



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



Inside the PAFR:

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





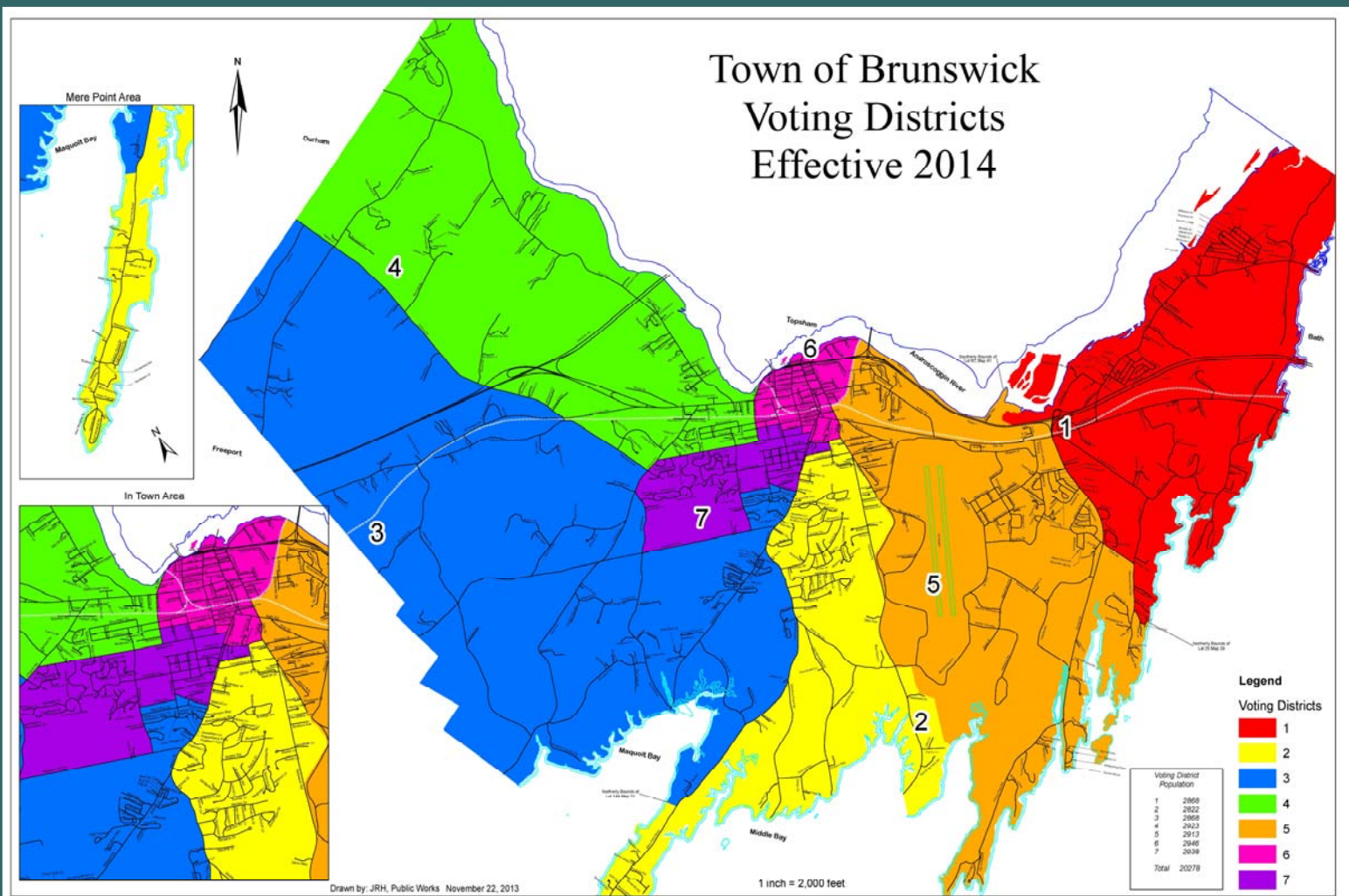
The Town of Brunswick, incorporated February 1739, is situated on the coast of Maine in Cumberland County, the state's most populous county. Brunswick is a state-designated service-center community, located between Maine's major population centers. The Town's geographic boundaries encompass approximately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

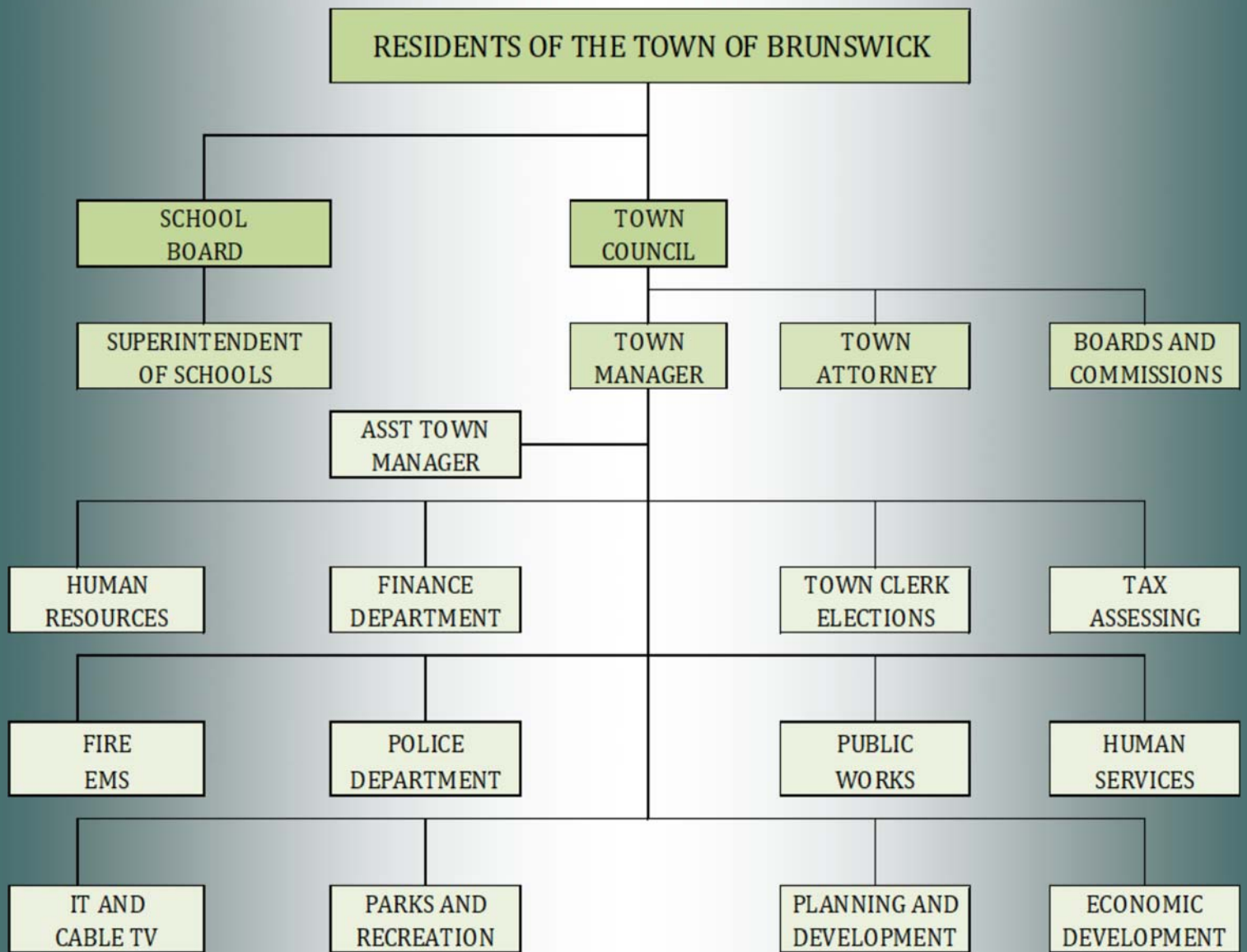
Brunswick is a commercial, industrial, educational, health care, and cultural center for the southern section of mid-coast Maine. The area's largest employers are Bath Iron Works (BIW), Mid Coast-Parkview Health, and Bowdoin College.

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.





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.

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|--------------------------|--------------------------------|---------------------|---------------------------------|----------------------|---------------------|---------------------|
| | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> |
| Current and other assets | \$27,978,175 | \$24,471,333 | \$3,654,861 | \$3,272,917 | \$31,633,036 | \$27,744,250 |
| Capital assets | <u>77,913,832</u> | <u>79,553,427</u> | <u>1,915,310</u> | <u>2,095,120</u> | <u>79,829,142</u> | <u>81,648,547</u> |
| Total assets | <u>105,892,007</u> | <u>104,024,760</u> | <u>5,570,171</u> | <u>5,368,037</u> | <u>111,462,178</u> | <u>109,392,797</u> |
| Deferred Outflows | <u>8,112,522</u> | <u>5,338,122</u> | - | - | <u>8,112,522</u> | <u>5,338,122</u> |
| Long-term liabilities | 33,502,224 | 33,502,224 | 7,643,659 | 7,351,866 | 41,145,883 | 40,854,090 |
| Other liabilities | <u>10,702,868</u> | <u>5,446,893</u> | <u>62,481</u> | <u>56,432</u> | <u>10,765,349</u> | <u>5,503,325</u> |
| 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 |
| Net Position | | | | | | |
| 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 | <u>5,724,269</u> | <u>2,825,122</u> | <u>(4,051,279)</u> | <u>(4,135,381)</u> | <u>1,672,990</u> | <u>(1,310,259)</u> |
| Total net position | <u>\$66,598,991</u> | <u>\$66,126,312</u> | <u>\$(2,135,969)</u> | <u>\$(2,040,261)</u> | <u>\$64,463,022</u> | <u>\$64,086,051</u> |

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> |
| Total | \$ 77,913,832 | \$ 79,553,427 | \$ 1,915,310 | \$ 2,095,120 | \$ 79,829,142 | \$ 81,648,547 |

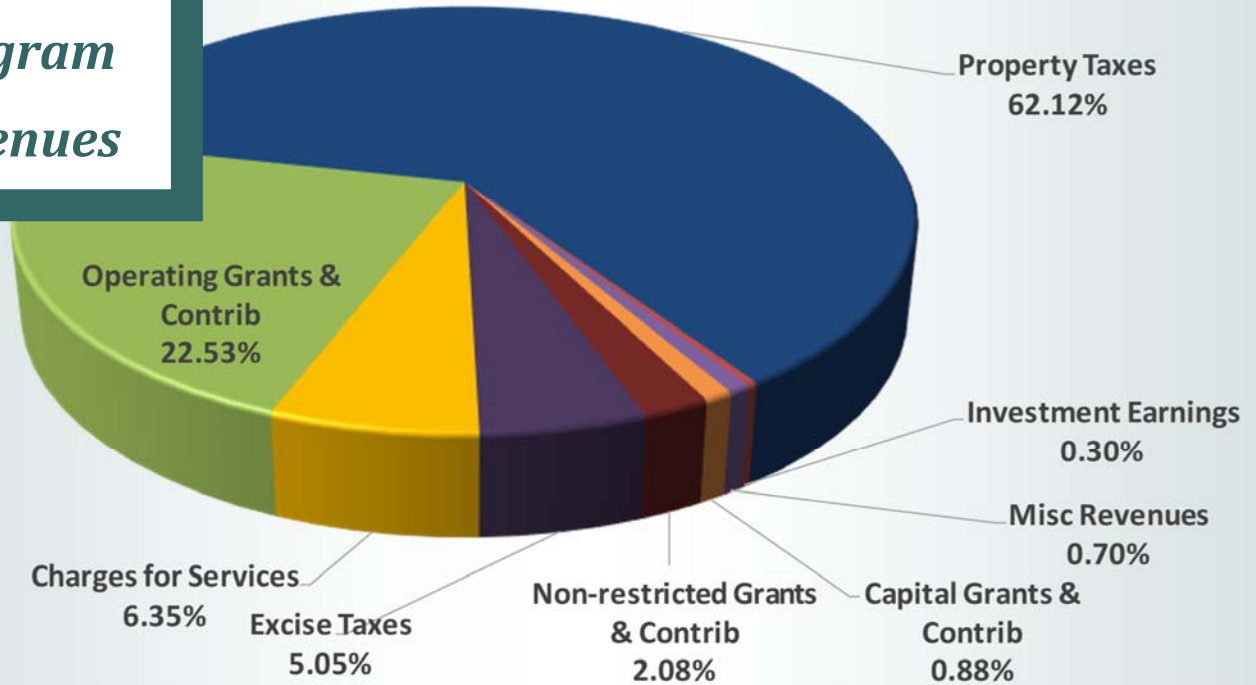
Government-wide: Longterm Debt

| <u>Bond Issue & Purpose</u> | <u>Issue Date</u> | <u>Amount Issued</u> | <u>Final Maturity Date</u> | <u>6/30/17 Amount</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> |
| | | | | <u>\$ 23,944,475</u> |

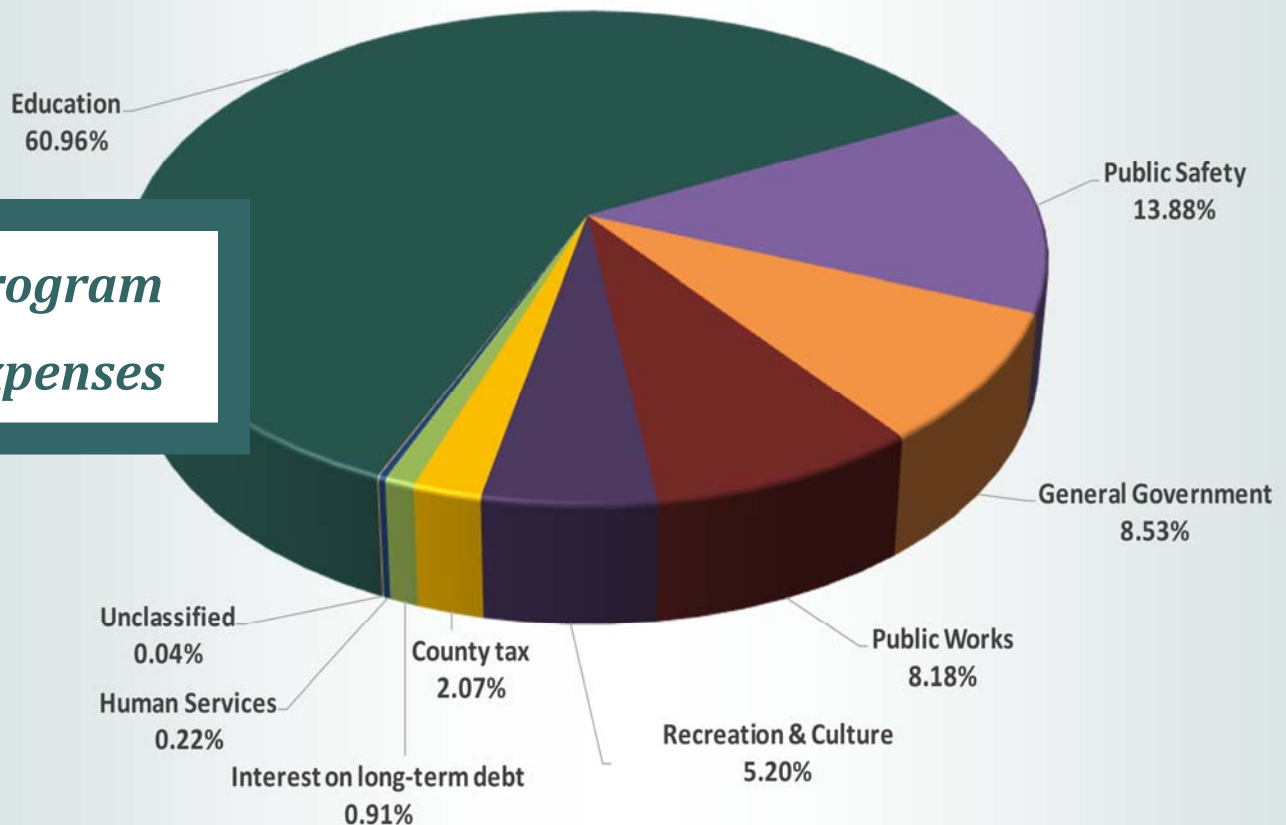
Government-Wide Statements

Governmental Activities—2016-17

Program Revenues

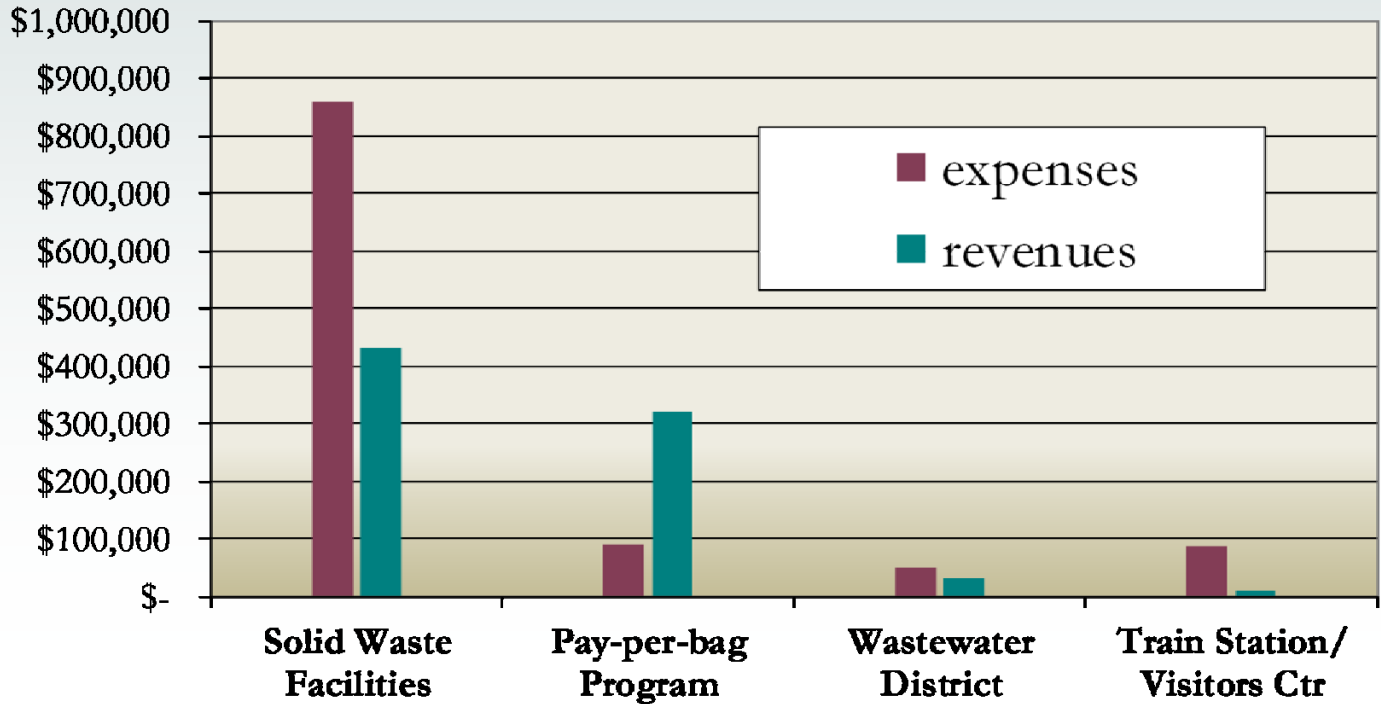


Program Expenses



Government-Wide Statements

Business-Type Activities—2016-17



The Town's business-type activities reduced the Town's total net position by \$95,708. This was a result of decreases in the Solid Waste Facilities Fund, Mere Point Wastewater System and the Train Station/Visitors Center Fund of \$277,678, \$19,272 and \$32,107, respectively, offset by an increase in the Pay-per-bag Program Fund of \$233,349.

| | <u>Solid Waste Facilities</u> | <u>Pay-Per-Bag Program</u> | <u>Mere Point Wastewater</u> | <u>Train Station/ Visitors Center</u> | <u>Totals</u> |
|----------------------------------|-----------------------------------|--------------------------------|----------------------------------|---|-----------------------------|
| NET POSITION | | | | | |
| Net investment in capital assets | \$ 1,848,572 | \$ - | \$ 63,176 | \$ 3,562 | \$ 1,915,310 |
| Unrestricted | <u>(6,615,615)</u> | <u>2,534,525</u> | <u>(11,317)</u> | <u>41,128</u> | <u>(4,051,279)</u> |
| Total net position | <u>\$(4,767,043)</u> | <u>\$ 2,534,525</u> | <u>\$ 51,859</u> | <u>\$ 44,690</u> | <u>\$(2,135,969)</u> |

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> |
|---------------------------------------|--------------------------------|---|------------------------------------|------------------------------------|
| Revenues | \$ 61,517,380 | \$ 1,841,710 | \$ 5,173,957 | \$ 68,533,047 |
| Expenditures | <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 |
| Other financing sources (uses) | <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).

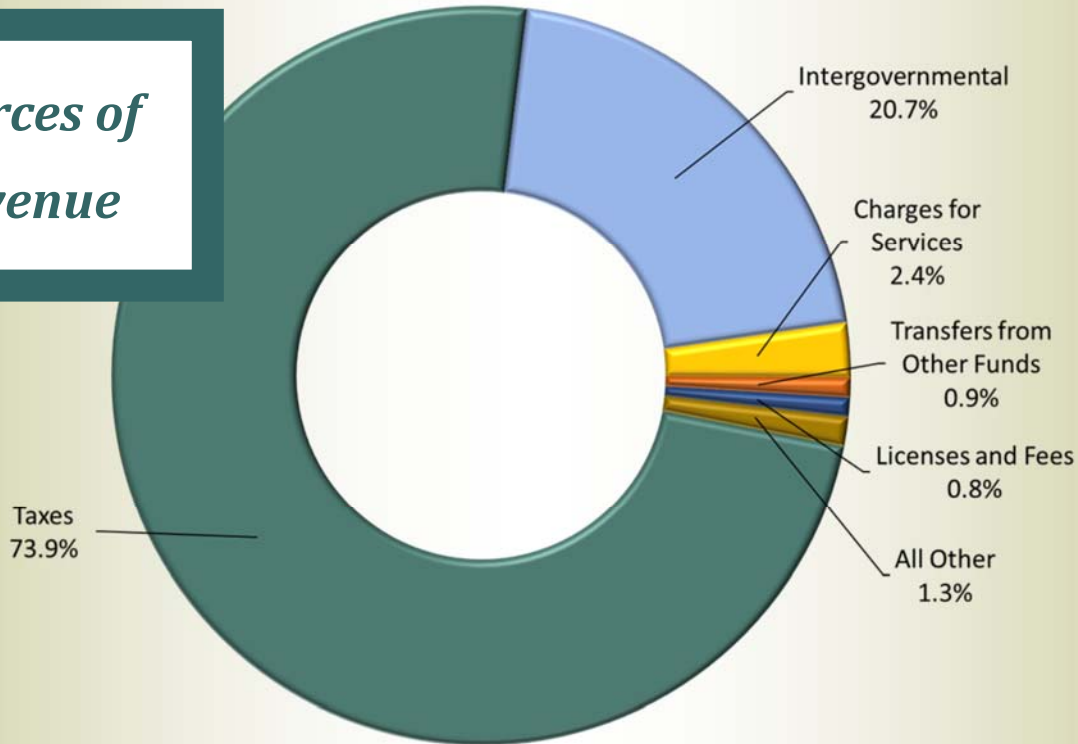
Eight ***Capital Projects funds*** to account for the acquisition of capital assets or construction of major capital projects not financed by the Town's major capital improvement funds, proprietary funds or permanent funds.

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.

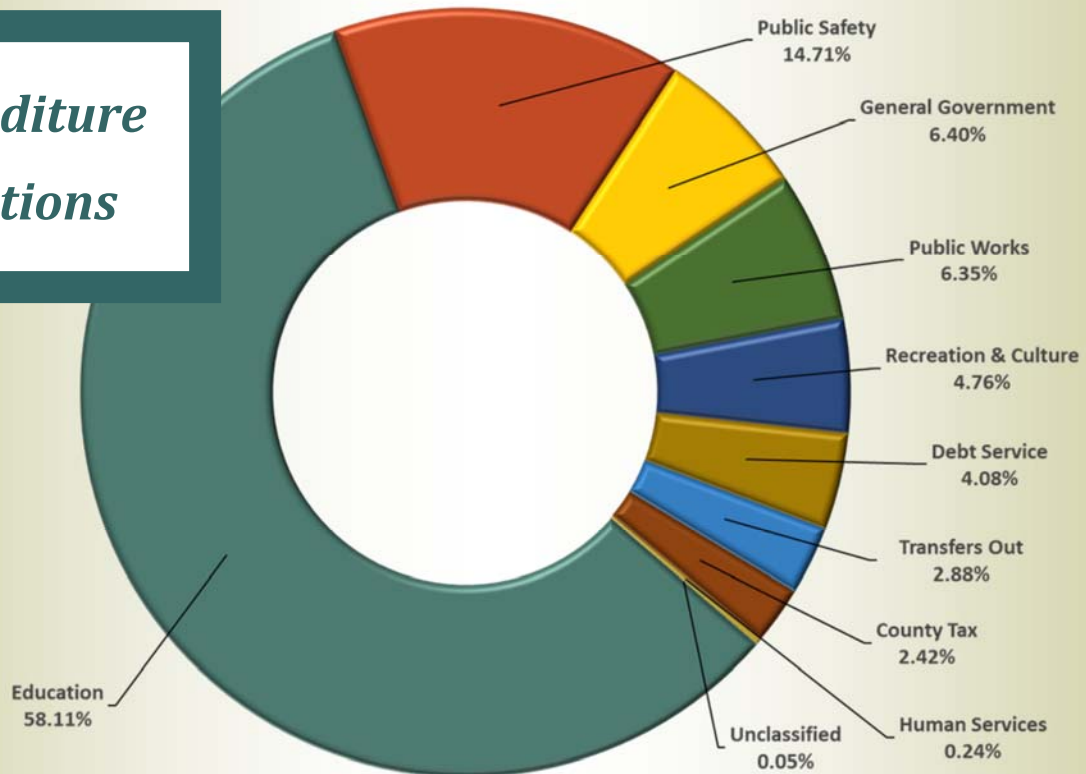
General Fund—2016-17

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

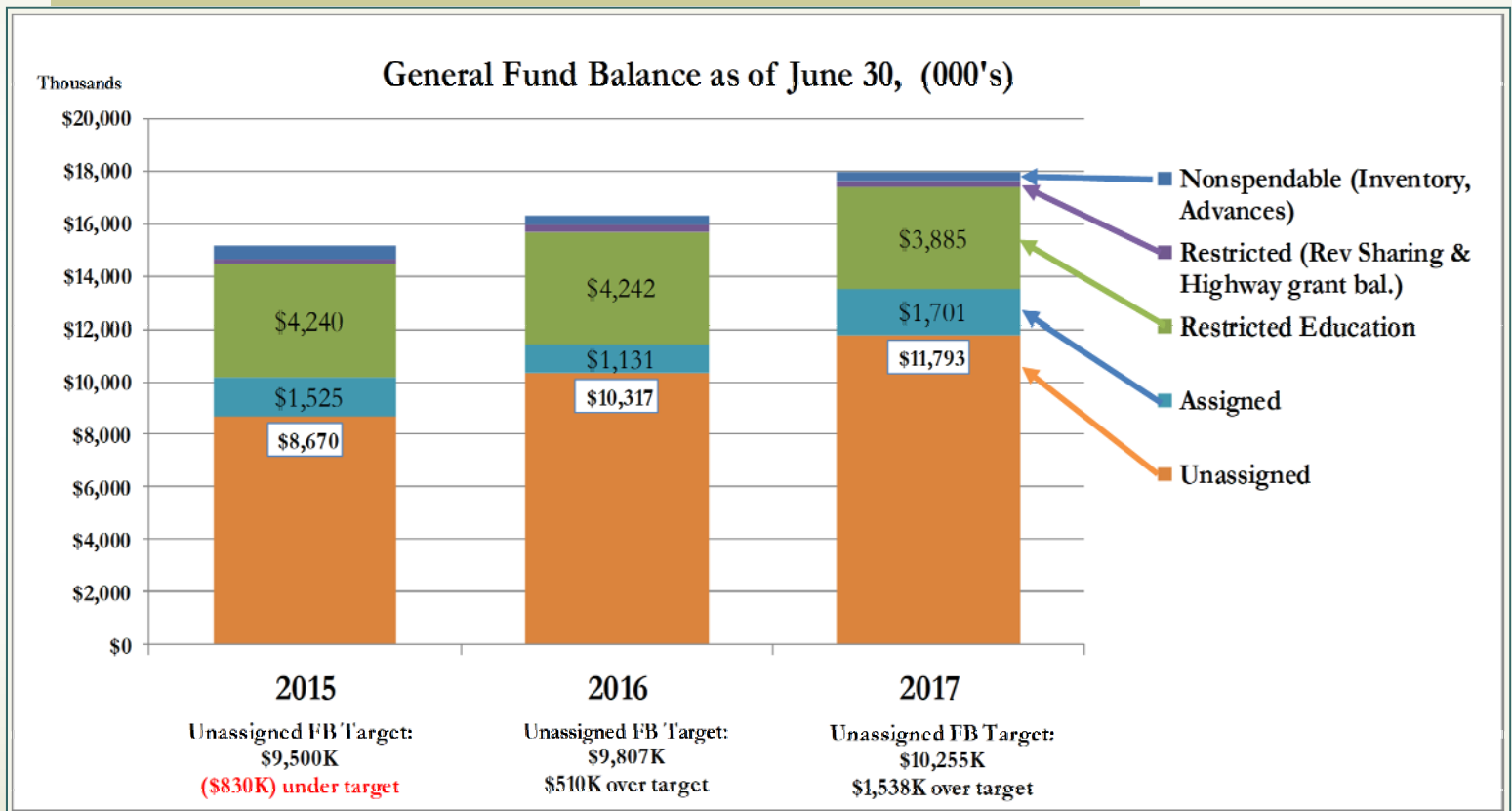
Despite a planned and budgeted reduction of \$3,199,363, plus additional reductions in the form of 2016 carry-forward encumbrances of \$96,320, capital budget of \$40,000 and supplemental appropriations of \$40,000, the total fund balance of the Town of Brunswick's General Fund actually increased by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

| <u>Revenues - by Source</u> | 2016-17 Budget | 2016-17 Actual | Over/(Under) Budget |
|------------------------------------|-----------------------|-----------------------|----------------------------|
| 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) |
| | 61,475,961 | 58,205,270 | (3,270,691) |

| <u>Expenditures—by Function</u> | 2016-17 Budget | 2016-17 Actual | (Over)/Under Budget |
|--|-----------------------|-----------------------|----------------------------|
| 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) |
| | 61,475,961 | 58,205,270 | 3,270,691 |

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 |
| | <u>\$ 44,215,165</u> |



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

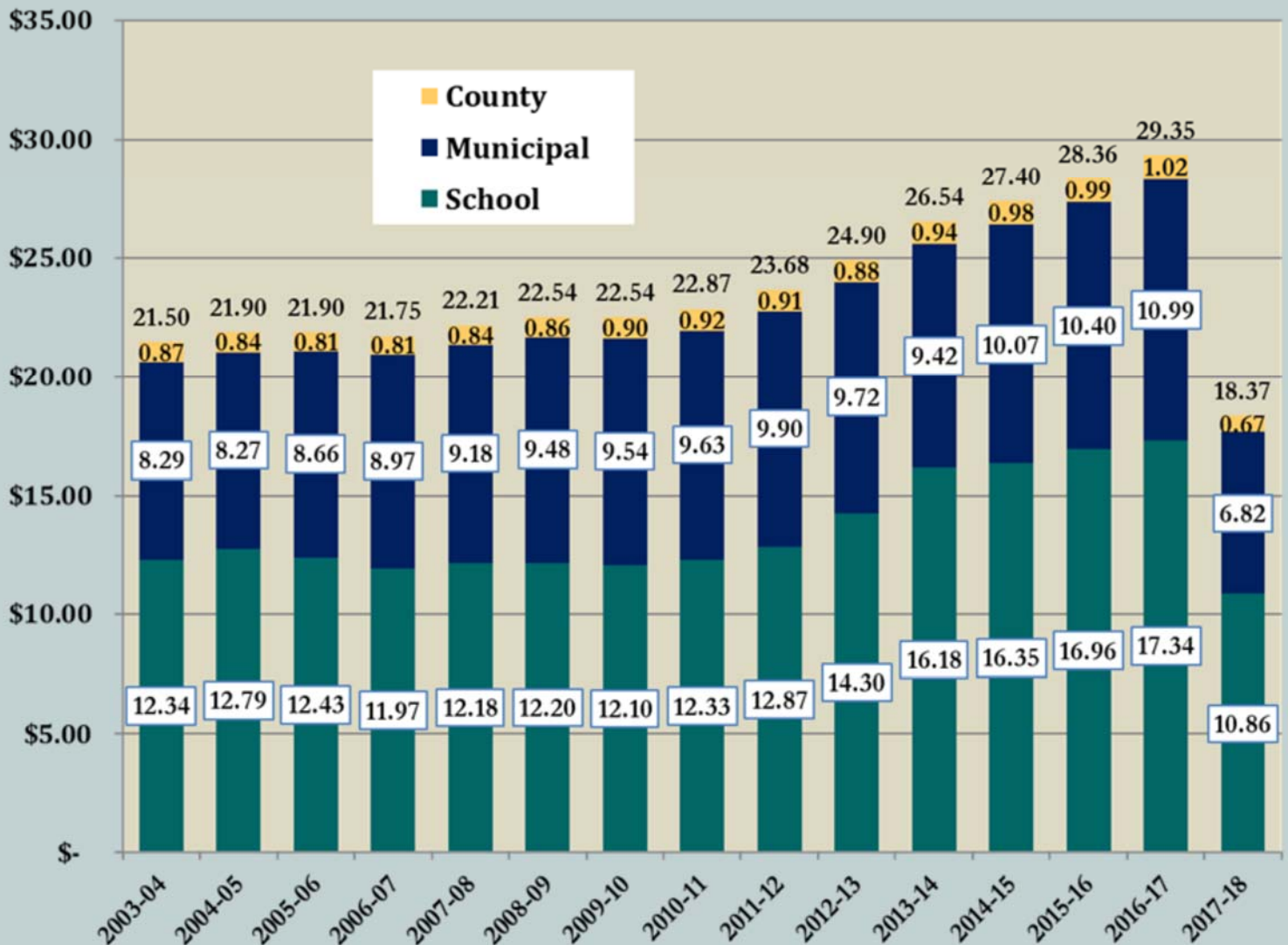
Municipal
\$0.37

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 ~

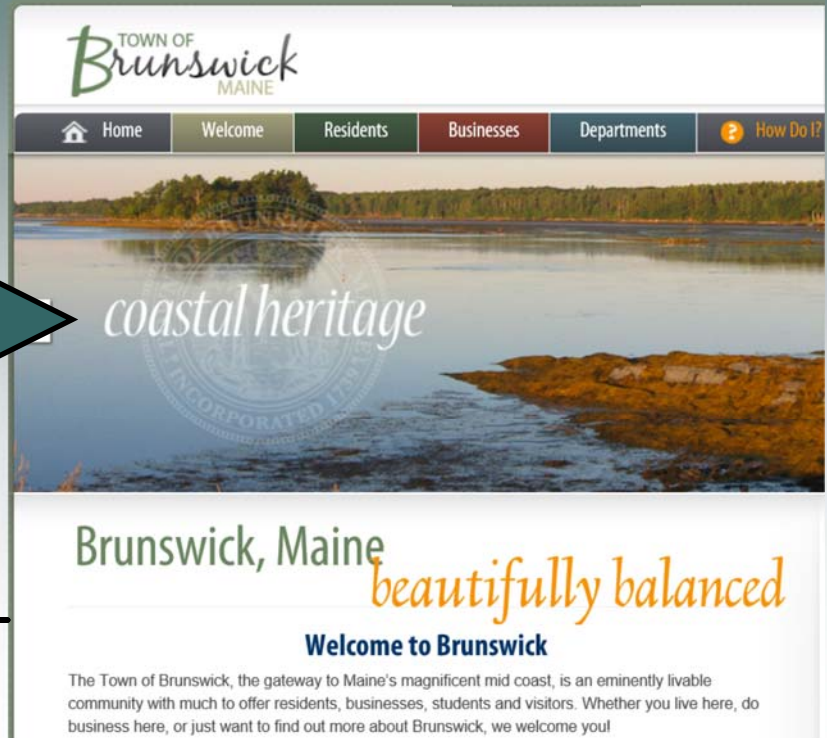
*Please visit the
Town's website at:*

<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



Or call us:



| 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 |