1	1	1
High School Spring Street	1	1	0	0	0	0	0	0	0	0
Totals	584	581	574.5	559	549	543.5	540.5	547.5	559.5	574

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.

Table 18

**TOWN OF BRUNSWICK, MAINE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Fire Department										
Fire calls	1,038	850	887	835	975	985	1,144	1,098	1,135	1,131
Medical calls	2,305	2,313	2,278	2,406	N/A	2,549	2,823	2,737	2,867	2,997
Inspections	712	327	189	249	N/A	300	342	356	264	268
Police										
Calls for service (a)	26,519	30,186	33,137	33,358	36,254	45,060	43,815	42,332	44,426	46,758
Crash reports (b)	926	921	829	713	679	767	713	715	787	814
Field interviews (b)	N/A	N/A	N/A	N/A	N/A	508	464	444	251	79
Offense reports	1,334	1,150	1,207	1,243	1,133	1,230	1,304	714	1,224	1,382
Physical arrests	1,258	1,237	1,095	1,150	1,069	1,098	1,184	1,022	1,035	922
Public Works										
Street resurfacing (miles)	7	6	3	5	8	5	4	4	3	5
Recyclables collected (tons)	1,963	2,011	1,823	1,804	1,754	1,711	1,548	1,622	2,402	2,829
Codes Enforcement										
Residential permits issued	380	356	306	291	258	249	249	293	267	293
Commercial/Industrial permits issued	61	76	79	39	34	55	52	58	58	52

(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**

<b>Function</b>	<b>Fiscal Year</b>									
	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>
Police Department										
Stations	0	0	0	0	0	0	0	1	1	1
Patrol units	18	18	18	18	18	16	17	17	16	16
Fire Department										
Stations	2	2	2	2	2	2	2	2	2	2
Emergency vehicles	14	14	15	14	14	12	12	12	13	13
Public Works Department										
Streets (miles)	137	137	137	137	138	139	140	141	141	141
Recycling trucks	2	0	0	0	0	0	0	0	0	0
School Department										
Schools	7	7	7	6	6	4	4	4	4	4
School buses	26	26	26	26	26	26	26	26	26	26

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