



# TOWN OF BRUNSWICK, MAINE

Fiscal Year Ended  
June 30, 2017

**Popular Annual  
Financial Report**

# Popular Annual Financial Report



## 2016-17 Fiscal Year

### **Dear Citizens of the Town of Brunswick,**

We are pleased to present the Town of Brunswick's first Popular Financial Report (PAFR), for the fiscal year ended June 30, 2017. This report was developed to provide a reader-friendly version of the Town's Comprehensive Annual Financial Report (CAFR), and data from the Town's annual General Fund Budget.

The CAFR is a detailed account of the Town's financial statements, notes, schedules and statistics. The CAFR is prepared in conformance with Generally Accepted Accounting Principles (GAAP), and is audited by Runyon Kersteen Ouellette CPAs. You may find CAFRs from this and previous years on the Town's website.

This PAFR is designed to provide citizens with an overview of the Town's financials in a condensed and simplified interpretation of the CAFR. The bulk of the financial data presented in the PAFR is derived from the CAFR, but because it provides selected and summary information, the PAFR is not expected to comply with GAAP requirements.

We hope to communicate important financial information in a manner that is meaningful, helping you to understand how your tax dollars support our Town services and facilities. This PAFR is the first attempt at a "popular" report, and we are aware that it will change and evolve in years to come.

Please give us suggestions on how we can improve this report and make the Town's financial information more accessible and understandable to you, the citizens of Brunswick.

Sincerely,

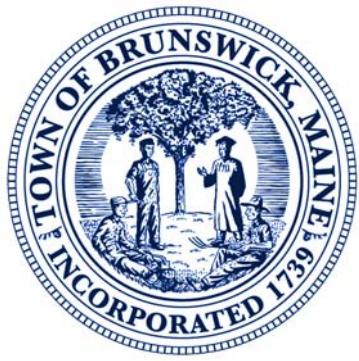
*Julia Henze*  
Finance Director



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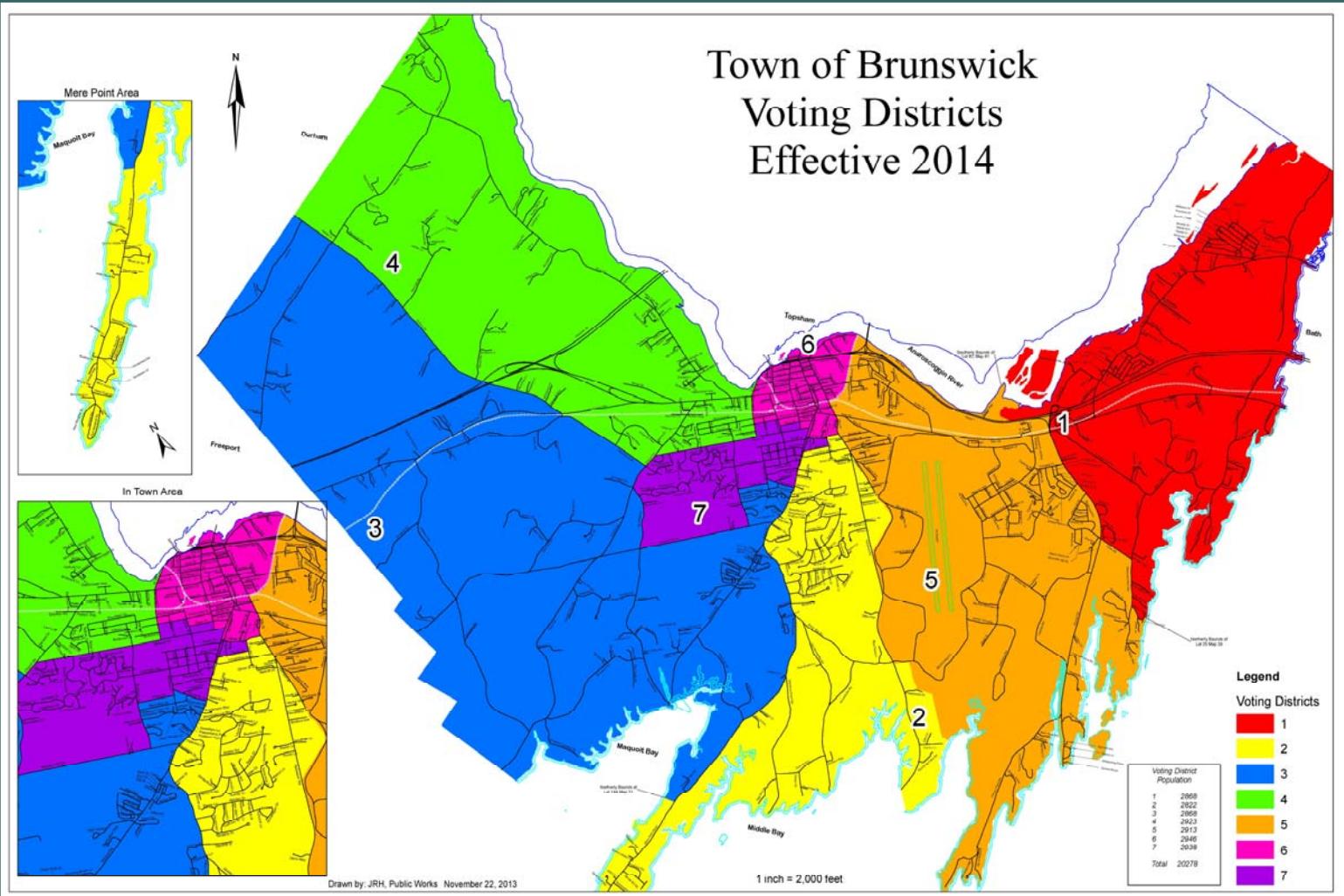
The Town of Brunswick, incorporated February 1739, is situated on the coast of Maine in Cumberland County, the state's most populous county. Brunswick is a state-designated service-center community, located between Maine's major population centers. The Town's geographic boundaries encompass approximately 49.73 square miles and the 2010 Census listed Brunswick's population at 20,278.

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

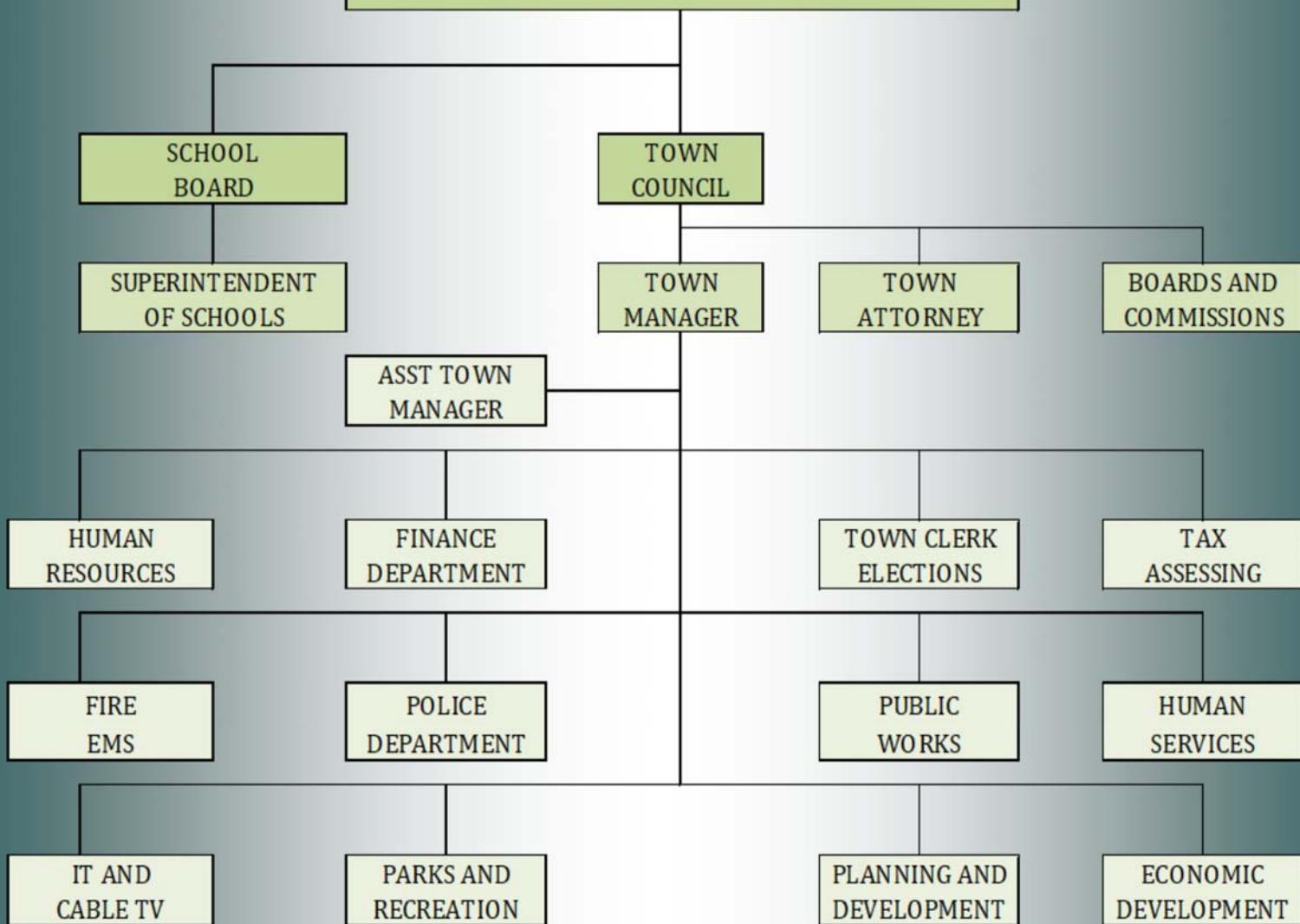
Since the closure of the Brunswick Naval Air Station in May, 2011, Midcoast Regional Redevelopment Authority (MRRA) has facilitated significant development at Brunswick Landing and the Brunswick Executive Airport.

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.



## RESIDENTS OF THE TOWN OF BRUNSWICK



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

The general fund operating budget for the 2016-17 fiscal year totaled \$61,475,961, which included \$1,410,855 in taxes paid to Cumberland County.

The Town is responsible for capital assets including more than 140 miles of roads, over 1,500 acres of recreational land, a solid waste landfill, multiple buildings including Town Hall, two fire stations, a police station, a public works facility, a recreation center, and four school buildings, and fleets of vehicles for education, public safety, etc.

# Town of Brunswick—Net Position

## Government-wide Financial Analysis

For the fiscal year ended June 30, 2017, the Town of Brunswick's total net position increased by \$376,971, to total \$64,463,022. Net investment in capital assets decreased by \$2,308,711, while restricted net position decreased by \$297,567, and unrestricted net position increased by \$2,983,249.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$27,978,175	\$24,471,333	\$3,654,861	\$3,272,917	\$31,633,036	\$27,744,250
Capital assets	77,913,832	79,553,427	1,915,310	2,095,120	79,829,142	81,648,547
Total assets	105,892,007	104,024,760	5,570,171	5,368,037	111,462,178	109,392,797
Deferred Outflows	8,112,522	5,338,122	-	-	8,112,522	5,338,122
Long-term liabilities	33,502,224	33,502,224	7,643,659	7,351,866	41,145,883	40,854,090
Other liabilities	10,702,868	5,446,893	62,481	56,432	10,765,349	5,503,325
Total liabilities	44,205,092	38,949,117	7,706,140	7,408,298	51,911,232	46,357,415
Deferred Inflows	3,200,446	4,287,453	-	-	3,200,446	4,287,453
<b>Net Position</b>						
Net capital assets	54,166,077	56,294,978	1,915,310	2,095,120	56,081,387	58,390,098
Restricted	6,708,645	7,006,212	-	-	6,708,645	7,006,212
Unrestricted	5,724,269	2,825,122	(4,051,279)	(4,135,381)	1,672,990	(1,310,259)
<b>Total net position</b>	<b>\$66,598,991</b>	<b>\$66,126,312</b>	<b>\$(2,135,969)</b>	<b>\$(2,040,261)</b>	<b>\$64,463,022</b>	<b>\$64,086,051</b>

The **governmental activities** of the Town include general government, public safety, public works, human services, education, recreation/culture, and county tax. The **business-type activities** of the Town include the solid waste facilities, the pay-per-bag program, the Mere Point Wastewater District and the train station/visitors center.

## ***Government-wide: Capital Assets***

	Governmental activities		Business-type activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 6,172,799	\$ 6,172,799	\$ 115,000	\$ 115,000	\$ 6,287,799	\$ 6,287,799
Construction in progress	572,435	166,544	-	-	572,435	166,544
Intangibles	200,000	200,000	-	-	200,000	200,000
Buildings	41,902,920	43,400,451	-	-	41,902,920	43,400,451
Improvements	1,310,694	1,511,538	1,458,416	1,574,391	2,769,110	3,085,929
Machinery & equipment	1,819,435	1,849,180	278,718	314,315	2,098,153	2,163,495
Vehicles	3,088,942	2,851,916	-	-	3,088,942	2,851,916
Infrastructure	<u>22,846,607</u>	<u>23,400,999</u>	<u>63,176</u>	<u>91,414</u>	<u>22,909,783</u>	<u>23,492,413</u>
<b>Total</b>	<b>\$ 77,913,832</b>	<b>\$ 79,553,427</b>	<b>\$ 1,915,310</b>	<b>\$ 2,095,120</b>	<b>\$ 79,829,142</b>	<b>\$ 81,648,547</b>

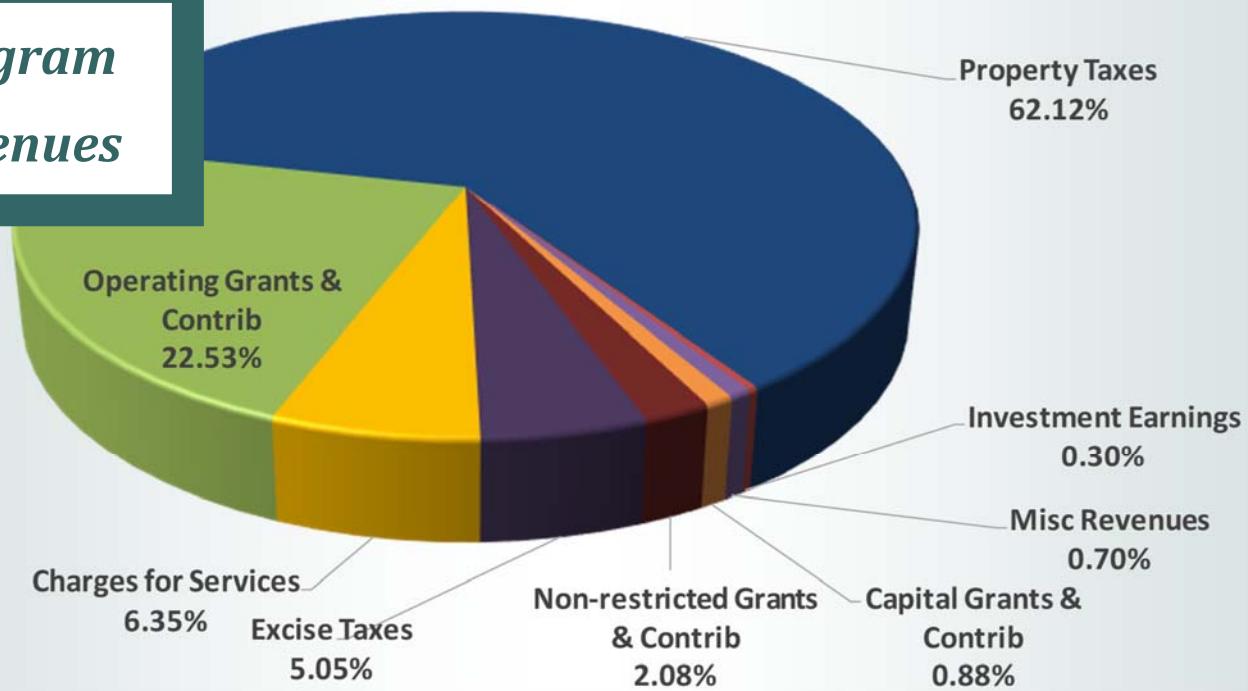
## ***Government-wide: Longterm Debt***

<u><b>Bond Issue &amp; Purpose</b></u>	<u><b>Issue Date</b></u>	<u><b>Amount Issued</b></u>	<u><b>Final Maturity Date</b></u>	<u><b>6/30/17 Amount</b></u>
2006 GO Bonds (Fire Station & Truck)	2006	\$ 3,125,000	2021	\$ 800,000
2010 Elementary School—HBS	2010	21,462,250	2031	15,023,575
2011 GO Bonds (seven projects)	2011	4,120,000	2021	1,080,000
2013 Police Station	2013	5,500,000	2033	4,400,000
2016 School Revolving Renovation	2016	772,862	2027	772,862
2017 School Revolving Renovation	2017	87,038	2022	87,038
2017 GO Bonds (five projects)	2017	1,781,000	2033	<u>1,781,000</u>
				<b><u>\$ 23,944,475</u></b>

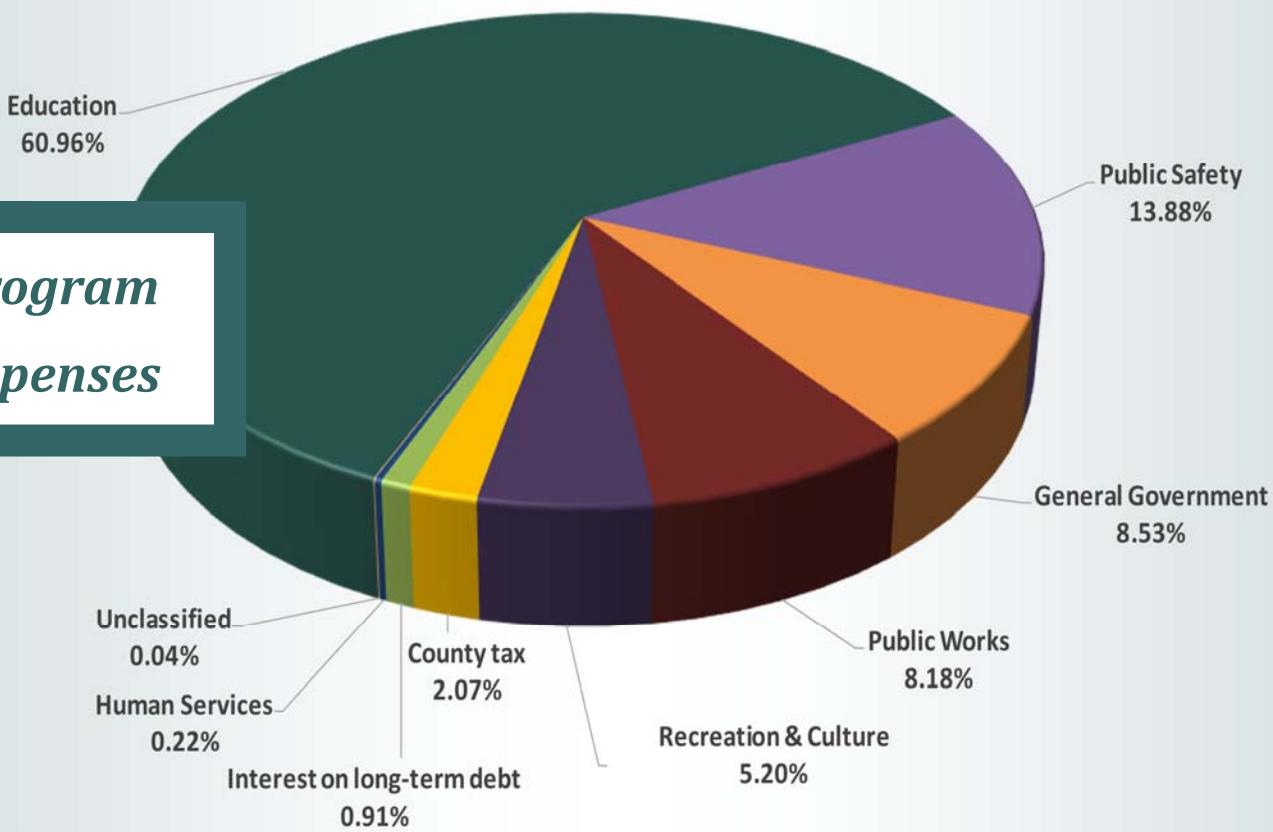
# Government-Wide Statements

## Governmental Activities—2016-17

### *Program Revenues*



### *Program Expenses*





# Town of Brunswick—Governmental Funds

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

The Town of Brunswick maintains eighteen individual governmental funds. The General Fund and the Tax Increment Financing Fund are considered major funds, and the other governmental funds are combined into a single, aggregated presentation.

	<u>General Fund</u>	<u>Tax Increment Financing</u>	<u>Other Govt Funds</u>	<u>Total Govt Funds</u>
<b>Revenues</b>	\$ 61,517,380	\$ 1,841,710	\$ 5,173,957	\$ 68,533,047
<b>Expenditures</b>	<u>58,739,126</u>	<u>1,316,566</u>	<u>7,036,407</u>	<u>67,092,099</u>
Excess (deficiencies) of revenues over (under) expenditures	2,778,254	525,144	(1,862,450)	1,440,948
<b>Other financing sources (uses)</b>	<u>(1,165,144)</u>	<u>(580,000)</u>	<u>3,872,121</u>	<u>2,126,977</u>
Net change in fund balance	1,613,110	(54,856)	2,009,671	3,567,925
Fund balances, beginning of year				
Fund balances, end of year	<u>\$ 17,931,245</u>	<u>\$ 1,061,577</u>	<u>\$ 2,609,925</u>	<u>\$ 21,602,747</u>

The other governmental funds include:

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

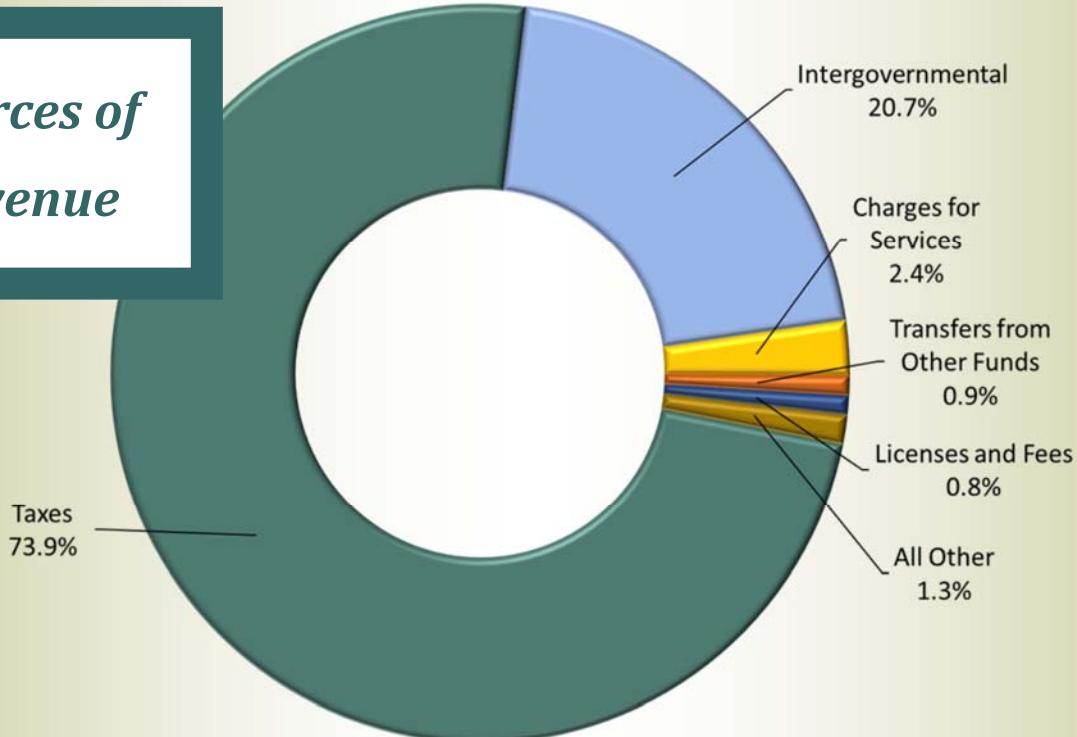
Eight ***Capital Projects funds*** to account for the acquisition of capital assets or construction of major capital projects not financed by the Town's major capital improvement funds, proprietary funds or permanent funds.

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

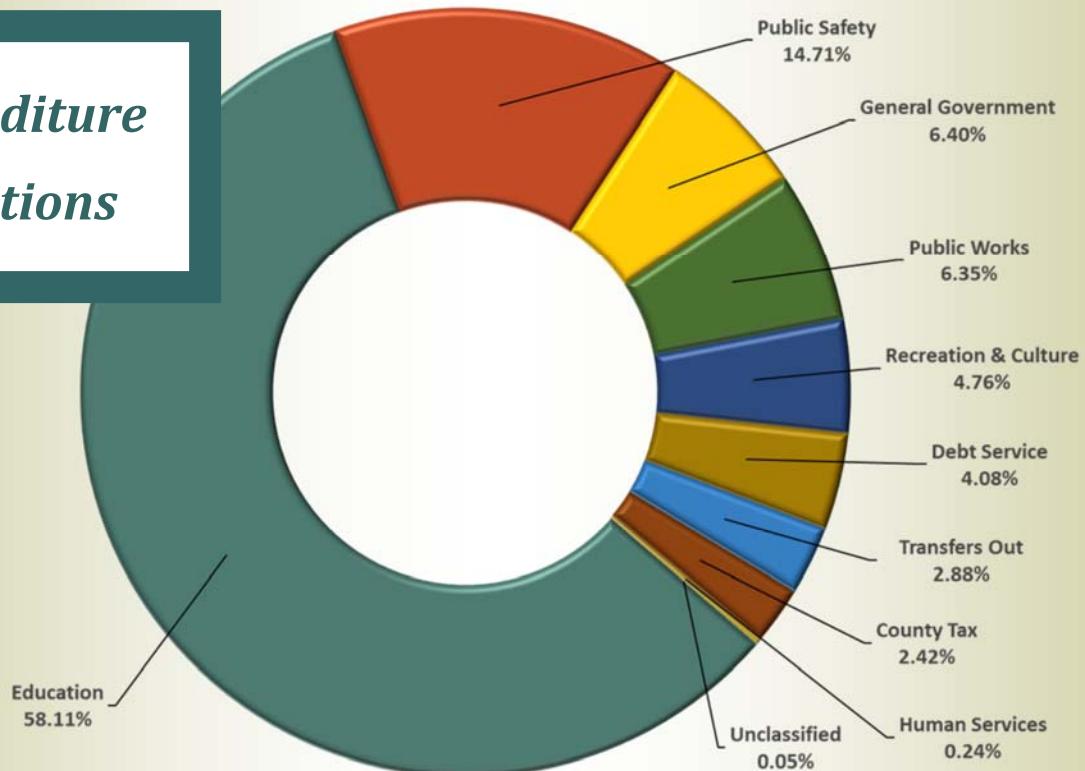
# General Fund—2016-17

The chief operating fund of the Town of Brunswick

## *Sources of Revenue*



## *Expenditure Functions*



# General Fund Budget Results 2016-17

## The chief operating fund of the Town of Brunswick

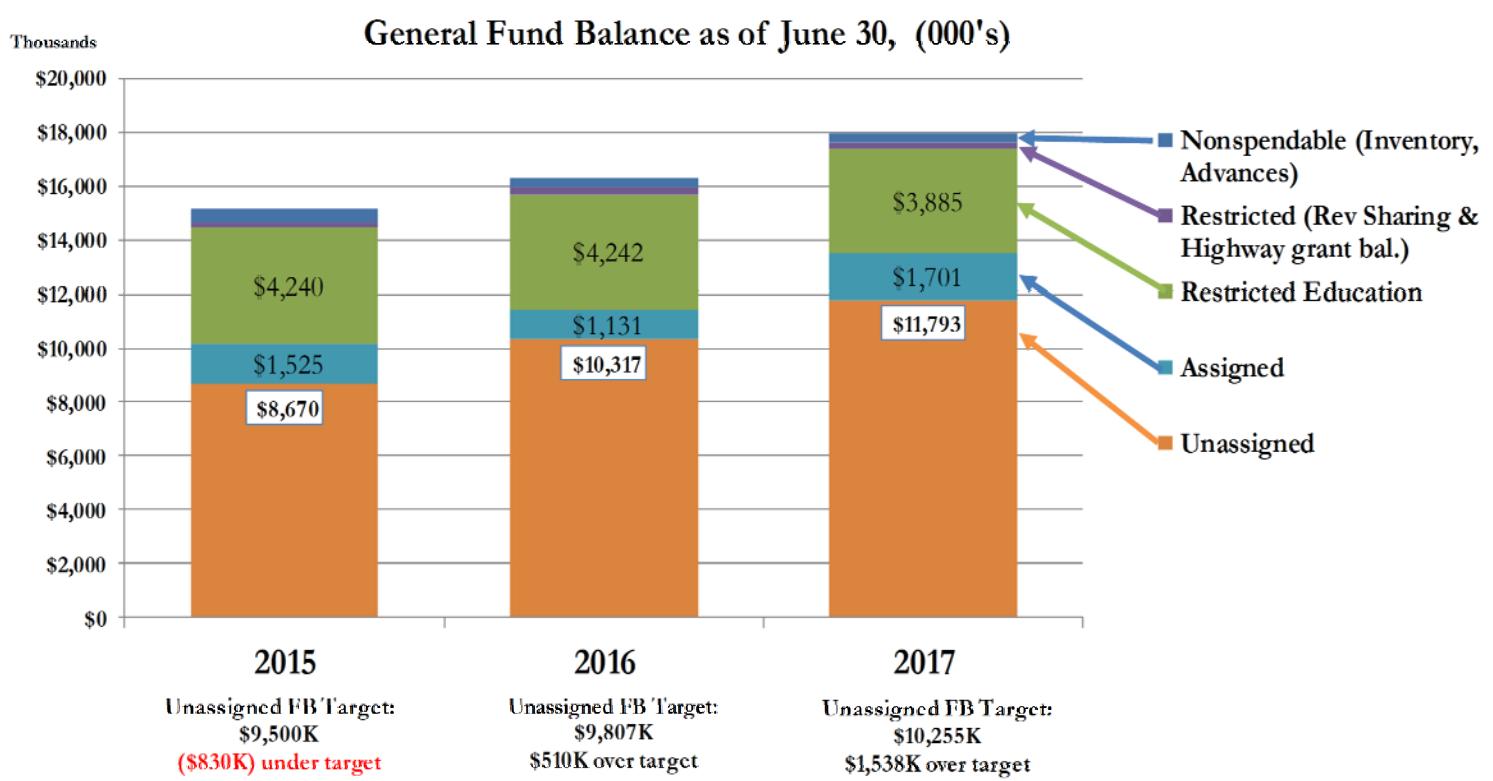
Despite a planned and budgeted reduction of \$3,199,363, plus additional reductions in the form of 2016 carry-forward encumbrances of \$96,320, capital budget of \$40,000 and supplemental appropriations of \$40,000, the total fund balance of the Town of Brunswick's General Fund actually increased by \$1,613,110 during the current fiscal year.

<b><u>Revenues - by Source</u></b>	<b>2016-17 Budget</b>	<b>2016-17 Actual</b>	<b>Over/(Under) Budget</b>
Taxes	43,297,499	44,215,165	917,666
Licenses and Fees	387,090	497,091	110,001
Intergovernmental	12,378,300	12,399,707	21,407
Charges for Services	1,246,299	1,428,249	181,950
Fines and Penalties	40,060	42,220	2,160
Interest	60,000	146,700	86,700
Donations and Contributions	30,000	30,000	-
Unclassified	323,350	484,660	161,310
Sale of Assets	-	60,588	60,588
Transfers from Other Funds	514,000	514,000	-
Decr/(Incr) Fund Balance	3,199,363	(1,613,110)	(4,812,473)
	<b>61,475,961</b>	<b>58,205,270</b>	<b>(3,270,691)</b>

<b><u>Expenditures—by Function</u></b>	<b>2016-17 Budget</b>	<b>2016-17 Actual</b>	<b>(Over)/Under Budget</b>
General Government	3,892,591	3,724,978	167,613
Public Safety	8,901,684	8,560,448	341,236
Public Works	3,898,766	3,693,270	205,496
Human Services	176,117	139,921	36,196
Education	37,695,535	35,523,473	2,172,062
Recreation & Culture	2,843,126	2,771,480	71,646
County Tax	1,410,855	1,410,855	-
Unclassified	346,699	29,868	316,831
Debt Service	856,760	852,649	4,111
Other Uses of Funds	1,453,828	1,498,328	(44,500)
	<b>61,475,961</b>	<b>58,205,270</b>	<b>3,270,691</b>

# General Fund Balance June 30, 2017

- **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.



**Unassigned Fund Balance** represents the amount available to the Town for liquidity and unforeseen circumstances. The Town's fund balance policy targets the unassigned General Fund balance at 16.67% of revenues. For the year ended June 30, 2017, the targeted unassigned fund balance for the General Fund was \$10,254,947. 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.

# Taxes

73.9% of General Fund Revenues

<u>Taxes</u>	<u>2016-17 Actual</u>
Property Taxes/Interest/Lien Costs	\$ 40,488,166
Payments In Lieu Of Taxes (PILOT)	253,326
Excise Taxes	3,473,673
	<hr/>
	<b>\$ 44,215,165</b>



**Property Taxes** are the largest single source of revenue for the Town.

In 2016-17 the tax rate was \$29.35/1,000 of assessed property value. The assessment ratio was estimated at 70% of market.

## *Distribution of the 2016-17 tax dollar:*

**Education**  
**\$0.59**

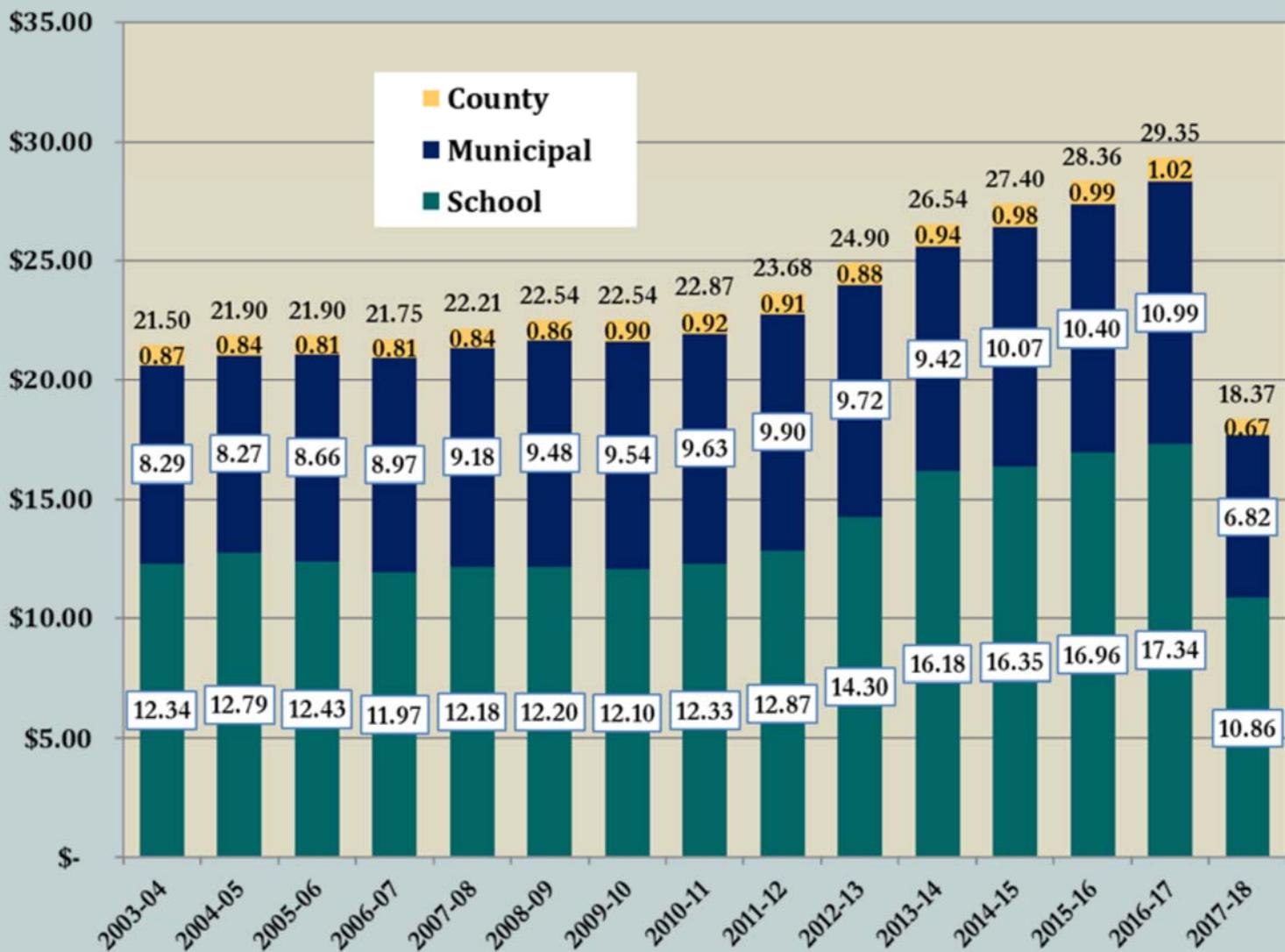
**Municipal**  
**\$0.37**

**County**  
**\$0.04**



# Brunswick Tax Rates

## Historical data—15 years



During 2016-17, the Town conducted a Revaluation and Equalization project to update the assessed values of all real property in the Town of Brunswick, bringing the assessment ratio up to 100% of market value.

The updated assessed values are reflected in the 2017-18 tax rate.

# For More Information ~

*Please visit the  
Town's website at:*

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



For detailed financial information:

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

Department	Phone
Assessing	725-6650
Codes Enforcement	725-6651
Economic Development	721-0292
Finance	725-6652
Fire Department	725-5541
Human Resources	725-6653
Human Services	725-6661
Marine Resources	721-4300
Parks & Recreation	725-6656
Planning & Development	725-6660
Police Department	725-5521
Public Works	725-6654
Town Clerk	725-6658
Town Manager	725-6659

*Or call us:*

