

CONTINUING DISCLOSURE STATEMENT DATED MARCH 20, 2014

**TOWN OF BRUNSWICK, MAINE**



Questions regarding the information contained in this disclosure and requests for official statements should be directed to John S. Eldridge, III, Finance Director, Town of Brunswick, 28 Federal Street, Brunswick, Maine 04011, 207-725-6652.



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**CUSIP NUMBERS**

| <b>2003 G. O.</b> |                     | <b>2011 G. O.</b>  |              |              |               |                    |              |
|-------------------|---------------------|--------------------|--------------|--------------|---------------|--------------------|--------------|
| <b>Refunding</b>  | <b>Bonds Amount</b> | <b>November 1,</b> | <b>CUSIP</b> | <b>Bonds</b> | <b>Amount</b> | <b>November 1,</b> | <b>CUSIP</b> |
|                   | \$ 80,000           | 2003               | 117205JU9    |              | \$555,000     | 2011               | 117205KW3    |
|                   | 1,060,000           | 2004               | 117205JV7    |              | 555,000       | 2012               | 117205KX1    |
|                   | 1,035,000           | 2005               | 117205JW5    |              | 555,000       | 2013               | 117205KY9    |
|                   | 1,015,000           | 2006               | 117205JX3    |              | 555,000       | 2014               | 117205KZ6    |
|                   | 990,000             | 2007               | 117205JY1    |              | 550,000       | 2015               | 117205LA0    |
|                   | 960,000             | 2008               | 117205JZ8    |              | 270,000       | 2016               | 117205LB8    |
|                   | 940,000             | 2009               | 117205KA1    |              | 270,000       | 2017               | 117205LC6    |
|                   | 920,000             | 2010               | 117205KB9    |              | 270,000       | 2018               | 117205LD4    |
|                   | 910,000             | 2011               | 117205KC7    |              | 270,000       | 2019               | 117205LE2    |
|                   | 900,000             | 2012               | 117205KD5    |              | 270,000       | 2020               | 117205LF9    |
|                   | 785,000             | 2013               | 117205KE3    |              |               |                    |              |

| <b>2006 G. O.</b> |               | <b>2013 G. O.</b>  |              |              |               |                    |              |
|-------------------|---------------|--------------------|--------------|--------------|---------------|--------------------|--------------|
| <b>Bonds</b>      | <b>Amount</b> | <b>November 1,</b> | <b>CUSIP</b> | <b>Bonds</b> | <b>Amount</b> | <b>November 1,</b> | <b>CUSIP</b> |
|                   | \$275,000     | 2006               | 117205KF0    |              | \$275,000     | 2013               | 117205LG7    |
|                   | 250,000       | 2007               | 117205KG8    |              | 275,000       | 2014               | 117205LH5    |
|                   | 200,000       | 2008               | 117205KH6    |              | 275,000       | 2015               | 117205LJ1    |
|                   | 200,000       | 2009               | 117205KJ2    |              | 275,000       | 2016               | 117205LK8    |
|                   | 200,000       | 2010               | 117205KK9    |              | 275,000       | 2017               | 117205LL6    |
|                   | 200,000       | 2011               | 117205KL7    |              | 275,000       | 2018               | 117205LM4    |
|                   | 200,000       | 2012               | 117205KM5    |              | 275,000       | 2019               | 117205LN2    |
|                   | 200,000       | 2013               | 117205KN3    |              | 275,000       | 2020               | 117205LP7    |
|                   | 200,000       | 2014               | 117205KP8    |              | 275,000       | 2021               | 117205LQ5    |
|                   | 200,000       | 2015               | 117205KQ6    |              | 275,000       | 2022               | 117205LR3    |
|                   | 200,000       | 2016               | 117205KR4    |              | 275,000       | 2023               | 117205LS1    |
|                   | 200,000       | 2017               | 117205KS2    |              | 275,000       | 2024               | 117205LT9    |
|                   | 200,000       | 2018               | 117205KT0    |              | 275,000       | 2025               | 117205LU6    |
|                   | 200,000       | 2019               | 117205KU7    |              | 275,000       | 2026               | 117205LV4    |
|                   | 200,000       | 2020               | 117205KV5    |              | 275,000       | 2027               | 117205LW2    |
|                   |               |                    |              |              | 275,000       | 2028               | 117205LX0    |
|                   |               |                    |              |              | 275,000       | 2029               | 117205LY8    |
|                   |               |                    |              |              | 275,000       | 2030               | 117205LZ5    |
|                   |               |                    |              |              | 275,000       | 2031               | 117205MA9    |
|                   |               |                    |              |              | 275,000       | 2032               | 117205MB7    |

## **CERTIFICATE REGARDING CONTINUING DISCLOSURE STATEMENT**

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

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

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

John S. Eldridge, III  
Finance Director  
Town of Brunswick, Maine

## TOWN OF BRUNSWICK

### GENERAL

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



### CUMBERLAND COUNTY

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

Today, Brunswick is an industrial, commercial and cultural center for a large spread of coastal villages and resort regions in its area. Bowdoin College is located in the town as well as two modern hospitals, Mid Coast Hospital and Parkview Memorial. Brunswick Landing and Brunswick Executive Airport (both at the former Naval Air Station), a metal fabrication plant of Bath Iron Works, Bank of America, and a manufacturing facility of L.L. Bean, one of the nation's most successful mail-order enterprises headquartered in Freeport, all have facilities in Brunswick.

Brunswick is a suburban-urban coastal community with highly developed shorefront areas. According to the 2010 Census, the Town's residents live in predominantly single-family dwellings of which 68% are owner occupied. The land area of the Town is comprised of residential, mixed use, commercial, industrial, college use, coastal protection, medical overlay and resource protection zones, open space, coastal and woodland areas with a total area embracing approximately 49.73 square miles.

## **GOVERNMENT**

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

The Town operates under a charter that initially became effective January 2, 1970, as amended and supplemented, most recently in November 2005, effective January 1, 2006 (the “Charter”), providing for a council-manager form of government with a nine-member Town Council, each serving three-year staggered terms. Seven council members are elected by district and two are elected at-large. The Charter grants to the Town Council all powers to enact, amend, or repeal rules, ordinances and resolutions relating to the Town’s property, affairs and government, to preserve the public peace, health and safety, to establish personnel policies and give effect to any vote of the Town and to authorize the issuance of debt. The Town Manager is the chief administrative officer of the Town.

## **MUNICIPAL SERVICES**

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

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

### **General Government and Administrative Services**

General government and administrative services are located at 28 Federal Street. On October 3, 2011 the Town Council authorized an agreement with Bowdoin College to exchange the Town’s former Longfellow School and other consideration for the College’s McLellan Building, located at 85 Union Street. In December 2011, deeds were exchanged, thus “swapping” the properties. In December 2013, construction began on the renovations to convert the building to the new Brunswick Town Hall. Bowdoin will continue to occupy the top floor of the McLellan Building for up to ten additional years. The cost of renovating and equipping the McLellan Building for municipal use is currently estimated at \$1,250,000. After the Town offices are moved to the McLellan Building, the vacated 28 Federal Street property will be conveyed to the Brunswick Development Corporation.

### **Public Safety**

The Police Department is staffed by a Police Chief, one Deputy Chief, one Captain, four Lieutenants, four Sergeants, 18 Patrol Officers and a Community Policing Officer. The roster also includes three Detectives, two School Resource Officers, two Marine Resource Wardens, one of whom is also the Harbor Master, one Animal Control Officer, a Parking Enforcement Officer, nine Communications Officers and a Communications Officer Supervisor. There is an Executive Secretary, one Bookkeeper and four School Crossing Guards. The Police Department is currently headquartered in a newly constructed building located at 85 Pleasant Street. The Department maintains 20 vehicles, an airboat, a 20 ft. fiberglass boat with outboard, two equipment trailers (large and small) and two electronic sign boards, all of which are in good repair. The police station building project was funded with the issuance of G.O Bonds on June 27, 2013. See “INDEBTEDNESS – DEBT SUMMARY” herein.

Brunswick is currently a designated public safety answering point (“PSAP”), meaning that 911 calls from Brunswick and certain surrounding communities are directed to the Brunswick dispatch center. The State has been reviewing PSAPs in an effort to reduce the number authorized State-wide. Under a five year agreement reached in 2010, Brunswick provides emergency services dispatch and communications for the Town of Freeport.

The Fire Department is staffed by a Fire Chief, two Deputy Chiefs, four Captains, four Lieutenants, 24 Firefighters and one Administrative Assistant. Staffing is authorized for 50 Call Personnel including 30 firefighters and 20 Haz-Mat Team personnel of which, currently, 30 positions are filled. The captains, lieutenants and firefighters also serve as Emergency Medical Technicians and Paramedics for the Department’s rescue services. The Fire Department is currently housed in two fire stations, with a one station located in downtown Brunswick, Central Station, and a second, Emerson Station, located in the Cook’s Corner area. The Department maintains one aerial platform truck, three pumper vehicles, one tank truck, two brush trucks, three ambulance/rescue units, a hazardous materials response unit, a confined space equipment trailer, a utility pickup truck, three command SUVs, one car, and one boat. The Town has considered options for a major renovation and expansion of its central fire station located in downtown Brunswick. The current cost estimate for that project is \$6,000,000. In 2006 the Town acquired land near the Central Station in order to accommodate the project. Recently the Town Council voted to consider other locations for a central station as well as other means of delivering fire safety and emergency medical services. See “TOWN FINANCES - CAPITAL IMPROVEMENT PROGRAM” herein.

## **Public Works**

The Public Works Department is responsible for the maintenance the Town’s roads and storm drainage system, the operation of a secure solid waste landfill and the oversight of residential refuse collection and recycling collection. The department is staffed by one Town Engineer/Public Works Director, one Engineering Aide, one Operations Manager, two support staff, one part-time employee and 20 full-time staff. The Public Works Department maintains 42 vehicles and various pieces of equipment.

The Town operates a solid waste landfill. In 2004, the Town created an enterprise fund to record the activities of its solid waste landfills. Operations at the Town’s wood and masonry landfill were discontinued in 2005 and the Town has closed that facility in accordance with applicable laws and regulations. In January 2007, the Town initiated pay-by-the-bag and single sort recycling programs, both with intent of extending the useful life of the solid waste landfill. At June 30, 2013, the Town anticipated that its operating solid waste landfill had 16-22 years of remaining capacity. The Town hopes to fund closure and post-closure costs, related to the remaining landfill, from tipping fees and net proceeds from the pay-by-the-bag program. However, should the Town fail to collect sufficient fees, it is likely that some of the closing costs will be funded with long-term debt. The continued operation of the landfill is contingent on capacity and compliance with environmental regulations and no assurance can be given that the landfill will continue to operate until it reaches its estimated capacity. The Town has been working with the Maine Department of Environmental Protection (“DEP”) to resolve past and continuing wastewater discharge violations at the landfill. See “ENVIRONMENTAL MATTERS” section herein for a more detailed explanation of the issues related to the landfill.

## **Parks and Recreation**

The Town’s Department of Parks and Recreation offers a full calendar of recreational programs and maintains a number of parks as well as active and passive recreational facilities throughout the Town. The Department is staffed by a Director and Deputy Director, one Program Assistant, a Parks & Facilities

Manager, a Parks Foreman, three maintenance workers, two office support staff, and a number of part-time personnel. In November 2013, the Parks and Recreation Department moved from its downtown location to a large multi-purpose recreation facility at the former Naval Air Station, now called Brunswick Landing. In August 2013, the Town Council voted to sell the downtown building to Brunswick Development Corp (“BDC”) in alignment with BDC’s plan to sell both the municipal building at 28 Federal Street and the recreation building at 30 Federal Street to Coastal Enterprises, Inc.

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

Following the 2010 approval of \$35 million in federal stimulus money, and \$3 million in State funds, approximately 28 miles of rail track between Brunswick and Portland were rehabilitated and Amtrak was able to extend train service to Brunswick. The Town leases approximately 2,125 square feet of space in a building located at Brunswick Station. The space serves as the Town’s train station/visitors center and is managed under an agreement with the Brunswick Downtown Association (“BDA”). The Maine Department of Transportation (“MDOT”) constructed a permanent station platform, located behind the train station/visitors center. The Town was not required to contribute to the construction of the platform but is responsible to maintain it at Town expense. In November 2012 the Amtrak Downeaster train began operating from the station. Daily service currently consists of two round trips between Brunswick and Boston, and one between Brunswick and Portland. Operation of Amtrak service is likely to depend on continued government subsidies. In addition to Amtrak’s year round service from the station, seasonal excursion trains to Rockland are operated by Maine Eastern Railroad. The center also serves as a bus stop for both local and long distance service, and offers a car rental desk for Enterprise Rent-A-Car.

In 2011, the Northern New England Rail Passenger Authority (“NNEPRA”) announced its plan to construct a layover facility in Brunswick to service the Amtrak Downeaster trains. The plan has been opposed by residents of the neighborhood adjacent to the proposed site of the layover facility. However, others see the construction of the layover facility as integral to bringing a more robust Amtrak schedule of service to Brunswick.

With increased train service and the continued construction of buildings at Brunswick Station, the Town anticipated the need for additional parking capacity. The Town negotiated with owners of a nearby property to lease land for public parking. Brunswick Development Corporation (“BDC”) provided a grant of \$50,000 to assist with the construction of a parking lot, which was completed in time for the first Downeaster train on November 1, 2012.

### **Curtis Memorial Library**

The Curtis Memorial Library (the “Library”) is located at 23 Pleasant Street. The original 5,400 square foot building, built with a gift from William Curtis in memory of his father Captain John Curtis, opened in 1904. A 10,600 square foot addition was added to the original building in November 1972. A major renovation and refurbishing of the 1904 building, along with a 38,000 square foot addition, were completed and opened to the public in October 1999. The 1972 addition was completely removed during the project. While the Town owns the building, the Library is managed by the Brunswick Public Library Association (the “Association”), a private non-profit association founded in 1883.

A 15-member Board of Directors manages the Association with a staff comprised of approximately 20 full-time equivalent personnel including nine professional librarians. At June 30, 2013, the Library’s collections included approximately 144,625 items. The Library is operated by funds generated from endowments, restricted book funds, fund raising activities and funds provided by the Towns of Brunswick and Harpswell, at their pleasure. The circulation for the year ended June 30, 2013 was 396,383 items loaned, with yearly active cardholders numbering 12,261 with 71.8% reside in Brunswick.

## PUBLIC EDUCATION

### Supervision of Educational Programs

The Town operates an educational program for grades K through 12 under Individual Supervision. Article IX of the Town's Charter, provides that the Department of Education for the Town be administered by a School Board comprised of nine members, each serving three-year staggered terms. Seven School Board members are elected by district and two are elected at large. The School Board performs all duties and functions related to the care and management of the public schools of the Town. The School Board prepares and submits its budget to the Town Manager, who includes it in the budget process. See also "TOWN FINANCES – BUDGETARY PROCESS" section herein. The School Department's staff consists of a Superintendent, one Assistant Superintendent, one Director of Special Education, one Business Manager, five full-time principals, one teaching principal, three assistant principals, the equivalent of 231.88 full-time teaching positions, and various other professional and non-professional staff. Brunswick's school population is shown in the following table:

| <u>School</u>                        | <u>Grade</u> | <u>April 1, 2013 Population<sup>(1)</sup></u> | <u>October 1, 2013 Population<sup>(1)</sup></u> |
|--------------------------------------|--------------|---|---|
| Coffin School <sup>(2)</sup>         | K – 1        | 360   | 366   |
| Harriet Beecher Stowe                | 2 – 5        | 645   | 678   |
| Brunswick Junior High <sup>(2)</sup> | 6 – 8        | 530   | 501   |
| Brunswick High                       | 9 – 12       | 845   | 846   |

SOURCE: Town of Brunswick School Department.

NOTE: <sup>(1)</sup> As of April 1, 2013 and October 1, 2013 Enrollment Reports. This includes Brunswick residents and non-resident students attending Brunswick schools.

<sup>(2)</sup> Modular classrooms in use. Other projects to address space needs are being contemplated.

With the opening of the Harriet Beecher Stowe School for grades 2 through 5 in August 2011, the Town replaced the former Longfellow and Jordan Acres Schools (both educating grades K through 5) and reconfigured the grades at the Coffin School (formerly grades K through 5 and now serving grades K through 1). Construction of Harriet Beecher Stowe School was funded by the issuance of \$21,462,250 in school construction bonds. The Town elected to issue these bonds through the Maine Municipal Bond Bank ("MMBB") and bonds were issued on October 28, 2010. Subject to a final audit of the construction project, the funding approval received from the State Department of Education ("DOE") indicates that DOE will include approximately 87% of the annual net debt service cost on these bonds in the State education subsidy formula. The formula is used to determine the total annual State education subsidy provided to the Brunswick. While the percentage of debt service included in the calculation is expected to remain constant throughout the twenty-year amortization of the bonds, other factors in the formula will change annually and the education subsidy formula could be changed by the Maine Legislature. See "REVENUES FROM THE STATE" for an explanation about funding of State approved school construction projects.

The School Department is currently engaged in facilities planning to determine how best to address its programming and facilities needs. The results of that planning are expected to be addressed in the Town's capital improvement program ("CIP") process. The School Department believes that projects to expand or renovate school facilities will result in the issuance of debt and that those projects are not likely to qualify for State participation. Preliminary estimates indicate the cost of new or renovated facilities could exceed \$54 million. See "TOWN FINANCES – CAPITAL IMPROVEMENT PROGRAM" herein.

The following table illustrates the ten-year enrollment trends for Brunswick residents:

**School Enrollment Trend – Brunswick Residents**

| <b><u>April 1,</u></b> | <b><u>Grades</u></b> | <b><u>Grades</u></b> | <b><u>Grades</u></b> | <b><u>Resident Enrollment</u></b> |
|------------------------|----------------------|----------------------|----------------------|-----------------------------------|
|                        | <b><u>K-5</u></b>    | <b><u>6-8</u></b>    | <b><u>9-12</u></b>   |                                   |
| 2013                   | 1,004                | 533                  | 808                  | 2,345                             |
| 2012                   | 1,013                | 533                  | 822                  | 2,368                             |
| 2011                   | 1,010                | 584                  | 892                  | 2,486                             |
| 2010                   | 1,071                | 606                  | 884                  | 2,561                             |
| 2009                   | 1,205                | 699                  | 918                  | 2,822                             |
| 2008                   | 1,342                | 689                  | 954                  | 2,985                             |
| 2007                   | 1,420                | 734                  | 1,004                | 3,158                             |
| 2006                   | 1,376                | 761                  | 998                  | 3,135                             |
| 2005                   | 1,399                | 767                  | 943                  | 3,109                             |
| 2004                   | 1,464                | 742                  | 947                  | 3,153                             |

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

NOTE: Includes only Brunswick residents.

With the closure of Brunswick Naval Air Station, Brunswick has experienced a loss of student population. Further, with the creation of RSU 5, high school students from the Town of Durham now attend Freeport High School. At one time, nearly 200 Durham students attended Brunswick High School. The reduction in enrollment and the loss of federal and state aid, plus the loss of tuition revenue has caused the Department to adjust its budgets accordingly. However, given certain fixed costs, budget adjustments have been difficult.

**Maine Region 10 Technical High School**

The Town is a member of the Maine Region 10 Technical High School (“Region 10”), a school charged with delivering applied technology programs. Region 10 is established in a cooperative agreement, (the “Cooperative Agreement”) by the school administrative units from the town of Brunswick, RSU 75 (Bowdoin, Bowdoinham, Harpswell, and Topsham), and RSU 5 (Freeport, Durham, and Pownal). The Cooperative Agreement provides for an eight-member Board of Directors with three members from Brunswick; three from RSU 75; and two from RSU 5.

Each school administrative unit is responsible for its proportionate share of the Region’s operating expenses, including debt repayment, which is included in the respective unit’s annual assessment. Region 10 is currently contemplating \$9 million in capital improvements that would be funded with debt. If issued, the debt service on those bonds would be shared by the member school units.

Of the 302 students enrolled in Region 10 on October 1, 2013, 122 were residents of Brunswick. The Town is responsible for its proportionate share of Region 10’s operating expenses, including debt service, which is assessed to the Town annually. See “INDEBTEDNESS – OVERLAPPING DEBT – Maine Region 10” herein.

## EMPLOYEE RELATIONS

The Town employs approximately 600 full and part-time employees. Approximately 400 of those are employed by the School Department. The following table lists the various contracts for employees represented by a union:

| <u>Union</u> <sup>(1)</sup>          | <u>Covered Positions</u> | <u>Bargaining Unit</u>   | <u>Date of Contract</u> |                   |  |
|--------------------------------------|--------------------------|--------------------------|-------------------------|-------------------|--|
|                                      |                          |                          | <u>Effective</u>        | <u>Expiration</u> |  |
| Teamsters (Local #340)               | 22                       | Public Works Employees   | 7/01/13                 | 6/30/16           |  |
| Brunswick Police Benevolent Assoc.   | 32                       | Police Officers          | 7/01/13                 | 6/30/16           |  |
| Brunswick Professional Firefighters. | 32                       | Firefighters/EMS         | 7/01/12                 | 6/30/15           |  |
| Brunswick Emerg. Comm. Off. Assoc.   | 10                       | Police Dispatchers       | 7/01/13                 | 6/30/16           |  |
| AFSCME, Town departments             | 26                       | Clerical workers & other | 7/01/13                 | 6/30/16           |  |
| BEA/MEA - Teachers                   | 237                      | School Teachers          | 9/01/12                 | 8/31/15           |  |
| BEA/MEA – Educational Technicians    | 62                       | Educational Technicians  | 8/01/10                 | 7/31/13           |  |
| AFSCME, School department            | 46                       | Bus Drivers & Custodians | 7/01/13                 | 6/30/16           |  |

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

## BUILDING PERMITS

| <b>Fiscal Yr. End</b> | <b>Residential</b> |                  | <b>Commercial &amp; Industrial</b> |                            |
|-----------------------|--------------------|------------------|------------------------------------|----------------------------|
|                       | <b>June 30,</b>    | <b># Permits</b> | <b>Est. Cost Const.</b>            | <b># Permits</b>           |
| 2013                  | 247                | \$12,938,533     | 54                                 | \$9,918,226 <sup>(1)</sup> |
| 2012                  | 247                | 11,345,444       | 55                                 | 17,227,286 <sup>(2)</sup>  |
| 2011                  | 258                | 7,683,897        | 34                                 | 10,128,789 <sup>(3)</sup>  |
| 2010                  | 291                | 12,784,450       | 39                                 | 25,538,418 <sup>(4)</sup>  |
| 2009                  | 306                | 8,159,449        | 79                                 | 27,335,170 <sup>(5)</sup>  |
| 2008                  | 356                | 15,038,810       | 76                                 | 30,534,200 <sup>(6)</sup>  |
| 2007                  | 380                | 23,491,638       | 61                                 | 27,616,628 <sup>(7)</sup>  |
| 2006                  | 464                | 26,317,631       | 67                                 | 41,426,845 <sup>(8)</sup>  |
| 2005                  | 415                | 26,044,849       | 69                                 | 21,393,468 <sup>(9)</sup>  |
| 2004                  | 496                | 30,097,039       | 109                                | 23,713,842 <sup>(10)</sup> |

NOTES: <sup>(1)</sup>Includes \$4,800,000 for construction of the new Police Station, \$1,992,441 for the renovation of the former Longfellow School by Bowdoin College and \$1,200,000 for a manufacturing facility at Brunswick Landing.

<sup>(2)</sup>Includes \$12,000,000 for construction of a manufacturing facility at Brunswick Landing.

<sup>(3)</sup>Includes \$9,622,529 for construction of an inn and \$2,272,200 for a medical office building.

<sup>(4)</sup>Includes \$14,000,000 for construction of an elementary school and \$6,000,000 for a nursing home.

<sup>(5)</sup>Includes \$21,324,246 for an emergency room addition and renovations of Midcoast Hospital and \$2,300,000 for construction of a mixed use building at Maine Street Station.

<sup>(6)</sup>Includes \$15,500,000 for construction of an ice arena and \$10,000,000 for construction of a fitness center at Bowdoin College.

<sup>(7)</sup>Includes \$9,000,000 for construction of the Midcoast Hospital Medical Office Building II, \$8,850,000 for various construction projects at Bowdoin College and \$4,000,000 for construction of assisted living units by Brunswick Housing Authority.

<sup>(8)</sup>Includes \$36,680,000 for construction projects at Bowdoin College.

<sup>(9)</sup>Includes \$11,000,000 for construction projects at Bowdoin College.

<sup>(10)</sup>Includes \$6,050,000 for construction projects at Bowdoin College and \$2,342,000 for religious facilities.

## ECONOMIC CHARACTERISTICS

| <u>Population</u> |        | <u>Town of Brunswick</u> | <u>% Change</u> |            |  |
|-------------------|--------|--------------------------|-----------------|------------|--|
| <u>Year</u>       |        | <u>Town</u>              | <u>State</u>    | <u>USA</u> |  |
| 2010              | 20,278 | (4.2)%                   | 4.2%            | 9.7%       |  |
| 2000              | 21,172 | 1.3                      | 3.8             | 13.2       |  |
| 1990              | 20,906 | 20.4                     | 9.2             | 9.8        |  |
| 1980              | 17,366 | 7.2                      | 13.4            | 11.4       |  |
| 1970              | 16,195 | 2.5                      | 2.4             | 13.4       |  |
| 1960              | 15,797 |                          |                 |            |  |

| <u>Population Characteristics</u> | <u>Town of Brunswick</u> | <u>Cumberland County</u> | <u>State of Maine</u> | <u>USA</u> |
|-----------------------------------|--------------------------|--------------------------|-----------------------|------------|
| Median age (years)                | 41.4                     | 41.0                     | 42.7                  | 37.2       |
| % Under 5 years                   | 4.9%                     | 5.2%                     | 5.2%                  | 6.5%       |
| % 5-19 years                      | 19.3%                    | 18.5%                    | 18.1%                 | 20.4%      |
| % 20-64 years                     | 57.5%                    | 62.0%                    | 60.7%                 | 60.0%      |
| % 65 years and over               | 18.1%                    | 14.2%                    | 15.9%                 | 13.1%      |
| Avg. household size               | 2.19                     | 2.32                     | 2.32                  | 2.58       |

| <u>Housing</u>                     |       |         |         |             |
|------------------------------------|-------|---------|---------|-------------|
| Total housing units                | 9,599 | 138,657 | 721,830 | 131,704,730 |
| Occupied housing units             | 8,469 | 117,339 | 557,219 | 116,716,292 |
| % Occupied housing units           | 88.2% | 84.6%   | 77.2%   | 88.6%       |
| Owner-occupied housing units       | 5,735 | 78,545  | 397,417 | 75,986,074  |
| % Owner-occupied                   | 67.7% | 66.9%   | 71.3%   | 65.1%       |
| Avg. household size owner-occupied | 2.32  | 2.49    | 2.43    | 2.65        |

| <u>Income</u>                       |          |          |          |          |
|-------------------------------------|----------|----------|----------|----------|
| Median household income             | \$50,117 | \$55,658 | \$46,933 | \$51,914 |
| Median family income                | \$72,755 | \$71,335 | \$58,185 | \$62,982 |
| Per capita income                   | \$27,453 | \$31,041 | \$25,385 | \$27,334 |
| % Below poverty level (individuals) | 11.0%    | 10.5%    | 12.6%    | 13.8%    |

SOURCE: 2010 Census; U.S. Department of Commerce, Bureau of the Census.

| <u>Unemployment</u>  |                          |                          |                       |            |
|----------------------|--------------------------|--------------------------|-----------------------|------------|
| <u>Calendar Year</u> | <u>Town of Brunswick</u> | <u>Cumberland County</u> | <u>State of Maine</u> | <u>USA</u> |
| 2013                 | 6.0%                     | 5.4%                     | 6.8%                  | 7.4%       |
| 2012                 | 6.9                      | 5.8                      | 7.3                   | 8.1        |
| 2011                 | 6.7                      | 6.0                      | 7.5                   | 8.9        |
| 2010                 | 6.8                      | 6.3                      | 7.9                   | 9.6        |
| 2009                 | 7.0                      | 6.5                      | 8.0                   | 9.3        |
| 2008                 | 4.5                      | 4.0                      | 5.4                   | 5.8        |
| 2007                 | 4.1                      | 3.5                      | 5.0                   | 4.6        |
| 2006                 | 4.0                      | 3.4                      | 4.6                   | 4.6        |
| 2005                 | 4.3                      | 3.6                      | 4.8                   | 5.1        |
| 2004                 | 3.8                      | 3.3                      | 4.6                   | 5.5        |

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

## Brunswick Labor Market Area

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

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



## Retail Sales

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

**Retail Sales by Product Group and Consumer Sales  
(000)**

| <b>Year</b> | <b>Personal Consumption</b> |                       |                          |                         |                          |                                |                                 |  |  | <b>Business/<br/>Operating</b> | <b>Personal &amp;<br/>Business</b> |
|-------------|-----------------------------|-----------------------|--------------------------|-------------------------|--------------------------|--------------------------------|---------------------------------|--|--|--------------------------------|------------------------------------|
|             | <b>Building<br/>Supply</b>  | <b>Food<br/>Store</b> | <b>General<br/>Mdse.</b> | <b>Other<br/>Retail</b> | <b>Auto/<br/>Transp.</b> | <b>Restaurant/<br/>Lodging</b> | <b>Personal<br/>Consumption</b> |  |  |                                |                                    |
| 2013        | \$66,784                    | \$30,815              | \$84,253                 | \$26,573                | \$65,493                 | \$55,385                       | \$329,305                       |  |  | \$17,533                       | \$346,838                          |
| 2012        | 60,359                      | 29,901                | 85,703                   | 26,836                  | 56,498                   | 52,533                         | 311,830                         |  |  | 15,765                         | 327,595                            |
| 2011        | 65,976                      | 28,690                | 85,815                   | 28,348                  | 51,944                   | 50,379                         | 311,152                         |  |  | 13,728                         | 324,880                            |
| 2010        | 65,593                      | 28,793                | 87,897                   | 29,660                  | 46,305                   | 47,504                         | 305,752                         |  |  | 16,078                         | 321,830                            |
| 2009        | 64,575                      | 28,143                | 90,274                   | 30,181                  | 50,220                   | 48,056                         | 311,448                         |  |  | 14,622                         | 326,070                            |
| 2008        | 71,011                      | 29,224                | 98,204                   | 32,425                  | 57,570                   | 50,063                         | 338,496                         |  |  | 16,955                         | 355,452                            |
| 2007        | 80,442                      | 28,879                | 104,593                  | 35,594                  | 62,650                   | 50,512                         | 362,669                         |  |  | 18,488                         | 381,156                            |
| 2006        | 83,341                      | 29,025                | 104,328                  | 38,025                  | 62,308                   | 49,170                         | 366,196                         |  |  | 19,265                         | 385,461                            |
| 2005        | 84,323                      | 28,860                | 98,997                   | 42,569                  | 67,556                   | 47,076                         | 369,380                         |  |  | 20,042                         | 389,422                            |
| 2004        | 55,424                      | 27,812                | 104,315                  | 42,084                  | 72,488                   | 44,951                         | 347,075                         |  |  | 16,045                         | 363,120                            |

SOURCE: State of Maine, Department of Taxation, Sales Tax Section.

## EMPLOYMENT AND EMPLOYERS

### Commuter Patterns

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

| <b>Work in Brunswick,<br/>but live in:</b> | <b>Number of<br/>Workers</b> | <b>% Town's<br/>Workforce</b> | <b>Live in Brunswick,<br/>but work in:</b> | <b>Number of<br/>Workers</b> | <b>% Town's<br/>Workers</b> |
|--|------------------------------|-------------------------------|--|------------------------------|-----------------------------|
| Brunswick                                  | 5,553                        | 36.22%                        | Brunswick                                  | 5,553                        | 54.94%                      |
| Topsham                                    | 1,157                        | 7.55                          | Topsham                                    | 652                          | 6.45                        |
| Bath                                       | 1,126                        | 7.34                          | Bath                                       | 636                          | 6.29                        |
| Lisbon                                     | 755                          | 4.92                          | Portland                                   | 569                          | 5.63                        |
| Harpswell                                  | 596                          | 3.89                          | Freeport                                   | 547                          | 5.41                        |
| Bowdoinham                                 | 460                          | 3.00                          | Augusta                                    | 200                          | 1.98                        |
| Woolwich                                   | 353                          | 2.30                          | South Portland                             | 158                          | 1.56                        |
| Bowdoin                                    | 348                          | 2.27                          | Yarmouth                                   | 141                          | 1.39                        |
| Wiscasset                                  | 339                          | 2.21                          | Lewiston                                   | 134                          | 1.33                        |
| Portland                                   | 309                          | 2.02                          | Lisbon                                     | 121                          | 1.20                        |
| Durham                                     | 296                          | 1.93                          | Falmouth                                   | 121                          | 1.20                        |
| Freeport                                   | 256                          | 1.67                          | Scarborough                                | 101                          | 1.00                        |
| Lewiston                                   | 253                          | 1.65                          | Wiscasset                                  | 75                           | 0.74                        |
| All Other                                  | <u>3,530</u>                 | <u>23.03</u>                  | All Other                                  | <u>1,100</u>                 | <u>10.88</u>                |
|  | <u>15,331</u>                | <u>100.00%</u>                |  | <u>10,108</u>                | <u>100.00%</u>              |

SOURCE: State of Maine, Department of Labor, Labor Market Information Services; U.S. Department of Commerce, Bureau of Census, 2010 Census.

### Representative Employers

| <b>Name</b>                | <b>Business</b>                | <b>Approximate<br/>Average<br/># of Employees</b> |
|----------------------------|--------------------------------|---|
| Mid Coast Health Services  | Hospital, Health Care, Retire. | 1,600   |
| Bath Iron Works            | Ship Building                  | 1,300   |
| Bowdoin College            | College                        | 905   |
| Town of Brunswick          | Municipality                   | 560   |
| Wal-Mart Stores, Inc.      | Retail                         | 222   |
| LL Bean Inc., Mfg. Div.    | Outdoor Equip/Sporting Goods   | 316   |
| Parkview Memorial Hospital | Hospital                       | 173   |
| Hannaford Bros.            | Groceries/Pharmacy             | 160   |
| Shaw's                     | Groceries                      | 122   |
| Bank of America            | Financial Services             | 108   |
| Lowe's                     | Building/Home Supplies         | 85  |
| Downeast Energy            | Fuel Oil/Building Materials    | 83  |

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

## **Bowdoin College**

Bowdoin College (“Bowdoin” or the “College”) is a private, coeducational, undergraduate liberal arts college located in Brunswick. Founded in 1794, the College was named to honor James Bowdoin II, a distinguished past governor of the Commonwealth of Massachusetts, at the request of his son James Bowdoin III, the College’s first patron. The College is a residential, nonsectarian institution and has been coeducational since 1970. Bowdoin College offers Bachelor of Arts degree programs in more than 40 defined majors including interdisciplinary programs. The on-campus student enrollment for the fall of 2013 was 1,792 full-time equivalent students, and the College maintains a 9:1 student-faculty ratio. Bowdoin’s admissions standards are among the most selective in the nation and its enrollment trend is stable. Bowdoin employs approximately 905 full-time equivalent (FTE) employees, including 200 FTE faculty members. Bowdoin’s payroll totaled \$61.7 million for the fiscal year ending on June 30, 2013, with close to half that amount paid to Brunswick residents. The College was listed at the 10<sup>th</sup> largest taxpayer in Brunswick in FY 2013. In addition to taxes and fees, the College also makes annual financial contributions to the Town of Brunswick. These voluntary unrestricted payments totaled \$116,400 in FY 2013. In FY 2012, the Town and the College executed a property exchange in which the College acquired the Town’s Longfellow Elementary School. In August 2013, the College completed a \$6.5 million renovation to convert the building into the Edwards Center for Art and Dance.

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SOURCE: Bowdoin College. The Town has not made any independent evaluation as to the accuracy or completeness of the above information.

## **Mid Coast Health Services**

Mid Coast Health Services is a community, non-profit, health care organization providing a continuum of care through its affiliated organizations. Mid Coast Health Services’ greater Bath-Brunswick-Topsham service area includes more than 80,000 residents. Mid Coast Health Services is the largest employer in Brunswick and the third largest employer in the area with more than 1,600 employees.

Mid Coast Health Services affiliates include:

- **Mid Coast Hospital**
- **Mid Coast Medical Group**, community-based healthcare comprised of primary care and specialty care physicians. They are located in Bath, Topsham and Brunswick (on the campus of Mid Coast Hospital and downtown at Brunswick Station).
- **Mid Coast Senior Health Center**, including Mere Point Skilled Nursing, Bodwell Subacute Nursing and Rehabilitation, Thornton Hall Assisted Living, *The Garden* Memory Impairment Unit, and *Lifeline* Personal Response System.
- **CHANS Home Health Care**, recognized as the community leader in home health care and hospice, which has provided licensed non-profit nursing services to Midcoast area residents since 1947. CHANS also offers private duty care.
- **Thornton Oaks Retirement Community**, a community of 46 private homes and 98 apartments, nestled in 29 wooded acres in Brunswick.
- **Access Health**, a local Healthy Maine Partnership, coordinated by Mid Coast Hospital that is dedicated to promoting health and well-being in Midcoast Maine.

The new Mid Coast Hospital opened in Brunswick in 2001. The hospital, built on 155 acres with room for additional medical facilities on the campus, is licensed for 92 inpatient beds. A medical office building adjoins the hospital. Construction costs on both projects totaled \$46 million.

The hospital opened with a complete diagnostics suite including State-of-the-art MRI, CT, ultrasound, mammography, bone densitometry, x-ray, and angiography cardiac catheterization. The hospital is part of the Maine Heart Center network. A mobile PET Scan is available at the hospital several times each month. Diagnostics services are accredited by the American College of Radiology. The hospital offers a full range of care including in- and outpatient surgery, cardiac and pulmonary rehabilitation, sleep lab, and wound care center. The hospital laboratory serves the hospital as well as healthcare facilities and doctors' offices in the area. Mid Coast Medical Group, a department of the hospital, is comprised of primary care and specialist physicians in Brunswick, Bath, and Topsham. As a foundation of excellence, has been accredited by the Joint Commission since 1960. In 2009, Mid Coast Hospital became the first community hospital in Maine to be recognized as a Magnet hospital for excellence in nursing and patient care by the American Nurses Credentialing Center. Mid Coast Hospital is continually among the lowest cost and most efficient hospitals in Maine.

A major expansion of the hospital, including a new emergency department and medical-surgical wing, was completed in September of 2009. In addition, Mid Coast Health Services also constructed a new medical office building on the hospital campus. In August 2011 it opened the Mid Coast Primary Care and Walk-In Clinic, Downtown at Brunswick Station. More information about Mid Coast Health Services and the hospital may be viewed at <http://www.midcoasthealth.com>.

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SOURCE: <http://www.midcoasthealth.com> and from Mid Coast Health Services, Department of Communications Relations and Outreach. While the Town believes these sources to be reliable the Town has not made any independent evaluation as to the accuracy or completeness of the above information

### **Bath Iron Works**

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

BIW is owned by General Dynamics, headquartered in Falls Church, Virginia (NYSE: GD). It is part of part of General Dynamics' Marine Systems Group business. BIW is one of the largest private employers in the State of Maine with approximately 5,300 employees. There are two principal manufacturing facilities: (1) the main shipyard plant in Bath and (2) the Hardings Fabrication Plant and the East Brunswick Manufacturing Facility/Consolidated Warehouse in Brunswick. Additionally, BIW has two facilities, one for design and another for fleet support that are also located in Brunswick. Approximately 4,000 employees work at the Bath facility; approximately 1,300 are employed across the Brunswick facilities.

BIW is heavily dependent on contracts to build surface combatants for the US Navy. In April 1985 the US Navy awarded to BIW the Lead Ship Design and Construction contract for the Arleigh Burke (DDG 51) class. Recently the Navy restarted procurement in the Arleigh Burke program. BIW and a competitor are each building ships in the restarted program. BIW has two of these ships under construction and contracts with the Navy to build five additional ships. As the lead designer of the DDG 51 class, BIW is considered the “planning yard” as the ships already delivered to the Navy are upgraded and modernized. 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 has always been a concern regarding the DDG 1000 and the Navy has decided to limit production to three ships. BIW has assumed responsibility for the design of the DDG 1000. All three ships of the DDG 1000 class are now under construction at BIW.

BIW was recently awarded a preliminary design contract for the U.S. Coast Guard's Offshore Patrol Cutter. BIW is now one of three shipyards in contention for the final contract.

Given the restart of the DDG 51 program and changes related to the DDG 1000 program, BIW expects its employment levels to remain relatively stable for the next several years as ships of each class are built in accordance with the Navy's current shipbuilding plan. However, the US Navy's procurement plans are always subject to change and any changes could affect employment levels at BIW. BIW continues to look for opportunities to diversify its work beyond Navy contracts.

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

### **Brunswick Landing – Maine's Center for Innovation**

Brunswick Landing – Maine's Center for Innovation (“Brunswick Landing”) is the name given to the redevelopment of Naval Air Station, Brunswick (“NASB” a.k.a. “Brunswick Naval Air Station” or “BNAS” or the “Base”) a facility covering approximately 3,300 acres and located near the geographic center of Brunswick. Redevelopment is occurring under the direction of the Midcoast Regional Redevelopment Authority (“MRRA”), a public municipal corporation established by the Maine Legislature to implement the NASB Reuse Master Plan as set forth by the Brunswick Local Redevelopment Authority (“BLRA”).

NASB was a military facility which closed in May 2011 as the result of the 2005 Base Realignment and Closure (“BRAC”) process. In 2006, NASB officials claimed the Base was Maine's second largest single-site employer, at that time employing 4,710 full-time military and civilian personnel, of which 713 were civilians.

#### **The Impact of NASB's Closure**

Soon after the 2005 BRAC closure announcement, the Defense Employment and Transitions Steering (“DETS”) Committee, a subcommittee of the Coastal Counties Workforce Board, Inc., commissioned a study that resulted in the report entitled, *The Impact of the BRAC Ordered Closure of the Brunswick Naval Air Station: A Regional Community Audit and Strategic Implications for the Coastal Economy, Business and Workers*, and dated March 31, 2006 (the “CCW Report”). The CCW Report, projected the following direct and indirect job and income loss numbers:

#### **Direct and Indirect Job and Income Loss**

|          | <b>Direct<br/>Jobs</b> | <b>Indirect<br/>Jobs</b> | <b>Direct<br/>Income Loss</b> | <b>Indirect<br/>Income Loss</b> | <b>Total Job<br/>Loss</b> | <b>Total Income<br/>Loss</b> |
|----------|------------------------|--------------------------|-------------------------------|---------------------------------|---------------------------|------------------------------|
| Civilian | 713                    | 319                      | \$19,199,510                  | \$ 9,425,214                    | 1,032                     | \$ 28,624,724                |
| Military | <u>2,722</u>           | <u>1,122</u>             | <u>\$77,154,195</u>           | <u>\$32,960,272</u>             | <u>3,844</u>              | <u>\$110,114,467</u>         |
| Total    | 3,435                  | 1,441                    | \$96,353,705                  | \$42,385,486                    | 4,876                     | \$138,739,191                |

In 2004, the Navy engaged with a private developer under the Navy Military Housing Privatization Initiative to privatize family housing units at NAS Brunswick. The resulting ownership entity, Northeast Family Housing LLC assumed ownership of housing assets previously owned by the Navy, including 573 housing units in Brunswick. These units were sold in 2010 to Affordable Midcoast Housing (AMH). On May 3, 2011, MRRA sold the underlying land to AMH. To date, Affordable Mid Coast Housing (AMH) has closed on 71 housing units in the McKeen Street neighborhood and the occupancy of rental units is 93%.

### **The Response to NASB's Closure**

In response to the recommended closure of NASB, the Town of Brunswick and the State of Maine formed the Brunswick Local Redevelopment Authority (“BLRA”). In December 2007, the BLRA completed its *Reuse Master Plan for BNAS*. (the “Master Plan”) The Master Plan retains aviation uses at the base and incorporates a mix of land uses including: a professional business park; academic and research facilities; governmental and public facilities; housing; and recreational uses and open space. The Town has zoned the land at NASB consistent with the Town’s economic and land-use goals. The BLRA was succeeded by the Midcoast Regional Redevelopment Authority (“MRRA”), a governmental agency established by the Maine Legislature to implement the Master Plan and manage the former NASB properties.

Several programs exist to assist in the redevelopment of NASB, and MRRA and the Town of Brunswick intend to pursue those resources. The Town has and will continue to assess the economic impact of the closure and the closure’s impact on the Town’s operating budgets and capital improvement program. The Town fully expects to make adjustments accordingly.

### **Development at Brunswick Landing**

In 2011, the Federal Aviation Administration notified MRRA that the Brunswick Executive Airport (“BXM”) had been accepted in the National Plan for an Integrated Airport System (“NPIAS”) as a general aviation airport. BXM was also accepted in the Military Airports Program (“MAP”). The NPIAS and MAP designations make the airport eligible for capital improvement funds. To date, FAA has provided over \$8.8 million for capital projects at the airport.

The United States government transfers properties to MRRA through Public Benefit Conveyances (“PBC”) and Economic Development Conveyances (“EDC”). Only properties that are determined to be “clean” through a Finding of Suitability to Transfer (“FOST”) can be transferred. The covenants of the Economic Development Conveyance from the United States government require all sales and leases of property be at market rate. MRRA is also required to pay the United States government a portion of its sales and lease revenues.

Since the first Public Benefit Conveyance for the airfield on March 28, 2011 and the Economic Development Conveyance Purchase and Sale Agreement signed on September 28, 2011, the Navy has transferred 1,659.64 acres of the 2,090 acres that MRRA is slated to receive. MRRA has now received 937.43 (94%) of the 992.2 acres of airport land and 722.2 (66%) of the 1,098 acres of the non-airport property. These transfers included the transfer of 67 buildings or structures.

The Navy has also conveyed properties to the Maine Community College System (“MCCS”). MCCS and its partner, the University of Maine System have established associate, baccalaureate, certificate and training programs at Brunswick Landing. The newly renovated campus buildings include state-of-the-art classrooms and laboratories that support studies in pre-engineering, composites, business, health care, liberal arts and sciences and more. The University of Maine has established Brunswick Engineering

which allows students to begin their engineering studies in Brunswick and finish those studies at the University's flagship campus in Orono. The Navy has also conveyed properties to Bowdoin College.

### **In the News**

**Molnlycke TIF.** In December 2012 the Town of Brunswick adopted the "Molnlycke Manufacturing Municipal Development and Tax Increment Financing District." See "PROPERTY TAXATION – TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS" herein. Part of the tax increment financing ("TIF") revenues will be used to assist Mölnlycke in constructing and equipping a 79,600 square foot manufacturing facility. Mölnlycke Health Care is a world-leading manufacturer of single-use surgical and wound products. MRRA projects the Mölnlycke project will add approximately 87 jobs at Brunswick Landing.

**Brunswick Landing Subdivision.** In February 2013, the Brunswick Planning Board approved the subdivision plan for Brunswick Landing, making possible the sale of property to private developers to support rapid and successful redevelopment. Phase 1 includes approximately 200 acres.

**Brunswick Landing TIF and Brunswick Executive Airport TIF.** In July, the Town of Brunswick and the Maine Department of Economic and Community Development approved two Tax Increment Financing Districts at Brunswick Landing. The thirty year TIF development programs call for a revenue share of incremental property tax revenue for various infrastructure and building upgrades, including improvements to nearly nineteen miles of roads, sanitary and stormwater sewer collection and pump station systems, and electrical and potable water distribution systems. See "PROPERTY TAXATION – TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS" herein.

**Foreign Trade Zone.** On September 7, 2012, the Foreign Trade Zone Board officially granted MRRA FTZ Grantee status as Foreign Trade Zone No. 282 and designated 394 acres at Brunswick Landing as a Foreign Trade Zone ("FTZ"). The FTZ program helps U.S.-based manufacturing operations by removing certain disincentives associated with manufacturing in the United States.

**Brunswick Landing Business Development Loan Program Initiated.** Last year the MRRA Board approved the establishment of a revolving loan fund for the purpose of tenant leasehold improvements. Recently, MRRA staff has worked with a local bank to consider a broader lending program to include working capital and equipment. On March 27, the Board authorized the consolidation of the Tenant Leasehold Improvement Loan Program and the newly created Growth Fund Loan Program.

**Sales of Property.** To date MRRA has sold 290.01 acres of land, 334,303 square feet of real estate within 25 buildings, and there are now four private sector real estate developers engaged in redevelopment activities at Brunswick Landing. As a result, a number of these buildings are in the process of being leased to the following entities:

- ❖ Seeds of Independence
- ❖ Providence Service Corporation
- ❖ Wicked Joe Coffee
- ❖ The Maine Harvest Company
- ❖ Wild Oats
- ❖ Midcoast Veterans Center

**Economic Development.** Forty entities now call Brunswick Landing home with 350 jobs, and those entities are in the process of creating 750 jobs, exceeding the statutory short term economic development goal of replacing the 713 civilian employees at Naval Air Station Brunswick.

U.S. Secretary of Commerce Penny Pritzker and U.S. Secretary of Labor Thomas E. Perez announced on October 22, 2013 the eleven winners of the *Make it in America Challenge*, an initiative to accelerate job creation and encourage business investment in the United States.

MRRA in partnership with the Maine Manufacturing Extension Partnership (MMEP) and Coastal Counties Workforce, Inc. (CCWI) was approved for a \$2,425,000 grant from the Economic Development Administration, Department of Labor and National Institute of Standards and Technology to establish and fit-up the 95,000 square foot *TechPlace*, an Advanced Manufacturing, Science and Technology Business Accelerator on the campus of *Brunswick Landing* in building 250, the former aircraft intermediate maintenance department, to provide supply chain assessments and employee training. *TechPlace* will support innovative manufacturing businesses in the sectors of composite and advanced materials, biotechnology, renewable energy, and aviation/aerospace.

Other partners include: the Town of Brunswick, the Brunswick Development Corporation, the Maine Department of Economic and Community Development, Southern Maine Community College, the University of Maine, the Maine Technology Institute, Mölnlycke Health Care and Kestrel Aircraft. Both the Brunswick Development Corporation and DECD have made financial commitments of \$250,000 each.

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**SOURCE:** Information contained herein was obtained from:

- *BRAC Preparedness Strategy, Town of Brunswick, Maine, RKG Associates Inc. dated May 12, 2005;*
- *The Impact of the BRAC Ordered Closure of the Brunswick Naval Air Station: A Regional Community Audit* by Planning Decisions, Inc., and Career Prospects, Inc.,
- *Strategic Implications for the Coastal Economy, Business and Workers*, Coastal Counties Workforce, Inc., Presented to the Coastal Counties Workforce Board and the Defense Employment and Transitions Steering (“DETS”) Committee, dated March 31, 2006;
- <http://www.mrra.us>; <http://www.brunswicklra.org>;

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

## TOWN FINANCES

### BUDGETARY PROCESS

Article V of the Town’s Charter provides for a budget process. The fiscal year (or “budget year”) of the Town begins on the first day of July and ends on the thirtieth day of June of the following year. The charter provides that the Town Manager submit a budget to the council by May 1st of each budget year. The proposed budget is made available to the general public not later than two weeks after its submission to the council, which then orders a public hearing. The charter further directs the council to adopt a budget not later than June 15th. If the appropriation resolve establishes a property tax levy that exceeds the property tax levy limit, as defined in Maine law, then the excess of the appropriation must be approved in a separate article by a majority of the entire Town Council. The property tax levy limit of one year may not exceed the property tax levy limit from the prior year by more than a specified growth limitation factor (see “TOWN FINANCES – PROPERTY TAX LEVY LIMIT” herein). State law also requires that the education portion of the budget, approved by the Town Council, is subject to a budget validation ratification referendum of the voters. Upon adoption of the budget, a property tax levy is then established and filed with the town assessor.

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

|                               | <u>2010</u>      | <u>2011</u>      | <u>2012</u>      | <u>2013</u>      | <u>2014</u>      |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>REVENUES</b>               |                  |                  |                  |                  |                  |
| Property Taxes                | \$ 28,625        | \$ 28,741        | \$ 30,210        | \$ 32,470        | \$ 35,345        |
| Vehicle Excise Taxes          | 2,325            | 2,375            | 2,475            | 2,550            | 2,700            |
| Other Taxes                   | 273              | 284              | 304              | 369              | 351              |
| Licenses, Fees, & Permits     | 216              | 256              | 330              | 281              | 303              |
| Intergovernmental             | 17,353           | 14,923           | 14,251           | 12,234           | 12,227           |
| Charges for Service           | 2,416            | 2,238            | 1,437            | 1,335            | 1,374            |
| Interest on Investments       | 150              | 100              | 100              | 100              | 50               |
| Other                         | 533              | 656              | 667              | 751              | 1,436            |
| Transfers and Use of Balances | 1,950            | 3,785            | 3,690            | 4,586            | 3,820            |
| <b>TOTAL REVENUES</b>         | <b>\$ 53,841</b> | <b>\$ 53,358</b> | <b>\$ 53,464</b> | <b>\$ 54,676</b> | <b>\$ 57,606</b> |
| <b>EXPENDITURES</b>           |                  |                  |                  |                  |                  |
| General Government            | \$ 3,534         | \$ 3,387         | \$ 3,273         | \$ 3,409         | \$ 3,542         |
| Public Safety                 | 7,267            | 7,261            | 7,644            | 8,056            | 8,221            |
| Public Works                  | 3,332            | 3,285            | 3,417            | 3,622            | 3,688            |
| Human Services                | 147              | 149              | 152              | 169              | 173              |
| Education                     | 32,385           | 32,282           | 30,394           | 30,687           | 32,940           |
| Recreation & Culture          | 2,331            | 2,036            | 2,191            | 2,359            | 2,561            |
| Debt Service                  | 1,714            | 1,322            | 3,466            | 3,346            | 3,555            |
| County Tax                    | 1,150            | 1,171            | 1,187            | 1,183            | 1,249            |
| Unclassified                  | 266              | 201              | 195              | 210              | 241              |
| Transfers Out                 | 1,715            | 2,264            | 1,545            | 1,635            | 1,436            |
| <b>TOTAL EXPENDITURES</b>     | <b>\$ 53,841</b> | <b>\$ 53,358</b> | <b>\$ 53,464</b> | <b>\$ 54,676</b> | <b>\$ 57,606</b> |

NOTES: This table is prepared on the Budgetary Basis. It reflects the adopted budget as amended on August 8, 2013, not the final budget. Further, (a) Debt Service and education appropriations have been reclassified for comparative purposes. Previously, debt service for school construction projects was reported as part of the educational appropriation. It is now included with debt service in the table above. The education appropriation has been reduced by the corresponding amount; (b) The State of Maine reimburses the Town for Homestead Exemptions provided to resident property taxpayers of the Town of Brunswick. The Town budgets the reimbursement as property tax revenue.

### Budget Commentary

The one factor looming over every decision regarding the preparation and adoption of the 2013-14 municipal budget was Governor's Lepage's proposed biennial budget for the State of Maine. Most troubling from a municipal perspective was the Governor's proposal to eliminate revenue sharing, a program by which, since 1972, the State has shared a portion of its income and sales tax revenues with municipalities in order to provide a measure of property tax reduction. The proposal to eliminate revenue sharing follows several years during which the State transferred funds from the revenue sharing pool to its general fund. For the year ended June 30, 2013, almost 32% of the pool's fund was transferred. Still, Brunswick received \$1,496,775. Raising that amount from property taxes would have required a 4.5% increase in the property tax rate.

In addition to eliminating revenue sharing, the Governor also proposed to flat fund state aid to education. Further, the Governor proposed that school units pay the normal cost of the teacher plan administered by the Maine Public Employees Retirement System (MainePERS). Teacher plan retirement costs have historically been funded by the State. Since an individual unit's state aid to education is distributed through a model known as Essential Programs and Services (EPS), a model that utilizes factors that

change annually, flat funding in the aggregate does not mean that each unit will get the same amount it received last year. Under the Governor's budget proposal, Brunswick's estimated state aid to education was reduced by \$119,850. However, adding the teacher plan normal retirement cost was estimated to increase the expenditure budget by \$412,400, making the total effect of these proposals \$532,250.

The Governor's budget also contained other proposals that would have directly affected Brunswick's budget or its property taxpayers. The budget debates at the State House were long and contentious, compounding efforts to complete a municipal budget in a timely manner. It was not until July, well after Brunswick had adopted its municipal budget, that the Legislature overrode the Governor's veto and finally adopted the biennial state budget. With the state budget finalized, revenue sharing was reduced, but not eliminated. For Brunswick, the reduction is estimated at \$437,775. On a positive note, although the normal cost of teacher retirement must now be included in the local school budget, the State budget did increase the level of state aid to cover that cost. The State now estimates that in 2013-14 Brunswick schools will receive \$10,840,108, which is \$508,604 more than would have been received under the Governor's original proposal.

With the adoption of the State budget, Brunswick was forced to consider amendments to the municipal budget to adjust for the reduction in revenue sharing and the increase in education cost. The budget was amended on August 8, 2013 without an additional increase in property taxes.

As in the previous two budgets, the 2013-14 municipal budget made significant use of reserves and one-time revenues. Even with these uses, the budget still required a property tax rate increase of 6.59%. This follows last year's rate increase of 5.15% and is the largest rate increase in more than 10 years.

The Town attempts to make five-year revenue and expenditure forecasts. This year's forecast indicates that the Town will continue to face significant pressure on its property tax rates over the next five years.

## **PROPERTY TAX LEVY LIMIT**

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

| Fiscal Year End                  | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| State Personal Income Factor     | 2.28%       | 1.78%       | 1.66%       | 1.43%       | 1.05%       |
| Town Property Growth Factor      | 2.31%       | 1.27%       | 1.04%       | 2.36%       | 3.26%       |
| Growth Limitation Factor         | 4.59%       | 3.05%       | 2.70%       | 3.79%       | 4.31%       |
| Property Tax Levy Limit          | 12,527,056  | 12,909,131  | 13,257,677  | 13,760,143  | 14,353,205  |
| Property Tax Levy                | 11,496,376  | 11,377,958  | 11,786,776  | 11,608,434  | 11,928,920  |
| Over/(below) Prop Tax Levy Limit | (1,030,680) | (1,531,173) | (1,470,901) | (2,151,709) | (2,424,285) |

## FUND BALANCE – GENERAL FUND

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

### Fund Balance as % Revenues – General Fund

|                           | <u>2009</u>   | <u>2010</u>   | <u>2011</u>   | <u>2012</u>   | <u>2013</u>   |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| Unrestricted General Fund |               |               |               |               |               |
| Balance                   | \$ 7,553,421  | \$ 9,110,585  | \$ 9,522,864  | \$ 11,015,926 | \$ 11,826,809 |
| Total Revenues            | 57,284,003    | 55,250,920    | 53,398,716    | 53,034,602    | 53,777,437    |
| As a % of Revenues        | <b>13.19%</b> | <b>16.49%</b> | <b>17.83%</b> | <b>20.77%</b> | <b>21.99%</b> |
| Unassigned General Fund   |               |               |               |               |               |
| Balance                   | \$ 6,944,897  | \$ 7,484,221  | \$ 8,508,525  | \$ 9,028,572  | \$ 10,001,974 |
| Total Revenues            | 57,284,003    | 55,250,920    | 53,398,716    | 53,034,602    | 53,777,437    |
| As a % of Revenues        | <b>12.12%</b> | <b>13.55%</b> | <b>15.93%</b> | <b>17.02%</b> | <b>18.60%</b> |

In December 2013, the Town Council appropriated \$950,000 from unassigned fund balance to a building project. It is anticipated that the General Fund assigned fund balance may fall below the targeted level as of June 30, 2014. The Town’s Capital Improvement Program, currently in development, calls for additional projects to be funded from fund balance in the years ending 2015-2019. See the TOWN FINANCES – CAPITAL IMPROVEMENT PROGRAM” following. In accordance with the Town’s fund balance policy, additional appropriations will be reviewed as necessary, and a plan will be developed to bring the unassigned fund balance back to the targeted level within three years.

## CAPITAL IMPROVEMENT PROGRAM

Article VI, Section 601 of the Town’s Charter requires the Town Manager prepare and submit a five-year Capital Improvement Program (“CIP”) at the same time as the annual budget is submitted. The CIP includes a list of all capital improvements proposed over the next five fiscal years, methods of financing, time schedules and annual cost to support the proposed program. The CIP is a plan; it does not fund any projects. Project funding can be authorized in a variety of formats. The Town’s Charter requires any project, financed with debt, be approved by ordinance.

In June 2012 the Town Council voted to establish a subcommittee to re-work the capital planning process. The subcommittee presented the results of its work, and a new CIP policy, procedures, and a revised document format were adopted by the Council in February 2013. The new policy made several changes to the content and format of the Town’s capital improvement programs. Perhaps most significantly, it requires that projects be grouped in one of four classifications:

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

*II. Projects In Development* - Projects and acquisitions of this class are under active consideration but have not been sufficiently developed or defined to clearly identify the scope or cost of the project. Typically, projects in this category are being evaluated from several alternatives, or there is not sufficient confidence in the cost estimates to determine whether the project should be recommended for funding.

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

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

On May 23, 2013, the Town Council adopted a CIP for fiscal years ending 2014-18. This document is available on the Town's website. The Town Manager and the CIP subcommittee have recently submitted a recommended CIP for fiscal years ending 2015-19 for Town Council review and adoption, as follows:

### **CIP Projects Recommended for Funding – CIP Subcommittee Draft**

Projects, while not authorized or funded, are currently recommended for approval as follows:

#### **Capital Improvement Program - Recommended for Funding For Fiscal Years Ending 2015-2019**

| <b>PROJECTS</b>             | <b>2014-15</b>      | <b>2015-16</b>      | <b>2016-17</b>      | <b>2017-18</b>      | <b>2018-19</b>      | <b>TOTALS</b>        |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Facilities - New            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 |
| Facilities - Improvements   | 1,136,580           | -                   | 536,921             | -                   | -                   | 1,673,501            |
| Infrastructure              | 525,000             | 1,100,000           | -                   | -                   | -                   | 1,625,000            |
| Capital Acquisitions        | 50,000              | 50,000              | -                   | -                   | 525,000             | 625,000              |
| Munic vehicle replacement   | 618,860             | 631,237             | 643,861             | 656,739             | 669,873             | 3,220,570            |
| Munic annual work programs  | 625,000             | 750,000             | 975,000             | 1,045,000           | 1,050,000           | 4,445,000            |
| School vehicle replacement  | 169,000             | 177,620             | 186,501             | 195,826             | 205,617             | 934,564              |
| School annual work programs | 253,000             | 518,750             | 390,985             | 471,558             | 72,000              | 1,706,293            |
| <b>TOTALS</b>               | <b>\$ 3,377,440</b> | <b>\$ 3,227,607</b> | <b>\$ 2,733,268</b> | <b>\$ 2,369,123</b> | <b>\$ 2,522,490</b> | <b>\$ 14,229,928</b> |

#### **FUNDING SOURCES**

|                          |                     |                     |                     |                     |                     |                      |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| General Obligation Bonds | \$ 1,636,580        | \$ -                | \$ 536,921          | \$ -                | \$ 525,000          | \$ 2,698,501         |
| General Fund Balance     | 75,000              | 50,000              | -                   | -                   | -                   | 125,000              |
| Municipal Revenues       | 1,243,860           | 1,381,237           | 1,618,861           | 1,701,739           | 1,719,873           | 7,665,570            |
| School Revenues          | 422,000             | 696,370             | 577,486             | 667,384             | 277,617             | 2,640,857            |
| U.S. Government          | -                   | -                   | -                   | -                   | -                   | -                    |
| State of Maine           | -                   | 900,000             | -                   | -                   | -                   | 900,000              |
| Impact Fees              | -                   | -                   | -                   | -                   | -                   | -                    |
| Other                    | -                   | 200,000             | -                   | -                   | -                   | 200,000              |
| <b>TOTALS</b>            | <b>\$ 3,377,440</b> | <b>\$ 3,227,607</b> | <b>\$ 2,733,268</b> | <b>\$ 2,369,123</b> | <b>\$ 2,522,490</b> | <b>\$ 14,229,928</b> |

Within the *Projects Recommended for Funding*, the following projects, if pursued, are likely to be funded with long-term debt:

**Capital Improvement Program - Recommended for Funding with General Obligation Bonds**

| PROJECTS                           | 2014-15             | 2015-16     | 2016-17           | 2017-18     | 2018-19           | TOTALS              |
|------------------------------------|---------------------|-------------|-------------------|-------------|-------------------|---------------------|
| Library Building Up grades         | \$ 132,500          | \$ -        | \$ -              | \$ -        | \$ -              | \$ 132,500          |
| Emerson Station Improvements       | 300,000             | -           | -                 | -           | -                 | 300,000             |
| Junior High School Air Quality     | 454,080             | -           | -                 | -           | -                 | 454,080             |
| High School Track Replacement      | 250,000             | -           | -                 | -           | -                 | 250,000             |
| High School Boiler Replacement     | -                   | -           | 536,921           | -           | -                 | 536,921             |
| Nancy/Patricia Road Reconstruction | 500,000             | -           | -                 | -           | -                 | 500,000             |
| Engine 2 Replacement               | -                   | -           | -                 | -           | 525,000           | 525,000             |
| <b>TOTALS</b>                      | <b>\$ 1,636,580</b> | <b>\$ -</b> | <b>\$ 536,921</b> | <b>\$ -</b> | <b>\$ 525,000</b> | <b>\$ 2,698,501</b> |

The Town is currently developing plans for a connector road at Cook's Corner at an estimated cost of \$1,600,000, with \$1,423,200 from general obligation bonds. This project was recommended funding in 2013-14 in last year's CIP, which contemplated that TIF revenues would support the majority of the debt service on this project. Should the project go forward debt would have to be authorized by ordinance. No project funding is currently authorized.

**CIP Projects in Development**

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

**Capital Improvement Program - Projects in Development  
For Fiscal Years Ending 2015-2019**

|                                      | 2014-15     | 2015-16              | 2016-17             | 2017-18              | 2018-19             | TOTAL                |
|--------------------------------------|-------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| <b>Facilities</b>                    |             |                      |                     |                      |                     |                      |
| Jordan Acres demo & site work        | \$ -        | \$ 175,000           | \$ -                | \$ -                 | \$ -                | \$ 175,000           |
| Elementary School Solution           | -           | 24,000,000           | -                   | -                    | -                   | 24,000,000           |
| Junior High School Solution          | -           | -                    | -                   | 30,000,000           | -                   | 30,000,000           |
| Bus Garage                           | -           | -                    | -                   | -                    | 1,200,000           | 1,200,000            |
| BJHS Sprinkler System                | -           | -                    | -                   | 248,000              | -                   | 248,000              |
| Tennis Courts                        | -           | -                    | 202,000             | -                    | -                   | 202,000              |
| Central Fire Station                 | -           | -                    | -                   | 6,000,000            | -                   | 6,000,000            |
| Landfill Wastewater Treatment        | -           | 1,000,000            | -                   | -                    | -                   | 1,000,000            |
| Aquatics Facility                    | -           | -                    | 1,500,000           | -                    | -                   | 1,500,000            |
| East Brunswick Fields                | -           | -                    | 250,000             | 250,000              | -                   | 500,000              |
| BHS Egress Road                      | -           | 500,000              | -                   | -                    | -                   | 500,000              |
| Union St Storm Sewer                 | -           | 1,300,000            | -                   | -                    | -                   | 1,300,000            |
| Androscoggin Bike Path               | -           | -                    | 300,000             | -                    | -                   | 300,000              |
| <b>Total Projects in Development</b> | <b>\$ -</b> | <b>\$ 26,975,000</b> | <b>\$ 2,252,000</b> | <b>\$ 36,498,000</b> | <b>\$ 1,200,000</b> | <b>\$ 66,925,000</b> |

**School Renovations/Additions/Improvements**

In 2011-12, the School Department initiated a facilities planning process, with the goal of establishing a comprehensive facilities plan to accommodate its programming requirements and to estimate potential

costs. Phase II of the planning began in the spring of 2012 and is ongoing. Although the department has yet to complete its plan and recommend a course of action, it has identified a number of projects with total costs estimated at \$55.4 million. Those projects include the demolition of a former elementary school, renovations or new construction of elementary and junior high schools, as well as a bus garage. If approved, the School Department anticipates that these projects would be funded through the issuance of general obligation bonds, issued within two years. Although the department is exploring funding opportunities, it does not believe that any these projects will be eligible for State participation.

### **Central Fire Station**

The capital planning process continues to identify the need to construct a new or expanded fire station to serve downtown Brunswick. In 2006 the Town acquired land in the vicinity of the existing Central Station to accommodate a proposed expansion. The estimated cost of a new or expanded station is \$6 million, with general obligation bonds proposed as the source of funding.

### **Other Debt Supported Projects**

Departments have submitted a variety of debt-funded projects, including infrastructure improvements, building improvements, vehicle acquisitions, equipment acquisitions, and other items to be assessed in the CIP process. The total of the other projects proposed to be included in the CIP process is estimated at \$5.5 million.

The Town has a number of other plans and reports that call for projects that, if undertaken, would most likely be funded with long-term debt. While it is the Town's intent to bring all capital requests through the CIP process, no assurances can be given that projects not included in the CIP will not ultimately be funded, and that the source of that funding may be long-term debt.

## **INVESTMENT POLICY**

The Town adopted and has followed a formal Investment Policy since 1985. Pursuant to its policy and applicable Maine law (Title 30-A, Section 5706 *et seq.* of the Maine Revised Statutes, as amended (the "Act") all investments of the Town must be made with the judgment and care that persons of prudence, discretion and intelligence, 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. The Town's investment practice is to maintain a cash and investment pool that is available for use by all funds and consists of short-term investments. The Town is invested principally in bank certificates of deposit, repurchase agreements, money market mutual funds, and direct obligations of the United States government and its agencies. The Town is not invested in any obligations typically referred to as derivatives, meaning obligations created from, or whose value depends on or is derived from the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest.

## **FINANCIAL STATEMENTS**

Title 30-A, Chapter 223, Subchapter VIII of the Maine Revised Statutes, as amended, and Article II Section 213 of the Town's Charter provide for independent annual audits of the Town's accounts and establishes procedures for such audits. The Town, in conformance with this statute and its Charter at present engages the services of Runyon Kersteen Ouellette, Certified Public Accountants. The audited basic financial statements, as included in the Town's Comprehensive Annual Financial Report ("CAFR"),

for the fiscal year ended June 30, 2013 are presented as APPENDIX A to this Continuing Disclosure Statement. Runyon Kersteen and Ouellette has not reviewed this Continuing Disclosure Statement nor taken any part in its preparation.

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

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

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

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

**Debt Service Funds** account for resources accumulated and payments made for principal and interest on general obligation debt of governmental funds.

**Capital Projects Funds** account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or permanent funds.

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

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

**Enterprise Funds** are used to account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

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

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

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

**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. This fund is used to account for assets that the government holds for others in an agency capacity.

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

|  | <b>2009</b>                 | <b>2010</b>                 | <b>2011</b>                 | <b>2012</b>                 | <b>2013</b>                 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>  |                             |                             |                             |                             |                             |
| Cash & Investments   | \$ 17,376,206               | \$ 21,724,381               | \$ 20,952,423               | \$ 21,193,010               | \$ 20,257,711               |
| Taxes Receivable   | 603,174                     | 752,364                     | 706,276                     | 706,866                     | 821,285                     |
| Tax Liens & Acq. Property  | 146,249                     | 154,593                     | 178,530                     | 245,769                     | 264,646                     |
| Accounts Receivable  | 505,275                     | 696,414                     | 595,162                     | 623,447                     | 974,337                     |
| Due from Other Funds   | 341,144                     | -                           | -                           | -                           | -                           |
| Advances to Other Funds  | 2,653,201                   | 2,053,201                   | 2,685,795                   | 495,297                     | 450,580                     |
| Other  | 16,101                      | 30,054                      | 42,429                      | 23,925                      | 55,570                      |
| <b>TOTAL ASSETS</b>  | <b><u>\$ 21,641,350</u></b> | <b><u>\$ 25,411,007</u></b> | <b><u>\$ 25,160,615</u></b> | <b><u>\$ 23,288,314</u></b> | <b><u>\$ 22,824,129</u></b> |
| <b>LIABILITIES</b>   |                             |                             |                             |                             |                             |
| Accounts Payable   | \$ 671,662                  | \$ 790,947                  | \$ 407,950                  | \$ 638,737                  | \$ 490,519                  |
| Accrued Payroll  | 2,634,945                   | 2,810,979                   | 2,783,560                   | 2,580,995                   | 2,661,617                   |
| Due to Other Funds   | -                           | 1,606,269                   | 1,319,431                   | 875,669                     | 1,112,709                   |
| Other  | 121,445                     | 325,795                     | 232,678                     | 256,645                     | 260,509                     |
| <b>TOTAL LIABILITIES</b>   | <b><u>3,428,052</u></b>     | <b><u>5,533,990</u></b>     | <b><u>4,743,619</u></b>     | <b><u>4,352,046</u></b>     | <b><u>4,525,354</u></b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                             |                             |                             |                             |                             |                             |
| Unavailable Property Taxes                                       | 445,584                     | 479,514                     | 529,804                     | 631,311                     | 577,813                     |
| Unavailable Revenues   | <u>108,123</u>              | <u>121,066</u>              | <u>92,958</u>               | <u>196,662</u>              | <u>208,347</u>              |
| <b>TOTAL DEFERRED INFLOWS</b>                                    | <b><u>553,707</u></b>       | <b><u>600,580</u></b>       | <b><u>622,762</u></b>       | <b><u>827,973</u></b>       | <b><u>786,160</u></b>       |
| <b>FUND BALANCES</b>   |                             |                             |                             |                             |                             |
| Nonspendable   | 2,669,302                   | 2,083,255                   | 2,720,061                   | 519,222                     | 506,150                     |
| Restricted   | 7,436,868                   | 8,082,597                   | 7,551,309                   | 6,573,147                   | 5,179,656                   |
| Assigned   | 608,524                     | 1,626,364                   | 1,014,339                   | 1,987,354                   | 1,824,835                   |
| Unassigned   | <u>6,944,897</u>            | <u>7,484,221</u>            | <u>8,508,525</u>            | <u>9,028,572</u>            | <u>10,001,974</u>           |
| <b>TOTAL FUND BALANCES</b>                                       | <b><u>17,659,591</u></b>    | <b><u>19,276,437</u></b>    | <b><u>19,794,234</u></b>    | <b><u>18,108,295</u></b>    | <b><u>17,512,615</u></b>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCES</b> | <b><u>\$ 21,641,350</u></b> | <b><u>\$ 25,411,007</u></b> | <b><u>\$ 25,160,615</u></b> | <b><u>\$ 23,288,314</u></b> | <b><u>\$ 22,824,129</u></b> |

NOTES: Prepared from Audited Financial Statements.

Items may have been restated for comparative purposes.

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

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

|                                    | <b>2009</b>                 | <b>2010</b>                | <b>2011</b>                | <b>2012</b>                | <b>2013</b>                 |
|------------------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| <b>REVENUES</b>                    |                             |                            |                            |                            |                             |
| Taxes                              | \$ 31,435,749               | \$ 31,593,993              | \$ 32,014,953              | \$ 33,574,965              | \$ 36,629,919               |
| Licenses, Fees & Permits           | 259,430                     | 267,450                    | 337,927                    | 310,181                    | 372,259                     |
| Intergovernmental                  | 21,663,707                  | 19,975,317                 | 17,965,819                 | 16,907,852                 | 14,393,862                  |
| Charges for Services               | 2,802,675                   | 2,532,274                  | 2,455,016                  | 1,626,511                  | 1,617,719                   |
| Interest on Investments            | 170,879                     | 53,101                     | 41,388                     | 45,402                     | 19,177                      |
| Other                              | 951,563                     | 828,785                    | 583,613                    | 569,691                    | 744,501                     |
| <b>TOTAL REVENUES</b>              | <b>57,284,003</b>           | <b>55,250,920</b>          | <b>53,398,716</b>          | <b>53,034,602</b>          | <b>53,777,437</b>           |
| <b>EXPENDITURES</b>                |                             |                            |                            |                            |                             |
| General Government                 | 3,381,591                   | 3,252,950                  | 3,218,401                  | 3,223,623                  | 3,281,811                   |
| Public Safety                      | 6,956,987                   | 6,955,140                  | 7,089,887                  | 7,258,896                  | 7,681,120                   |
| Public Works                       | 3,270,835                   | 3,064,200                  | 3,221,383                  | 3,040,274                  | 3,389,760                   |
| Human Services                     | 146,587                     | 134,829                    | 150,281                    | 168,813                    | 154,425                     |
| Education                          | 33,300,722                  | 33,078,519                 | 32,012,711                 | 30,310,885                 | 30,599,422                  |
| Recreation & Culture               | 2,278,565                   | 2,228,651                  | 1,989,193                  | 2,163,371                  | 2,322,958                   |
| Debt Service                       | 1,784,225                   | 1,714,125                  | 1,618,145                  | 3,466,375                  | 3,346,403                   |
| County Tax                         | 1,088,467                   | 1,149,612                  | 1,171,049                  | 1,187,020                  | 1,183,264                   |
| Unclassified                       | 308,691                     | 133,725                    | 120,725                    | 296,682                    | 281,424                     |
| <b>TOTAL EXPENDITURES</b>          | <b>52,516,670</b>           | <b>51,711,751</b>          | <b>50,591,775</b>          | <b>51,115,939</b>          | <b>52,240,587</b>           |
| <b>OTHER SOURCES (USES)</b>        |                             |                            |                            |                            |                             |
| Transfers In                       | 95,673                      | 447,199                    | 383,402                    | 202,613                    | 956,397                     |
| Transfers Out                      | (2,058,324)                 | (2,369,522)                | (2,672,546)                | (3,873,121)                | (3,088,927)                 |
| Sale of general capital assets     | -                           | -                          | -                          | 65,906                     | -                           |
| <b>TOTAL OTHER SOURCES (USES)</b>  | <b>(1,962,651)</b>          | <b>(1,922,323)</b>         | <b>(2,289,144)</b>         | <b>(3,604,602)</b>         | <b>(2,132,530)</b>          |
| <b>NET CHANGES IN FUND BALANCE</b> | <b>2,804,682</b>            | <b>1,616,846</b>           | <b>517,797</b>             | <b>(1,685,939)</b>         | <b>(595,680)</b>            |
| <b>BEGINNING FUND BALANCE</b>      | <b>14,854,909</b>           | <b>17,659,591</b>          | <b>19,276,437</b>          | <b>19,794,234</b>          | <b>18,108,295</b>           |
| <b>ENDING FUND BALANCE</b>         | <b><u>\$ 17,659,591</u></b> | <b><u>\$19,276,437</u></b> | <b><u>\$19,794,234</u></b> | <b><u>\$18,108,295</u></b> | <b><u>\$ 17,512,615</u></b> |

NOTES: Prepared from Audited Financial Statements.

This statement is produced using generally accepted accounting principles (GAAP Basis). To reconcile the GAAP basis to the basis used for budget purposes (Budget Basis), it is necessary to subtract from the GAAP basis the amount the State of Maine contributes to the Maine Public Employees Retirement System (MainePERS) for employees enrolled in the MainePERS Teacher Retirement Plan. The amounts to be subtracted for the fiscal years ending June 30, 2013, 2012, 2011, 2010 and 2009 are \$2,445,000, \$2,450,000, \$2,900,000, \$2,900,000 and \$3,100,000, respectively.

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

## **PROPERTY TAXATION**

### **GENERAL**

The principal revenue source of the Town is the tax on real and personal property. A single tax applies for each fiscal year to the assessed value of the taxable real or personal property. The Town's tax collector receives the tax commitment from the town assessor, with assessed values as of April 1 of each year, after which time the tax bills are mailed. For fiscal 2013-2014 personal property taxes are due by October 15, 2013. Real estate taxes are due in two installments with one-half due October 15, 2013 and one-half due April 15, 2014. All taxes paid after the due dates will be subject to interest at a rate established by the Town. The rate for fiscal year ended June 30, 2014 is 7.0% per annum.

Maine law permits town's 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 \$94,684 for the year ending June 30, 2014.

### **Real Estate Tax**

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

### **Business Personal Property Tax**

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

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

1. Basic reimbursement formula - For all municipalities in the first year after the exemption, and for a majority of the municipalities thereafter, the reimbursement would be 100% for the lost property taxes in the first tax year after the exemption takes effect (i.e., FY 2009), 90% in the second year after the exemption takes effect (i.e., FY 2010), 80% in FY 2011, 70% in 2012, 60% in 2013, and 50% in 2014 and every subsequent year. The State Constitution requires a minimum reimbursement of at least 50%.
2. Enhanced formula - Municipalities that have a total property tax base that is made up of at least 5% personal property will be eligible for an alternative reimbursement formula any year in which the alternative reimbursement formula provides a higher level of reimbursement than the basic reimbursement formula. Those municipalities will be eligible to receive the 50% minimum reimbursement plus 50% of their tax base percentage that is made up of personal property. For example, if a town's tax base is 64% personal property, it would be eligible for a reimbursement

rate of 82%, which is a combination of the minimum 50% reimbursement *plus* one-half of that municipality's 64% "personal property factor".

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

The value of all property in the municipality made exempt by the BETE Act will also be considered part of that municipality's equalized State Valuation to the extent the municipality is being reimbursed for its lost property taxes by the State with an additional adjustment for property in a tax increment financing district authorized prior to April 1, 2008.

## TAX COLLECTIONS

The following table displays tax levy and tax collection information for the Town for the last ten audited fiscal years and the current fiscal year.

| Fiscal<br>Yr. End | Equalized                          |   |                             | Collections   |  |                             |                                 |
|-------------------|------------------------------------|---|-----------------------------|---|--|-----------------------------|---------------------------------|
|                   | State<br>Valuation<br><u>(000)</u> | Assessed<br>Valuation<br><sup>(1,2,3)</sup><br><u>(000)</u> | Tax<br>Rate<br><u>(000)</u> | Tax<br>Levy<br><sup>(1&amp;2)</sup><br><u>(000)</u> | (after Supplements / Abatements)<br>Year End<br><u>(000)</u> | % of<br>Levy<br><u>Levy</u> | % of Levy<br><u>a/o 6/30/13</u> |
| <b>June 30,</b>   |                                    |   |                             |   |  |                             |                                 |
| 2014              | \$1,983,450                        | \$1,335,461   | \$26.54                     | \$35,443  | -----In Process-----   |                             |                                 |
| 2013              | 2,028,050                          | 1,337,807   | 24.90                       | 33,311  | \$32,321   | 97.03                       | 97.03                           |
| 2012              | 2,141,500                          | 1,302,514   | 23.68                       | 30,844  | 29,935   | 97.05                       | 99.32                           |
| 2011              | 2,204,800                          | 1,278,493   | 22.87                       | 29,239  | 28,529   | 97.57                       | 99.88                           |
| 2010              | 2,172,000                          | 1,280,191   | 22.54                       | 28,856  | 27,997   | 97.03                       | 99.93                           |
| 2009              | 2,092,850                          | 1,272,613   | 22.54                       | 28,685  | 28,078   | 97.89                       | 99.96                           |
| 2008              | 1,975,600                          | 1,252,303   | 22.20                       | 27,801  | 27,127   | 97.58                       | 99.98                           |
| 2007              | 1,777,200                          | 1,239,650   | 21.75                       | 26,962  | 26,326   | 97.64                       | 99.99                           |
| 2006              | 1,566,000                          | 1,212,998   | 21.90                       | 26,565  | 26,122   | 98.34                       | 99.99                           |
| 2005              | 1,431,150                          | 1,203,010   | 21.90                       | 26,346  | 25,973   | 98.48                       | 100.00                          |
| 2004              | 1,312,650                          | 1,172,800   | 21.50                       | 25,215  | 24,793   | 98.33                       | 100.00                          |

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

<sup>(2)</sup> Beginning with the fiscal year ended June 30, 1999, the State reimburses the Town for Homestead Exemptions provided to resident property taxpayers of the Town. The Town budgets the reimbursement as property tax revenue. The Assessed Valuation has been adjusted to add back the Homestead Exemption value. The Gross Levy has also been adjusted to include the amount of tax reimbursement. Beginning in the year ending 2006 only 1/2 of the value and 1/2 of the reimbursement have been added back as the State is now reimbursing 50% of the exemption.

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

## LARGEST TAXPAYERS

| <b>Taxpayer</b>             | <b>Type of Business</b> | <b>As of April 1, 2013</b> |                          |                       |                     |                  |
|-----------------------------|-------------------------|----------------------------|--------------------------|-----------------------|---------------------|------------------|
|                             |                         | <b>Real Estate</b>         | <b>Personal Property</b> | <b>Assessed Total</b> | <b>Property Tax</b> | <b>% of Levy</b> |
| MRRA                        | Development             | \$ 25,797,800              | \$ -                     | \$ 25,797,800         | \$ 684,674          | 1.90%            |
| Bath Iron Works Corp        | Shipbuilding            | 6,735,900                  | 17,680,500               | 24,416,400            | 648,011             | 1.80%            |
| Affordable Midcoast Housing | Housing                 | 21,479,900                 | 74,600                   | 21,554,500            | 572,056             | 1.59%            |
| BIF II US Renewable         | Utility                 | 18,474,500                 | -                        | 18,474,500            | 490,313             | 1.36%            |
| Developers Diversified      | Shopping Ctr            | 15,862,300                 | 600                      | 15,862,900            | 421,001             | 1.17%            |
| Wade, WJ Trustee (Wal-Mart) | Retail                  | 11,294,000                 | 1,233,400                | 12,527,400            | 332,477             | 0.92%            |
| Thornton Oakes Homeowners   | Housing                 | 11,713,000                 | 192,300                  | 11,905,300            | 315,967             | 0.88%            |
| W/S Brunswick Properties    | Shopping Ctr            | 11,036,000                 | -                        | 11,036,000            | 292,895             | 0.81%            |
| Central Maine Power         | Utility                 | 10,077,000                 | 359,800                  | 10,436,800            | 276,993             | 0.77%            |
| Bowdoin College             | College                 | 7,827,100                  | 13,100                   | 7,840,200             | 208,079             | 0.58%            |
|                             |                         |                            |                          |                       |                     | 11.78%           |

NOTES: The total taxable assessed value of the Town is \$1,356,783,600, which includes \$42,301,800 of total taxable valuation in the Town's TIF Districts and excludes all exemptions.

## TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS

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

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

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

- (1) The development program contains project costs, authorized by section 5225, subsection 1, paragraph A, that exceed \$10,000,000;
- (2) The geographic area consists entirely of contiguous property owned by a single taxpayer;

- (3) The assessed value exceeds 10% of the total value of taxable property within the municipality or plantation; and
- (4) The development program does not contain project costs authorized by section 5225, subsection 1, paragraph C.

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

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

For the year ended June 30, 2014, the Town has a total of \$42,301,800 in captured valuation for five TIF districts. The tax revenue captured in these districts totals \$1,122,690 for the year. This includes three TIF districts adopted during fiscal year 2012-2013 for properties at the former NASB.

The Town is currently considering a proposal that would create a TIF district in Cook's Corner, a commercial retail area that has seen a decline in business activity. The TIF would fund the construction of infrastructure and transportation improvements, connect two of the area's prime commercial properties, and encourage additional commercial development.

The Town continues to explore opportunities to establish additional TIF districts. However, as described above, the Town's districts will not exceed the statutory limitation of total area and aggregate equalized value within all districts, determined as of their date of designation. The Town has not designated and is not currently considering any affordable housing districts.

## **REVENUES FROM THE STATE**

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

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

is not possible to predict the level of State subsidy to local units in future years or whether the State's subsidy program will continue in its present form.

The Homestead Exemption Program is administered locally. Since the beginning of the program, the State has frequently modified both the exemption amount and the amount it reimburses municipalities. Originally the exemption amount was \$7,000 and the State reimbursed municipalities for 100% of the property tax lost because of the exemption. For the fiscal year ending June 30, 2014, the maximum amount of the exemption was \$10,000, with the State reimbursing 50% of the property tax reduction due to the exemption. The State annually estimates State aid but actual payments may vary from the estimate.

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

| <b>Yr. End<br/><u>June 30,</u></b> | <b>School<br/><u>Subsidy</u></b> | <b>Revenue<br/><u>Sharing</u></b> | <b>Homestead<br/><u>Reimbursement</u></b> | <b>Other<br/><u>State Aid</u></b> | <b>Total<br/><u>State Aid</u></b> |
|------------------------------------|----------------------------------|-----------------------------------|---|-----------------------------------|-----------------------------------|
| 2013                               | \$9,909,765                      | \$1,496,775                       | \$382,463                                 | \$2,717,202                       | \$14,506,205                      |
| 2012                               | 12,343,766                       | 1,573,602                         | 338,026                                   | 2,732,938                         | 16,988,332                        |
| 2011                               | 12,598,662                       | 1,539,380                         | 308,761                                   | 3,166,218                         | 17,613,021                        |
| 2010                               | 13,246,383                       | 1,625,720                         | 383,813                                   | 3,148,905                         | 18,404,821                        |
| 2009                               | 14,625,055                       | 2,014,562                         | 382,290                                   | 3,381,640                         | 20,403,547                        |

### **Recent Events Regarding State Aid**

Historically State revenue sharing to municipalities has been distributed from a pool of funds comprised of roughly 5% of State sales and income taxes. As those State revenues increased or decreased, the pool to be distributed increased or decreased. Population and tax effort are the two major factors used in the formula that distributes State revenue sharing to municipalities. Brunswick's population loss, as reflected in the 2010 census, negatively impacts its revenue sharing receipts.

In recent budgets, the State has ordered transfers from the pool to the State's General Fund, thus reducing the amount to be distributed to municipalities. Governor LePage's proposed State budget for the biennium beginning July 1, 2013, if enacted, would have suspended the revenue sharing program, meaning that municipalities would have received no funds under the program. Although not suspended, revenue sharing pool was again targeted, and for FY 14 an additional \$30 million was transferred to the State's General Fund. The state budget also called for an additional transfer of \$40 million in the FY 15 budget. The additional reduction of \$40 million would have all but killed the revenue sharing program. The Legislature recently restored the \$40 million cut for FY 15. However, for FY 15, the Town still expects a small reduction in revenue sharing receipts as the amount to be distributed is estimated to be \$5 million less than it was in FY 14.

The Governor's budget also proposed, and the Legislature enacted, changes in State programs designed to reduce the property tax burden. For a discussion of the Town's response to revenue sharing and other property tax program changes, see "TOWN FINANCES - BUDGETARY PROCESS - Budget Commentary".

For FY 15 the State budget essentially flat funds State aid to education. Brunswick anticipates that for the upcoming school year, its operating allocation subsidy under Essential Programs and Service ("EPS"), the State's model for distributing aid to school units, will be flat funded. Beginning with the FY 14 budget, school units are now required to fund the normal cost of the Maine Public Employees Retirement System ("MainePERS") Teacher Plan retirement.

## **School Construction Projects and State Subsidy**

In Maine, subsidized school construction projects must receive both local and State approval. To be eligible for State assistance (sometimes referred to as State subsidy), school units first submit projects for evaluation by the Maine Department of Education (“DOE”). DOE then ranks the projects and determines those that will be eligible for State subsidy based upon DOE’s capacity to subsidize them. Projects approved for State subsidy then move to concept approval stage, where an initial project budget is established. The total budget is broken out into a “local only” portion, not eligible for State subsidy, and the portion “eligible for State assistance.” A local referendum is then required. At the referendum, voters are asked to approve both the project and the bonds proposed to be issued to fund the project. The project then proceeds through final design. At the conclusion of this phase, the DOE issues a design and funding approval. After receiving design and funding approval, the project is put out to bid. Once bids are received, the DOE and the school unit establish a final project budget and DOE issues its final funding approval. This is the last step in the approval process and it authorizes the local unit to issue bonds.

School construction bonds are obligations of the local school unit and the State does not guarantee their repayment. The annual debt service on bonds issued to fund the portion of the project eligible for State subsidy is included in the State’s education subsidy model, currently referred to as the Essential Programs and Services (“EPS”) model. The debt service on bonds issued to fund the portion of project categorized as “local only” is not eligible for State subsidy and is not included in the debt service allocation of the EPS model. Under the current EPS model, eligible debt service is only one component of a school unit’s annual education subsidy. In order to receive full State subsidy, a local unit must raise its required local share as determined by the EPS model. The required local share is largely a calculation that uses a State mandated education mil rate and the school unit’s equalized property tax valuation.

The DOE has determined that approximately 87% of the debt service on Brunswick’s elementary school project is eligible for subsidy and is included in the Town’s debt service allocation in the EPS model. This percentage may change slightly, after completion of the DOE’s audit of the construction project expenditures. Based on the current EPS model, and the current variables included in the EPS funding formula, Brunswick would receive State subsidy equal to the entire amount deemed eligible for subsidy. However, it is important to note that the variables included in the EPS funding formula change from year to year. Further, the EPS funding model is, itself, subject to change by the State legislature. Finally, the State level of funding for EPS is subject to the State budget process. Therefore, while the Town anticipates substantial subsidy on the elementary school project debt service deemed eligible for State assistance, no assurance can be given regarding the actual amount of future debt service subsidy it will receive.

## **INDEBTEDNESS**

### **LIMITATIONS AND EXCLUSIONS**

In accordance with Title 30-A, Section 5702 of the Maine Revised Statutes, as amended, “No municipality shall incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7½% of its last full State valuation, or any lower percentage or amount that a municipality may set. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full State valuation, or any lower percentage or amount that a municipality may set, for storm and sewer purposes to an amount outstanding at any time not exceeding 7½% of its last full State valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full State valuation, or any lower percentage or amount that a municipality may

set; provided, however, that in no event shall any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full State valuation, or any lower percentage or amount that a municipality may set.”

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

The Town of Brunswick’s 2012 equalized State valuation (“Equalized State Valuation”) for use in the fiscal year ended June 30, 2013 was \$2,028,050,000. The 2013 Equalized State Valuation as of June 30, 2013 was \$1,983,450,000 making the 15% debt limit \$297,517,500.

## DEBT SUMMARY

General obligation debt payable at fiscal year-end June 30, 2013 (audited) and projected for fiscal year-end June 30, 2014 (projected), are comprised of the following individual issues:

| <u>Year Issued</u> | <u>Purpose</u>                          | <u>Authorized and Issued</u> | <u>Final Maturity</u> | <u>Balance as of June 30, 2013</u> | <u>2014</u>   |
|--------------------|---|------------------------------|-----------------------|------------------------------------|---------------|
| 2003               | High School Refunding                   | \$ 9,595,000                 | 11/01/13              | \$ 785,000                         | \$ -          |
| 2006               | Capital Improvements                    | 3,125,000                    | 11/01/20              | 1,600,000                          | 1,400,000     |
| 2010               | Elementary School (BABS) <sup>(1)</sup> | 21,462,250                   | 11/01/30              | 19,316,025                         | 18,242,913    |
| 2011               | Capital Improvements                    | 4,120,000                    | 11/01/20              | 3,010,000                          | 2,455,000     |
| 2013               | Police Station                          | 5,500,000                    | 11/01/32              | 5,500,000                          | 5,225,000     |
|                    |   |                              |                       | \$ 30,211,025                      | \$ 27,322,913 |

NOTE: <sup>(1)</sup> A portion of the Town’s \$21,462,250 school construction bonds were issued in 2010 with the Maine Municipal Bond Bank (“MMBB”), taxable Build America Bonds (“BABS”). “Total Budgeted Debt Service” is net of the BABS subsidy the Town anticipates MMBB will file for and receive. The Town is responsible for the full payment whether the subsidy is received in full, or reduced to a lesser amount by Federal sequestration. See “INDEBTEDNESS – PROJECTED DEBT SERVICE” herein.

Effective January 31, 2014, Standards and Poor’s Rating Services raised its underlying rating on Brunswick, Maine’s general obligation (“GO”) bonds to ‘AA+’ from ‘AA’ based on the implementation of its local GO criteria published on September 12, 2013. The outlook is stable outlook. The Town’s outstanding debt is rated ‘Aa2’ by Moody’s Investors Service.

## DEBT RATIOS

The following table sets forth the ratio of bonded debt to equalized State Valuation and per capita debt ratios for the end of the ten most recent fiscal years (2014 projected):

| Fiscal<br>Yr. End<br><u>June 30,</u> | Population | Equalized<br>State Val.<br><u>(000)</u> | Assessed<br>Valuation <sup>(1)</sup><br><u>(000)</u> | Total Debt <sup>(2)</sup><br><u>(000)</u> | Debt<br>as %<br>Eq. Val | Per Capita <sup>(2)</sup><br>Debt |
|--------------------------------------|------------|---|--|---|-------------------------|-----------------------------------|
| 2014                                 | 20,278     | \$ 1,983,450                            | \$ 1,335,461   | \$ 27,323                                 | 1.38%                   | \$ 1,347.42                       |
| 2013                                 | 20,278     | 2,028,050                               | 1,337,807  | 30,211                                    | 1.49%                   | 1,489.84                          |
| 2012                                 | 20,278     | 2,141,500                               | 1,302,514  | 27,439                                    | 1.28%                   | 1,353.14                          |
| 2011                                 | 20,278     | 2,204,800                               | 1,278,493  | 30,177                                    | 1.37%                   | 1,488.16                          |
| 2010                                 | 21,172     | 2,172,000                               | 1,280,191  | 5,715                                     | 0.26%                   | 269.93                            |
| 2009                                 | 21,172     | 2,092,850                               | 1,272,613  | 7,240                                     | 0.35%                   | 341.96                            |
| 2008                                 | 21,172     | 1,975,600                               | 1,252,303  | 8,785                                     | 0.44%                   | 414.93                            |
| 2007                                 | 21,172     | 1,777,200                               | 1,239,650  | 10,557                                    | 0.59%                   | 498.63                            |
| 2006                                 | 21,172     | 1,566,000                               | 1,212,998  | 9,826                                     | 0.63%                   | 464.10                            |
| 2005                                 | 21,172     | 1,431,150                               | 1,203,010  | 13,057                                    | 0.91%                   | 616.71                            |

NOTES: <sup>(1)</sup> Valuation has been adjusted to add back Homestead Exemption values. For Fiscal Years 2006 through 2014 only ½ of that value is added back. Valuation excludes value in TIF Districts. Beginning in 2009, valuation has been adjusted to add back Business Equipment Tax Exemption (BETE) values.

<sup>(2)</sup> Total debt and Per capita debt as of June 30, 2014 is projected.

## PROJECTED ANNUAL PRINCIPAL PAYMENTS BY ISSUE

| Yr. End<br><u>June 30,</u> | <u>2003</u> | <u>2006</u>  | <u>2010</u>   | <u>2011</u>  | <u>2013</u>  | <u>Total<br/>Debt</u> |
|----------------------------|-------------|--------------|---------------|--------------|--------------|-----------------------|
| 2014                       | 785,000     | 200,000      | 1,073,113     | 555,000      | 275,000      | 2,888,113             |
| 2015                       | -           | 200,000      | 1,073,113     | 555,000      | 275,000      | 2,103,113             |
| 2016                       | -           | 200,000      | 1,073,113     | 550,000      | 275,000      | 2,098,113             |
| 2017                       | -           | 200,000      | 1,073,113     | 270,000      | 275,000      | 1,818,113             |
| 2018                       | -           | 200,000      | 1,073,113     | 270,000      | 275,000      | 1,818,113             |
| 2019                       | -           | 200,000      | 1,073,113     | 270,000      | 275,000      | 1,818,113             |
| 2020                       | -           | 200,000      | 1,073,113     | 270,000      | 275,000      | 1,818,113             |
| 2021                       | -           | 200,000      | 1,073,113     | 270,000      | 275,000      | 1,818,113             |
| 2022                       | -           | -            | 1,073,113     | -            | 275,000      | 1,348,113             |
| 2023                       | -           | -            | 1,073,113     | -            | 275,000      | 1,348,113             |
| 2024                       | -           | -            | 1,073,113     | -            | 275,000      | 1,348,113             |
| 2025                       | -           | -            | 1,073,113     | -            | 275,000      | 1,348,113             |
| 2026                       | -           | -            | 1,073,113     | -            | 275,000      | 1,348,113             |
| 2027                       | -           | -            | 1,073,113     | -            | 275,000      | 1,348,113             |
| 2028                       | -           | -            | 1,073,113     | -            | 275,000      | 1,348,113             |
| 2029                       | -           | -            | 1,073,113     | -            | 275,000      | 1,348,113             |
| 2030                       | -           | -            | 1,073,113     | -            | 275,000      | 1,348,113             |
| 2031                       | -           | -            | 1,073,113     | -            | 275,000      | 1,348,113             |
| 2032                       | -           | -            | -             | -            | 275,000      | 275,000               |
| 2033                       | -           | -            | -             | -            | 275,000      | 275,000               |
|                            | \$ 785,000  | \$ 1,600,000 | \$ 19,316,026 | \$ 3,010,000 | \$ 5,500,000 | \$ 30,211,026         |

## PROJECTED DEBT SERVICE

| <b>Fiscal Year<br/>End June 30,</b> | <b>Annual<br/>Principal</b> | <b>Annual<br/>Interest</b> | <b>Total</b>                | <b>BABs<br/>Subsidy (a)</b>  | <b>Net<br/>Debt Service</b> |
|-------------------------------------|-----------------------------|----------------------------|-----------------------------|------------------------------|-----------------------------|
| 2014                                | 2,888,112                   | 977,326                    | 3,865,438                   | (232,603)                    | 3,632,835                   |
| 2015                                | 2,103,113                   | 940,739                    | 3,043,852                   | (232,603)                    | 2,811,249                   |
| 2016                                | 2,098,112                   | 894,062                    | 2,992,174                   | (228,895)                    | 2,763,279                   |
| 2017                                | 1,818,113                   | 845,265                    | 2,663,378                   | (220,446)                    | 2,442,932                   |
| 2018                                | 1,818,112                   | 792,811                    | 2,610,923                   | (210,212)                    | 2,400,711                   |
| 2019                                | 1,818,113                   | 736,377                    | 2,554,490                   | (198,583)                    | 2,355,907                   |
| 2020                                | 1,818,112                   | 677,036                    | 2,495,148                   | (185,937)                    | 2,309,211                   |
| 2021                                | 1,818,113                   | 616,621                    | 2,434,734                   | (172,916)                    | 2,261,818                   |
| 2022                                | 1,348,112                   | 563,184                    | 1,911,296                   | (159,518)                    | 1,751,778                   |
| 2023                                | 1,348,113                   | 515,843                    | 1,863,956                   | (145,558)                    | 1,718,398                   |
| 2024                                | 1,348,112                   | 466,569                    | 1,814,681                   | (131,222)                    | 1,683,459                   |
| 2025                                | 1,348,113                   | 415,267                    | 1,763,380                   | (116,416)                    | 1,646,964                   |
| 2026                                | 1,348,112                   | 362,108                    | 1,710,220                   | (101,141)                    | 1,609,079                   |
| 2027                                | 1,348,113                   | 303,469                    | 1,651,582                   | (84,068)                     | 1,567,514                   |
| 2028                                | 1,348,112                   | 240,233                    | 1,588,345                   | (65,386)                     | 1,522,959                   |
| 2029                                | 1,348,113                   | 176,997                    | 1,525,110                   | (46,704)                     | 1,478,406                   |
| 2030                                | 1,348,112                   | 113,760                    | 1,461,872                   | (28,023)                     | 1,433,849                   |
| 2031                                | 1,348,113                   | 50,352                     | 1,398,465                   | (9,341)                      | 1,389,124                   |
| 2032                                | 275,000                     | 14,093                     | 289,093                     | -                            | 289,093                     |
| 2033                                | 275,000                     | 4,812                      | 279,812                     | -                            | 279,812                     |
|                                     | <b><u>\$ 30,211,025</u></b> | <b><u>\$ 9,706,924</u></b> | <b><u>\$ 39,917,949</u></b> | <b><u>\$ (2,569,572)</u></b> | <b><u>\$ 37,348,377</u></b> |

## DEBT SERVICE COMPONENT OF BUDGETED EXPENDITURES

|   | <b>2010</b>      | <b>2011</b>        | <b>2012</b>        | <b>2013</b>        | <b>2014</b>        |
|---|------------------|--------------------|--------------------|--------------------|--------------------|
| Total Budgeted Debt Service                       | \$1,781,465      | \$1,618,144        | \$3,557,022        | \$3,432,723        | \$3,639,373        |
| (less Enterprise Debt)                            | -                | -                  | -                  | -                  | -                  |
| (less TIF Paid Debt)                              | (67,340)         | -                  | (90,648)           | (71,000)           | (71,000)           |
| (less School Debt Service Subsidy) <sup>(1)</sup> | <u>(853,087)</u> | <u>(1,073,183)</u> | <u>(2,196,001)</u> | <u>(2,122,628)</u> | <u>(2,059,315)</u> |
| Net Tax-backed Debt Service                       | \$861,038        | \$544,961          | \$1,270,373        | \$1,239,095        | \$1,509,058        |
| Budgeted Operating Expenditure                    | \$53,840,800     | \$53,357,973       | \$53,463,870       | \$54,675,531       | \$57,606,531       |
| Debt Service as % of Expenditures                 | 3.31%            | 3.03%              | 6.65%              | 6.28%              | 6.32%              |
| Net Debt Service as % of Expenditure              | 1.60%            | 1.02%              | 2.38%              | 2.27%              | 2.62%              |

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

## **OVERLAPPING DEBT**

### **County of Cumberland**

The Town is subject to an annual assessment of its proportional share of the County of Cumberland's expenses, including debt repayment, as determined by the percentage of the Town's equalized State Valuation to the County's equalized State Valuation. At June 30, 2013 the Town's equalized State Valuation of \$1,983,450,000 was 5.13% of the County's equalized State Valuation of \$38,690,850,000. The Town's share was 5.13%, or \$1,892,925, of the County's \$36,925,000 debt obligations outstanding as of June 30, 2013.

### **Maine Region 10 Technical High School**

The Town of Brunswick is a participant of 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. The Town is responsible for its proportionate share of MR10's assessments, which include MR10's long-term debt. The cost of MR10's operation and debt is currently assessed to its Member Units through a formula. As of June 30, 2013, MR10 had total debt outstanding of \$24,500. The Town of Brunswick's 38.29% share of MR10's debt was \$9,381 as of June 30, 2013.

## **CONTINGENT DEBT**

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

## **FUTURE FINANCING**

Readers are encouraged to read the remainder of this document including the section "TOWN FINANCES – CAPITAL IMPROVEMENT PROGRAM." The Capital Improvement Program ("CIP") of the Town contemplates a number of projects which, if undertaken, are planned to be funded with long-term debt. However, the CIP does not authorize the issuance of debt. Debt issuance is subject to the prior review and approval of a Bond Ordinance by the Town Council. Additionally, debt related to state subsidized school construction projects requires the approval of the voters in a local referendum.

## **RETIREMENT**

### **DEFINED BENEFIT PENSION PLANS**

***Consolidated Plan for Participating Local Districts.*** For its participating municipal employees and participating School Department employees not covered by the Teacher Plan (described below), the Town contributes to the Consolidated Plan for Participating Local Districts ("CPPLD" or "Plan") a cost-sharing multiple-employer, defined benefit pension plan administered by the Maine Public Employees Retirement System ("MainePERS"), successor to the Maine State Retirement System ("MSRS"). Established in 1942, the MRSR was renamed MainePERS effective September 20, 2007 by virtue of Chapter 58 of the Public Laws of 2007. MainePERS is established and administered under Maine State Retirement System Laws, Title 5, Chapters 421, 423 and 425 of the Maine Revised Statutes, as amended. The CPPLD provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. MainePERS issues a publicly available financial report that includes financial statements and

required supplementary information for the CPPLD. That report may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046.

Plan members are required to contribute 6.5% to 8.0% of their annual covered salary and the Town of Brunswick is required to contribute at an actuarially determined rate. The rate for the year ended June 30, 2013 varied from 5.3% to 12.2% of covered payroll depending on the employee classification. The contribution requirements of the Plan members and the Town are established by and may be amended by the State Legislature. The amounts the Town was required to contribute to the CPPLD for the years ended June 30, 2013, 2012 and 2011 were \$683,783, \$532,670 and \$415,329 respectively, less amounts from credits as noted below. All required contributions were made by the Town.

The CPPLD retirement programs provide defined retirement benefits based on a member's average final compensation. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit or, in some cases, the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age is 60. The monthly benefit of members eligible to retire before normal retirement age by virtue of having at least 25 years of service is reduced by a statutorily prescribed factor for each year of age that a member is below his/her normal retirement age at retirement. Police and fire personnel have special provisions that allow them to retire at any age, without a reduction in benefits, after 20 or 25 years of service depending on their individual date of hire.

The Town joined the CPPLD of MainePERS effective on July 1, 1995. Upon joining the CPPLD, the Town ceased to be an individual sponsor of an agent multiple-employer defined benefit pension plan administered by MainePERS and instead became a participant in the CPPLD. As a participant of the CPPLD plan, the Town is entitled to its initial unfunded unpooled actuarial asset from its previous plan. At June 30, 2012, the latest information available, the remaining balance was \$280,659. The Town has used credits of \$68,280, \$71,712 and \$78,936 for the years ended June 30, 2013, 2012 and 2011 respectively to reduce contributions to the CPPLD.

**Teacher Plan.** Teachers and certain other School Department employees also participate in the Maine Public Employees Retirement System ("MainePERS") through the Teacher Plan, a cost-sharing multiple-employer, defined benefit pension plan with a special funding situation established by the Maine Legislature. The Plan's retirement programs provide defined retirement benefits based on a member's average final compensation. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years) or, in some cases, the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age is 60 or 62, determined by whether a member had at least 10 years of creditable service on June 30, 1993. The monthly benefit of members eligible to retire before normal retirement age by virtue of having at least 25 years of service is reduced by a statutorily prescribed factor for each year of age that a member is below his/her normal retirement age at retirement. The System also provides death and disability benefits. The authority to establish and amend benefit provisions rests with the State legislature. MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher Plan. That report may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046.

Employees in the Teacher Plan are required by State statute to contribute 7.65% of their compensation to the retirement system. Except for federally-funded teachers, the Town is not required to make contributions to this plan. As required by State statute, contributions are made on behalf of the Town for the non-federally-funded teachers by a State appropriation. Contributions paid by the State to the plan for the years ended June 30, 2013, 2012 and 2011 were \$2,135,000, \$2,144,000 and \$2,900,000 respectively,

equal to the required contribution for each year. For federally-funded teachers, contributions paid by the Town to the Plan for the years ended June 30, 2013, 2012 and 2011 were \$64,533, \$116,602 and \$201,150 respectively, equal to the required contribution for each year. The actuarially determined rates for State and Town contributions to the Teacher Plan for retirement for the year ended June 30, 2012 were 13.85% and 14.32% respectively.

## **DEFERRED COMPENSATION PLAN**

The Town offers its non-school employees a deferred compensation plan (the “Plan”), created in accordance with Internal Revenue Code Section 457. The Plan, available to all non-school employees, permits the employees to defer a portion of their salary until future years. All assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

## **OTHER RETIREMENT**

Most municipal and some school employees participate in the Social Security Retirement Program (“FICA”). The Town and the School department contribute to FICA. The School Department also offers its employees a variety of tax-sheltered annuity plans. The School Department makes no contributions to these plans.

## **OTHER POST EMPLOYMENT BENEFITS**

The Governmental Accounting Standards Board (“GASB”) recently promulgated its Statement 45 which addressed the reporting and disclosure requirements for other postemployment benefits (“OPEB”). GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

**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 post-employment 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 October 2013 for the fiscal years ending June 30, 2013 and June 30, 2014. 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                             | \$ 69,411  |
| Amortization of Unfunded                | 137,043    |
| Interest                                | 4,089      |
| Annual Required Contribution            | 210,543    |
| Interest on Net OPEB Obligation         | -          |
| Amortizing Adjustment to ARC            | -          |
| Annual OPEB Cost                        | 210,543    |
| Contributions made                      | (73,021)   |
| Increase in Net OPEB Obligation         | 137,522    |
| Net OPEB obligation - beginning of year | 480,280    |
| Net OPEB obligation - end of year       | \$ 617,802 |

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, 2013 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, 2011            | 186,331                 | 41.33%  | 367,664                    |
| June 30, 2012            | 184,382                 | 38.92%  | 480,280                    |
| June 30, 2013            | 210,543                 | 34.68%  | 617,802                    |

**Funding Status and Funding Progress:** The funded status of the plan as of June 30, 2013 was as follows:

|   |              |
|---|--------------|
| Actuarial accrued liability   | \$ 2,464,551 |
| Plan assets   | -            |
| Unfunded actuarial accrued liability                                    | \$ 2,464,551 |
| Funded ratio  | 0%           |
| Covered payroll   | \$ 7,788,043 |
| Unfunded actuarial accrued liability as a percentage of covered payroll | 31.65%       |

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 79, provides multiyear

trend information (only four 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           | 1/1/2013              |
| 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%                 |

The Town has monitored and will continue to monitor its OPEB liabilities as determined pursuant to GASB Statement 45. The Town does not, however, offer any assurance as to the impact, if any, of future OPEB liabilities, as determined pursuant to GASB Statement 45, on the Town's future financial condition or operations. For additional information about the Town's OPEB liabilities, see "Other Post Employment Benefits" in Notes to Basic Financial Statements in APPENDIX A hereto.

## ENVIRONMENTAL MATTERS

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

The Town operates a solid waste landfill in Brunswick. Continued operation of the landfill requires compliance with existing and future laws and regulations. The facility's wastewater discharge license, issued in 2004, expired in November 2009. The Town applied for a renewal of that license in December 2009. For several years prior to the expiration of the license, and continuing beyond the expiration of the license, 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"). Late in 2010 the Town learned that one of the waivers it sought, as specifically identified in the 2004 license, was not available.

For over a year, the Town and the DEP worked on negotiating an Administrative Consent Agreement ("ACA") to resolve violations of certain wastewater discharge limits and other operational violations. In January 2012, the Town and DEP discontinued the ACA discussions. Instead, the parties agreed to pursue a cooperative approach and constructed an experimental treatment facility late in 2012, which the Town and DEP continue to operate. The Town and DEP expect to discuss the results of the experimental facility in the spring of 2014.

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. Depending on the cost of potential wastewater treatment options, and other factors, the Town may ultimately consider closing the facility.

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

### **LITIGATION**

There are various claims and suits pending against the Town that arise in the normal course of the Town's activities. In the opinion of Town officials there is no litigation pending against the Town which, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the Town's financial position or its ability to meet its debt service obligations.

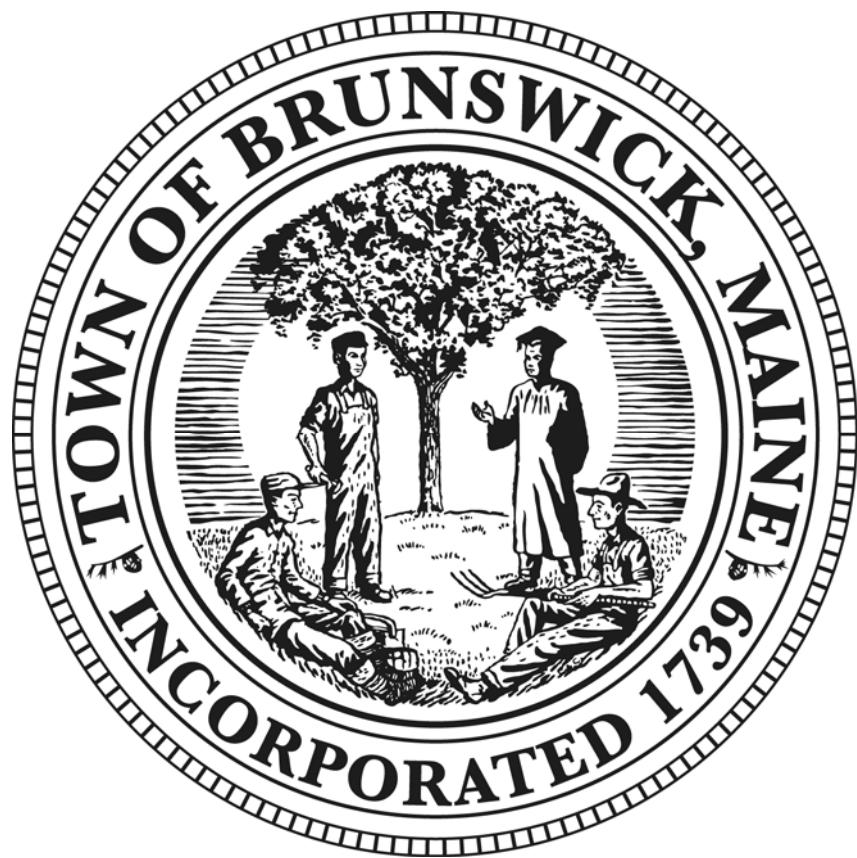
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## **APPENDIX A**

**TOWN OF BRUNSWICK, MAINE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2013**

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# **TOWN OF BRUNSWICK, MAINE**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2013**



**TOWN OF BRUNSWICK, MAINE**  
**Comprehensive Annual Financial Report**  
**Year ended June 30, 2013**

Prepared by:  
Town of Brunswick  
Department of Finance



Town of Brunswick, Maine  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2013

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## **INTRODUCTORY SECTION**





# Town of Brunswick, Maine

INCORPORATED 1739

## OFFICE OF THE FINANCE DIRECTOR

28 FEDERAL STREET

BRUNSWICK, MAINE 04011-1583

TELEPHONE 207-725-6652

FAX 207-725-4107

November 15, 2013

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.

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, 2013. The goal of an independent audit is to provide reasonable assurance that the basic financial statements are free of material misstatement. Runyon Kersteen Ouellette has issued an unmodified opinion on the Town of Brunswick's basic financial statements indicating that, in its opinion, the basic financial statements are fairly presented in all material respects, in conformity with accounting principles generally accepted in the United States. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. 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 1<sup>st</sup>. 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. For financial reporting purposes, BDC is a component unit of the Town of Brunswick and its financial statements are included in this report.

### ***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 Health Services 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. 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. 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 expects to compete for the modernization 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. Currently, all three ships of the DDG-1000 class are under construction at BIW.

Given the restart of the DDG-51 program and changes related to the DDG-1000 program, BIW expects its employment levels to remain relatively stable for the next several years. However, the US Navy's procurement plans are always subject to change and those changes could adversely impact BIW and its employees. BIW continues to look for opportunities to diversify its work beyond Navy contracts.

*Mid Coast Health Services.* Mid Coast Health Services (MCHS) is a community, non-profit, health care organization providing a continuum of care through its affiliated organizations. With more than 1,600 employees, MCHS is the largest employer in Brunswick and the third largest employer in the labor market area. In 2009, MCHS completed a major expansion of Mid Coast Hospital that added approximately 50,000 square feet to the Mid Coast Hospital. In 2011, MCHS opened treatment facilities in leased space at Brunswick Station in downtown Brunswick.

*Bowdoin College.* Bowdoin College (Bowdoin or College) is an undergraduate liberal arts college located in Brunswick. Bowdoin employs approximately 970 full-time equivalent (FTE) employees, including 200 FTE faculty members. For the most recent tax year, Bowdoin was the Town of Brunswick's 10<sup>th</sup> largest property taxpayer. The College is also a major tenant at Brunswick Station, leasing space for

classrooms, offices, and a bookstore. Over the past few years, Bowdoin has completed a number of building and facilities improvements.

*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 is the name given to 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. 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. Several facilities have been renovated and others are have been constructed. The Master Plan along with information regarding the impact of NASB's closure, and MRRA's redevelopment efforts 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 June 2012, the Town Council voted to establish a subcommittee to re-work the capital planning process. The subcommittee presented the results of its work, and a new CIP policy, new procedures, and a revised document format were adopted by the Council in February 2013. The new policy made several changes to the content and format of the Town's capital improvement program. Perhaps most significantly, the new policy requires that projects be separated into four categories to clearly identify those projects 1) the Town intends to finance, 2) those that are still under development, 3) those to be accomplished with non-Town resources, and 4) those not recommended. Further, the new policy requires that items to be included in the CIP have a value greater than \$100,000 and those recommended to be funded with debt have a value greater than \$325,000. All items require a minimum life of five years. Finally, the policy requires that the CIP be developed in the fall so that it will be completed ahead of the development of the annual municipal budget.

The CIP for fiscal years ending 2014-2018 recommended funding projects totaling \$22,541,512, with \$4,200,000 to be financed with debt. Projects in development (those that may eventually be considered for funding) totaled \$46,698,000. 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.

### ***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. For the year ended June 30, 2013, the amount of unassigned fund balance was \$10,001,974 or 18.6% of general fund revenues. The policy requires that funds in excess of the target to be used for capital or other one-time expenditures.

## ***Major initiatives***

***Police Station.*** After months of work by the Police Station Building Committee, the Town Council, on July 9, 2012, adopted a bond ordinance authorizing the issuance of up to \$5.5 million in bonds, and other funding, to finance the construction of a new police station. On October 15, 2012, the Town Council, in order to acquire property for the new police station, authorized a non-monetary exchange with Brunswick Development Corporation (BDC). Under the terms of the agreement with BDC, the Town exchanged the municipal building and site at 28 Federal Street for property owned by the BDC located at the corner of Pleasant and Stanwood streets. Construction of the new police station began in December 2012 and the building was substantially completed and occupied in September 2013.

***Municipal Facilities.*** At the end of 2011, the Town and Bowdoin College completed a real estate exchange in which the Town acquired Bowdoin's McLellan Building at 85 Union Street and the College acquired the former Longfellow School. Recently, the Town hired an architect and a construction manager to design renovations to the McLellan Building so that it could become the Town's new municipal building. In addition to allowing additional space for the administrative functions currently housed at 28 Federal Street, the renovations will also allow the Town to bring other functions currently housed in leased spaces, (i.e. meeting facilities, television studio, and general assistance offices) to the renovated facility. Work on the renovations is anticipated to start in early 2014. Preliminary estimates contained in the adopted CIP pegged the cost of the renovations at \$800,000, all of which was expected to be financed through the issuance of debt. Recently the Town has discussed other funding options in combination with or in lieu of debt. In accordance with the agreement, Bowdoin may occupy, rent-free, the third floor of the McLellan Building until 2024. Bowdoin has recently begun renovations to the third floor.

***Recreation Facilities.*** With the closure of Brunswick Naval Air Station (BNAS), the Town asked that the Navy fitness center (a.k.a. Building 211) be given to the Town. The Town's request was approved and, recently the property was conveyed. With acquisition of the fitness center assured, the Town Council voted to abandon the downtown recreation center. The Town has worked with the Brunswick Development Corporation (BDC) to sell the property to Coastal Enterprises, Inc. (CEI). CEI has executed an option to purchase the recreation center and the adjacent municipal building. Assuming it purchases the properties, CEI intends to raze the buildings and construct new office space.

In addition to the Navy fitness center, the Town also received approximately 591 acres of open space. The Town intends to use this land for conservation purposes and passive recreation.

***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 alternatives. 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 is entering phase III. Although no final decisions have been reached, the department has identified a number of options, including renovation and new construction. The department hopes to have its master plan completed by early 2014.

***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's inaugural run rolled into Brunswick Station on November 1, 2012. According to the Northern New England Passenger Rail Authority (NNEPRA), additional scheduled service could be provided to and from Brunswick if the proposed Downeaster layover facility is eventually constructed in Brunswick. NNEPRA's preferred location for the layover facility, known as Brunswick West, has been opposed by abutters and others who are worried about the facility's impact on their neighborhood. Initial

estimates of the facility's construction cost proved to be low but NNEPRA now claims to have sufficient funds and is moving forward with plans to construct the facility at Brunswick West.

*Brunswick Landing, Maine's Center for Innovation.* During the year, the Town and the Midcoast Regional Redevelopment Authority (MRRA) continued discussing collaborative approaches regarding the redevelopment of Naval Air Station Brunswick (NASB). The parties also resumed discussions about establishing tax increment financing (TIF) districts to assist MRRA's redevelopment efforts and businesses wishing to locate at Brunswick Landing. With a TIF, a portion of the property taxes paid could be used for infrastructure development or rebated directly to MRRA or others to assist in the funding of their projects.

In February 2012, the Town Council approved two TIF districts to support MRRA's redevelopment efforts. However, taxes captured in a TIF cannot be spent without an approved development program. After failing to reach agreement on the development programs, the Town Council voted to terminate the two TIF districts. Conversations about re-establishing TIFs at Brunswick Landing resumed late in 2012 and culminated in March 2013 with the adoption of essentially the same two TIF districts that had been terminated. The Town and MRRA then resumed discussions regarding the details of the development programs, including the most critical component of the programs - the amount of tax revenue that would be provided to MRRA to assist its redevelopment activities. The Town approved the two TIF development programs in July 2013. Recently, the Maine Department of Economic and Community Development (DECD) gave final approval to the TIF development programs, meaning that the plans may now be implemented.

In December 2012, the Town of Brunswick adopted the "Mölnlycke Manufacturing Municipal Development and Tax Increment Financing District." Part of the TIF revenues will be used to assist Mölnlycke in constructing and equipping a 79,600 square foot manufacturing facility. Mölnlycke Health Care is a world-leading manufacturer of single-use surgical and wound products. MRRA projects the Mölnlycke project will add approximately 100 jobs at Brunswick Landing.

*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 one of the waivers it sought, as specifically identified in its 2004 license, was 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. Most of the Town's violations occur in the cold weather months. The experimental facility was not completed early enough to allow sufficient time to assess the facility's effectiveness in cold weather. The Town and DEP intend to monitor treatment through the upcoming winter (2013-14) to gather more reliable test data. Depending on its collaboration with DEP, the cost of wastewater treatment options, and other factors, the Town may ultimately consider closing the landfill. 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.

*Downtown Master Plan.* The Downtown Master Plan Committee (DMPC) continued work on an update to the Town's Downtown Master Plan. The updated plans would be implemented, in part, through *The Brunswick Downtown Municipal Development and Tax Increment Financing District* (Downtown TIF). The

committee held several sessions seeking public input and reaction to concepts that would significantly alter traffic patterns and make pedestrian-related and other improvements in the downtown.

*Bond Issues and Debt Authorization.* During the fiscal year ended June 30, 2013, the Town authorized and issued \$5,500,000 in debt for the design and construction of a new police station. The Town continues to enjoy an AA rating with Standard and Poor's and an Aa2 rating with Moody's Investors Service.

#### ***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, 2012. 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 efficient and dedicated services of the entire Finance Department. Special recognition goes to Julie Henze for her dedication and effort in preparing this report. Also appreciated are the efforts of Runyon Kersteen Ouellette for its assistance in the review of this report.

Respectfully submitted,

*John S. Eldridge*

John S. Eldridge, 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

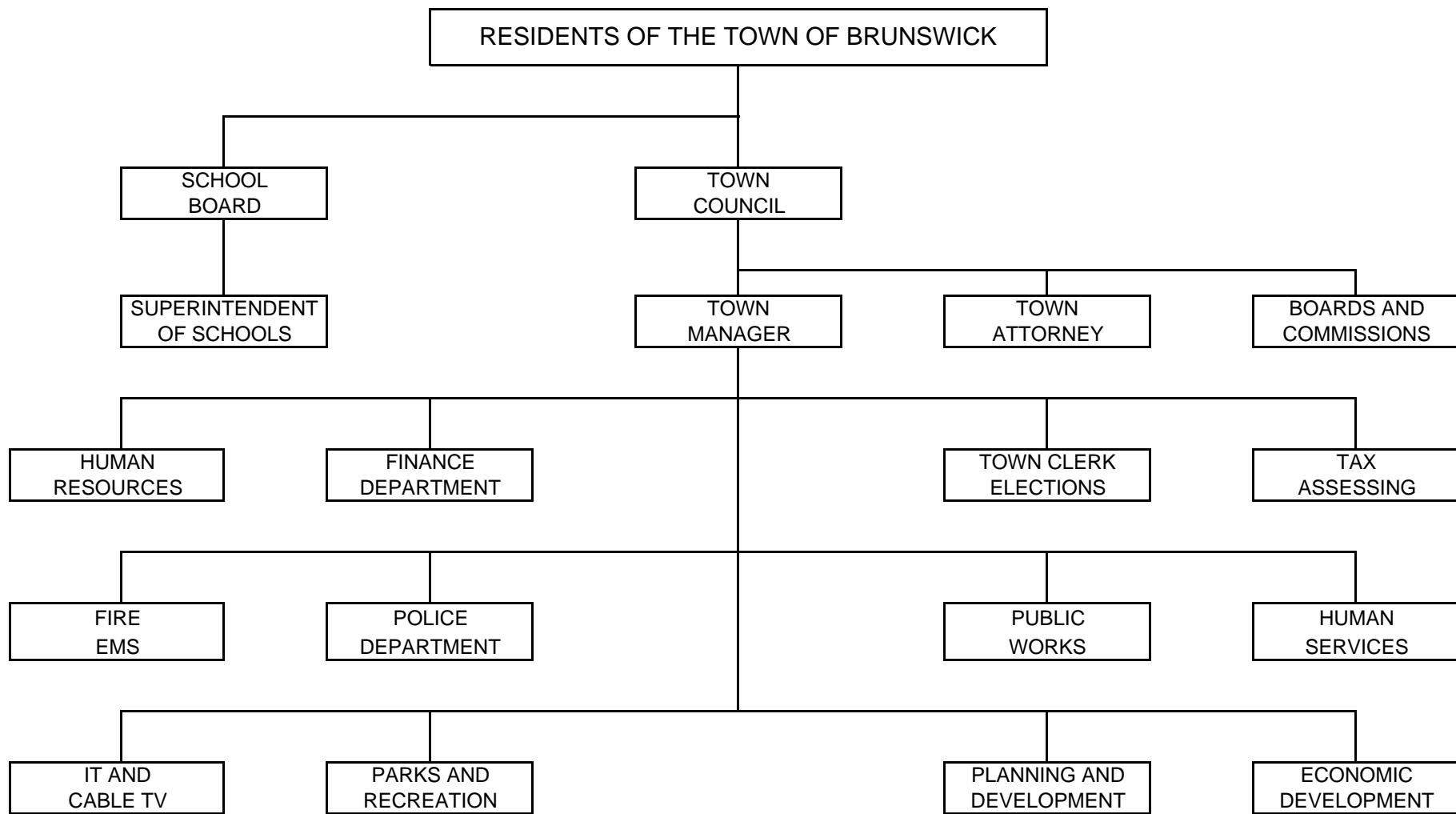
**June 30, 2012**

A handwritten signature in black ink, appearing to read "Jeffrey R. Ecker".

Executive Director/CEO



## TOWN OF BRUNSWICK, MAINE ORGANIZATIONAL CHART



TOWN OF BRUNSWICK, MAINE

LIST OF ELECTED AND APPOINTED OFFICIALS

June 30, 2013

Elected Officials

|                             |            |                      |
|-----------------------------|------------|----------------------|
| Council Member - District 3 | Chair      | Suzan Wilson         |
| Council Member - District 6 | Vice Chair | Margo H. Knight      |
| Council Member - District 1 |            | W. David Watson      |
| Council Member - District 2 |            | Benjamin J. Tucker   |
| Council Member - District 4 |            | John M. Perreault    |
| Council Member - District 5 |            | Gerald E. Favreau    |
| Council Member - District 7 |            | Sarah Brayman        |
| Council Member - At large   |            | John Richardson, Jr. |
| Council Member - At large   |            | E. Benet Pols        |

Appointed Officials

|                                      |                     |
|--------------------------------------|---------------------|
| Town Manager                         | Gary L. Brown       |
| Town Attorney                        | Patrick J. Scully   |
| Director of Finance                  | John S. Eldridge    |
| Assessor                             | Cathleen M. Donovan |
| Town Clerk                           | Frances M. Smith    |
| Director of Planning and Development | Anna M. Breinich    |
| Fire Chief                           | Kenneth Brillant    |
| Police Chief                         | Richard J. Rizzo    |
| Director of Public Works             | John A. Foster      |
| Director of Parks and Recreation     | Thomas M. Farrell   |
| Superintendent of Schools            | Paul Perzanowski    |

## **FINANCIAL SECTION**



## Independent Auditor's Report

Audit 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Brunswick, Maine, as of and for the year ended June 30, 2013, 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 of 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 required 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Brunswick, Maine as of June 30, 2013, 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 and the Postemployment Healthcare Benefit – Schedule of Funding Progress, 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 nonmajor 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 nonmajor 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Audit 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 November 15, 2013 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.



November 15, 2013  
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, 2013. 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, 2013, the Town of Brunswick's total net position increased by \$2,022,266, to total \$65,651,893. Of this amount, \$6,313,951 is classified as *unrestricted net position* that may be used to meet the Town's on-going obligations.
- Net investment in capital assets increased by \$2,372,891, while in total the other categories of net position decreased by \$350,625.
- Outstanding long-term principal debt increased by \$2,771,887. Of this amount, \$5,500,000 was attributable to new debt issued, offset by \$2,728,113 in debt retirement.
- Governmental funds reported combined ending fund balances of \$23,559,733, an increase of \$997,939 from the previous fiscal year. The increase is largely the result of receiving bond proceeds during the fiscal year.
- The unassigned fund balance for the General Fund at June 30 was \$10,001,974. The Town's policy is to maintain the unassigned fund balance at 16.67% of revenues. At June 30, 2013, this portion of the fund balance is approximately 19.15% and 18.60% of the total General Fund expenditures and revenues, respectively.

### 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 intergovernmental. 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 include not only the Town of Brunswick (the *primary government*) but also the legally separate Brunswick Development Corporation (BDC) (the *component unit*). Because of “financial accountability,” financial reporting standards require the inclusion of a component unit’s information within a primary government’s financial report despite the separate legal status. The BDC’s financial information is reported separately from the Town of Brunswick’s. The government-wide financial statements can be found on pages 32 & 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 eighteen 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, the Downtown Development TIF District Fund, the Police Station Building Fund and the School Restricted Fund, all of which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 32-39 of this report. Individual fund data for each of the non-major governmental funds is provided in *combining statements* found on pages 82-91 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 94-96.

**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 an agency fund. The private purpose trust funds report on scholarships, gifts to the library, resources available to the Village Improvement Association, and awards for participation in recreation programs. The agency fund reports on money held for the benefit of Brunswick student activities. 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 & 46 of this report. The combining statements can be found on pages 98-104.

**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* concerning the Town's progress in funding its other than pension postemployment benefits (OPEB) obligations. Required supplementary information can be found on page 79 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 82-104 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 exceeded liabilities by \$65,651,893 at the close of the most recent fiscal year which is an increase of \$2,022,266 during the fiscal year. The Town is able to report positive balances in all three categories of net position, (net investment in capital assets, restricted and unrestricted) for the government as a whole.

#### Town of Brunswick's Net Position

|                                   | Governmental activities |                     | Business-type activities |                       | Total               |                      |
|-----------------------------------|-------------------------|---------------------|--------------------------|-----------------------|---------------------|----------------------|
|                                   | 2013                    | 2012                | 2013                     | 2012                  | 2013                | 2012                 |
| Current and other assets          | \$29,090,362            | \$27,190,434        | \$ 2,189,221             | \$ 1,897,393          | \$31,279,583        | \$ 29,087,827        |
| Capital assets                    | 76,183,251              | 72,208,779          | 2,432,176                | 2,525,417             | 78,615,427          | 74,734,196           |
| <b>Total assets</b>               | <b>105,273,613</b>      | <b>99,399,213</b>   | <b>4,621,397</b>         | <b>4,422,810</b>      | <b>109,895,010</b>  | <b>103,822,023</b>   |
| Deferred outflows of resources    | 8,594                   | 34,376              | -                        | -                     | 8,594               | 34,376               |
| Long-term liabilities outstanding | 32,594,652              | 29,648,235          | 6,632,862                | 6,567,978             | 39,227,514          | 36,216,213           |
| Other liabilities                 | 4,945,453               | 3,883,823           | 78,744                   | 126,736               | 5,024,197           | 4,010,559            |
| <b>Total liabilities</b>          | <b>37,540,105</b>       | <b>33,532,058</b>   | <b>6,711,606</b>         | <b>6,694,714</b>      | <b>44,251,711</b>   | <b>40,226,772</b>    |
| Net position                      |                         |                     |                          |                       |                     |                      |
| Net investment                    |                         |                     |                          |                       |                     |                      |
| in capital assets                 | 47,805,066              | 45,338,934          | 2,432,176                | 2,525,417             | 50,237,242          | 47,864,351           |
| Restricted                        | 9,100,700               | 9,412,416           | -                        | -                     | 9,100,700           | 9,412,416            |
| Unrestricted                      | 10,836,336              | 11,150,181          | (4,522,385)              | (4,797,321)           | 6,313,951           | 6,352,860            |
| <b>Total net position</b>         | <b>\$67,742,102</b>     | <b>\$65,901,531</b> | <b>\$ (2,090,209)</b>    | <b>\$ (2,271,904)</b> | <b>\$65,651,893</b> | <b>\$ 63,629,627</b> |

By far the largest portion of the Town's net position, \$50,237,242 or 76.52%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related

outstanding debt used to acquire those assets (i.e. net investment in capital 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, \$9,100,700 or 13.86% of the Town of Brunswick's net position represents resources that are restricted, meaning they are subject to external restrictions on how they may be used. The remaining balance, unrestricted net position, \$6,313,951 or 9.62%, may be used to meet the Town's obligations.

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

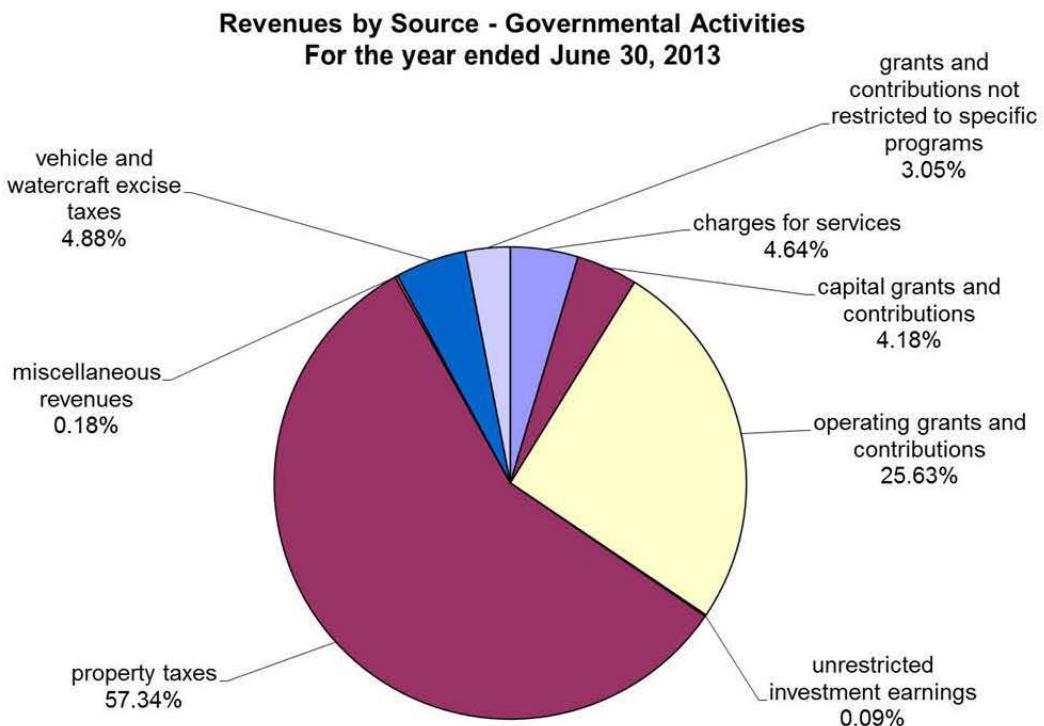
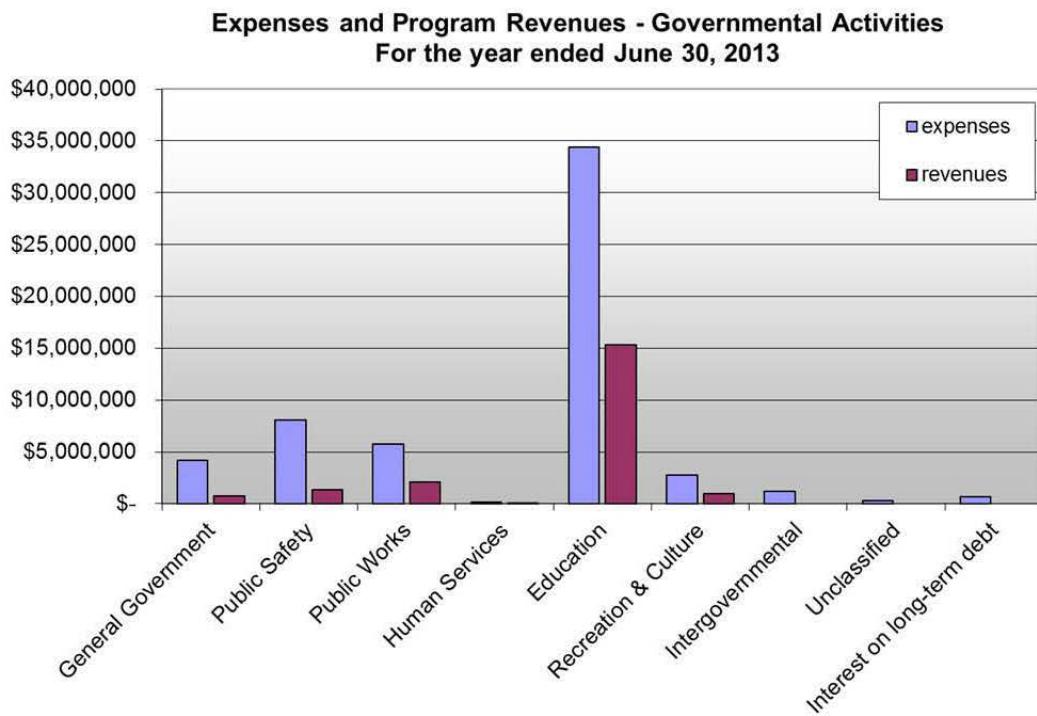
|   | Governmental               |                            | Business-type               |                             | Total                      | Total                      |
|---|----------------------------|----------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|
|   | activities                 | 2013                       | activities                  | 2012                        |                            |                            |
| <b>Revenues:</b>  |                            |                            |                             |                             |                            |                            |
| Program revenues  |                            |                            |                             |                             |                            |                            |
| Charges for services  | \$ 2,760,239               | \$ 2,567,678               | \$ 656,059                  | \$ 690,987                  | \$ 3,416,298               | \$ 3,258,665               |
| Operating grants and contributions  | 15,249,827                 | 18,275,484                 | 44,000                      | 44,000                      | 15,293,827                 | 18,319,484                 |
| Capital grants and contributions  | 2,487,876                  | 247,704                    | 53,430                      | -                           | 2,541,306                  | 247,704                    |
| General revenues  |                            |                            |                             |                             |                            |                            |
| Property taxes  | 34,120,685                 | 31,373,355                 | -                           | -                           | 34,120,685                 | 31,373,355                 |
| Vehicle and watercraft excise taxes   | 2,904,995                  | 2,653,928                  | -                           | -                           | 2,904,995                  | 2,653,928                  |
| Grants and contributions not restricted to specific programs                  | 1,815,749                  | 1,791,677                  | -                           | -                           | 1,815,749                  | 1,791,677                  |
| Unrestricted investment earnings  | 55,750                     | 27,287                     | 189                         | 84                          | 55,939                     | 27,371                     |
| Other   | 3,261                      | 365,434                    | -                           | -                           | 3,261                      | 365,434                    |
| Total revenues  | <u>59,398,382</u>          | <u>57,302,547</u>          | <u>753,678</u>              | <u>735,071</u>              | <u>60,152,060</u>          | <u>58,037,618</u>          |
| <b>Expenses:</b>  |                            |                            |                             |                             |                            |                            |
| General government  | 4,144,050                  | 4,414,316                  | -                           | -                           | 4,144,050                  | 4,414,316                  |
| Public safety   | 8,095,189                  | 7,650,053                  | -                           | -                           | 8,095,189                  | 7,650,053                  |
| Public works  | 5,740,333                  | 4,991,362                  | -                           | -                           | 5,740,333                  | 4,991,362                  |
| Human services  | 154,429                    | 168,829                    | -                           | -                           | 154,429                    | 168,829                    |
| Education   | 34,366,120                 | 34,590,451                 | -                           | -                           | 34,366,120                 | 34,590,451                 |
| Recreation & culture  | 2,749,776                  | 2,619,742                  | -                           | -                           | 2,749,776                  | 2,619,742                  |
| Intergovernmental   | 1,183,264                  | 1,187,020                  | -                           | -                           | 1,183,264                  | 1,187,020                  |
| Unclassified  | 281,424                    | 296,682                    | -                           | -                           | 281,424                    | 296,682                    |
| Interest on long-term debt  | 698,508                    | 785,569                    | -                           | -                           | 698,508                    | 785,569                    |
| Solid waste facilities  | -                          | -                          | 614,661                     | 876,942                     | 614,661                    | 876,942                    |
| Pay-per-bag program   | -                          | -                          | 80,200                      | 80,969                      | 80,200                     | 80,969                     |
| Wastewater treatment  | -                          | -                          | 42,114                      | 39,636                      | 42,114                     | 39,636                     |
| Train station   | -                          | -                          | 85,008                      | 58,137                      | 85,008                     | 58,137                     |
| Total expenses  | <u>57,413,093</u>          | <u>56,704,024</u>          | <u>821,983</u>              | <u>1,055,684</u>            | <u>58,235,076</u>          | <u>57,759,708</u>          |
| <b>Increase (decrease) in net position before special items and transfers</b> |                            |                            |                             |                             |                            |                            |
| Special items   | 105,282                    | 267,920                    | -                           | -                           | 105,282                    | 267,920                    |
| Transfers   | (250,000)                  | (205,000)                  | 250,000                     | 205,000                     | -                          | -                          |
| Increase (decrease) in net position   | <u>1,840,571</u>           | <u>661,443</u>             | <u>181,695</u>              | <u>(115,613)</u>            | <u>2,022,266</u>           | <u>545,830</u>             |
| Net position beginning of year  | <u>65,901,531</u>          | <u>65,240,088</u>          | <u>(2,271,904)</u>          | <u>(2,156,291)</u>          | <u>63,629,627</u>          | <u>63,083,797</u>          |
| Net position end of year  | <u><u>\$67,742,102</u></u> | <u><u>\$65,901,531</u></u> | <u><u>\$(2,090,209)</u></u> | <u><u>\$(2,271,904)</u></u> | <u><u>\$65,651,893</u></u> | <u><u>\$63,629,627</u></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 and special items increased the Town of Brunswick's total net position by \$1,840,571. This increase was \$1,179,128 higher than the increase reported at the end of the previous fiscal year. The following points highlight the significant changes compared with changes that occurred in the previous year:

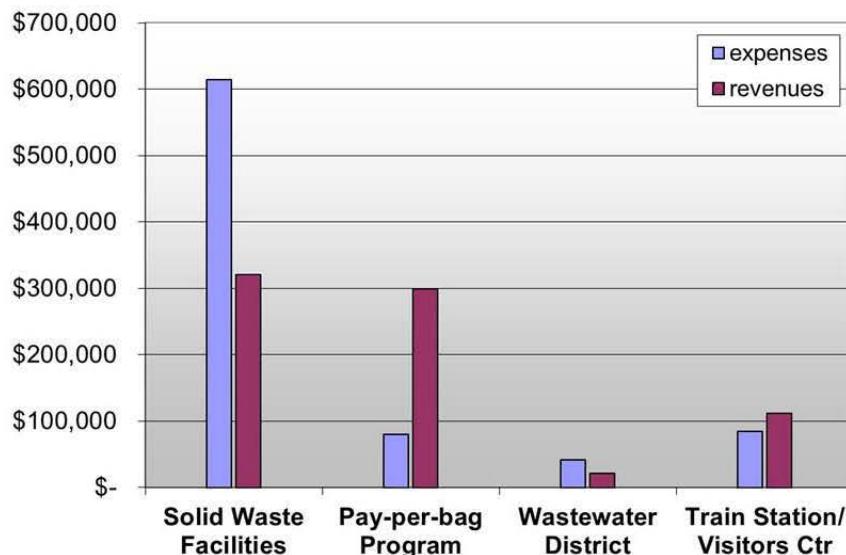
- Property tax revenue, the Town's largest revenue, increased by \$2,747,330 or approximately 8.8%. Property taxes made up 57.44% of the total revenue, up from 54.75% of the total in the previous year. This percentage change was largely the result of a 5.15% increase in the tax rate as well as decreases in operating grants and contributions revenue as described below.
- Charges for services revenue increased by \$192,561. The largest contributor to this increase was in School Department special education revenues, resulting from an increase in the number of eligible students. Ambulance service fees, building permits and planning board application fees also increased from the previous year. The building and development activity was primarily seen at the former Naval Air Station Brunswick, and at Bowdoin College. Offsetting these increases was a continued decrease in tuition revenue. Prior to a state law that required school districts to consolidate, the vast majority students residing in the town of Durham attended Brunswick High School as tuition students. Most Durham students now attend Freeport High School.
- Operating grants and contributions decreased by \$3,025,657. This decrease was anticipated as it primarily resulted from reductions in state and federal aid to education. Enrollment in Brunswick schools declined with the closure of Naval Air Station Brunswick (NASB). In large part, state education aid is predicated on student enrollment. Further, federal impact aid decreased as it is contingent on the number of federal dependents attending local schools. Additionally, in the previous year the Town had recognized several Community Development Block Grant awards connected to the redevelopment of the former NASB.
- Capital grants and contributions increased by \$2,240,172. This increase is primarily due to the Town's acceptance of several parcels of recreation land, and residential streets and sidewalks in the former Navy housing complex. These additions were all associated with the closure of the former Brunswick Naval Air Station.
- Investment income revenues increased by \$28,463. The Town's cash and cash equivalents continued to be invested in conservative, low-yielding instruments, but yields were beginning to climb slightly from the lows of previous years.
- Special items were \$162,638 less than the prior year. The amount of \$105,282 was recognized in the property exchange between the Town and Brunswick Development Corporation.
- Transfers out to business-type activities were \$45,000 more than the previous year. This reflects the additional General Fund subsidy of the train station to cover increased operational costs associated with the arrival of the Amtrak Downeaster service.

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

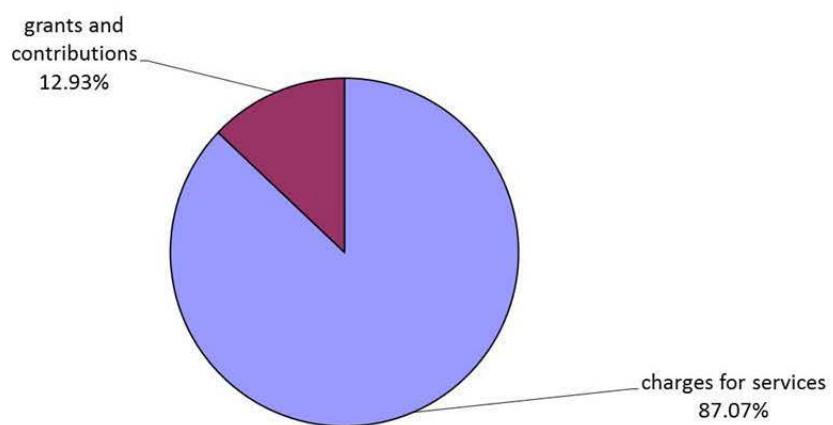


**Business-type activities.** The Town's business-type activities consist of four enterprise funds, one major fund accounting for its solid waste facilities, and three non-major funds, including the pay-per-bag program, a small wastewater district and the train station/visitors center. The following 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, 2013



**Revenues by Source - Business-type Activities**  
For the year ended June 30, 2013



The Town's business-type activities increased the Town's total net position by \$181,695. This was a result of decreases in the Solid Waste Facilities Fund and Mere Point Wastewater District of \$93,461 and \$20,440 respectively, offset by increases in the Pay-per-bag Program Fund and the Train Station/Visitors Center Fund totaling \$295,596.

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, 2013, the landfill experienced a \$293,508 operating loss. This was largely due to costs associated with sampling and testing, as well as continued negotiations with the Maine Department of Environmental Protection (DEP) to resolve wastewater discharge and other violations. In addition, the Town recognized expenses in anticipation of estimated closure and post closure costs. For the year ended June 30, 2013, the Town had estimated eventual landfill closure costs of \$6,300,000 and post closure costs of \$2,135,000. For the fiscal year, the amount of expense related to closure and post closure was \$63,621.

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 2013 budget included a \$200,000 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, 2013 the Pay-per-bag Program Fund had net position of \$1,610,788.

The Town's Mere Point Wastewater District also experienced an operating loss. Most of this loss was anticipated as the district user fees do not attempt to recover depreciation expenses. If depreciation was excluded, the fund would have experienced a small operating gain as the remaining expenses were \$3,113 less than revenues. User fees for this fund have not changed since it was created in 1993. The rates are periodically reviewed as to both sufficiency and method of levy. The Town is also reviewing the estimated life of, and exploring potential upgrades to, these facilities.

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 Brunswick Development Corporation (BDC) provided a \$220,000 grant to the Town for the prepayment of all five years of the lease rent. In the year ending June 30, 2013, the Town recognized revenues and rent expenditures of \$44,000, corresponding to twelve months of the lease. By June 30, 2013, the Train Station/Visitor's Center Fund had a net position totaling \$108,518, with \$51,802 of this recorded as investment in capital assets. During the year, BDC contributed \$53,430 to the development of a long-term parking lot, built on land the Town has leased for five years. In the upcoming year, the Town expects to negotiate for the continued use of the train station space.

## **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 \$23,559,733. Of that amount, \$2,199,727 is classified as nonspendable. Another \$8,611,399 is restricted, \$2,566,294 is committed and \$1,824,835 is assigned.

The largest portion of the \$2,199,727 nonspendable fund balance consists of \$1,639,059 in advances; \$1,413,629 made by the General Fund and the Capital Improvements Fund to the Downtown TIF District Fund and \$225,430 made by the General Fund to school-related projects in the Capital Improvements Fund. Another \$489,301 is held in the permanent funds and \$71,367 is held in inventories and pre-paid items.

Of the \$8,611,399 in restricted fund balance, \$5,276,790, or approximately 61%, is restricted for education purposes. An additional \$2,874,831, or approximately 33%, 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 not 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, 2013, the targeted unassigned fund balance for the General Fund was \$8,964,699. At \$10,001,974 the actual unassigned fund balance was 18.60% of revenues, and \$1,037,275 over the target. As a percentage of expenditures, the unassigned fund balance was 19.15%.

The net change in the Town of Brunswick's total General Fund balance was a decrease of \$595,680. Budget factors in this reduction include:

- A budgeted reduction of \$4,586,000 to balance the 2012-13 budget.
- Supplemental appropriations of \$1,482,330 for various purposes.
- Encumbrances of \$81,587 that were carried forward and re-appropriated for 2012-13.

Factors resulting from actual results include:

- Total actual revenues exceeded the budget by \$1,442,906. Most revenue categories exceeded the budget.
- Total actual expenditures were less than the budget by \$3,354,934. Most expenditure lines were less than the budget.
- Net transfers between the General Fund and other funds had a positive variance of \$756,397 when measured against the budget.

The General Fund changes highlighted above are more thoroughly discussed later in this MD&A in the section entitled "General Fund Budgetary Highlights."

The Downtown TIF District Fund accounts for activities related to the "DEVELOPMENT PROGRAM FOR THE BRUNSWICK DOWNTOWN MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING

DISTRICT" adopted on March 1, 2010. As of June 30, 2013 the fund had a deficit balance of \$1,413,629, related to the cost of the Maine Street Station project (now Brunswick Station). Tax revenues generated by the development within the District will be captured and used to fund the activities of the Downtown Development Program.

The Police Station Building Fund had a fund balance of \$1,372,663 as of June 30, 2013. To finance the building project, the Town issued bonds totaling \$5,500,000 on June 27, 2013. The Police Station was completed and ready for occupancy by the end of September 2013 and the Town expects the project fund will be closed during the fiscal year ending June 30, 2014.

The School Restricted Programs Fund accounts for school department federal grants and other restricted program activities. This fund qualified as a major fund for the 2012-2013 fiscal year due to large intergovernmental receivables as of June 30, 2013. As anticipated, the grant funds were received during the months of July and August 2013.

**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 assets of \$6,234,727. The Pay-per-bag Program Fund had unrestricted net position of \$1,610,788. The unrestricted net position of the Mere Point Wastewater District Fund amounted to \$44,838. The Train Station/Visitors Center Fund had unrestricted net position of \$56,716. 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 \$206,500 were made from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations. These adjustments were:

- \$147,000 for Administration. The largest portion of the amount transferred was for legal fees. The unanticipated legal fees were largely the result of lobbying efforts and work on tax increment financing arrangements. Although the legal fees were higher than originally budgeted, the amount transferred could have been lower by approximately \$50,000.
- \$30,000 for Central Garage. Funds were used to cover costs resulting from unanticipated vehicle repairs.
- \$29,500 for several smaller transfers for a variety of purposes.

The other difference between the original and final budgets results from supplemental appropriations made during the year. These differences total \$3,465,080. Of that amount, \$2,445,000 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-of amount increases both the revenue and expenditure budgets. The remaining \$1,020,080 represents supplemental appropriations from the unrestricted General Fund balance for a variety of purposes. Since they are made from fund balance, there is no increase in the revenue budget; only the expenditure budget is increased. The supplemental appropriations for the year are summarized as follows.

- \$500,000 to fund costs relating to the reconstruction of College Street.

- \$345,580 to fund replacement of two ambulances.
- \$174,500 to fund the second phase of a master plan for the School Department.

Supplemental appropriations totaling \$174,500 were part of the assigned fund balance at June 30, 2012. These appropriations funded the school master plan. The two remaining supplemental appropriations funded unanticipated expenditures totaling \$845,580 and were made from unassigned fund balance.

Capital Budget

Beginning with the budget process for the fiscal year ended June 30, 2013, the Town Council adopted a capital budget in conjunction with the operating budget. The capital budget authorized the use of unassigned General Fund balance totaling \$362,250 and is shown as a supplemental appropriation to distinguish it from the operating budget. The capital budget funded the following projects:

- \$15,000 to fund building upgrades at the Curtis Memorial Library.
- \$37,000 to fund engineering and design costs in preparation for the reconstruction of College Street.
- \$65,000 to fund replacement of eight voting machines. (the appropriation subsequently lapsed as the State and Town have opted to the lease new machines).
- \$115,250 to fund the conversion of public safety and public works radios to the required standard.
- \$130,000 to fund the Town's share of the replacement of the bike/pedestrian bridge.

The capital budget also authorized, in a supplemental appropriation, the use of restricted General Fund balance – State Highway Grant Funds for the following project:

- \$100,000 to fund the widening and reconfiguration of Stanwood Street at the Stanwood/Pleasant Street intersection.

Revenues - actual vs. final budget

For the year, actual revenues exceeded budgeted revenues by \$1,442,906. The following paragraphs discuss the various components of this variance.

In total, actual tax revenues exceeded the budget by \$1,241,283. 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 \$540,613 more property tax revenue than projected. Originally, most of the additional property tax revenue was to be captured in two TIF districts at the former naval air station. However, the Town terminated those two districts just prior to the property tax levy. Additionally, the actual amount of property tax deferred was less than budgeted by \$252,685. Supplemental tax assessments were \$4,792 more than budgeted. Payments in lieu of taxes were approximately \$30,751 greater than budgeted. The actual amount of tax abatements granted was \$38,426 less than budgeted and interest on delinquent taxes was \$14,908 more than budgeted. Excise tax revenues were \$329,995 more than budgeted, because of better than expected collections on vehicles, as well as the unexpected collection of airplane excise tax. The airplane excise resulted in \$133,187 of unanticipated revenue, with one plane accounting for \$129,402. On a net basis, the remaining revenues of the tax revenues category were \$29,113 more than budgeted.

In total, actual license and permit revenues were \$90,892 more than the amount budgeted. The largest portion of this variance was in Codes Enforcement revenue where actual revenue was \$57,081 more than budgeted revenue because there was more new construction than anticipated, largely at Brunswick Landing and Bowdoin College. The Planning Department's revenues were also more than projected by \$20,248, reflecting more development activity than anticipated. The Town Clerk's revenue exceeded projections by \$11,167 because of better than anticipated fee revenue from the issuance of vital record

copies, marriage licenses and burial permits. The remaining revenues of this category were a total of \$2,396 more than budgeted.

Actual intergovernmental revenues were less than the budget by \$285,280. State aid to education was \$572,589 lower than the amount budgeted. This was due primarily to a \$338,993 reduction in Medicaid revenue, and a \$235,565 State budget curtailment, combined with other minor adjustments. Offsetting that revenue reduction was \$144,683 in unanticipated federal aid received by the School Department. Federal impact aid to education for Brunswick is computed using a formula that multiplies the qualifying student population times rates established by the federal government. As Brunswick's qualifying federal students has declined with the withdrawal of families stationed at Naval Air Station Brunswick (NASB), the school department estimated no federal revenues when preparing the 2012-13 budget. During the 2012-13 fiscal year the Town received funds that were awarded based on activities that occurred in prior years. NASB was officially closed in May 2011.

As part of the total intergovernmental revenues referenced in the preceding paragraph, the Town had several other revenues that exceeded the budget. The Town received approximately \$89,370 in unanticipated federal emergency management disaster assistance for a severe winter storm and flooding in February 2013. State revenue sharing exceeded estimates by \$46,775. Because this revenue is primarily dependent on state income and sales tax collections and because in recent years the State has re-directed funds that normally would have deposited to the revenue sharing pool, the Town is generally conservative when budgeting this source. The Town also received \$13,105 more than anticipated in state tax exemption reimbursement. State general assistance reimbursement and highway grant funds were less than budgeted by \$11,711 and \$6,456 respectively. 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 more than budgeted by \$11,543.

Actual charges for services exceeded the budget by \$264,627. The largest portion of this variance was \$161,229 in tuition and transportation revenues received by the school department. Most of that is attributable to tuition received for non-resident students attending Brunswick High School. As the result of school consolidation, the towns of Freeport, Durham and Pownal formed Regional School Unit 5 (RSU 5). Most of Brunswick's tuition students have come from Durham since it has no high school. Brunswick anticipates that the number of Durham students attending Brunswick High School will continue to decline as Durham students are expected to attend Freeport High School. As a consequence, Brunswick continues to conservatively estimate tuition revenues. Additionally, greater than anticipated emergency medical service fees resulted in a positive variance of \$89,337. Due to ongoing changes in Medicare/Medicaid reimbursements, the Town is conservative when budgeting this source. The remaining variances in this category result in a net positive variance of \$14,061.

Fines and penalties collected were more than budgeted by \$18,606. Parking tickets and other police department fines exceeded the budget by \$18,956. The increase was due largely to more aggressive enforcement of parking regulations in the downtown area. Fire department permits were \$950 less than anticipated, while unlicensed dog fines brought in \$600 more than budgeted.

Interest on investments fell short of the budget estimate by \$80,823. This was largely the result of interest rates that continued to remain low. The Town also continued to be invested in conservative instruments with low yields.

Finally, the other revenues category exceeded the budget by \$193,601. The largest portion of that variance, \$117,380, is attributable to miscellaneous school department revenues. Non-school miscellaneous revenues were more than the budget by \$41,235. Cable TV franchise fees exceeded the budget by \$24,052. The net of the other revenues in this category was more than budgeted by \$10,934.

#### 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 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. Again, 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 did authorize minor over-expenditures for a few budget items. These over-expenditures totaled \$18.

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

Unbudgeted transfers into the general fund totaled \$756,397. Included was \$334,253 from the special revenue fund used to account for the operations of the former Times Record building. After the building was demolished the balance in the fund was transferred to the general fund. Other balances from completed capital projects included \$228,117 from other road reconstruction funds, \$107,443 from the bike/pedestrian bridge project, \$65,000 from voting machines, and \$21,584 from the Bath Road reconstruction project.

### **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, 2013 amounts to \$78,615,427, 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 increase in the Town's investment in capital assets for the current fiscal year was just over 5%. A small decrease in business-type capital activity was offset by an increase in governmental capital asset activities. Major capital asset events during the current fiscal year are listed below.

- Land additions totaled \$700,262 during the year. The largest component of this was \$230,562 for the land at the site of the new police station. An additional \$201,000 was recognized with the acceptance of three park parcels within the McKeen Street housing development, and \$101,000 was associated with acquisition of the former US Navy radio transmitter site. Other additions totaling \$167,700 were parcels contributed to the Town for recreation purposes.
- A variety of construction projects were in progress at the conclusion of the year. The cost of this construction in progress totaled \$4,682,223, with the major component being the new police station building at \$4,234,911. The Rossmore Road and College Street projects were in progress on June 30, 2013 at a cost of \$237,295 and \$177,637 respectively. Two additional projects totaled \$32,380.
- Additions to building assets totaled \$91,716. These were all at the School department, and primarily consisted of climate control and security components installed in the school buildings.
- Improvements other than buildings totaling \$57,913 were added during the year. The additions consisted of \$37,614 for a dog park, \$9,000 for an outdoor basketball court, and \$11,299 for fencing and walls on the site of the Harriet Beecher Stowe Elementary School and the Coffin School.
- Machinery and equipment additions totaled \$61,796. The School department added a total of \$27,032, which included a security camera system at the Coffin School, and grounds maintenance equipment. Other additions included \$19,264 for municipal computer network equipment and \$15,500 for new telephones and business equipment.

- Vehicles were replaced in the Police, Fire, Public Works, Parks and Recreation, and School departments during the year, with the cost of new vehicles totaling \$308,192. Additions were \$131,801 for four new police cruisers and a truck for the animal control officer, \$83,835 for a school bus, \$33,390 for the chassis of an ambulance, \$31,322 for a Parks & Recreation pickup truck, and \$27,844 for a Public Works passenger vehicle and an equipment trailer.
- Governmental activities added infrastructure during the year totaling \$1,914,657. Most of this increase was due to the acceptance of three new streets in the housing development formerly occupied by the US Navy. Columbia Ave, with sidewalks and drainage, was valued at \$707,250. Emanuel Drive and Moore Avenue were valued at \$301,350 and \$297,250 respectively. The replacement of the bicycle/pedestrian bridge added \$372,557, and Brunswick Topsham Water District work on Green Street and Union Street totaled \$76,150 and \$90,450 respectively. Other additions, totaling \$69,650, included several sidewalk projects and a pedestrian crossing signal.

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        |                     | Business-type      |                    | <u>Total</u>        | <u>2012</u>         |
|--|---------------------|---------------------|--------------------|--------------------|---------------------|---------------------|
|  | <u>activities</u>   | <u>2013</u>         | <u>activities</u>  | <u>2012</u>        |                     |                     |
| <b>Capital assets not being depreciated:</b> |                     |                     |                    |                    |                     |                     |
| Land   | \$ 5,456,204        | \$ 4,755,942        | \$ 115,000         | \$ 115,000         | \$ 5,571,204        | \$ 4,870,942        |
| Construction in progress                     | 4,682,223           | 144,635             | -                  | -                  | 4,682,223           | 144,635             |
| Intangibles                                  | 200,000             | 200,000             | -                  | -                  | 200,000             | 200,000             |
| <b>Capital assets being depreciated:</b>     |                     |                     |                    |                    |                     |                     |
| Buildings                                    | 37,546,011          | 39,270,499          | 3,964              | 6,608              | 37,549,975          | 39,277,107          |
| Improvements other than buildings            | 2,013,494           | 2,196,267           | 1,919,354          | 1,959,770          | 3,932,848           | 4,156,037           |
| Machinery and equipment                      | 1,377,066           | 1,616,950           | 273,886            | 299,216            | 1,650,952           | 1,916,166           |
| Vehicles                                     | 2,177,097           | 2,134,595           | -                  | -                  | 2,177,097           | 2,134,595           |
| Intangibles                                  | 49,690              | 122,419             | 1,186              | 2,480              | 50,876              | 124,899             |
| Infrastructure                               | 22,681,466          | 21,767,472          | 118,786            | 142,343            | 22,800,252          | 21,909,815          |
| <b>Total</b>                                 | <b>\$76,183,251</b> | <b>\$72,208,779</b> | <b>\$2,432,176</b> | <b>\$2,525,417</b> | <b>\$78,615,427</b> | <b>\$74,734,196</b> |

Additional information on the Town of Brunswick's capital assets can be found in note IV.D on pages 61-63 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Brunswick had total bonded debt outstanding of \$30,211,025, all of which is general obligation debt.

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

|                                 | Governmental        |                     | Business-type     |             | <u>Total</u>        | <u>2012</u>          |
|---------------------------------|---------------------|---------------------|-------------------|-------------|---------------------|----------------------|
|                                 | <u>activities</u>   | <u>2013</u>         | <u>activities</u> | <u>2012</u> |                     |                      |
| <b>General obligation bonds</b> |                     |                     |                   |             |                     |                      |
| General obligation bonds        | \$ 30,211,025       | \$ 27,439,138       | \$ -              | \$ -        | \$ 30,211,025       | \$ 27,439,138        |
| <b>Total</b>                    | <b>\$30,211,025</b> | <b>\$27,439,138</b> | <b>\$ -</b>       | <b>\$ -</b> | <b>\$30,211,025</b> | <b>\$ 27,439,138</b> |

The amount of principal debt retired during the year totaled \$2,728,113. The amount issued during the year totaled \$5,500,000, which was used to fund the construction of a new police station. The Town's outstanding debt is rated "AA" by Standard and Poor's and "Aa2" by Moody's Investors Service. The agencies confirmed these ratings during their review of the June 2013 debt offering of \$5,500,000.

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 \$297,517,500, 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, 2012, the Town had debt authorized but not issued of \$187,000 to fund the purchase of an ambulance. On April 1, 2013, the Town Council authorized use of unassigned general fund balance for the ambulance purchase, and rescinded the authorization to issue debt for this purpose.

Additional information on the Town's long-term debt can be found in note IV.F on pages 66-67 of this report.

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

The one factor looming over every decision regarding the preparation and adoption of the 2013-14 municipal budget was Governor's LePage's proposed biennial budget for the State of Maine. Most troubling from a municipal perspective was the Governor's proposal to eliminate revenue sharing, a program by which, since 1972, the State has shared a portion of its income and sales tax revenues with municipalities in order to provide a measure of property tax relief. The proposal to eliminate revenue sharing follows several years during which the State transferred funds from the revenue sharing pool to its general fund. For the year ended June 30, 2013, almost 32% of the pool's fund was transferred. Still, Brunswick received \$1,496,775. Raising that amount from property taxes would have required a 4.5% increase in the property tax rate. Ultimately, the Legislature rejected the Governor's proposal to eliminate revenue sharing. However, the state budget finally adopted did reduce substantially the revenue sharing pool. With this reduction Brunswick anticipated that it would receive approximately \$448,000 less in the 2013-14 fiscal year. Further, the State budget requires additional reductions in revenue sharing in the second year of the biennium.

In addition to eliminating revenue sharing, the Governor also proposed flat funding of state aid to education and requiring that school units pay the normal cost of the teacher plan administered by the Maine Public Employees Retirement System (MainePERS). Teacher plan retirement costs have historically been funded by the State. Since an individual unit's state aid to education is distributed through a model known as Essential Programs and Services (EPS), a model that utilizes factors that change annually, flat funding in the aggregate does not mean that each unit will get the same amount it received last year. Under the Governor's budget proposal, Brunswick's estimated state aid to education was reduced by \$119,850. However, adding the teacher plan normal retirement cost was estimated to increase the expenditure budget by \$412,400, making the total effect of these proposals \$532,250.

The Governor's budget also contained other proposals that would have directly affected Brunswick's budget or its property taxpayers. The budget debates at the State House were long and contentious, complicating efforts to complete a municipal budget in a timely manner. It was not until July, well after Brunswick had adopted its municipal budget, that the Legislature overrode the Governor's veto and finally adopted the biennial State budget. With the state budget finalized, revenue sharing was reduced, but not eliminated. For Brunswick, the reduction is estimated at \$437,775. On a positive note, although the normal cost of teacher retirement must now be included in the local school budget, the State budget did increase the level of state aid to cover that cost. The State now estimates that in 2013-14 Brunswick schools will receive \$10,840,108, which is \$508,604 more than would have been received under the Governor's original proposal.

With the adoption of the State budget, Brunswick was forced to consider amendments to the municipal budget to adjust for the reduction in revenue sharing and the increase in education costs. The budgeted revenues and expenditures were amended on August 8<sup>th</sup>, without an additional increase in the property tax rate.

As in the previous two budgets, the 2013-14 municipal budget made significant use of reserves and one-time revenues. Even with these uses, the budget still required a property tax rate increase of 6.59%. This follows last year's rate increase of 5.15% and is the largest rate increase in more than 10 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, 28 Federal Street, Brunswick, ME 04011.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Net Position**  
**June 30, 2013**

**Statement 1**

|  | <b>Primary Government</b>      |                                 |                      | <b>Component Unit</b>                    |
|--|--------------------------------|---------------------------------|----------------------|--|
|  | <b>Governmental Activities</b> | <b>Business-type Activities</b> | <b>Total</b>         | <b>Brunswick Development Corporation</b> |
|  |                                |                                 |                      |  |
| <b>ASSETS</b>                                      |                                |                                 |                      |  |
| Cash and cash equivalents                          | \$ 25,189,867                  | \$ 2,001,772                    | \$ 27,191,639        | \$ 1,555,628                             |
| Receivables (net of allowance for uncollectibles): |                                |                                 |                      |  |
| Accounts   | 861,033                        | 61,802                          | 922,835              | -  |
| Taxes receivable - current year                    | 805,353                        | -                               | 805,353              | -  |
| Taxes receivable - prior year                      | 15,932                         | -                               | 15,932               | -  |
| Tax liens  | 264,646                        | -                               | 264,646              | -  |
| Intergovernmental                                  | 1,252,776                      | -                               | 1,252,776            | -  |
| Notes  | 77,938                         | -                               | 77,938               | 420,079                                  |
| Other  | -                              | -                               | -                    | 125,280                                  |
| Internal balances                                  | (3,603)                        | 3,603                           | -                    | -  |
| Deposits   | 51,236                         | -                               | 51,236               | -  |
| Inventories  | 70,131                         | 63,377                          | 133,508              | -  |
| Other  | -                              | 58,667                          | 58,667               | -  |
| Permanently restricted assets:                     |                                |                                 |                      |  |
| Cash and cash equivalents                          | 7,858                          | -                               | 7,858                | -  |
| Investments  | 497,195                        | -                               | 497,195              | -  |
| Capital assets not being depreciated:              |                                |                                 |                      |  |
| Land   | 5,456,204                      | 115,000                         | 5,571,204            | 97,460                                   |
| Construction in progress                           | 4,682,223                      | -                               | 4,682,223            | -  |
| Intangibles  | 200,000                        | -                               | 200,000              | -  |
| Capital assets (net of accumulated depreciation):  |                                |                                 |                      |  |
| Buildings  | 37,546,011                     | 3,964                           | 37,549,975           | -  |
| Improvements other than buildings                  | 2,013,494                      | 1,919,354                       | 3,932,848            | -  |
| Machinery and equipment                            | 1,377,066                      | 273,886                         | 1,650,952            | -  |
| Vehicles   | 2,177,097                      | -                               | 2,177,097            | -  |
| Intangibles  | 49,690                         | 1,186                           | 50,876               | -  |
| Infrastructure                                     | 22,681,466                     | 118,786                         | 22,800,252           | -  |
| Total assets                                       | <u>105,273,613</u>             | <u>4,621,397</u>                | <u>109,895,010</u>   | <u>2,198,447</u>                         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                                |                                 |                      |  |
| Deferred charge on refunding                       | 8,594                          | -                               | 8,594                | -  |
| Total deferred outflows of resources               | <u>8,594</u>                   | <u>-</u>                        | <u>8,594</u>         | <u>-</u>                                 |
| <b>LIABILITIES</b>                                 |                                |                                 |                      |  |
| Accounts payable and other current liabilities     | 4,531,104                      | 19,199                          | 4,550,303            | -  |
| Interest payable                                   | 126,380                        | -                               | 126,380              | -  |
| Contract obligations                               | 125,280                        | -                               | 125,280              | -  |
| Payable to agency fund - student activities        | 59,697                         | -                               | 59,697               | -  |
| Unearned revenues                                  | 102,992                        | 59,545                          | 162,537              | -  |
| Noncurrent liabilities:                            |                                |                                 |                      |  |
| Due within one year                                | 3,357,837                      | 12,750                          | 3,370,587            | -  |
| Due in more than one year                          | 29,236,815                     | 6,620,112                       | 35,856,927           | -  |
| Total liabilities                                  | <u>37,540,105</u>              | <u>6,711,606</u>                | <u>44,251,711</u>    | <u>-</u>                                 |
| <b>NET POSITION</b>                                |                                |                                 |                      |  |
| Net investment in capital assets                   | 47,805,066                     | 2,432,176                       | 50,237,242           | 97,460                                   |
| Restricted for:                                    |                                |                                 |                      |  |
| Education  | 5,276,790                      | -                               | 5,276,790            | -  |
| Municipal  | 210,670                        | -                               | 210,670              | -  |
| Special revenue programs and grants                | 227,919                        | -                               | 227,919              | -  |
| Development projects - impact fees                 | 580,862                        | -                               | 580,862              | -  |
| Capital projects                                   | 2,293,969                      | -                               | 2,293,969            | -  |
| Permanent funds:                                   |                                |                                 |                      |  |
| Expendable   | 21,189                         | -                               | 21,189               | -  |
| Nonexpendable                                      | 489,301                        | -                               | 489,301              | -  |
| Unrestricted                                       | <u>10,836,336</u>              | <u>(4,522,385)</u>              | <u>6,313,951</u>     | <u>2,100,987</u>                         |
| Total net position                                 | <u>\$ 67,742,102</u>           | <u>\$ (2,090,209)</u>           | <u>\$ 65,651,893</u> | <u>\$ 2,198,447</u>                      |

*See accompanying notes to financial statements.*

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2013**

| <u>Functions/Programs</u>                                    | <u>Program Revenues</u>        |                             |   |   |                                | <u>Net (Expense) Revenue and Changes in Net Position</u> |                        |                     | <u>Component Unit</u> |  |
|--|--------------------------------|-----------------------------|---|---|--------------------------------|--|------------------------|---------------------|-----------------------|--|
|  | <u>Expenses</u>                | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Primary Government</u>      |  |                        |                     |                       |  |
|  |                                |                             |   |   | <u>Governmental Activities</u> | <u>Business-type Activities</u>                          | <u>Total</u>           |                     |                       |  |
| <b>Primary government:</b>                                   |                                |                             |   |   |                                |  |                        |                     |                       |  |
| Governmental activities:                                     |                                |                             |   |   |                                |  |                        |                     |                       |  |
| General government   | \$ 4,144,050                   | \$ 470,454                  | \$ 246,737                                | \$ 9,000                                | \$ (3,417,859)                 | \$ -   | \$ (3,417,859)         | \$ -                |                       |  |
| Public safety  | 8,095,189                      | 1,214,839                   | 88,437                                    | 37,750                                  | (6,754,163)                    | -  | (6,754,163)            | -                   |                       |  |
| Public works   | 5,740,333                      | 32,459                      | 212,938                                   | 1,876,420                               | (3,618,516)                    | -  | (3,618,516)            | -                   |                       |  |
| Human services   | 154,429                        | 6,016                       | 23,289                                    | -                                       | (125,124)                      | -  | (125,124)              | -                   |                       |  |
| Education  | 34,366,120                     | 679,596                     | 14,582,914                                | 47,440                                  | (19,056,170)                   | -  | (19,056,170)           | -                   |                       |  |
| Recreation and culture                                       | 2,749,776                      | 356,875                     | 95,512                                    | 517,266                                 | (1,780,123)                    | -  | (1,780,123)            | -                   |                       |  |
| County tax   | 1,183,264                      | -                           | -   | -                                       | (1,183,264)                    | -  | (1,183,264)            | -                   |                       |  |
| Unclassified   | 281,424                        | -                           | -   | -                                       | (281,424)                      | -  | (281,424)              | -                   |                       |  |
| Interest on long-term debt                                   | 698,508                        | -                           | -   | -                                       | (698,508)                      | -  | (698,508)              | -                   |                       |  |
| Total governmental activities                                | <u>57,413,093</u>              | <u>2,760,239</u>            | <u>15,249,827</u>                         | <u>2,487,876</u>                        | <u>(36,915,151)</u>            | <u>-</u>   | <u>(36,915,151)</u>    | <u>-</u>            |                       |  |
| Business-type activities:                                    |                                |                             |   |   |                                |  |                        |                     |                       |  |
|  | Solid Waste Facilities         | 614,661                     | 321,153                                   | -                                       | -                              | -  | (293,508)              | (293,508)           | -                     |  |
|  | Pay-per-bag Program            | 80,200                      | 299,100                                   | -                                       | -                              | -  | 218,900                | 218,900             | -                     |  |
|  | Mere Point Wastewater District | 42,114                      | 21,670                                    | -                                       | -                              | -  | (20,444)               | (20,444)            | -                     |  |
|  | Train Station                  | 85,008                      | 14,136                                    | 44,000                                  | 53,430                         | -  | 26,558                 | 26,558              | -                     |  |
| Total business-type activities                               | <u>821,983</u>                 | <u>656,059</u>              | <u>44,000</u>                             | <u>53,430</u>                           | <u>-</u>                       | <u>-</u>   | <u>(68,494)</u>        | <u>(68,494)</u>     |                       |  |
| Total primary government                                     | <u>\$ 58,235,076</u>           | <u>\$ 3,416,298</u>         | <u>\$ 15,293,827</u>                      | <u>\$ 2,541,306</u>                     | <u>\$ (36,915,151)</u>         | <u>\$ (68,494)</u>                                       | <u>\$ (36,983,645)</u> | <u>\$ -</u>         |                       |  |
| <b>Component unit:</b>                                       |                                |                             |   |   |                                |  |                        |                     |                       |  |
| Brunswick Development Corporation                            | <u>188,934</u>                 | <u>14,347</u>               | <u>-</u>                                  | <u>-</u>                                | <u>-</u>                       | <u>-</u>   | <u>-</u>               | <u>(174,587)</u>    |                       |  |
| Total component unit   | <u>\$ 188,934</u>              | <u>\$ 14,347</u>            | <u>\$ -</u>                               | <u>\$ -</u>                             | <u>\$ -</u>                    | <u>\$ -</u>  | <u>\$ -</u>            | <u>\$ (174,587)</u> |                       |  |
| <b>General revenues:</b>                                     |                                |                             |   |   |                                |  |                        |                     |                       |  |
| Property taxes   |                                |                             |   |   | 34,120,685                     | -  | 34,120,685             | -                   |                       |  |
| Vehicle, watercraft and aircraft excise taxes                |                                |                             |   |   | 2,904,995                      | -  | 2,904,995              | -                   |                       |  |
| Grants and contributions not restricted to specific programs |                                |                             |   |   | 1,815,749                      | -  | 1,815,749              | -                   |                       |  |
| Unrestricted investment earnings                             |                                |                             |   |   | 55,750                         | 189  | 55,939                 | 1,613               |                       |  |
| Other  |                                |                             |   |   | 3,261                          | -  | 3,261                  | 186                 |                       |  |
| Special items  |                                |                             |   |   | 105,282                        | -  | 105,282                | (105,282)           |                       |  |
| Transfers  |                                |                             |   |   | (250,000)                      | 250,000  | -                      | -                   |                       |  |
| Total general revenues, special items and transfers          |                                |                             |   |   | <u>38,755,722</u>              | <u>250,189</u>   | <u>39,005,911</u>      | <u>(103,483)</u>    |                       |  |
| Changes in net position                                      |                                |                             |   |   | 1,840,571                      | 181,695  | 2,022,266              | (278,070)           |                       |  |
| Net position - beginning                                     |                                |                             |   |   | <u>65,901,531</u>              | <u>(2,271,904)</u>                                       | <u>63,629,627</u>      | <u>2,476,517</u>    |                       |  |
| Net position - ending  |                                |                             |   |   | <u>\$ 67,742,102</u>           | <u>\$ (2,090,209)</u>                                    | <u>\$ 65,651,893</u>   | <u>\$ 2,198,447</u> |                       |  |

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

|  | <u>General Fund</u>  | <u>Downtown TIF District Fund</u> | <u>Police Station Bldg Fund</u> | <u>School Restricted Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------------------|---------------------------------|
| <b>ASSETS</b>  |                      |                                   |                                 |                               |                                 |                                 |
| Cash and cash equivalents  | \$ 20,257,711        | \$ -                              | \$ 2,233,678                    | \$ -                          | \$ 2,706,336                    | \$ 25,197,725                   |
| Investments  | -                    | -                                 | -                               | -                             | 497,195                         | 497,195                         |
| Receivables (net of allowance for uncollectibles):                             |                      |                                   |                                 |                               |                                 |                                 |
| Accounts   | 788,148              | -                                 | -                               | 300                           | 72,585                          | 861,033                         |
| Taxes - current  | 805,353              | -                                 | -                               | -                             | -                               | 805,353                         |
| Taxes - prior years  | 15,932               | -                                 | -                               | -                             | -                               | 15,932                          |
| Tax liens  | 264,646              | -                                 | -                               | -                             | -                               | 264,646                         |
| Intergovernmental  | 108,251              | -                                 | -                               | 1,133,285                     | 11,240                          | 1,252,776                       |
| Notes  | 77,938               | -                                 | -                               | -                             | -                               | 77,938                          |
| Deposits   | 1,236                | -                                 | -                               | -                             | 50,000                          | 51,236                          |
| Inventory, at cost   | 54,334               | -                                 | -                               | 15,797                        | -                               | 70,131                          |
| Due from other funds   | -                    | -                                 | -                               | -                             | 1,824,590                       | 1,824,590                       |
| Advances to other funds  | 450,580              | -                                 | -                               | -                             | 1,188,479                       | 1,639,059                       |
| Total assets   | <u>\$ 22,824,129</u> | <u>\$ -</u>                       | <u>\$ 2,233,678</u>             | <u>\$ 1,149,382</u>           | <u>\$ 6,350,425</u>             | <u>\$ 32,557,614</u>            |
| <b>LIABILITIES</b>   |                      |                                   |                                 |                               |                                 |                                 |
| Accounts payable   | \$ 490,519           | \$ -                              | \$ 672,204                      | \$ 48,652                     | \$ 221,910                      | \$ 1,433,285                    |
| Retainage payable  | -                    | -                                 | 188,811                         | -                             | -                               | 188,811                         |
| Accrued wages and benefits payable   | 2,661,617            | -                                 | -                               | 28,568                        | 10,285                          | 2,700,470                       |
| Payable to agency fund - student activities                                    | 59,697               | -                                 | -                               | -                             | -                               | 59,697                          |
| Other liabilities  | 39,593               | -                                 | -                               | 4,742                         | -                               | 44,335                          |
| Payments in escrow   | 161,219              | -                                 | -                               | -                             | -                               | 161,219                         |
| Unearned revenue   | -                    | -                                 | -                               | 11,228                        | 91,764                          | 102,992                         |
| Due to other funds   | 1,112,709            | -                                 | -                               | 732,591                       | 36,553                          | 1,881,853                       |
| Advances from other funds  | -                    | 1,413,629                         | -                               | -                             | 225,430                         | 1,639,059                       |
| Total liabilities  | <u>4,525,354</u>     | <u>1,413,629</u>                  | <u>861,015</u>                  | <u>825,781</u>                | <u>585,942</u>                  | <u>8,211,721</u>                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                      |                                   |                                 |                               |                                 |                                 |
| Unavailable revenue - property taxes   | 577,813              | -                                 | -                               | -                             | -                               | 577,813                         |
| Unavailable revenue - miscellaneous  | 208,347              | -                                 | -                               | -                             | -                               | 208,347                         |
| Total deferred inflows of resources  | <u>786,160</u>       | <u>-</u>                          | <u>-</u>                        | <u>-</u>                      | <u>-</u>                        | <u>786,160</u>                  |
| <b>FUND BALANCES (DEFICITS)</b>  |                      |                                   |                                 |                               |                                 |                                 |
| Nonspendable:  |                      |                                   |                                 |                               |                                 |                                 |
| Long-term loans and advances   | 450,580              | -                                 | -                               | -                             | 1,188,479                       | 1,639,059                       |
| Inventories and prepaids   | 55,570               | -                                 | -                               | 15,797                        | -                               | 71,367                          |
| Permanent funds  | -                    | -                                 | -                               | -                             | 489,301                         | 489,301                         |
| Restricted:  |                      |                                   |                                 |                               |                                 |                                 |
| Education  | 4,968,986            | -                                 | -                               | 307,804                       | -                               | 5,276,790                       |
| Municipal purposes   | 210,670              | -                                 | -                               | -                             | -                               | 210,670                         |
| Capital projects funds   | -                    | -                                 | 1,372,663                       | -                             | 1,502,168                       | 2,874,831                       |
| Special revenue funds  | -                    | -                                 | -                               | -                             | 227,919                         | 227,919                         |
| Permanent funds  | -                    | -                                 | -                               | -                             | 21,189                          | 21,189                          |
| Committed:   |                      |                                   |                                 |                               |                                 |                                 |
| Capital projects funds   | -                    | -                                 | -                               | -                             | 2,362,677                       | 2,362,677                       |
| Special revenue funds  | -                    | -                                 | -                               | -                             | 203,617                         | 203,617                         |
| Assigned:  |                      |                                   |                                 |                               |                                 |                                 |
| General fund   | 1,824,835            | -                                 | -                               | -                             | -                               | 1,824,835                       |
| Unassigned:  |                      |                                   |                                 |                               |                                 |                                 |
| General fund   | 10,001,974           | -                                 | -                               | -                             | -                               | 10,001,974                      |
| Downtown Development TIF fund  | -                    | (1,413,629)                       | -                               | -                             | -                               | (1,413,629)                     |
| Capital improvements fund  | -                    | -                                 | -                               | -                             | (225,430)                       | (225,430)                       |
| Permanent funds  | -                    | -                                 | -                               | -                             | (5,437)                         | (5,437)                         |
| Total fund balances (deficits)   | <u>17,512,615</u>    | <u>(1,413,629)</u>                | <u>1,372,663</u>                | <u>323,601</u>                | <u>5,764,483</u>                | <u>23,559,733</u>               |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ 22,824,129</u> | <u>\$ -</u>                       | <u>\$ 2,233,678</u>             | <u>\$ 1,149,382</u>           | <u>\$ 6,350,425</u>             |                                 |

Amounts reported for governmental activities in the statement of net position (Statement 1) 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.                   | 76,183,251           |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.  | 786,160              |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | (32,837,718)         |
| Internal service funds are 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.  | 50,676               |
| Net position of governmental activities (see Statement 1)  | <u>\$ 67,742,102</u> |

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2013**

|   | <b>General Fund</b>  | <b>Downtown TIF District Fund</b> | <b>Police Station Bldg Fund</b> | <b>School Restricted Fund</b> | <b>Other Governmental Funds</b> | <b>Total Governmental Funds</b> |
|---|----------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------------------|---------------------------------|
| <b>REVENUES</b>   |                      |                                   |                                 |                               |                                 |                                 |
| Taxes   | \$ 36,629,919        | \$ 261,520                        | \$ -                            | \$ -                          | \$ 148,635                      | \$ 37,040,074                   |
| Licenses and permits                                      | 372,259              | -                                 | -                               | -                             | -                               | 372,259                         |
| Intergovernmental   | 14,393,862           | -                                 | -                               | 1,566,188                     | 537,541                         | 16,497,591                      |
| Investment income   | -                    | -                                 | -                               | -                             | 36,307                          | 36,307                          |
| Charges for services                                      | 1,582,963            | -                                 | -                               | 464,521                       | 380,309                         | 2,427,793                       |
| Fines and penalties                                       | 34,756               | -                                 | -                               | -                             | -                               | 34,756                          |
| Interest  | 19,177               | -                                 | 3                               | -                             | 260                             | 19,440                          |
| Donations   | -                    | -                                 | -                               | 58,433                        | 207,142                         | 265,575                         |
| Other   | 744,501              | -                                 | -                               | -                             | -                               | 744,501                         |
| Total revenues  | <u>53,777,437</u>    | <u>261,520</u>                    | <u>3</u>                        | <u>2,089,142</u>              | <u>1,310,194</u>                | <u>57,438,296</u>               |
| <b>EXPENDITURES</b>                                       |                      |                                   |                                 |                               |                                 |                                 |
| Current:  |                      |                                   |                                 |                               |                                 |                                 |
| General government  | 3,281,811            | 97,976                            | 96,294                          | -                             | 262,664                         | 3,738,745                       |
| Public safety   | 7,681,120            | -                                 | -                               | -                             | 73,940                          | 7,755,060                       |
| Public works  | 3,389,760            | -                                 | -                               | -                             | 4,721                           | 3,394,481                       |
| Human services  | 154,425              | -                                 | -                               | -                             | -                               | 154,425                         |
| Education   | 30,599,422           | -                                 | -                               | 2,090,793                     | -                               | 32,690,215                      |
| Recreation and culture                                    | 2,322,958            | -                                 | -                               | -                             | 346,602                         | 2,669,560                       |
| County tax  | 1,183,264            | -                                 | -                               | -                             | -                               | 1,183,264                       |
| Unclassified  | 281,424              | -                                 | -                               | -                             | -                               | 281,424                         |
| Debt service:   |                      |                                   |                                 |                               |                                 |                                 |
| Principal   | 2,657,113            | 71,000                            | -                               | -                             | -                               | 2,728,113                       |
| Interest  | 689,290              | 15,320                            | -                               | -                             | -                               | 704,610                         |
| Capital outlay  | -                    | -                                 | 4,234,911                       | -                             | 2,255,429                       | 6,490,340                       |
| Total expenditures  | <u>52,240,587</u>    | <u>184,296</u>                    | <u>4,331,205</u>                | <u>2,090,793</u>              | <u>2,943,356</u>                | <u>61,790,237</u>               |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,536,850</u>     | <u>77,224</u>                     | <u>(4,331,202)</u>              | <u>(1,651)</u>                | <u>(1,633,162)</u>              | <u>(4,351,941)</u>              |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                      |                                   |                                 |                               |                                 |                                 |
| Transfers from other funds                                | 956,397              | -                                 | 135,814                         | 86,000                        | 3,435,169                       | 4,613,380                       |
| Transfers to other funds                                  | (1,650,380)          | -                                 | -                               | -                             | (1,774,453)                     | (3,424,833)                     |
| Transfers to other funds - capital budget                 | (462,250)            | -                                 | -                               | -                             | -                               | (462,250)                       |
| Transfers to other funds - suppl. approp.                 | (845,580)            | -                                 | -                               | -                             | -                               | (845,580)                       |
| Transfers to other funds - education                      | (130,717)            | -                                 | -                               | -                             | -                               | (130,717)                       |
| Bonds issued  | -                    | -                                 | 5,500,000                       | -                             | -                               | 5,500,000                       |
| Premium on bonds  | -                    | -                                 | 99,880                          | -                             | -                               | 99,880                          |
| Total other financing sources (uses)                      | <u>(2,132,530)</u>   | <u>-</u>                          | <u>5,735,694</u>                | <u>86,000</u>                 | <u>1,660,716</u>                | <u>5,349,880</u>                |
| Net changes in fund balances                              | <u>(595,680)</u>     | <u>77,224</u>                     | <u>1,404,492</u>                | <u>84,349</u>                 | <u>27,554</u>                   | <u>997,939</u>                  |
| Fund balances (deficits), beginning of year               | <u>18,108,295</u>    | <u>(1,490,853)</u>                | <u>(31,829)</u>                 | <u>239,252</u>                | <u>5,736,929</u>                | <u>22,561,794</u>               |
| Fund balances (deficits), end of year                     | <u>\$ 17,512,615</u> | <u>\$ (1,413,629)</u>             | <u>\$ 1,372,663</u>             | <u>\$ 323,601</u>             | <u>\$ 5,764,483</u>             | <u>\$ 23,559,733</u>            |

*See accompanying notes to financial statements.*

**Statement 5**

**TOWN OF BRUNSWICK, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended June 30, 2013**

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|   |                     |
|---|---------------------|
| Net change in fund balances - total governmental funds (from Statement 4)   | \$ 997,939          |
| Amounts reported for governmental activities in the statement of activities (Statement 2) are different because (see Note II.B., also):   |                     |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.   | 4,011,583           |
| 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.  | (37,111)            |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  | (41,813)            |
| 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. | (2,871,767)         |
| 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.   | (228,195)           |
| 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.   | 9,935               |
| Change in net position of governmental activities (see Statement 2)   | <u>\$ 1,840,571</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, 2013**

|  | <u>Original<br/>Budget</u> | <u>Additional<br/>Appropriation</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------------------|-------------------------|-------------------|---|
| <b>REVENUES</b>                        |                            |                                     |                         |                   |   |
| Taxes:                                 |                            |                                     |                         |                   |   |
| Real and personal property             | \$ 32,464,636              | \$ -                                | \$ 32,464,636           | \$ 33,331,645     | \$ 867,009                                  |
| Interest on delinquent taxes           | 76,000                     | -                                   | 76,000                  | 90,908            | 14,908                                      |
| Tax lien costs                         | 13,000                     | -                                   | 13,000                  | 11,620            | (1,380)                                     |
| Payment in lieu of taxes               | 260,000                    | -                                   | 260,000                 | 290,751           | 30,751                                      |
| Vehicle excise taxes                   | 2,550,000                  | -                                   | 2,550,000               | 2,746,331         | 196,331                                     |
| Watercraft excise taxes                | 25,000                     | -                                   | 25,000                  | 25,477            | 477   |
| Aircraft excise taxes                  | -                          | -                                   | -                       | 133,187           | 133,187                                     |
| Total taxes                            | <u>35,388,636</u>          | <u>-</u>                            | <u>35,388,636</u>       | <u>36,629,919</u> | <u>1,241,283</u>                            |
| Licenses and permits:                  |                            |                                     |                         |                   |   |
| Finance department                     | 9,500                      | -                                   | 9,500                   | 10,799            | 1,299                                       |
| Codes enforcement                      | 139,000                    | -                                   | 139,000                 | 196,081           | 57,081                                      |
| Town clerk                             | 120,867                    | -                                   | 120,867                 | 132,034           | 11,167                                      |
| Planning                               | 10,000                     | -                                   | 10,000                  | 30,248            | 20,248                                      |
| Fire department                        | 900                        | -                                   | 900                     | 440               | (460)                                       |
| Police department                      | 600                        | -                                   | 600                     | 1,617             | 1,017                                       |
| Public works                           | 500                        | -                                   | 500                     | 1,040             | 540   |
| Total licenses and permits             | <u>281,367</u>             | <u>-</u>                            | <u>281,367</u>          | <u>372,259</u>    | <u>90,892</u>                               |
| Intergovernmental:                     |                            |                                     |                         |                   |   |
| State education subsidy                | 10,482,354                 | -                                   | 10,482,354              | 9,909,765         | (572,589)                                   |
| Federal education subsidy              | -                          | -                                   | -                       | 144,683           | 144,683                                     |
| MainePERS contribution                 | -                          | 2,445,000                           | 2,445,000               | 2,445,000         | -   |
| State revenue sharing                  | 1,450,000                  | -                                   | 1,450,000               | 1,496,775         | 46,775                                      |
| State highway grant                    | 215,000                    | -                                   | 215,000                 | 208,544           | (6,456)                                     |
| State snowmobile funds                 | 1,500                      | -                                   | 1,500                   | 1,264             | (236)                                       |
| State tax exemption reimbursement      | 26,000                     | -                                   | 26,000                  | 39,105            | 13,105                                      |
| State general assistance reimbursement | 35,000                     | -                                   | 35,000                  | 23,289            | (11,711)                                    |
| SAFER grant                            | 20,000                     | -                                   | 20,000                  | 15,183            | (4,817)                                     |
| EMPG grant                             | -                          | -                                   | -                       | 16,596            | 16,596                                      |
| State civil emergency preparedness     | 4,288                      | -                                   | 4,288                   | 93,658            | 89,370                                      |
| Total intergovernmental                | <u>12,234,142</u>          | <u>2,445,000</u>                    | <u>14,679,142</u>       | <u>14,393,862</u> | <u>(285,280)</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, 2013**

|   | <u>Original<br/>Budget</u> | <u>Additional<br/>Appropriation</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|-------------------------------------|-------------------------|---------------|---|
| <b>REVENUES, CONTINUED</b>                |                            |                                     |                         |               |   |
| Charges for services:                     |                            |                                     |                         |               |   |
| Auto registration                         | 50,000                     | -                                   | 50,000                  | 52,324        | 2,324                                       |
| Watercraft, ATV, snowmobile registration  | 1,500                      | -                                   | 1,500                   | 1,569         | 69  |
| Fire department                           | 500                        | -                                   | 500                     | 521           | 21  |
| Emergency medical services                | 800,000                    | -                                   | 800,000                 | 889,337       | 89,337                                      |
| Police department                         | 85,524                     | -                                   | 85,524                  | 91,056        | 5,532                                       |
| Dispatch services fees                    | 135,000                    | -                                   | 135,000                 | 136,538       | 1,538                                       |
| Public works                              | -                          | -                                   | -                       | 1,743         | 1,743                                       |
| Recycling                                 | 25,000                     | -                                   | 25,000                  | 27,834        | 2,834                                       |
| Education - tuition, transportation, etc. | 220,812                    | -                                   | 220,812                 | 382,041       | 161,229                                     |
| Total charges for services                | 1,318,336                  | -                                   | 1,318,336               | 1,582,963     | 264,627                                     |
| Fines and penalties:                      |                            |                                     |                         |               |   |
| Town clerk                                | 6,750                      | -                                   | 6,750                   | 7,350         | 600   |
| Fire department                           | 2,000                      | -                                   | 2,000                   | 1,050         | (950)                                       |
| Police department                         | 7,400                      | -                                   | 7,400                   | 26,356        | 18,956                                      |
| Total fines and penalties                 | 16,150                     | -                                   | 16,150                  | 34,756        | 18,606                                      |
| Interest earned                           | 100,000                    | -                                   | 100,000                 | 19,177        | (80,823)                                    |
| Other revenue:                            |                            |                                     |                         |               |   |
| Sale of miscellaneous assets              | 16,000                     | -                                   | 16,000                  | 10,681        | (5,319)                                     |
| Cable TV franchise fees                   | 200,000                    | -                                   | 200,000                 | 224,052       | 24,052                                      |
| General assistance recovery               | -                          | -                                   | -                       | 6,014         | 6,014                                       |
| Property & casualty dividend              | -                          | -                                   | -                       | 10,039        | 10,039                                      |
| BDC subsidy                               | 75,000                     | -                                   | 75,000                  | 75,000        | -   |
| MRRA subsidy of Eco Dev position          | 50,000                     | -                                   | 50,000                  | 49,992        | (8)   |
| MRRA contribution to MCOG dues            | 15,000                     | -                                   | 15,000                  | 15,208        | 208   |
| Miscellaneous - municipal                 | 20,400                     | -                                   | 20,400                  | 61,635        | 41,235                                      |
| Miscellaneous - school                    | 174,500                    | -                                   | 174,500                 | 291,880       | 117,380                                     |
| Total other revenue                       | 550,900                    | -                                   | 550,900                 | 744,501       | 193,601                                     |
| Total revenues                            | \$ 49,889,531              | \$ 2,445,000                        | \$ 52,334,531           | \$ 53,777,437 | \$ 1,442,906                                |

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, 2013**

|                              | 2012              |                        |                    |                             |             |                 | 2013       |                                    |                        |
|------------------------------|-------------------|------------------------|--------------------|-----------------------------|-------------|-----------------|------------|------------------------------------|------------------------|
|                              | Adopted<br>Budget | Encumbered<br>Balances | Original<br>Budget | Additional<br>Appropriation | Adjustments | Final<br>Budget | Actual     | Variance<br>Positive<br>(Negative) | Encumbered<br>Balances |
| <b>EXPENDITURES</b>          |                   |                        |                    |                             |             |                 |            |                                    |                        |
| Current:                     |                   |                        |                    |                             |             |                 |            |                                    |                        |
| General government:          |                   |                        |                    |                             |             |                 |            |                                    |                        |
| Administration               | \$ 443,895        | \$ -                   | \$ 443,895         | \$ -                        | \$ 147,000  | \$ 590,895      | \$ 541,190 | \$ 49,705                          | \$ -                   |
| Finance department           | 676,347           | -                      | 676,347            | -                           | -           | 676,347         | 629,234    | 47,113                             | -                      |
| Technology services          | 309,447           | -                      | 309,447            | -                           | -           | 309,447         | 290,054    | 19,393                             | -                      |
| Municipal officers           | 127,615           | -                      | 127,615            | -                           | -           | 127,615         | 123,697    | 3,918                              | -                      |
| Municipal building           | 185,178           | -                      | 185,178            | -                           | (3,500)     | 181,678         | 150,770    | 30,908                             | -                      |
| Risk management              | 429,050           | -                      | 429,050            | -                           | (30,000)    | 399,050         | 365,909    | 33,141                             | -                      |
| Cable TV                     | 66,983            | -                      | 66,983             | -                           | -           | 66,983          | 64,207     | 2,776                              | -                      |
| Assessing                    | 279,406           | -                      | 279,406            | -                           | 5,000       | 284,406         | 265,630    | 18,776                             | 6,150                  |
| Town clerk and elections     | 352,539           | 2,865                  | 355,404            | -                           | -           | 355,404         | 335,604    | 19,800                             | -                      |
| Planning                     | 443,416           | -                      | 443,416            | -                           | -           | 443,416         | 414,946    | 28,470                             | 5,900                  |
| Economic development         | 94,751            | -                      | 94,751             | -                           | 12,500      | 107,251         | 100,570    | 6,681                              | -                      |
| Total general government     | 3,408,627         | 2,865                  | 3,411,492          | -                           | 131,000     | 3,542,492       | 3,281,811  | 260,681                            | 12,050                 |
| Public safety:               |                   |                        |                    |                             |             |                 |            |                                    |                        |
| Fire department              | 2,944,930         | 1,000                  | 2,945,930          | -                           | (22,500)    | 2,923,430       | 2,840,819  | 82,611                             | 24,900                 |
| Police department            | 3,763,288         | -                      | 3,763,288          | -                           | (75,500)    | 3,687,788       | 3,552,409  | 135,379                            | 6,909                  |
| Emergency services dispatch  | 715,702           | -                      | 715,702            | -                           | -           | 715,702         | 685,424    | 30,278                             | -                      |
| Streetlights                 | 190,000           | -                      | 190,000            | -                           | -           | 190,000         | 180,554    | 9,446                              | -                      |
| Traffic signals              | 31,600            | -                      | 31,600             | -                           | -           | 31,600          | 22,710     | 8,890                              | -                      |
| Fire suppression (hydrants)  | 407,770           | -                      | 407,770            | -                           | -           | 407,770         | 398,404    | 9,366                              | -                      |
| Civil emergency preparedness | 2,000             | -                      | 2,000              | -                           | -           | 2,000           | 800        | 1,200                              | -                      |
| Total public safety          | 8,055,290         | 1,000                  | 8,056,290          | -                           | (98,000)    | 7,958,290       | 7,681,120  | 277,170                            | 31,809                 |
| Public works:                |                   |                        |                    |                             |             |                 |            |                                    |                        |
| Administration               | 412,725           | -                      | 412,725            | -                           | -           | 412,725         | 400,987    | 11,738                             | -                      |
| General maintenance          | 1,627,417         | -                      | 1,627,417          | -                           | (80,000)    | 1,547,417       | 1,468,198  | 79,219                             | -                      |
| Refuse collection            | 583,765           | -                      | 583,765            | -                           | -           | 583,765         | 521,340    | 62,425                             | -                      |
| Recycling                    | 273,792           | -                      | 273,792            | -                           | 10,000      | 283,792         | 275,450    | 8,342                              | -                      |
| Central garage               | 724,623           | -                      | 724,623            | -                           | 30,000      | 754,623         | 723,785    | 30,838                             | -                      |
| Total public works           | 3,622,322         | -                      | 3,622,322          | -                           | (40,000)    | 3,582,322       | 3,389,760  | 192,562                            | -                      |

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, 2013**

|                                | <b>2012</b>      |                   |                  |                      |               |                  |                   | <b>Variance</b>   |        | <b>2013</b>   |
|--------------------------------|------------------|-------------------|------------------|----------------------|---------------|------------------|-------------------|-------------------|--------|---------------|
|                                | <b>Adopted</b>   | <b>Encumbered</b> | <b>Original</b>  | <b>Additional</b>    | <b>Final</b>  | <b>Actual</b>    | <b>Positive</b>   | <b>Encumbered</b> |        | <b>2013</b>   |
|                                | <b>Budget</b>    | <b>Balances</b>   | <b>Budget</b>    | <b>Appropriation</b> | <b>Budget</b> | <b>Actual</b>    | <b>(Negative)</b> | <b>Balances</b>   |        | <b>2013</b>   |
| <b>EXPENDITURES, CONTINUED</b> |                  |                   |                  |                      |               |                  |                   |                   |        |               |
| Human services:                |                  |                   |                  |                      |               |                  |                   |                   |        |               |
| General assistance             | 166,695          | -                 | 166,695          | -                    | -             | 166,695          | 151,663           | 15,032            | -      | -             |
| Health and social services     | 2,744            | -                 | 2,744            | -                    | -             | 2,744            | 2,762             | (18)              | -      | -             |
| Total human services           | <u>169,439</u>   |                   | <u>169,439</u>   |                      |               | <u>169,439</u>   | <u>154,425</u>    | <u>15,014</u>     |        |               |
| Education:                     |                  |                   |                  |                      |               |                  |                   |                   |        |               |
| Education                      | 33,491,029       | -                 | 33,491,029       | 2,445,000            | (2,935,110)   | 33,000,919       | 30,599,422        | 2,401,497         | -      | -             |
| Recreation and culture:        |                  |                   |                  |                      |               |                  |                   |                   |        |               |
| Recreation administration      | 417,915          | -                 | 417,915          | -                    | -             | 417,915          | 403,922           | 13,993            | -      | -             |
| Buildings and grounds          | 668,672          | -                 | 668,672          | -                    | (3,880)       | 664,792          | 650,639           | 14,153            | 4,111  |               |
| People Plus                    | 80,000           | -                 | 80,000           | -                    | 1,000         | 81,000           | 80,607            | 393               | -      |               |
| Library                        | <u>1,192,405</u> |                   | <u>1,192,405</u> |                      |               | <u>1,192,405</u> | <u>1,187,790</u>  | <u>4,615</u>      |        | <u>4,900</u>  |
| Total recreation and culture   | <u>2,358,992</u> |                   | <u>2,358,992</u> |                      | (2,880)       | <u>2,356,112</u> | <u>2,322,958</u>  | <u>33,154</u>     |        | <u>9,011</u>  |
| Intergovernmental:             |                  |                   |                  |                      |               |                  |                   |                   |        |               |
| County tax                     | 1,183,264        | -                 | 1,183,264        | -                    | -             | 1,183,264        | 1,183,264         | -                 | -      | -             |
| Unclassified:                  |                  |                   |                  |                      |               |                  |                   |                   |        |               |
| Promotion and development      | 161,558          | -                 | 161,558          | -                    | (5,500)       | 156,058          | 147,841           | 8,217             | -      | -             |
| Additional school assistance   | 10,000           | -                 | 10,000           | -                    | -             | 10,000           | 10,000            | -                 | -      | -             |
| Cemetery care                  | 3,000            | -                 | 3,000            | -                    | -             | 3,000            | 2,000             | 1,000             | -      | -             |
| Wage & benefits adjustment     | 35,000           | -                 | 35,000           | -                    | -             | 35,000           | (83,820)          | 118,820           | -      | -             |
| Longfellow building            | -                | 77,722            | 77,722           | -                    | -             | 77,722           | 45,430            | 32,292            | -      | -             |
| School master plan             | -                | -                 | -                | 174,500              | -             | 174,500          | 159,973           | 14,527            | 14,527 |               |
| Total unclassified             | <u>209,558</u>   | <u>77,722</u>     | <u>287,280</u>   | <u>174,500</u>       | (5,500)       | <u>456,280</u>   | <u>281,424</u>    | <u>174,856</u>    |        | <u>14,527</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, 2013**

|   | <b>2012</b>    |                   |                 |                      |                    |                |                   | <b>Variance</b>   |        | <b>2013</b>       |
|---|----------------|-------------------|-----------------|----------------------|--------------------|----------------|-------------------|-------------------|--------|-------------------|
|   | <b>Adopted</b> | <b>Encumbered</b> | <b>Original</b> | <b>Additional</b>    | <b>Final</b>       | <b>Actual</b>  | <b>Positive</b>   | <b>Encumbered</b> |        | <b>2013</b>       |
|   | <b>Budget</b>  | <b>Balances</b>   | <b>Budget</b>   | <b>Appropriation</b> | <b>Adjustments</b> | <b>Budget</b>  | <b>(Negative)</b> | <b>Balances</b>   |        | <b>Encumbered</b> |
| <b>EXPENDITURES, CONTINUED</b>                            |                |                   |                 |                      |                    |                |                   |                   |        |                   |
| Debt service:   |                |                   |                 |                      |                    |                |                   |                   |        |                   |
| Long-term debt, principal                                 | 428,000        | -                 | 428,000         | -                    | 2,229,113          | 2,657,113      | 2,657,113         | -                 | -      | -                 |
| Long-term debt, interest                                  | 114,010        | -                 | 114,010         | -                    | 575,280            | 689,290        | 689,290           | -                 | -      | -                 |
| Total debt service  | 542,010        | -                 | 542,010         | -                    | 2,804,393          | 3,346,403      | 3,346,403         | -                 | -      | -                 |
| Total expenditures  | 53,040,531     | 81,587            | 53,122,118      | 2,619,500            | (146,097)          | 55,595,521     | 52,240,587        | 3,354,934         | 67,397 |                   |
| Excess (deficiency) of revenues over (under) expenditures | (3,151,000)    | (81,587)          | (3,232,587)     | (174,500)            | 146,097            | (3,260,990)    | 1,536,850         | 4,797,840         | -      |                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                |                   |                 |                      |                    |                |                   |                   |        |                   |
| Transfers from other funds                                | 200,000        | -                 | 200,000         | -                    | -                  | 200,000        | 956,397           | 756,397           | -      | -                 |
| Transfers to other funds                                  | (1,635,000)    | -                 | (1,635,000)     | -                    | (15,380)           | (1,650,380)    | (1,650,380)       | -                 | -      | -                 |
| Transfers to other funds - capital budget                 | -              | -                 | -               | (462,250)            | -                  | (462,250)      | (462,250)         | -                 | -      | -                 |
| Transfers to other funds - supplemental appropriations    | -              | -                 | -               | (845,580)            | -                  | (845,580)      | (845,580)         | -                 | -      | -                 |
| Transfers to other funds - education                      | -              | -                 | -               | -                    | (130,717)          | (130,717)      | (130,717)         | -                 | -      | -                 |
| Total other financing sources (uses)                      | (1,435,000)    | -                 | (1,435,000)     | (1,307,830)          | (146,097)          | (2,888,927)    | (2,132,530)       | 756,397           | -      |                   |
| Net changes in fund balances                              | \$ (4,586,000) | \$ (81,587)       | \$ (4,667,587)  | \$ (1,482,330)       | \$ -               | \$ (6,149,917) | \$ (595,680)      | \$ 5,554,237      | \$ -   |                   |
| Fund balance, beginning of year                           |                |                   |                 |                      |                    |                | 18,108,295        |                   |        |                   |
| Fund balance, end of year                                 |                |                   |                 |                      |                    |                | \$ 17,512,615     |                   |        |                   |

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

|                                   | Business-type Activities - Enterprise Funds |                     |                       | Governmental Activities      |                          |
|-----------------------------------|---|---------------------|-----------------------|------------------------------|--------------------------|
|                                   | <u>Major Fund</u>                           |                     | <u>Totals</u>         | <u>Internal Service Fund</u> |                          |
|                                   | <u>Solid Waste</u>                          | <u>Facilities</u>   |                       | <u>Nonmajor Funds</u>        | <u>Printing Services</u> |
| <b>ASSETS</b>                     |   |                     |                       |                              |                          |
| Current assets:                   |   |                     |                       |                              |                          |
| Cash and cash equivalents         | \$ 401,616                                  | \$ 1,600,156        | \$ 2,001,772          | \$ -                         | -                        |
| Accounts receivable               | 10,081                                      | 51,721              | 61,802                |                              |                          |
| Inventory                         | -   | 63,377              | 63,377                |                              |                          |
| Prepaid rent                      | -   | 58,667              | 58,667                |                              |                          |
| Due from other funds              | 2,969                                       | 634                 | 3,603                 |                              |                          |
| Total current assets              | <u>414,666</u>                              | <u>1,774,555</u>    | <u>2,189,221</u>      |                              |                          |
| 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           | 495,886                                     | 97,500              | 593,386               |                              |                          |
| Vehicles                          | 88,632                                      | -                   | 88,632                |                              |                          |
| Intangibles                       | 6,470                                       | -                   | 6,470                 |                              |                          |
| Infrastructure                    | -   | 589,927             | 589,927               |                              |                          |
| Less accumulated depreciation     | <u>(5,866,485)</u>                          | <u>(590,877)</u>    | <u>(6,457,362)</u>    |                              |                          |
| Net capital assets                | <u>2,261,588</u>                            | <u>170,588</u>      | <u>2,432,176</u>      |                              |                          |
| Total assets                      | <u>2,676,254</u>                            | <u>1,945,143</u>    | <u>4,621,397</u>      |                              |                          |
| <b>LIABILITIES</b>                |   |                     |                       |                              |                          |
| Current liabilities:              |   |                     |                       |                              |                          |
| Accounts payable                  | 12,760                                      | 1,072               | 13,832                | 1,802                        |                          |
| Accrual of payroll                | 3,771                                       | -                   | 3,771                 |                              |                          |
| Other liabilities                 | -   | 1,596               | 1,596                 |                              |                          |
| Landfill closure and postclosure  | 11,500                                      | -                   | 11,500                |                              |                          |
| Compensated absences              | 1,250                                       | -                   | 1,250                 |                              |                          |
| Unearned revenue                  | -   | 59,545              | 59,545                |                              |                          |
| Total current liabilities         | <u>29,281</u>                               | <u>62,213</u>       | <u>91,494</u>         |                              |                          |
| Noncurrent liabilities:           |   |                     |                       |                              |                          |
| Landfill closure and postclosure  | 6,613,581                                   | -                   | 6,613,581             |                              |                          |
| Compensated absences              | 6,531                                       | -                   | 6,531                 |                              |                          |
| Total noncurrent liabilities      | <u>6,620,112</u>                            | <u>-</u>            | <u>6,620,112</u>      |                              |                          |
| Total liabilities                 | <u>6,649,393</u>                            | <u>62,213</u>       | <u>6,711,606</u>      |                              |                          |
| <b>NET POSITION</b>               |   |                     |                       |                              |                          |
| Net investment in capital assets  | 2,261,588                                   | 170,588             | 2,432,176             | 18,453                       |                          |
| Unrestricted                      | <u>(6,234,727)</u>                          | <u>1,712,342</u>    | <u>(4,522,385)</u>    | <u>50,676</u>                |                          |
| Total net position                | <u>\$ (3,973,139)</u>                       | <u>\$ 1,882,930</u> | <u>\$ (2,090,209)</u> | <u>\$ 69,129</u>             |                          |

*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, 2013**

|   | Business-type Activities - Enterprise Funds |                       |                       | Governmental Activities      |                  |
|---|---|-----------------------|-----------------------|------------------------------|------------------|
|   | <u>Major Fund</u>                           |                       | <u>Totals</u>         | <u>Internal Service Fund</u> |                  |
|   | <u>Solid Waste</u>                          | <u>Nonmajor Funds</u> |                       | <u>Printing Services</u>     |                  |
| <b>OPERATING REVENUES</b>               |   |                       |                       |                              |                  |
| Charge for services                     | \$ 11,757                                   | \$ 334,906            | \$ 346,663            | \$ 45,083                    | -                |
| Tipping fees                            | <u>309,396</u>                              | <u>-</u>              | <u>309,396</u>        |                              |                  |
| Total operating revenues                | <u>321,153</u>                              | <u>334,906</u>        | <u>656,059</u>        |                              | <u>45,083</u>    |
| <b>OPERATING EXPENSES</b>               |   |                       |                       |                              |                  |
| Personnel services                      | 176,845                                     | -                     | 176,845               |                              | -                |
| Administrative expenses                 | 7,392                                       | -                     | 7,392                 |                              | -                |
| Contractual services                    | 148,686                                     | 90,349                | 239,035               |                              | 25,987           |
| Central garage costs                    | 40,000                                      | -                     | 40,000                |                              | -                |
| Materials and supplies                  | 66,249                                      | 82,170                | 148,419               |                              | 4,961            |
| Closure and postclosure costs           | 63,621                                      | -                     | 63,621                |                              | -                |
| Depreciation                            | 111,868                                     | 34,803                | 146,671               |                              | 16,457           |
| Total operating expenses                | <u>614,661</u>                              | <u>207,322</u>        | <u>821,983</u>        |                              | <u>47,405</u>    |
| Operating income (loss)                 | <u>(293,508)</u>                            | <u>127,584</u>        | <u>(165,924)</u>      |                              | <u>(2,322)</u>   |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |   |                       |                       |                              |                  |
| Interest income                         | 47  | 142                   | 189                   |                              | -                |
| Contributions                           | <u>-</u>                                    | <u>97,430</u>         | <u>97,430</u>         |                              | <u>-</u>         |
| Total nonoperating revenues (expenses)  | <u>47</u>                                   | <u>97,572</u>         | <u>97,619</u>         |                              | <u>-</u>         |
| Income (loss) before transfers          | <u>(293,461)</u>                            | <u>225,156</u>        | <u>(68,305)</u>       |                              | <u>(2,322)</u>   |
| Transfers in                            | <u>200,000</u>                              | <u>50,000</u>         | <u>250,000</u>        |                              | <u>-</u>         |
| Change in net position                  | <u>(93,461)</u>                             | <u>275,156</u>        | <u>181,695</u>        |                              | <u>(2,322)</u>   |
| Net position, beginning of year         | <u>(3,879,678)</u>                          | <u>1,607,774</u>      | <u>(2,271,904)</u>    |                              | <u>71,451</u>    |
| Net position, end of year               | <u>\$ (3,973,139)</u>                       | <u>\$ 1,882,930</u>   | <u>\$ (2,090,209)</u> |                              | <u>\$ 69,129</u> |

*See accompanying notes to financial statements.*

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2013**

|  | <b>Business-type Activities - Enterprise Funds</b> |                       |                     | <b>Governmental Activities</b> |                |
|--|--|-----------------------|---------------------|--------------------------------|----------------|
|  | <b>Major Fund</b>                                  |                       | <b>Totals</b>       | <b>Internal Service Fund</b>   |                |
|  | <b>Solid Waste Facilities</b>                      | <b>Nonmajor Funds</b> |                     | <b>Printing Services</b>       |                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |                       |                     |                                |                |
| Receipts from customers and users  | \$ 327,259   | \$ 311,875            | \$ 639,134          | \$ 45,083                      | -              |
| Payments to employees  | (174,166)  | -                     | (174,166)           | -                              | -              |
| Payments to suppliers for goods and services   | (265,674)  | (189,603)             | (455,277)           | (29,146)                       | -              |
| Net cash provided (used) by operating activities   | <u>(112,581)</u>                                   | <u>122,272</u>        | <u>9,691</u>        | <u>15,937</u>                  | -              |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>   |  |                       |                     |                                |                |
| Transfer from other funds  | 200,000  | 50,000                | 250,000             | -                              | -              |
| Unearned revenue   | -  | 44,000                | 44,000              | -                              | -              |
| Increase (decrease) in due to other funds  | (35,386)   | (634)                 | (36,020)            | (11,737)                       | -              |
| Cash provided (used) by noncapital financing activities  | <u>164,614</u>                                     | <u>93,366</u>         | <u>257,980</u>      | <u>(11,737)</u>                | -              |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |  |                       |                     |                                |                |
| Subsidy from component unit  | -  | 53,430                | 53,430              | -                              | -              |
| Acquisition of capital assets  | -  | (53,430)              | (53,430)            | (4,200)                        | -              |
| Cash provided (used) by capital and related financing activities   | <u>-</u>   | <u>-</u>              | <u>-</u>            | <u>-</u>                       | <u>(4,200)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |                       |                     |                                |                |
| Interest on investments  | 47   | 142                   | 189                 | -                              | -              |
| Cash provided by investing activities  | <u>47</u>  | <u>142</u>            | <u>189</u>          | <u>-</u>                       | <u>-</u>       |
| Net increase in cash   | 52,080   | 215,780               | 267,860             | -                              | -              |
| Cash, beginning of year  | 349,536  | 1,384,376             | 1,733,912           | -                              | -              |
| Cash, end of year  | <u>\$ 401,616</u>                                  | <u>\$ 1,600,156</u>   | <u>\$ 2,001,772</u> | <u>\$ -</u>                    | <u>\$ -</u>    |
| <b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>           |  |                       |                     |                                |                |
| Operating income (loss)  | \$ (293,508)                                       | \$ 127,584            | \$ (165,924)        | \$ (2,322)                     | -              |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |  |                       |                     |                                |                |
| Depreciation   | 111,868  | 34,803                | 146,671             | 16,457                         | -              |
| (Increase) decrease in accounts receivable   | 6,106  | (23,363)              | (17,257)            | -                              | -              |
| (Increase) decrease in inventory   | -  | (14,690)              | (14,690)            | -                              | -              |
| (Increase) decrease in prepaid rent  | -  | 44,000                | 44,000              | -                              | -              |
| Increase (decrease) in accounts payable  | (3,347)  | (2,394)               | (5,741)             | 1,802                          | -              |
| Increase (decrease) in accrued payroll   | 1,416  | -                     | 1,416               | -                              | -              |
| Increase (decrease) in closure/postclosure   | 63,621   | -                     | 63,621              | -                              | -              |
| Increase (decrease) in compensated absences  | 1,263  | -                     | 1,263               | -                              | -              |
| Increase (decrease) in unearned revenue  | <u>-</u>   | <u>(43,668)</u>       | <u>(43,668)</u>     | <u>-</u>                       | <u>-</u>       |
| Total adjustments  | <u>180,927</u>                                     | <u>(5,312)</u>        | <u>175,615</u>      | <u>18,259</u>                  | -              |
| Net cash provided (used) by operating activities   | <u>\$ (112,581)</u>                                | <u>\$ 122,272</u>     | <u>\$ 9,691</u>     | <u>\$ 15,937</u>               | -              |

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

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|   | <b>Private-<br/>purpose<br/>Trust<br/>Funds</b> | <b>Agency<br/>Funds</b> |
|---|---|-------------------------|
| <b>ASSETS</b>                                 |   |                         |
| Cash and cash equivalents                     | \$ 19,315                                       | \$ -                    |
| Investments                                   | 722,109   | -                       |
| Accounts receivable                           | -   | 58                      |
| Due from other funds                          | 1,182   | 59,697                  |
| Total assets                                  | 742,606   | 59,755                  |
| <b>LIABILITIES</b>                            |   |                         |
| Accounts payable                              | -   | 853                     |
| Amounts held for others - student activities  | -   | 58,902                  |
| Total liabilities                             | -   | 59,755                  |
| <b>NET POSITION</b>                           |   |                         |
| Net position held in trust for other purposes | \$ 742,606                                      | \$ -                    |

*See accompanying notes to financial statements.*

**Statement 11**

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2013**

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|  | <b>Private-<br/>purpose<br/>Trust<br/>Funds</b> |
|--|---|
| <b>ADDITIONS</b>   |   |
| Contributions  | \$ 1,977  |
| Investment earnings:                                     |   |
| Interest and dividends                                   | 11,496  |
| Net increase (decrease) in the fair value of investments | <u>41,702</u>                                   |
| Total investment earnings                                | 53,198  |
| Less investment expense                                  | <u>(7,173)</u>                                  |
| Total additions  | <u>48,002</u>                                   |
| <b>DEDUCTIONS</b>  |   |
| Payment to beneficiaries                                 | <u>10,513</u>                                   |
| Total deductions   | <u>10,513</u>                                   |
| Change in net position                                   | 37,489  |
| Net position - beginning                                 | 705,117   |
| Net position - ending                                    | <u>\$ 742,606</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 and its component unit. Component units are separate legal entities for which, according to generally accepted accounting principles (GAAP), the Town is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, and presented as funds of the primary government. Discretely presented component units are reported in separate columns in the government-wide financial statements. The Town has determined that it has one component unit and that it should be discretely presented.

*Discretely Presented Component Unit - Brunswick Development Corporation*

The Brunswick Development Corporation (BDC) was established by the Town Council and incorporated on February 9, 1995 to promote and foster economic development within the Town of Brunswick. BDC has a seven-member board of directors and is legally separate from the Town. The Town Council appoints a majority of the directors. Two directors must be members of the Town Council. Another two members, the town manager and finance director, serve in an ex-officio capacity. The remaining three public members are appointed by the Town Council. Because the Town Council appoints a majority of its directors and because BDC has the potential to provide specific financial benefits to, or impose specific financial burdens on, the primary government, BDC is a component unit of the Town. BDC is reported in a separate column to emphasize that it is legally separate from the Town and because it does not meet the criteria of a blended unit. Financial statements for the Brunswick Development Corporation are available from the Town of Brunswick Finance Office, 28 Federal Street, Brunswick, ME 04011.

*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, the primary government, and the Brunswick Development Corporation, its component unit. 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 *Downtown TIF District Fund* accounts for activities related to the "DEVELOPMENT PROGRAM FOR THE BRUNSWICK DOWNTOWN MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT" adopted on March 1, 2010 (the Downtown Development Program), which consists of five major components. Tax revenues generated by development within the District will be captured and used to fund the activities of the Downtown Development Program.

The *Police Station Building Fund* accounts for a capital project which is funded by long-term debt obligations.

The *School Restricted Programs Fund* accounts for grants and other programs where revenues are restricted for a specific purpose related to educational expenditures.

#### **2. Major proprietary funds**

The Town reports the following major enterprise fund:

The *Solid Waste Facilities Fund* accounts for the activities at the various solid waste disposal facilities throughout the Town.

#### **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 two 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 seven 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 five 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 is 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 Budgeted Amounts" 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 and its component unit'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.

Investments for the Town and its component unit are reported at fair value.

## 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 applicable governmental funds 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 estimated fair market value at the date of donation. 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.

Property, equipment, intangibles and infrastructure of the Town, as well as its component unit, 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

In addition to assets, the statement of financial 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 or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item,

which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. 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 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.

*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

Beginning with the fiscal year ended June 30, 2012, and continuing with this report, the Town has implemented the following Statements of the Governmental Accounting Standards Board:

- Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance in Pre-November 30, 1989 FASB and AICPA Pronouncements*
- Statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*
- Statement No. 65 - *Items Previously reported as Assets and Liabilities*

## **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 \$76,183,251 are as follows:

|  |                     |
|--|---------------------|
| Capital assets   | \$ 121,662,399      |
| Accumulated depreciation   | <u>(45,479,148)</u> |
| Net adjustment to increase fund balance - total governmental funds |                     |
| to arrive at net position - governmental activities                | \$ 76,183,251       |

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 \$786,160 difference are as follows:

|  |                |
|--|----------------|
| Deferred inflows - unavailable revenue - property tax              | \$ 577,813     |
| Deferred inflows - unavailable revenue - miscellaneous             | <u>208,347</u> |
| Net adjustment to increase fund balance - total governmental funds |                |
| to arrive at net position - governmental activities                | \$ 786,160     |

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(32,837,718) difference are as follows:

|   |                  |
|---|------------------|
| Bonds payable   | \$ (30,211,025)  |
| Plus: Deferred charge on refunding (to be amortized as interest expense)  | 8,594            |
| Less: Premium on bonds (to be amortized as interest expense)  | (205,073)        |
| Contract obligations  | (125,280)        |
| Accrued interest  | (126,380)        |
| School retirement incentive   | (152,088)        |
| Compensated absences  | (1,408,664)      |
| Other post employment benefits  | <u>(617,802)</u> |
| Net adjustment to decrease fund balance - total governmental funds<br>to arrive at net position - governmental activities | \$ (32,837,718)  |

Another element of that reconciliation explains that “internal service funds are used by management to charge the costs of printing services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.” The details of this \$50,676 difference are as follows:

|   |                 |
|---|-----------------|
| Net position of the internal service fund   | \$ 69,129       |
| Less: Capital assets net of accumulated depreciation  | <u>(18,453)</u> |
| Net adjustment to increase fund balance - total governmental funds<br>to arrive at net position - governmental activities | \$ 50,676       |

**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 \$4,011,583 difference are as follows:

|   |                    |
|---|--------------------|
| Capital outlay  | \$ 7,672,124       |
| Depreciation expense  | <u>(3,660,541)</u> |
| Net adjustment to increase net changes in fund balances - total governmental<br>funds to arrive at changes in net position of governmental activities | \$ 4,011,583       |

Another element of that reconciliation states that “losses arising from the disposal of existing capital assets are reported in the statement of position but do not appear in the governmental funds.” The details of this \$(37,111) difference are as follows:

|   |                |
|---|----------------|
| Cost of disposed capital assets   | \$ (184,245)   |
| Accumulated depreciation on disposed capital assets   | <u>147,134</u> |
| Net adjustment to decrease net changes in fund balances - total governmental<br>funds to arrive at changes in net position of governmental activities | \$ (37,111)    |

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 \$(41,813) difference are as follows:

|  |                |
|--|----------------|
| Property taxes   | \$ (53,498)    |
| Charges for services   | 19,103         |
| Sale of capital asset  | <u>(7,418)</u> |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities |                |
|  | \$ (41,813)    |

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 issuance costs, 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 \$(2,871,767) difference are as follows:

|  |                     |
|--|---------------------|
| Issuance of general obligation bonds   | \$ (5,500,000)      |
| Premium on general obligation bonds  | (99,880)            |
| Principal repayments: General obligation debt  | <u>\$ 2,728,113</u> |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position in governmental activities |                     |
|  | \$ (2,871,767)      |

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 \$(228,195) difference are as follows:

|  |                 |
|--|-----------------|
| Compensated absences   | \$ (10,164)     |
| School retirement incentive  | 38,670          |
| Post employment benefits annual required contribution  | (137,522)       |
| Contract obligations   | (125,280)       |
| Accrued interest   | (2,483)         |
| Amortization of premium on refunding and general obligation bonds  | 34,366          |
| Amortization of deferred charge on refunding   | <u>(25,782)</u> |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities |                 |
|  | \$ (228,195)    |

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 \$9,935 difference are as follows:

|  |                |
|--|----------------|
| Change in net position of the internal service funds   | \$ (2,322)     |
| Plus: depreciation on capital assets   | 16,457         |
| Less: acquisition of capital assets  | <u>(4,200)</u> |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities |                |
|  | \$ 9,935       |

### 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, 2013, the Town budgeted and utilized the following amounts:

|                                   | As of June 30, 2012 |                     |                           |              |
|-----------------------------------|---------------------|---------------------|---------------------------|--------------|
|                                   | Original Budget     | Encumbered Balances | Additional Appropriations | Final Budget |
| Restricted fund balance:          |                     |                     |                           |              |
| Educational purposes              | \$ 3,486,000        | \$ -                | \$ -                      | \$ 3,486,000 |
| Municipal purposes                | 100,000             | -                   | 100,000                   | 200,000      |
| Assigned fund balance:            |                     |                     |                           |              |
| Municipal purposes                | 1,000,000           | -                   | 536,750                   | 1,536,750    |
| Encumbrances                      | -                   | 81,587              | -                         | 81,587       |
| Unassigned fund balance:          |                     |                     |                           |              |
| Municipal purposes                | -                   | -                   | 845,580                   | 845,580      |
| Total utilization of fund balance | \$ 4,586,000        | \$ 81,587           | \$ 1,482,330              | \$ 6,149,917 |

#### C. Additional Appropriations

##### 1. Supplemental appropriations

The Town Council made several supplemental budgetary appropriations throughout the year totaling \$1,482,330. Of this amount, \$362,250 was appropriated to fund the capital budget. Additional appropriations throughout the year included:

|                               |                |
|-------------------------------|----------------|
| College Street Reconstruction | \$ 500,000     |
| Ambulance Purchases           | 345,580        |
| School Master Plan            | 174,500        |
| Road Improvements             | <u>100,000</u> |
|                               | \$1,120,080    |

##### 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 2012-13 were \$2,135,000 for retirement, and \$310,000 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 \$206,500 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 27, 2013, 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 *fund balance deficits* exist at June 30, 2013:

|  |               |
|--|---------------|
| Downtown Development TIF District Fund | \$(1,413,629) |
|--|---------------|

The Downtown Development TIF District Fund accounts for activities related to the "DEVELOPMENT PROGRAM FOR THE BRUNSWICK DOWNTOWN MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT" adopted on March 1, 2010 (the "Downtown Development Program"), which consists of five major components. Tax revenues generated by development within the District will be captured and used to fund the activities of the Downtown Development Program. The deficit balance in this account is the result of advances to fund land acquisition and construction activities. Those advances are expected to be repaid from tax increment financing (TIF) revenues generated within the District over the thirty-year life of the District. Should there not be sufficient revenues the advances will not be repaid.

Within Other Governmental Funds, in the Capital Improvements Fund, the following project had a deficit balance:

|                             |             |
|-----------------------------|-------------|
| Hawthorne School renovation | \$(225,430) |
|-----------------------------|-------------|

This project was funded, in part, by an advance from the General Fund. It is anticipated that the deficit will be eliminated with future revenues or appropriations. Nine other projects within the Capital Improvements Fund have positive fund balances totaling \$1,916,798.

The following *net position deficit* exists as of June 30, 2013:

|                             |               |
|-----------------------------|---------------|
| Solid Waste Facilities Fund | \$(3,973,139) |
|-----------------------------|---------------|

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 post-closure 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. 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

###### Primary government:

As of June 30, 2013, the primary government had the following investments:

| <u>Investment Type</u>    | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> |
|---------------------------|-------------------|--|
| Certificates of Deposit   | \$ 10,015,844     | N/A                                      |
| Money-market Mutual Funds | 16,342,519        | N/A                                      |
| Equities                  | 295,375           | N/A                                      |
| Other Mutual Funds        | 923,929           | N/A                                      |

*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, 2013, 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. At June 30, 2013, the bank balance of \$1,169,953 was covered by the FDIC and the tri-party collateral agreement among the Town of Brunswick, Bank of America, and Bank of New York. Although CDs have been classified as investments for financial reporting, they are considered deposits for the purposes of custodial credit risk disclosure. All CDs are fully insured by the FDIC.

*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, 2013, the Town did not have a policy for concentration of credit risk.

###### Discretely presented component unit:

As of June 30, 2013, the Brunswick Development Corporation had the following investments:

| <u>Investment Type</u>  | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> |
|-------------------------|-------------------|--|
| Certificates of Deposit | \$ 1,227,695      | N/A                                      |

*Interest rate risk.* The Brunswick Development Corporation does not currently have a deposit policy for interest rate risk.

*Custodial credit risk – deposits.* This is the risk that in an event of a bank failure, the Brunswick Development Corporation's deposits may not be returned to it. The BDC does not have a deposit policy for custodial credit risk. At June 30, 2013, the BDC had \$303,935 in a demand deposit with Norway Savings Bank, of which \$53,935 was uninsured as it exceeded FDIC's limit of insurance. Although CDs have been classified as investments for financial reporting, they are considered deposits for the purposes of custodial credit risk disclosure. All CDs are fully insured by the FDIC.

*Custodial credit risk – investments.* This is the risk that in the event of failure of the counterparty, the Brunswick Development Corporation will not be able to recover the value of its investments. BDC does not have an investment policy for custodial credit risk. BDC's investments in certificates of deposit and money-market funds are not subject to custodial credit risk.

*Concentration of credit risk.* The Brunswick Development Corporation does not currently have a policy for concentration of credit risk.

## B. Receivables

Receivables at June 30, 2013 consist of the following:

|                                       | General<br>Fund     | Restricted<br>Programs | School<br>Funds  | Governmental<br>Funds | Enterprise<br>Funds | Other     | Total      |
|---------------------------------------|---------------------|------------------------|------------------|-----------------------|---------------------|-----------|------------|
| Taxes                                 | \$ 842,896          | \$ -                   | \$ -             | \$ -                  | \$ -                | \$ -      | \$ 842,896 |
| Tax liens                             | 264,646             | -                      | -                | -                     | -                   | -         | 264,646    |
| Accounts                              | 803,369             | 300                    | 72,585           | 61,802                | 938,056             |           |            |
| Intergovernmental                     | 108,251             | 1,133,285              | 11,240           | -                     | -                   | 1,252,776 |            |
| Notes                                 | 77,938              | -                      | -                | -                     | -                   | 77,938    |            |
| Gross receivables                     | <u>2,097,100</u>    | <u>1,133,585</u>       | <u>83,825</u>    | <u>61,802</u>         | <u>3,376,312</u>    |           |            |
| Less: Allowance for<br>Uncollectibles | (36,832)            | -                      | -                | -                     | -                   | (36,832)  |            |
| Net receivables                       | <u>\$ 2,060,268</u> | <u>\$ 1,133,585</u>    | <u>\$ 83,825</u> | <u>\$ 61,802</u>      | <u>\$ 3,339,480</u> |           |            |

Property taxes for the current year were committed September 10, 2012 on the assessed value listed as of April 1, 2012, for all taxable real and personal property located in the Town. Real property taxes were due in two installments, October 15, 2012 and April 16, 2013. Personal property taxes were due in one installment, October 15, 2012. 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. Each property must be reviewed no less than once every four years. 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, 2012, upon which the levy for the year ended June 30, 2013 was based, was \$1,315,896,090. This assessed value was 70% of the estimated market value and 64.88% of the 2012 State valuation of \$2,028,050,000.

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 \$846,751 for the year ended June 30, 2013.

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, 2013, the Town had a total of \$16,472,100 in

captured valuation for two TIF districts. The tax revenue captured in these districts totaled \$410,155 for the year. At June 30 the Town had designated three additional TIF districts: the Molnlycke Manufacturing TIF, Brunswick Landing, and the Brunswick Executive Airport.

### C. Long-term Receivables

#### Primary Government

At June 30, 2013, the Town of Brunswick had the following long-term receivables:

| <u>Receivable From</u>           | <u>Issue Date</u> | <u>Amount Issued</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Additions (Reductions)</u> | <u>Amount Outstanding</u> |
|----------------------------------|-------------------|----------------------|----------------------|----------------------|-------------------------------|---------------------------|
| Kelley & Kelley Development, LLC | 2011              | \$ 90,000            | 5.00%                | 04/10/14             | \$ (12,062)                   | \$ 77,938                 |

The Town sold a parcel of real estate to Kelley and Kelley Development, LLC on October 6, 2011, and, as part of the sale, took a promissory note with an original amount of \$90,000. The note provides for an annual interest rate of 5% amortized on a 10 year basis, with a balloon payment due 30 months from the date of issuance.

#### Discretely presented component unit

At June 30, 2013, the Brunswick Development Corporation (BDC) had the following long-term receivables:

| <u>Receivable From</u> | <u>Issue Date</u> | <u>Amount Issued</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Additions (Reductions)</u> | <u>Amount Outstanding</u> |
|------------------------|-------------------|----------------------|----------------------|----------------------|-------------------------------|---------------------------|
| 128 Maine St., LLC     | (a) 2012          | \$ 200,000           | 5.25%                | 06/01/17             | \$ (19,377)                   | \$ 180,623                |
| 128 Maine St., LLC     | (a) 2013          | 150,000              | 4.25%                | 04/22/18             | -                             | 150,000                   |
| Gelato Fiasco          | (b) 2013          | 91,300               | 4.25%                | 03/15/18             | (1,844)                       | 89,456                    |
|                        |                   |                      |                      |                      |                               | \$ 420,079                |

- (a) 128 Maine St., LLC. The BDC provided financing in order to assist with the redevelopment of a property in downtown Brunswick. The loans from BDC are secured by mortgages in junior position to the borrower's bank.
- (b) Gelato Fiasco, Inc. The BDC provided financing in order to assist in business expansion. Up to one-half of the principal amount may be forgiven in the form of a grant should the company meet certain performance requirements specified in the note.

During the fiscal year ended June 30, 2013, the Bibber Properties LLC note was retired and an agreement was reached to forgive a portion of the Harbor Holdings, LLC note, with the balance of that note also retired.

Subsequent to June 30, 2013, the BDC made several additional loans totaling \$575,100. See the "Subsequent Events" footnote herein for the details.

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2013 follows.

**Primary Government**

| <b>Governmental activities:</b>             |                      | <u>Balance</u>       | <u>Additions</u>   | <u>Retirements</u>   | <u>Balance</u>       |
|---|----------------------|----------------------|--------------------|----------------------|----------------------|
|   |                      | <u>June 30, 2012</u> |                    |                      | <u>June 30, 2013</u> |
| Capital assets, not being depreciated:      |                      |                      |                    |                      |                      |
| Land  | \$ 4,755,942         | \$ 700,262           | \$ -               | \$ 5,456,204         |                      |
| Construction in progress                    | 144,635              | 4,564,904            | (27,316)           | 4,682,223            |                      |
| Intangibles                                 | 200,000              | -                    | -                  | 200,000              |                      |
| Total capital assets not being depreciated  | 5,100,577            | 5,265,166            | (27,316)           | 10,338,427           |                      |
| Capital assets being depreciated:           |                      |                      |                    |                      |                      |
| Buildings                                   | 52,684,349           | 91,716               | -                  | 52,776,065           |                      |
| Improvements other than buildings           | 3,750,160            | 57,913               | -                  | 3,808,073            |                      |
| Machinery and equipment                     | 4,315,632            | 61,796               | (37,455)           | 4,339,973            |                      |
| Vehicles                                    | 6,850,175            | 308,192              | (122,733)          | 7,035,634            |                      |
| Intangibles                                 | 428,618              | -                    | -                  | 428,618              |                      |
| Infrastructure                              | 41,045,009           | 1,914,657            | (24,057)           | 42,935,609           |                      |
| Total capital assets being depreciated      | 109,073,943          | 2,434,274            | (184,245)          | 111,323,972          |                      |
| Less accumulated depreciation for:          |                      |                      |                    |                      |                      |
| Buildings                                   | (13,413,850)         | (1,816,204)          | -                  | (15,230,054)         |                      |
| Improvements other than buildings           | (1,553,893)          | (240,686)            | -                  | (1,794,579)          |                      |
| Machinery and equipment                     | (2,698,682)          | (301,680)            | 37,455             | (2,962,907)          |                      |
| Vehicles                                    | (4,715,580)          | (233,283)            | 90,326             | (4,858,537)          |                      |
| Intangibles                                 | (306,199)            | (72,729)             | -                  | (378,928)            |                      |
| Infrastructure                              | (19,277,537)         | (995,959)            | 19,353             | (20,254,143)         |                      |
| Total accumulated depreciation              | (41,965,741)         | (3,660,541)          | 147,134            | (45,479,148)         |                      |
| Total capital assets being depreciated, net | 67,108,202           | (1,226,267)          | (37,111)           | 65,844,824           |                      |
| Governmental activities capital assets, net | <u>\$ 72,208,779</u> | <u>\$ 4,038,899</u>  | <u>\$ (64,427)</u> | <u>\$ 76,183,251</u> |                      |

**Business-type activities:**

|  | Balance<br>June 30, 2012 | Additions   | Retirements | Balance<br>June 30, 2013 |
|--|--------------------------|-------------|-------------|--------------------------|
| 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                          | 7,388,473                | 53,430      | -           | 7,441,903                |
| Machinery and equipment                                    | 593,386                  | -           | -           | 593,386                  |
| Vehicles   | 88,632                   | -           | -           | 88,632                   |
| Intangibles  | 6,470                    | -           | -           | 6,470                    |
| Infrastructure   | 589,927                  | -           | -           | 589,927                  |
| Total capital assets being depreciated                     | 8,721,108                | 53,430      | -           | 8,774,538                |
| Less accumulated depreciation for:                         |                          |             |             |                          |
| Buildings  | (47,612)                 | (2,644)     | -           | (50,256)                 |
| Improvements other than buildings                          | (5,428,703)              | (93,846)    | -           | (5,522,549)              |
| Machinery and equipment                                    | (294,170)                | (25,330)    | -           | (319,500)                |
| Vehicles   | (88,632)                 | -           | -           | (88,632)                 |
| Intangibles  | (3,990)                  | (1,294)     | -           | (5,284)                  |
| Infrastructure   | (447,584)                | (23,557)    | -           | (471,141)                |
| Total accumulated depreciation                             | (6,310,691)              | (146,671)   | -           | (6,457,362)              |
| Total business-type capital assets being depreciated, net: | 2,410,417                | (93,241)    | -           | 2,317,176                |
| Business-type activities capital assets, net               | \$ 2,525,417             | \$ (93,241) | \$ -        | \$ 2,432,176             |

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

**Governmental activities:**

|   |              |
|---|--------------|
| General government  | \$ 337,002   |
| Public safety   | 263,679      |
| Public works, including depreciation of general infrastructure assets | 1,131,585    |
| Human services  | 28           |
| Education   | 1,818,096    |
| Recreation and culture  | 110,151      |
| Total depreciation expense - governmental activities                  | \$ 3,660,541 |

**Business-type activities:**

|   |            |
|---|------------|
| Mere Point wastewater                                 | \$ 23,557  |
| Solid Waste facilities                                | 111,868    |
| Train Station/Visitors Center                         | 11,246     |
| Total depreciation expense - business-type activities | \$ 146,671 |

**Discretely presented component unit**

Capital asset activity for Brunswick Development Corporation for the year ended June 30, 2013, was as follows:

|  | Balance<br>June 30, 2012 | Additions   | Retirements         | Balance<br>June 30, 2012 |
|--|--------------------------|-------------|---------------------|--------------------------|
| Capital assets, not being depreciated:                   |                          |             |                     |                          |
| Land   | \$ 97,460                | \$ -        | \$ -                | \$ 97,460                |
| Land held for resale                                     | <u>230,562</u>           | <u>-</u>    | <u>(230,562)</u>    | <u>-</u>                 |
|  | 328,022                  | -           | (230,562)           | 97,460                   |
| Brunswick Development Corporation<br>capital assets, net |                          |             |                     |                          |
|  | <u>\$ 328,022</u>        | <u>\$ -</u> | <u>\$ (230,562)</u> | <u>\$ 97,460</u>         |

At June 30, 2012, the Brunswick Development Corporation (BDC) owned vacant land at the corner of Pleasant and Stanwood streets. On November 20, 2012, the BDC and the Town of Brunswick executed an agreement to exchange BDC's Pleasant and Stanwood Street property for land and buildings at 28 Federal Street owned by the Town. The 28 Federal Street property was appraised at \$360,000. On December 20, 2012, the Pleasant and Stanwood properties were conveyed to the Town. BDC will not take title to the Town's property at 28 Federal Street until the Town vacates the building. This is expected to occur in 2014.

Subsequent to June 30, 2013, the BDC agreed to purchase, for \$225,000, the Recreation Center owned by the Town of Brunswick, located at 30 Federal Street. The purchase of the Recreation Center is contingent upon the BDC's ability to sell the property, along with property at 28 Federal Street, to Coastal Enterprises, Inc., (CEI). On August 22, 2013, the BDC executed an agreement with CEI that allows CEI the option to purchase properties at 28 and 30 Federal Street. CEI may exercise the option prior to February 3, 2014. Should CEI exercise its option, the properties may be purchased for \$300,000.

**E. Leases**

The Town is a lessee in a variety of operating leases, two of which are considered material. The Town is a lessor in two operating leases, neither of which are considered material.

**Town as Lessee:****Municipal Meeting Facility**

In April 2009, the Town executed a five-year agreement with Bowdoin College to sub-lease approximately 2,537 square feet of space the College had leased at Maine Street Station (now Brunswick Station) from JHR Development of Maine (JHR). The Town uses the leased space as a meeting facility for the Town Council and the Town's other boards and committees. The term of the lease began on September 1, 2009 and for the year ended June 30, 2013 the lease expense was \$36,586. An estimate of the future lease payments follows.

| <u>Year Ending June 30,</u> | Base         |              | Additional   |              | <u>Total</u> |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
|                             | <u>Rent</u>  | <u>Rent</u>  | <u>Rent</u>  | <u>Total</u> |              |
| 2014                        | \$ 15,016    | \$ 25,000    | \$ 40,016    |              |              |
| 2015                        | <u>2,538</u> | <u>4,000</u> | <u>6,538</u> |              |              |
|                             | \$ 17,554    | \$ 29,000    | \$ 46,554    |              |              |

## Train Station &amp; 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 term of the lease began November 1, 2009. 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. 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. For the year ended June 30, 2013 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> |
|-----------------------------|-----------------------|
| 2014                        | \$ 44,000             |
| 2015                        | 14,667                |
|                             | <hr/>                 |
|                             | \$ 58,667             |

**F. 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> |                   |                      |                      |                            |                                       |                            |
| 2003 High School Refunding     | 2003              | \$ 9,595,000         | 1.50%<br>to 4.50%    | 2014                       | \$ 785,000<br>to 1,060,000<br>200,000 | \$ 785,000                 |
| 2006 Fire Station & Truck      | 2006              | 3,125,000            | 4.00%<br>2.00%       | 2021                       | to 275,000                            | 1,600,000                  |
| 2010 Elementary School         | 2010              | 21,462,250           | to 5.50%<br>2.00%    | 2030                       | 1,073,113<br>270,000                  | 19,316,025                 |
| 2011 GO Bonds                  | 2011              | 4,120,000            | to 3.00%<br>2.00%    | 2021                       | to 555,000                            | 3,010,000                  |
| 2013 Police Station            | 2013              | 5,500,000            | to 3.50%             | 2033                       | 275,000                               | 5,500,000                  |
|                                |                   |                      |                      |                            |                                       | <hr/> <u>\$ 30,211,025</u> |

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, 78% of the debt service on the High School Refunding Bonds and 87% of the debt service on the Elementary School Bonds are eligible for State subsidy. The State is in the process of reviewing the elementary school construction project costs so the percentage of the debt service subsidy on those bonds could change based on the results of the State review.

The amounts required to amortize all bonds and notes outstanding as of June 30, 2013 are as follows:

| Governmental Activities |               |              |               |                |               |  |
|-------------------------|---------------|--------------|---------------|----------------|---------------|--|
| Year Ending<br>June 30  | Principal     | Interest     | Total         | BAB<br>Subsidy | Net<br>Total  |  |
| 2014                    | \$ 2,888,113  | \$ 977,326   | \$ 3,865,439  | \$ (232,603)   | \$ 3,632,836  |  |
| 2015                    | 2,103,112     | 940,739      | 3,043,851     | (232,602)      | 2,811,249     |  |
| 2016                    | 2,098,113     | 894,062      | 2,992,175     | (228,895)      | 2,763,280     |  |
| 2017                    | 1,818,112     | 845,262      | 2,663,374     | (220,447)      | 2,442,927     |  |
| 2018                    | 1,818,113     | 792,811      | 2,610,924     | (210,212)      | 2,400,712     |  |
| 2019-2023               | 8,150,562     | 3,109,061    | 11,259,623    | (862,513)      | 10,397,110    |  |
| 2024-2028               | 6,740,563     | 1,787,647    | 8,528,210     | (498,232)      | 8,029,978     |  |
| 2029-2033               | 4,594,337     | 360,016      | 4,954,353     | (84,068)       | 4,870,285     |  |
| Total                   | \$ 30,211,025 | \$ 9,706,924 | \$ 39,917,949 | \$ (2,569,572) | \$ 37,348,377 |  |

For the year ended June 30, 2013, the Town paid \$2,728,113 in principal and \$704,610 in interest (net of \$232,603 BABs subsidy) for a total of \$3,432,723 in debt service payments. All long-term debt of the Town of Brunswick has been issued as general obligation. The Town received the full BABs subsidy in FY 13. However, due to federal sequestration, the Town expects the BAB's subsidy will be reduced in FY 14 and beyond. The amount of the sequestration reduction for the November 1, 2013 interest payment is \$8,374, or a 7.2% reduction. The Town cannot estimate the amount of reduction, if any, going forward.

The Town Council has scheduled a public hearing for November 18, 2013 to consider a proposed bond ordinance authorizing the issuance of up to \$950,000 in debt to finance the renovation of a Town-owned facility for use as a new Town Hall. Use of unassigned general fund balance is being considered as an alternative funding source.

*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:

| Type of Leave              | Governmental Activities | Business-type Activities |
|----------------------------|-------------------------|--------------------------|
| Sick paid upon termination | \$ 392,364              | \$ 2,596                 |
| Vacation                   | 559,060                 | 5,185                    |
| Compensatory time          | 49,720                  | -                        |
| School retirement stipend  | 407,520                 | -                        |
| Totals                     | \$ 1,408,664            | \$ 7,781                 |

3. Other post-employment 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 post-employment 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 October 2013 for the fiscal years ending June 30, 2013 and June 30, 2014. 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                             | \$ 69,411  |
| Amortization of Unfunded                | 137,043    |
| Interest                                | 4,089      |
|   | <hr/>      |
| Annual Required Contribution            | 210,543    |
| Interest on Net OPEB Obligation         | -          |
| Amortizing Adjustment to ARC            | -          |
|   | <hr/>      |
| Annual OPEB Cost                        | 210,543    |
| Contributions made                      | (73,021)   |
|   | <hr/>      |
| Increase in Net OPEB Obligation         | 137,522    |
| Net OPEB obligation - beginning of year | 480,280    |
|   | <hr/>      |
| Net OPEB obligation - end of year       | \$ 617,802 |

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, 2013 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, 2011            | 186,331                 | 41.33%  | 367,664                    |
| June 30, 2012            | 184,382                 | 38.92%  | 480,280                    |
| June 30, 2013            | 210,543                 | 34.68%  | 617,802                    |

Funding Status and Funding Progress: The funded status of the plan as of June 30, 2013 was as follows:

|  |              |
|--|--------------|
| Actuarial accrued liability  | \$ 2,464,551 |
| Plan assets  | -            |
| Unfunded actuarial accrued liability                                       | \$ 2,464,551 |
| Funded ratio   | 0%           |
| Covered payroll  | \$ 7,788,043 |
| Unfunded actuarial accrued liability<br>as a percentage of covered payroll | 31.65%       |

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 79, provides multiyear trend information (only four 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           | 1/1/2013              |
| 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%                 |

#### 4. 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.

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 post-closure 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, 2013, the Town estimates the facility has a remaining capacity of 22.68% and, at current disposal rates, will continue accepting waste for 16-22 more years. The Town estimates the final closure cost for the entire facility to be approximately \$6,300,000. The total post-closure care costs are estimated at \$2,135,000 which is an annual cost of \$71,167 for 30 years. Of the total estimated liability, \$8,435,000, the Town estimates that \$6,521,581 is applicable to this facility based on the estimated capacity used as of June 30, 2013.

The landfill operates under strict environmental regulations and its operation is dependent on continued compliance with existing and future regulations. The facility's wastewater discharge license was renewed in August 2011. 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). The Town believes that treatment options to meet those parameters will be costly and will not appreciably impact water quality. 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. The DEP has told the Town that such a variance is no longer an option. For over a year, the Town and the Maine Department of Environmental Protection (DEP) were negotiating an Administrative Consent Agreement (ACA) to resolve violations of certain wastewater discharge limits and other operational violations. In January 2012, the Town and DEP discontinued the ACA discussions. Instead, the parties agreed to pursue a collaborative approach. Late in 2012, the Town and DEP cooperated in the construction and operation of a small-scale experimental treatment facility. The Town and DEP have agreed to continue operating the facility through the upcoming winter months in order to obtain more reliable data about the facility's effectiveness in cold weather conditions. Depending on its collaboration with DEP, the cost of wastewater treatment options, and other factors, the Town may ultimately consider closing the landfill. 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 post-closure care as of June 30, 2013, the Town estimates that \$96,000 is applicable to this facility. This represents annual monitoring at \$4,000 per year for 24 years. The portion of the liability reported as due within one year is \$4,000.

*Pleasant Hill Landfill:* This facility ceased operations on January 7, 1984 and final closure was completed in September 1984 pursuant to a Maine Department of Environmental Protection Order. The approved closure plan required post closure monitoring for two years and no further monitoring was required. The

Town ceased monitoring in 1986 and voluntarily resumed monitoring in 1989. Of the total liability estimated for landfill closure and post-closure care as of June 30, 2013, the Town estimates that \$7,500 is applicable to this facility. This represents annual monitoring at \$7,500 per year for 1 more year.

#### G. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2013, was as follows:

|  | Balance<br>June 30, 2012 | Additions           | Deductions            | Balance<br>June 30, 2013 | Due Within<br>One Year |
|--|--------------------------|---------------------|-----------------------|--------------------------|------------------------|
| <u>Governmental Activities</u>           |                          |                     |                       |                          |                        |
| Bonds payable:                           |                          |                     |                       |                          |                        |
| General government                       | \$ 27,439,138            | \$ 5,500,000        | \$ (2,728,113)        | \$ 30,211,025            | \$ 2,888,113           |
| Plus premium<br>on bonds                 | 139,559                  | 99,880              | (34,366)              | 205,073                  | 25,291                 |
| School retirement<br>incentive           | 190,758                  | 8,609               | (47,279)              | 152,088                  | 50,116                 |
| Compensated<br>absences                  | 1,398,500                | 875,494             | (865,330)             | 1,408,664                | 394,317                |
| Other post employment<br>benefits        | 480,280                  | 137,522             | -                     | 617,802                  | -                      |
|  | <u>\$ 29,648,235</u>     | <u>\$ 6,621,505</u> | <u>\$ (3,675,088)</u> | <u>\$ 32,594,652</u>     | <u>\$ 3,357,837</u>    |
| <u>Business-type Activities</u>          |                          |                     |                       |                          |                        |
| Compensated<br>absences                  | \$ 6,518                 | \$ 8,856            | \$ (7,593)            | \$ 7,781                 | \$ 1,250               |
| Landfill closure and<br>postclosure care | 6,561,460                | 75,121              | (11,500)              | 6,625,081                | 11,500                 |
|  | <u>\$ 6,567,978</u>      | <u>\$ 83,977</u>    | <u>\$ (19,093)</u>    | <u>\$ 6,632,862</u>      | <u>\$ 12,750</u>       |

For the governmental activities, compensated absences are generally liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Solid Waste Facilities Fund. To the extent that the net OPEB obligation is liquidated, it is liquidated by plan member contributions.

#### H. Components of Fund Balances

The components of the June 30, 2013 fund balance are shown on the following page.

|                                   | <u>Nonspendable</u> | <u>Restricted</u>   | <u>Committed</u>    | <u>Assigned</u>     |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund:                     |                     |                     |                     |                     |
| Advances to other funds           | \$ 450,580          | \$ -                | \$ -                | \$ -                |
| Inventories and prepaids          | 55,570              | -                   | -                   | -                   |
| Education purposes                | -                   | 4,968,986           | -                   | -                   |
| URIP (road assistance) funds      | -                   | 75,913              | -                   | -                   |
| State revenue sharing             | -                   | 134,757             | -                   | -                   |
| Encumbrances                      | -                   | -                   | -                   | 67,397              |
| Budget appropriation              | -                   | -                   | -                   | 1,000,000           |
| Supplemental appropriations       | -                   | -                   | -                   | 465,000             |
| Compensated absences              | -                   | -                   | -                   | 292,438             |
| Police Station Building Fund      | -                   | 1,372,663           | -                   | -                   |
| School Restricted Programs        | 15,797              | 307,804             | -                   | -                   |
| Special revenue funds             | -                   | 227,919             | 203,617             | -                   |
| Capital projects funds:           |                     |                     |                     |                     |
| Advances to other funds           | 1,188,479           | -                   | -                   | -                   |
| Restricted programs/purposes      | -                   | 1,502,168           | -                   | -                   |
| Appropriated for capital projects | -                   | -                   | 2,362,677           | -                   |
| Permanent funds                   | 489,301             | 21,189              | -                   | -                   |
| Total                             | <u>\$ 2,199,727</u> | <u>\$ 8,611,399</u> | <u>\$ 2,566,294</u> | <u>\$ 1,824,835</u> |

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, 2013, the Town's unassigned fund balance was at 18.60% of revenues.

## I. Interfund Balances

Interfund balances are composed of two types – due to/due from balances, and advances. The due to/from balances result from receipts and disbursements being made through the General Fund cash accounts. These balances will be eliminated when cash transfers are made to the appropriate funds. The advances are interfund loans from the General Fund to the Capital Improvements Fund and from the Capital Improvements Fund to the Downtown Development TIF District Fund.

### 1. Due to/from other funds

| <u>Receivable Fund</u>      | <u>Payable Fund</u>             | <u>Amount</u>       |
|-----------------------------|---------------------------------|---------------------|
| General Fund                | School Restricted Funds         | \$ 732,591          |
| General Fund                | Elementary School Building Fund | 36,553              |
|                             |                                 | <u>\$ 769,144</u>   |
| Recreation Program Funds    | General Fund                    | 2,338               |
| Town Restricted Funds       | General Fund                    | 193,723             |
| Public Works Projects       | General Fund                    | 84,757              |
| Vehicle/Equipment Reserves  | General Fund                    | 821,047             |
| Capital Improvement Fund    | General Fund                    | 722,725             |
| Private Purpose Trust Funds | General Fund                    | 1,182               |
| Enterprise Funds            | General Fund                    | 3,603               |
| Internal Service Fund       | General Fund                    | 52,478              |
|                             |                                 | <u>\$ 1,881,853</u> |

2. Advances to/from other funds

| <u>Receivable Fund</u>    | <u>Payable Fund</u>                              | <u>Amount</u> |
|---------------------------|--|---------------|
| General Fund              | Capital Improvements Fund - School Dept projects | \$ 225,430    |
|                           | Downtown Development TIF District                | 225,150       |
|                           |  | <hr/>         |
|                           |  | \$ 450,580    |
| Capital Improvements Fund | Downtown Development TIF District                | \$ 1,188,479  |

It is anticipated that the advance related to the School Department projects will be repaid by subsequent appropriations to the department. The advances to the Downtown Development TIF District are expected to be repaid from future TIF revenues.

J. **Interfund transfers**

|                       | Transfers In: |                              |                            |                             |                  |              | Total transfers out |
|-----------------------|---------------|------------------------------|----------------------------|-----------------------------|------------------|--------------|---------------------|
|                       | General Fund  | Police Station Building Fund | School Restricted Programs | Nonmajor Governmental Funds | Enterprise Funds |              |                     |
| <b>Transfers Out:</b> |               |                              |                            |                             |                  |              |                     |
| General Fund          | \$ -          | \$ -                         | \$ 86,000                  | \$ 2,752,927                | \$ 250,000       | \$ 3,088,927 |                     |
| Nonmajor Govt Funds   |               |                              |                            |                             |                  |              |                     |
| Special Revenue Funds | 334,253       | -                            | -                          | 137,462                     | -                | 471,715      |                     |
| Capital Project Funds | 622,144       | 135,814                      | -                          | 544,780                     | -                | 1,302,738    |                     |
| Total transfers in    | \$ 956,397    | \$ 135,814                   | \$ 86,000                  | \$ 3,435,169                | \$ 250,000       | \$ 4,863,380 |                     |

Of the \$3,088,927 transferred out of the General Fund, \$2,747,427 was made for a variety of capital projects. The largest of these include \$1,237,000 for road construction projects, \$680,580 for vehicle acquisitions, and \$450,000 for annual Public Works projects. The \$250,000 transfer to Enterprise Funds represents General Fund subsidies of the Graham Road Landfill operations of \$200,000 and the Train Station/Visitors Center of \$50,000. Of the remaining \$91,500, \$86,000 was the annual subsidy of the School Cafeteria Fund, and \$5,500 was the annual contribution to the Memorial Day fund to match small grants.

Transfers in to the General Fund include a budgeted transfer of \$200,000 from the Industrial Park Fund, \$334,253 remaining in the Times Record Building fund after that building was demolished, and \$422,144 in balances from completed projects and activities.

K. **Nonmonetary Exchange (special item)**

Property Exchange with BDC (significant transaction with component unit) – On October 15, 2012, the Town Council authorized a non-monetary exchange with Brunswick Development Corporation (BDC) in which the Town would exchange the current Municipal Building and the site at Federal Street for property owned by the BDC at the corner of Pleasant and Stanwood streets which the Town had identified as the preferred site of a new police station. On November 20, 2012, the Town and BDC executed a property exchange agreement, and on December 20, 2012 the Pleasant and Stanwood land was conveyed to the Town. The agreement specifies that the Federal Street property will be conveyed to BDC after the Town vacates the property. The Town anticipates this will be in early 2014 when the Town offices are moved to 85 Union Street. As of June 30, 2013, the Town has recognized a special item of \$105,282. This represents the addition of the Pleasant/Stanwood land at a book value of \$230,562, offset by the contracted obligation of the Federal Street property at a December 2012 book value of \$125,280.

**L. 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, 2013, 2012 and 2011, 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, 2013.

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.

The Midcoast Regional Redevelopment Authority (MRRA) filed a for a tax abatement on certain properties it believes are tax-exempt. The Town believes Maine law requires that those properties be taxed. Should MRRA prevail, the Town would be required to abate and refund \$114,114 in taxes for the year ended June 30, 2013. The Town has also taxed these properties for FY14 and the amount that would be due on an abatement would be 121,630.

**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. Defined Benefit Pension Plans**

*Consolidated Plan for Participating Local Districts:* For its participating municipal employees and participating School Department employees not covered by the Teacher Plan (described below), the Town of Brunswick contributes to the Consolidated Plan for Participating Local Districts (CPPLD) a cost-sharing multiple-employer, defined benefit pension plan administered by the Maine Public Employees Retirement System (MainePERS). The MainePERS is established and administered under Maine law. The CPPLD provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. The MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the CPPLD. That report may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046.

Plan members are required to contribute 6.5% to 8.0% of their annual covered salary and the Town of Brunswick is required to contribute at an actuarially determined rate. The rate for the year ended June 30, 2013 varied from 5.3% to 12.2% of covered payroll depending on the employee classification. The contribution requirements of the Plan members and the Town of Brunswick are established by and may be amended by the State Legislature. The amounts the Town was required to contribute to the CPPLD for the years ended June 30, 2013, 2012 and 2011 were \$683,783, \$532,670 and \$415,329, respectively, less amounts from credits as noted below. All required contributions were made by the Town.

The CPPLD retirement programs provide defined retirement benefits based on a member's average final compensation. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit or, in some cases, the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age is 60. The monthly benefit of members eligible to retire before normal retirement age by virtue of having at least 25 years of service is reduced by a statutorily prescribed factor for each year of age that a member is below his/her normal retirement age at retirement. Police and fire personnel have special provisions that allow them to retire at any age, without a reduction in benefits, after 20 or 25 years of service depending on their individual date of hire.

The Town joined the CPPLD of the Maine Public Employees Retirement System, effective on July 1, 1995. Upon joining the CPPLD, the Town ceased to be an individual sponsor of an agent multiple-employer defined benefit pension plan administered by MainePERS and instead became a participant in the CPPLD. As a participant of the CPPLD plan, the Town is entitled to its initial unfunded unpooled actuarial assets from its previous plan. At June 30, 2012, the latest information available, the remaining balance is \$280,659. The Town has used credits of \$68,280, \$71,712 and \$78,936 for the years ended June 30, 2013, 2012 and 2011, respectively, to reduce contributions to the CPPLD.

*Teacher Plan:* Teachers and certain other School Department employees also participate in the Maine Public Employees Retirement System (MainePERS) through the Teacher Plan, a cost-sharing multiple-employer, defined benefit pension plan with a special funding situation established by the Maine Legislature. The Plan's retirement programs provide defined retirement benefits based on a member's average final compensation. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years) or, in some cases, the earning of one year of service credit

immediately preceding retirement at or after normal retirement age. Normal retirement age is 60 or 62, determined by whether a member had at least 10 years of creditable service on June 30, 1993. The monthly benefit of members eligible to retire before normal retirement age by virtue of having at least 25 years of service is reduced by a statutorily prescribed factor for each year of age that a member is below his/her normal retirement age at retirement. The System also provides death and disability benefits. The authority to establish and amend benefit provisions rests with the State legislature. The MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher Plan. That report may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046.

Employees in the Teacher Plan are required by State statute to contribute 7.65% of their compensation to the retirement system. Except for federally-funded teachers, the Town is not required to make contributions to this plan. As required by State statute, contributions are made on behalf of the Town for the non-federally-funded teachers by a State appropriation. Contributions paid by the State to the plan for the years ended June 30, 2013, 2012 and 2011 were \$2,135,000, \$2,144,000 and \$2,900,000 respectively, equal to the required contribution for each year. For federally-funded teachers, contributions paid by the Town to the Plan for the years ended June 30, 2013, 2012 and 2011 were \$64,533, \$116,602 and \$201,150 respectively, equal to the required contribution for each year. The actuarially determined rate for State and Town contributions to the Teacher Plan for retirement for the year ended June 30, 2013 were 13.85% and 14.32% respectively.

#### **E. 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, 2013, the Town's equalized state valuation of \$1,983,450,000 was 5.13% of the County's equalized state valuation of \$38,690,850,000. The Town's share of Cumberland County's principal debt as of June 30, 2013 is \$1,892,925 or 5.13% of the total outstanding long-term County debt of \$36,925,000.

##### **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. At June 30, 2013, MR10 had total principal debt outstanding of \$24,500. The Town of Brunswick's share of MR10's debt is 38.29%, or \$9,381. See the "Joint Venture" footnote for additional information.

#### **F. 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, 2013 is provided as an indication of the combined debt burden of the constituent ratepayer/taxpayer base.

|                                    | Total<br>Principal<br>Debt  | Percent<br>Applicable<br>to Brunswick | Amount<br>Applicable<br>to Brunswick |
|------------------------------------|-----------------------------|---------------------------------------|--------------------------------------|
| Brunswick & Topsham Water District | \$ 8,510,648                | 66.67%                                | \$ 5,674,049                         |
| Brunswick Sewer District           | <u>1,593,593</u>            | 100.00%                               | <u>1,593,593</u>                     |
| Total                              | <u><u>\$ 10,104,241</u></u> |                                       | <u><u>\$ 7,267,642</u></u>           |

#### G. 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, 2013, the total budget of MR10 was \$1,980,299. After MR10 deducted certain balances and miscellaneous revenues, the Town of Brunswick was assessed and paid \$708,809. At June 30, 2013, MR10 had total principal debt outstanding of \$24,500. The Town of Brunswick's share of MR10's debt is 38.29%, or \$9,381. A copy of MR10's audited financial statements may be obtained from Maine Region 10 Technical High School, 68 Church Road, Brunswick, Maine 04011.

#### H. Commitments

##### Primary government

As of June 30, 2013, the Town had various contractual commitments. The significant commitments are as follows:

| <u>Project</u>                  | <u>Spent<br/>to Date</u> | <u>Remaining<br/>Commitment</u> |
|---------------------------------|--------------------------|---------------------------------|
| Police Station Building Project | \$ 4,101,132             | \$ 1,055,162                    |
| College Street Reconstruction   | <u>126,928</u>           | <u>759,748</u>                  |
| Total                           | \$ 4,228,060             | \$ 1,814,910                    |

Property Exchange with BDC – Pursuant to the December 2012 property exchange agreement between the Town and Brunswick Development Corporation, the Town is obligated to convey the property at 28 Federal Street to BDC when the Town offices are moved out in early 2014. The book value of the property as of the date of the agreement is \$125,280.

Parking for Bowdoin College – Under a tri-party agreement that established a shared parking arrangement with Bowdoin College and a private developer, the Town agreed to provide 39 parking spaces to Bowdoin College. However, with the Town's acquisition of Bowdoin's McLellan property, it is not clear where the additional parking might be located and what might be the cost of developing that parking.

**Discretely presented component unit**

Mid Coast Regional Redevelopment Authority (MRRA) Grant - On May 15, 2013, the Brunswick Development Corporation voted to issue a letter of commitment, through June 2, 2014, of \$250,000 in support of MRRA's \$1.5 million EDA Made in America grant application, seeking funding for the development of MRRA's Tech Place project. On October 22, 2013, MRRA received notification from EDA of the Made in America grant award and financing. See also the subsequent events footnote.

**I. Subsequent Events****Primary government**

Property Sale to BDC (significant transaction with component unit) – On August 22, 2013, the Town agreed to sell to Brunswick Development Corporation, for \$225,000, the Recreation Center located at 30 Federal Street. The purchase of the Recreation Center is contingent upon the BDC's ability to sell the property, along with property at 28 Federal Street, to Coastal Enterprises, Inc., (CEI). See the "Discretely presented component unit" footnote following.

**Discretely presented component unit**

Property Purchase from the Town of Brunswick (significant transaction with primary government) - On August 22, 2013 the BDC agreed to purchase, for \$225,000, the Recreation Center owned by the Town of Brunswick, located at 30 Federal Street. The purchase of the Recreation Center is contingent upon the BDC's ability to sell the property, along with property at 28 Federal Street, to Coastal Enterprises, Inc., (CEI).

Option to Sell Property to Coastal Enterprises, Inc., (CEI) - On August 22, 2013, the BDC executed an agreement with CEI that allows CEI the option to purchase property at 28 and 30 Federal Streets. CEI may exercise the option prior to February 3, 2014. Should CEI exercise its option, the properties may be purchased for \$300,000.

Loan to Brunswick Taxi Inc. - On July 24, 2013, BDC loaned \$247,000 to Brunswick Taxi, Inc. No loan payments are required until September 1, 2016. Should Brunswick Taxi meet the performance requirements specified in the loan, one hundred percent of the principal and interest may be forgiven in the form of a grant.

Grant to Midcoast Redevelopment Regional Authority (MRRA) – On October 28, 2013, BDC fulfilled its commitment to provide a matching grant of \$250,000 for the Make it in America Challenge grant awarded to MRRA by the EDA.

Grant to Brunswick Downtown Association (BDA) – On October 28, 2013, BDC awarded a grant of \$250,000 to the BDA to be used to establish a Façade Improvement Grant Program. This program, to be administered by the BDA, will serve as assistance and incentive to business owners to upgrade the appearance of building exteriors in the downtown.

Loan to At Last...Salon & Day Spa (At Last) - On November 1, 2013, BDC loaned \$34,500 to At Last...Salon & Day Spa. Should At Last meet the performance requirements specified in the loan, fifty percent of the principal may be forgiven in the form of a grant.

Loan to Gelato Fiasco - On November 1, 2013, BDC loaned \$156,100 to Gelato Fiasco. Should Gelato Fiasco meet the performance requirements specified in the loan, fifty percent of the principal may be forgiven in the form of a grant.

Loan to Frosty's Donuts, LLC (Frosty's) - On November 1, 2013, BDC loaned \$137,500 to Frosty's Donuts. Should Frosty's meet the performance requirements specified in the loan, fifty percent of the principal may be forgiven in the form of a grant.

**Required Supplementary Information**

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

| Fiscal year<br>Ended<br>June 30, | Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets | Actuarial                     |                           |                 | Funded<br>Ratio | Covered<br>Payroll | UAAL as a<br>Percentage<br>of Covered<br>Payroll |
|----------------------------------|--------------------------------|---------------------------------|-------------------------------|---------------------------|-----------------|-----------------|--------------------|--|
|                                  |                                |                                 | Accrued<br>Liability<br>(AAL) | Unfunded<br>AAL<br>(UAAL) | Funded<br>Ratio |                 |                    |  |
| 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%   |

## **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.

### **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 Improvements Fund**

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 Building Fund**

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

**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, 2013**

|                                      | <b>Nonmajor<br/>Special<br/>Revenue<br/>Funds</b> | <b>Nonmajor<br/>Capital<br/>Project<br/>Funds</b> | <b>Nonmajor<br/>Permanent<br/>Funds</b> | <b>Total Other<br/>Governmental<br/>Funds</b> |
|--------------------------------------|---|---|---|---|
| <b>ASSETS</b>                        |   |   |   |   |
| Cash and cash equivalents            | \$ 331,494  | \$ 2,366,984                                      | \$ 7,858                                | \$ 2,706,336                                  |
| Investments                          | -   | -   | 497,195                                 | 497,195                                       |
| Receivables:                         |   |   |   |   |
| Accounts                             | 12,920  | 59,665  | -                                       | 72,585  |
| Intergovernmental                    | 11,240  | -   | -                                       | 11,240  |
| Deposits                             | -   | 50,000  | -                                       | 50,000  |
| Due from other funds                 | 196,061   | 1,628,529   | -                                       | 1,824,590                                     |
| Advances to other funds              | -   | 1,188,479   | -                                       | 1,188,479                                     |
| Total assets                         | <u>\$ 551,715</u>                                 | <u>\$ 5,293,657</u>                               | <u>\$ 505,053</u>                       | <u>\$ 6,350,425</u>                           |
| <b>LIABILITIES AND FUND BALANCES</b> |   |   |   |   |
| Liabilities:                         |   |   |   |   |
| Accounts payable                     | \$ 18,130   | \$ 203,780  | \$ -                                    | \$ 221,910                                    |
| Accrued payroll                      | 10,285  | -   | -                                       | 10,285  |
| Unearned revenue                     | 91,764  | -   | -                                       | 91,764  |
| Due to other funds                   | -   | 36,553  | -                                       | 36,553  |
| Advances from other funds            | -   | 225,430   | -                                       | 225,430                                       |
| Total liabilities                    | <u>120,179</u>                                    | <u>465,763</u>                                    | <u>-</u>                                | <u>585,942</u>                                |
| Fund balances:                       |   |   |   |   |
| Nonspendable                         | -   | 1,188,479   | 489,301                                 | 1,677,780                                     |
| Restricted                           | 227,919   | 1,502,168   | 21,189                                  | 1,751,276                                     |
| Committed                            | 203,617   | 2,362,677   | -                                       | 2,566,294                                     |
| Unassigned                           | -   | (225,430)   | (5,437)                                 | (230,867)                                     |
| Total fund balances                  | <u>431,536</u>                                    | <u>4,827,894</u>                                  | <u>505,053</u>                          | <u>5,764,483</u>                              |
| Total liabilities and fund balances  | <u>\$ 551,715</u>                                 | <u>\$ 5,293,657</u>                               | <u>\$ 505,053</u>                       | <u>\$ 6,350,425</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, 2013**

|  | <b>Nonmajor<br/>Special<br/>Revenue<br/>Funds</b> | <b>Nonmajor<br/>Capital<br/>Project<br/>Funds</b> | <b>Nonmajor<br/>Permanent<br/>Funds</b> | <b>Total Other<br/>Governmental<br/>Funds</b> |
|--|---|---|---|---|
| <b>REVENUES</b>  |   |   |   |   |
| Property taxes   | \$ 148,635  | \$ -  | \$ -                                    | \$ 148,635                                    |
| Intergovernmental  | 149,791   | 387,750   | -                                       | 537,541                                       |
| Investment income  | -   | -   | 36,307                                  | 36,307  |
| Charges for services   | 380,309   | -   | -                                       | 380,309                                       |
| Interest   | 26  | 234   | -                                       | 260   |
| Donations  | 108,916   | 98,226  | -                                       | 207,142                                       |
| Total revenues   | <u>787,677</u>                                    | <u>486,210</u>                                    | <u>36,307</u>                           | <u>1,310,194</u>                              |
| <b>EXPENDITURES</b>  |   |   |   |   |
| Current:   |   |   |   |   |
| General government   | 262,664   | -   | -                                       | 262,664                                       |
| Public safety  | 73,940  | -   | -                                       | 73,940  |
| Public works   | 4,721   | -   | -                                       | 4,721   |
| Recreation and culture                                       | 341,602   | -   | 5,000                                   | 346,602                                       |
| Capital outlay   | -   | 2,255,429   | -                                       | 2,255,429                                     |
| Total expenditures   | <u>682,927</u>                                    | <u>2,255,429</u>                                  | <u>5,000</u>                            | <u>2,943,356</u>                              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>104,750</u>                                    | <u>(1,769,219)</u>                                | <u>31,307</u>                           | <u>(1,633,162)</u>                            |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |   |   |   |   |
| Transfer from other funds                                    | 5,500   | 3,429,669   | -                                       | 3,435,169                                     |
| Transfer to other funds                                      | <u>(471,715)</u>                                  | <u>(1,302,738)</u>                                | <u>-</u>                                | <u>(1,774,453)</u>                            |
| Total other financing sources (uses)                         | <u>(466,215)</u>                                  | <u>2,126,931</u>                                  | <u>-</u>                                | <u>1,660,716</u>                              |
| Net changes in fund balances                                 | (361,465)   | 357,712   | 31,307                                  | 27,554  |
| Fund balances, beginning of year                             | 793,001   | 4,470,182   | 473,746                                 | 5,736,929                                     |
| Fund balances, end of year                                   | <u>\$ 431,536</u>                                 | <u>\$ 4,827,894</u>                               | <u>\$ 505,053</u>                       | <u>\$ 5,764,483</u>                           |

Statement B-1

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2013**

|                                      | Recreation<br>Programs | Town<br>Restricted<br>Programs | Totals            |
|--------------------------------------|------------------------|--------------------------------|-------------------|
| <b>ASSETS</b>                        |                        |                                |                   |
| Cash and cash equivalents            | \$ 319,714             | \$ 11,780                      | \$ 331,494        |
| Receivables:                         |                        |                                |                   |
| Accounts                             | 1,500                  | 11,420                         | 12,920            |
| Intergovernmental                    | -                      | 11,240                         | 11,240            |
| Due from other funds                 | 2,338                  | 193,723                        | 196,061           |
| Total assets                         | <u>\$ 323,552</u>      | <u>\$ 228,163</u>              | <u>\$ 551,715</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                        |                                |                   |
| Liabilities:                         |                        |                                |                   |
| Accounts payable                     | \$ 17,886              | \$ 244                         | \$ 18,130         |
| Accrued payroll                      | 10,285                 | -                              | 10,285            |
| Unearned revenue                     | 91,764                 | -                              | 91,764            |
| Total liabilities                    | <u>\$ 119,935</u>      | <u>\$ 244</u>                  | <u>\$ 120,179</u> |
| Fund balances:                       |                        |                                |                   |
| Nonspendable                         | -                      | -                              | -                 |
| Restricted                           | -                      | 227,919                        | 227,919           |
| Committed                            | 203,617                | -                              | 203,617           |
| Total fund balances                  | <u>203,617</u>         | <u>227,919</u>                 | <u>431,536</u>    |
| Total liabilities and fund balances  | <u>\$ 323,552</u>      | <u>\$ 228,163</u>              | <u>\$ 551,715</u> |

**Statement B-2**

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the year ended June 30, 2013**

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|  | <b>Recreation<br/>Programs</b> | <b>Town<br/>Restricted<br/>Programs</b> | <b>Totals</b>            |
|--|--------------------------------|---|--------------------------|
| <b>REVENUES</b>  |                                |   |                          |
| Property taxes   | \$ -                           | \$ 148,635                              | \$ 148,635               |
| Intergovernmental  | - -                            | 149,791                                 | 149,791                  |
| Charges for services   | 356,347                        | 23,962                                  | 380,309                  |
| Interest   | 25                             | 1                                       | 26                       |
| Donations  | - -                            | 108,916                                 | 108,916                  |
| Total revenues   | <u>356,372</u>                 | <u>431,305</u>                          | <u>787,677</u>           |
| <b>EXPENDITURES</b>  |                                |   |                          |
| Current:   |                                |   |                          |
| General government   | - -                            | 262,664                                 | 262,664                  |
| Public safety  | - -                            | 73,940                                  | 73,940                   |
| Public works   | - -                            | 4,721                                   | 4,721                    |
| Recreation and culture                                       | <u>320,177</u>                 | <u>21,425</u>                           | <u>341,602</u>           |
| Total expenditures   | <u>320,177</u>                 | <u>362,750</u>                          | <u>682,927</u>           |
| Excess (deficiency) of revenues<br>over (under) expenditures | 36,195                         | 68,555                                  | 104,750                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                |   |                          |
| Transfer from other funds                                    | - -                            | 5,500                                   | 5,500                    |
| Transfer to other funds                                      | - -                            | (471,715)                               | (471,715)                |
| Total other financing sources (uses)                         | <u>- -</u>                     | <u>(466,215)</u>                        | <u>(466,215)</u>         |
| Net changes in fund balances                                 | 36,195                         | (397,660)                               | (361,465)                |
| Fund balances, beginning of year                             | <u>167,422</u>                 | <u>625,579</u>                          | <u>793,001</u>           |
| Fund balances, end of year                                   | <u><u>\$ 203,617</u></u>       | <u><u>\$ 227,919</u></u>                | <u><u>\$ 431,536</u></u> |

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2013**

|                                      | <b>Impact Fees</b> | <b>Industrial Park</b> | <b>Public Works Projects</b> | <b>Vehicle/Equipment Reserves</b> | <b>Downtown Improvement Projects</b> | <b>Capital Improvement Projects</b> | <b>Elementary School Bond</b> | <b>Totals</b>       |
|--------------------------------------|--------------------|------------------------|------------------------------|-----------------------------------|--------------------------------------|-------------------------------------|-------------------------------|---------------------|
| <b>ASSETS</b>                        |                    |                        |                              |                                   |                                      |                                     |                               |                     |
| Cash and cash equivalents            | \$ 580,862         | \$ 734,528             | \$ -                         | \$ -                              | \$ 247,461                           | \$ 93,735                           | \$ 710,398                    | \$ 2,366,984        |
| Receivables:                         |                    |                        |                              |                                   |                                      |                                     |                               |                     |
| Accounts                             | -                  | -                      | -                            | -                                 | -                                    | 59,665                              | -                             | 59,665              |
| Deposits                             | -                  | -                      | -                            | -                                 | -                                    | 50,000                              | -                             | 50,000              |
| Due from other funds                 | -                  | -                      | 84,757                       | 821,047                           | -                                    | 722,725                             | -                             | 1,628,529           |
| Advances to other funds              | -                  | -                      | -                            | -                                 | -                                    | 1,188,479                           | -                             | 1,188,479           |
| Total assets                         | <u>\$ 580,862</u>  | <u>\$ 734,528</u>      | <u>\$ 84,757</u>             | <u>\$ 821,047</u>                 | <u>\$ 247,461</u>                    | <u>\$ 2,114,604</u>                 | <u>\$ 710,398</u>             | <u>\$ 5,293,657</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                    |                        |                              |                                   |                                      |                                     |                               |                     |
| Liabilities:                         |                    |                        |                              |                                   |                                      |                                     |                               |                     |
| Accounts payable                     | \$ -               | \$ -                   | \$ -                         | \$ 5,974                          | \$ -                                 | \$ 197,806                          | \$ -                          | \$ 203,780          |
| Due to other funds                   | -                  | -                      | -                            | -                                 | -                                    | -                                   | 36,553                        | 36,553              |
| Advances from other funds            | -                  | -                      | -                            | -                                 | -                                    | 225,430                             | -                             | 225,430             |
| Total liabilities                    | <u>-</u>           | <u>-</u>               | <u>-</u>                     | <u>5,974</u>                      | <u>-</u>                             | <u>423,236</u>                      | <u>36,553</u>                 | <u>465,763</u>      |
| Fund balances:                       |                    |                        |                              |                                   |                                      |                                     |                               |                     |
| Nonspendable                         | -                  | -                      | -                            | -                                 | -                                    | 1,188,479                           | -                             | 1,188,479           |
| Restricted                           | 580,862            | -                      | -                            | -                                 | 247,461                              | -                                   | 673,845                       | 1,502,168           |
| Committed                            | -                  | 734,528                | 84,757                       | 815,073                           | -                                    | 728,319                             | -                             | 2,362,677           |
| Unassigned                           | -                  | -                      | -                            | -                                 | -                                    | (225,430)                           | -                             | (225,430)           |
| Total fund balances                  | <u>580,862</u>     | <u>734,528</u>         | <u>84,757</u>                | <u>815,073</u>                    | <u>247,461</u>                       | <u>1,691,368</u>                    | <u>673,845</u>                | <u>4,827,894</u>    |
| Total liabilities and fund balances  | <u>\$ 580,862</u>  | <u>\$ 734,528</u>      | <u>\$ 84,757</u>             | <u>\$ 821,047</u>                 | <u>\$ 247,461</u>                    | <u>\$ 2,114,604</u>                 | <u>\$ 710,398</u>             | <u>\$ 5,293,657</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, 2013**

|  | Impact Fees | Industrial Park | Public Works Projects | Vehicle/Equipment Reserves | Downtown Improvement Projects | Capital Improvement Projects | Elementary School Bond | Totals       |
|--|-------------|-----------------|-----------------------|----------------------------|-------------------------------|------------------------------|------------------------|--------------|
| <b>REVENUES</b>  |             |                 |                       |                            |                               |                              |                        |              |
| Intergovernmental  | \$ -        | \$ -            | \$ -                  | \$ -                       | \$ -                          | \$ 387,750                   | \$ -                   | \$ 387,750   |
| Interest   | 59          | 60              | -                     | -                          | 33                            | 9                            | 73                     | 234          |
| Donations  | 4,172       | -               | -                     | -                          | -                             | 46,614                       | 47,440                 | 98,226       |
| Total revenues   | 4,231       | 60              | -                     | -                          | 33                            | 434,373                      | 47,513                 | 486,210      |
| <b>EXPENDITURES</b>  |             |                 |                       |                            |                               |                              |                        |              |
| Capital outlay   | -           | -               | 420,307               | 93,127                     | -                             | 1,693,851                    | 48,144                 | 2,255,429    |
| Total expenditures   | -           | -               | 420,307               | 93,127                     | -                             | 1,693,851                    | 48,144                 | 2,255,429    |
| Excess (deficiency) of revenues<br>over (under) expenditures | 4,231       | 60              | (420,307)             | (93,127)                   | 33                            | (1,259,478)                  | (631)                  | (1,769,219)  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |             |                 |                       |                            |                               |                              |                        |              |
| Transfers from other funds                                   | -           | 137,462         | 450,000               | 1,066,780                  | -                             | 1,775,427                    | -                      | 3,429,669    |
| Transfers to other funds                                     | -           | (200,000)       | (386,200)             | (158,580)                  | -                             | (557,958)                    | -                      | (1,302,738)  |
| Total other financing sources (uses)                         | -           | (62,538)        | 63,800                | 908,200                    | -                             | 1,217,469                    | -                      | 2,126,931    |
| Net changes in fund balances                                 | 4,231       | (62,478)        | (356,507)             | 815,073                    | 33                            | (42,009)                     | (631)                  | 357,712      |
| Fund balances, beginning of year                             | 576,631     | 797,006         | 441,264               | -                          | 247,428                       | 1,733,377                    | 674,476                | 4,470,182    |
| Fund balances, end of year                                   | \$ 580,862  | \$ 734,528      | \$ 84,757             | \$ 815,073                 | \$ 247,461                    | \$ 1,691,368                 | \$ 673,845             | \$ 4,827,894 |

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**June 30, 2013**

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|  | <b>Education<br/>Funds</b> | <b>Community<br/>Improvements<br/>Fund</b> | <b>Recreation<br/>and<br/>Cultural<br/>Fund</b> | <b>Social<br/>Services<br/>Fund</b> | <b>Totals</b>     |
|--|----------------------------|--|---|-------------------------------------|-------------------|
| <b>ASSETS</b>                              |                            |  |   |                                     |                   |
| Cash and cash equivalents                  | \$ 253                     | \$ 613                                     | \$ 6,327  | \$ 665                              | \$ 7,858          |
| Investments                                | 16,026                     | 38,806                                     | 400,296   | 42,067                              | 497,195           |
| <b>Total assets</b>                        | <b>\$ 16,279</b>           | <b>\$ 39,419</b>                           | <b>\$ 406,623</b>                               | <b>\$ 42,732</b>                    | <b>\$ 505,053</b> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                            |  |   |                                     |                   |
| Liabilities:                               |                            |  |   |                                     |                   |
| Due to other funds                         | \$ -                       | \$ -                                       | \$ -  | \$ -                                | \$ -              |
| <b>Total liabilities</b>                   | <b>\$ -</b>                | <b>\$ -</b>                                | <b>\$ -</b>                                     | <b>\$ -</b>                         | <b>\$ -</b>       |
|  |                            |  |   |                                     |                   |
| Fund balances (deficits):                  |                            |  |   |                                     |                   |
| Nonspendable                               | 12,466                     | 36,422                                     | 412,060   | 28,353                              | 489,301           |
| Restricted                                 | 3,813                      | 2,997                                      | -   | 14,379                              | 21,189            |
| Unassigned                                 | -                          | -  | (5,437)   | -                                   | (5,437)           |
| <b>Total fund balances</b>                 | <b>16,279</b>              | <b>39,419</b>                              | <b>406,623</b>                                  | <b>42,732</b>                       | <b>505,053</b>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 16,279</b>           | <b>\$ 39,419</b>                           | <b>\$ 406,623</b>                               | <b>\$ 42,732</b>                    | <b>\$ 505,053</b> |

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the year ended June 30, 2013**

|   | <b>Education<br/>Funds</b> | <b>Community<br/>Improvements<br/>Fund</b> | <b>Recreation<br/>and<br/>Cultural<br/>Fund</b> | <b>Social<br/>Services<br/>Fund</b> | <b>Totals</b>     |
|---|----------------------------|--|---|-------------------------------------|-------------------|
| <b>REVENUES</b>   |                            |  |   |                                     |                   |
| Investment earnings:                                    |                            |  |   |                                     |                   |
| Interest and dividends                                  | \$ 216                     | \$ 522                                     | \$ 5,448  | \$ 565                              | \$ 6,751          |
| Net increase(decrease) in the fair value of investments | 1,090                      | 2,641                                      | 27,581  | 2,863                               | 34,175            |
| Total investment earnings                               | 1,306                      | 3,163                                      | 33,029  | 3,428                               | 40,926            |
| Less investment expense                                 | (147)                      | (357)                                      | (3,728)   | (387)                               | (4,619)           |
| Total revenues  | 1,159                      | 2,806                                      | 29,301  | 3,041                               | 36,307            |
| <b>EXPENDITURES</b>                                     |                            |  |   |                                     |                   |
| Payment to beneficiaries                                | -                          | -  | 5,000   | -                                   | 5,000             |
| Total expenditures                                      | -                          | -  | 5,000   | -                                   | 5,000             |
| Net changes in fund balances                            | 1,159                      | 2,806                                      | 24,301  | 3,041                               | 31,307            |
| Fund balances, beginning of year                        | 15,120                     | 36,613                                     | 382,322   | 39,691                              | 473,746           |
| Fund balances, end of year                              | <u>\$ 16,279</u>           | <u>\$ 39,419</u>                           | <u>\$ 406,623</u>                               | <u>\$ 42,732</u>                    | <u>\$ 505,053</u> |

Statement D-3

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**Education Funds**  
**June 30, 2013**

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|                                      | <b>Brunswick<br/>School<br/>Fund</b> | <b>Brunswick High<br/>Class of 1920<br/>Fund</b> | <b>Totals</b>    |
|--------------------------------------|--------------------------------------|--|------------------|
| <b>ASSETS</b>                        |                                      |  |                  |
| Cash and cash equivalents            | \$ 193                               | \$ 60  | \$ 253           |
| Investments                          | 12,247                               | 3,779  | 16,026           |
| Total assets                         | <u>\$ 12,440</u>                     | <u>\$ 3,839</u>                                  | <u>\$ 16,279</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                                      |  |                  |
| Liabilities:                         |                                      |  |                  |
| Due to other funds                   | \$ -                                 | \$ -   | \$ -             |
| Total liabilities                    | <u>-</u>                             | <u>-</u>   | <u>-</u>         |
| Fund balances:                       |                                      |  |                  |
| Nonspendable                         | 9,209                                | 3,257  | 12,466           |
| Restricted                           | 3,231                                | 582  | 3,813            |
| Total fund balances                  | <u>12,440</u>                        | <u>3,839</u>                                     | <u>16,279</u>    |
| Total liabilities and fund balances  | <u>\$ 12,440</u>                     | <u>\$ 3,839</u>                                  | <u>\$ 16,279</u> |

**Statement D-4**

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**Education Funds**  
**For the year ended June 30, 2013**

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|   | <b>Brunswick<br/>School<br/>Fund</b> | <b>Brunswick High<br/>Class of 1920<br/>Fund</b> | <b>Totals</b>    |
|---|--------------------------------------|--|------------------|
| <b>REVENUES</b>   |                                      |  |                  |
| Investment earnings:                                    |                                      |  |                  |
| Interest and dividends                                  | \$ 165                               | \$ 51  | \$ 216           |
| Net increase(decrease) in the fair value of investments | <u>833</u>                           | <u>257</u>                                       | <u>1,090</u>     |
| Total investment earnings                               | 998                                  | 308  | 1,306            |
| Less investment expense                                 | <u>(113)</u>                         | <u>(34)</u>                                      | <u>(147)</u>     |
| Total revenues  | 885                                  | 274  | 1,159            |
| <b>EXPENDITURES</b>                                     |                                      |  |                  |
| Payment to beneficiaries                                | -                                    | -  | -                |
| Total expenditures                                      | <u>-</u>                             | <u>-</u>   | <u>-</u>         |
| Net changes in fund balances                            | 885                                  | 274  | 1,159            |
| Fund balances, beginning of year                        | <u>11,555</u>                        | <u>3,565</u>                                     | <u>15,120</u>    |
| Fund balances, end of year                              | <u>\$ 12,440</u>                     | <u>\$ 3,839</u>                                  | <u>\$ 16,279</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 major fund, the Town reports the following nonmajor enterprise funds:

#### Pay-per-bag Program

Operation of a pay-per-bag trash bag distribution program.

#### Mere Point Wastewater

Operation of a wastewater district serving 35 households.

#### Train Station

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, 2013**

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|                                   | <u>Pay-per-bag<br/>Program</u> | <u>Mere Point<br/>Wastewater</u> | <u>Train Station/<br/>Visitors Center</u> | <u>Totals</u>       |
|-----------------------------------|--------------------------------|----------------------------------|---|---------------------|
| <b>ASSETS</b>                     |                                |                                  |   |                     |
| Current assets:                   |                                |                                  |   |                     |
| Cash and cash equivalents         | \$ 1,500,507                   | \$ 42,169                        | \$ 57,480                                 | \$ 1,600,156        |
| Accounts receivable               | 48,500                         | 2,921                            | 300                                       | 51,721              |
| Inventory                         | 63,377                         | -                                | -   | 63,377              |
| Prepaid rent                      | -                              | -                                | 58,667                                    | 58,667              |
| Due from other funds              | -                              | 634                              | -   | 634                 |
| Total current assets              | <u>1,612,384</u>               | <u>45,724</u>                    | <u>116,447</u>                            | <u>1,774,555</u>    |
| Capital assets:                   |                                |                                  |   |                     |
| Improvements other than buildings | -                              | -                                | 74,038                                    | 74,038              |
| Machinery and equipment           | -                              | 97,500                           | -   | 97,500              |
| Infrastructure                    | -                              | 589,927                          | -   | 589,927             |
| Less accumulated depreciation     | -                              | (568,641)                        | (22,236)                                  | (590,877)           |
| Net capital assets                | <u>-</u>                       | <u>118,786</u>                   | <u>51,802</u>                             | <u>170,588</u>      |
| Total assets                      | <u>1,612,384</u>               | <u>164,510</u>                   | <u>168,249</u>                            | <u>1,945,143</u>    |
| <b>LIABILITIES</b>                |                                |                                  |   |                     |
| Current liabilities:              |                                |                                  |   |                     |
| Accounts payable                  | -                              | 886                              | 186                                       | 1,072               |
| Other liabilities                 | 1,596                          | -                                | -   | 1,596               |
| Unearned revenue                  | -                              | -                                | 59,545                                    | 59,545              |
| Total liabilities                 | <u>1,596</u>                   | <u>886</u>                       | <u>59,731</u>                             | <u>62,213</u>       |
| <b>NET POSITION</b>               |                                |                                  |   |                     |
| Net investment in capital assets  | -                              | 118,786                          | 51,802                                    | 170,588             |
| Unrestricted                      | 1,610,788                      | 44,838                           | 56,716                                    | 1,712,342           |
| Total net position                | <u>\$ 1,610,788</u>            | <u>\$ 163,624</u>                | <u>\$ 108,518</u>                         | <u>\$ 1,882,930</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, 2013**

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|                                 | <u>Pay-per-bag<br/>Program</u> | <u>Mere Point<br/>Wastewater</u> | <u>Train Station/<br/>Visitors Center</u> | <u>Totals</u>       |
|---------------------------------|--------------------------------|----------------------------------|---|---------------------|
| <b>OPERATING REVENUES</b>       |                                |                                  |   |                     |
| Charge for services             | \$ 299,100                     | \$ 21,670                        | \$ 14,136                                 | \$ 334,906          |
| Total operating revenues        | <u>299,100</u>                 | <u>21,670</u>                    | <u>14,136</u>                             | <u>334,906</u>      |
| <b>OPERATING EXPENSES</b>       |                                |                                  |   |                     |
| Contractual services            | -                              | 18,557                           | 71,792                                    | 90,349              |
| Materials and supplies          | 80,200                         | -                                | 1,970                                     | 82,170              |
| Depreciation                    | -                              | 23,557                           | 11,246                                    | 34,803              |
| Total operating expenses        | <u>80,200</u>                  | <u>42,114</u>                    | <u>85,008</u>                             | <u>207,322</u>      |
| Operating income (loss)         | <u>218,900</u>                 | <u>(20,444)</u>                  | <u>(70,872)</u>                           | <u>127,584</u>      |
| <b>NONOPERATING REVENUES</b>    |                                |                                  |   |                     |
| Interest income                 | 135                            | 4                                | 3   | 142                 |
| Contributions                   | -                              | -                                | 97,430                                    | 97,430              |
| Total nonoperating revenues     | <u>135</u>                     | <u>4</u>                         | <u>97,433</u>                             | <u>97,572</u>       |
| Income (loss) before transfers  | <u>219,035</u>                 | <u>(20,440)</u>                  | <u>26,561</u>                             | <u>225,156</u>      |
| Transfers in                    | -                              | -                                | 50,000                                    | 50,000              |
| Change in net position          | 219,035                        | (20,440)                         | 76,561                                    | 275,156             |
| Net position, beginning of year | 1,391,753                      | 184,064                          | 31,957                                    | 1,607,774           |
| Net position, end of year       | <u>\$ 1,610,788</u>            | <u>\$ 163,624</u>                | <u>\$ 108,518</u>                         | <u>\$ 1,882,930</u> |

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**Enterprise Funds**  
**For the year ended June 30, 2013**

|   | <u>Pay-per-bag<br/>Program</u> | <u>Mere Point<br/>Wastewater</u> | <u>Train Station/<br/>Visitors Center</u> | <u>Totals</u>       |
|---|--------------------------------|----------------------------------|---|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                                |                                  |   |                     |
| Receipts from customers and users                                   | \$ 273,300                     | \$ 24,407                        | \$ 14,168                                 | \$ 311,875          |
| Payments to suppliers for goods and services                        | (94,970)                       | (18,790)                         | (75,843)                                  | (189,603)           |
| Net cash provided (used) by operating activities                    | <u>178,330</u>                 | <u>5,617</u>                     | <u>(61,675)</u>                           | <u>122,272</u>      |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                                |                                  |   |                     |
| Transfer from other funds   | -                              | -                                | 50,000                                    | 50,000              |
| Unearned revenue  | -                              | -                                | 44,000                                    | 44,000              |
| Increase (decrease) in due to other funds                           | -                              | (634)                            | -   | (634)               |
| Cash provided (used) by noncapital<br>financing activities          | -                              | (634)                            | 94,000                                    | 93,366              |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b> |                                |                                  |   |                     |
| Subsidy from component unit   | -                              | -                                | 53,430                                    | 53,430              |
| Acquisition of capital assets                                       | -                              | -                                | (53,430)                                  | (53,430)            |
| Cash provided (used) by capital and<br>related financing activities | -                              | -                                | -   | -                   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                                |                                  |   |                     |
| Interest on investments   | 135                            | 4                                | 3   | 142                 |
| Cash provided by investing activities                               | <u>135</u>                     | <u>4</u>                         | <u>3</u>                                  | <u>142</u>          |
| Net increase in cash  | 178,465                        | 4,987                            | 32,328                                    | 215,780             |
| Cash, beginning of year   | 1,322,042                      | 37,182                           | 25,152                                    | 1,384,376           |
| Cash, end of year   | <u>\$ 1,500,507</u>            | <u>\$ 42,169</u>                 | <u>\$ 57,480</u>                          | <u>\$ 1,600,156</u> |

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

|   |                   |                 |                    |                   |
|---|-------------------|-----------------|--------------------|-------------------|
| Operating income (loss)   | \$ 218,900        | \$ (20,444)     | \$ (70,872)        | \$ 127,584        |
| <b>Adjustments to reconcile operating income (loss) to net<br/>cash provided by (used in) operating activities:</b> |                   |                 |                    |                   |
| Depreciation  | -                 | 23,557          | 11,246             | 34,803            |
| (Increase) decrease in accounts receivable  | (25,800)          | 2,737           | (300)              | (23,363)          |
| (Increase) decrease in inventory  | (14,690)          | -               | -                  | (14,690)          |
| (Increase) decrease in prepaid rent   | -                 | -               | 44,000             | 44,000            |
| Increase (decrease) in accounts payable   | (80)              | (233)           | (2,081)            | (2,394)           |
| Increase (decrease) in unearned revenue   | -                 | -               | (43,668)           | (43,668)          |
| Total adjustments   | <u>(40,570)</u>   | <u>26,061</u>   | <u>9,197</u>       | <u>(5,312)</u>    |
| Net cash provided (used) by operating activities  | <u>\$ 178,330</u> | <u>\$ 5,617</u> | <u>\$ (61,675)</u> | <u>\$ 122,272</u> |

## FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and which cannot be used to support the government's own programs.

### **Private-purpose Trust Funds:**

These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

#### Scholarships and Education Funds:

##### Samuel G. Davis School Prize Fund

Provides one boy and one girl from each high school class and the highest class in each grammar school in Brunswick a prize for "kind good manners".

##### 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 is 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, 2013**

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| <b>Private-purpose Trust Funds</b>               |  |                                     |   |   |                   |
|--|--|-------------------------------------|---|---|-------------------|
|  | <b>Scholarship<br/>and<br/>Education<br/>Funds</b> | <b>Public<br/>Library<br/>Funds</b> | <b>E. H. Pennell<br/>Village<br/>Improvement<br/>Fund</b> | <b>Alex Labbe<br/>Recreation<br/>Fund</b> | <b>Totals</b>     |
| <b>ASSETS</b>                                    |  |                                     |   |   |                   |
| Cash and cash equivalents                        | \$ 17,787  | \$ 1,160                            | \$ 368  | \$ -                                      | \$ 19,315         |
| Investments                                      | 625,459  | 73,353                              | 23,297  | -   | 722,109           |
| Due from other funds                             | -  | -                                   | -   | 1,182                                     | 1,182             |
| Total assets                                     | <u>643,246</u>                                     | <u>74,513</u>                       | <u>23,665</u>   | <u>1,182</u>                              | <u>742,606</u>    |
| <b>LIABILITIES</b>                               |  |                                     |   |   |                   |
| Accounts payable                                 | -  | -                                   | -   | -   | -                 |
| Total liabilities                                | -  | -                                   | -   | -   | -                 |
| <b>NET POSITION</b>                              |  |                                     |   |   |                   |
| Net position held in trust<br>for other purposes | <u>\$ 643,246</u>                                  | <u>\$ 74,513</u>                    | <u>\$ 23,665</u>  | <u>\$ 1,182</u>                           | <u>\$ 742,606</u> |

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Changes in Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**For the year ended June 30, 2013**

|  | <b>Private-purpose Trust Funds</b>                 |                                     |   |   |                   |  |
|--|--|-------------------------------------|---|---|-------------------|--|
|  | <b>Scholarship<br/>and<br/>Education<br/>Funds</b> | <b>Public<br/>Library<br/>Funds</b> | <b>E. H. Pennell<br/>Village<br/>Improvement<br/>Fund</b> | <b>Alex Labbe<br/>Recreation<br/>Fund</b> | <b>Totals</b>     |  |
| <b>ADDITIONS</b>   |  |                                     |   |   |                   |  |
| Contributions  | \$ -   | \$ -                                | \$ -  | \$ 1,977                                  | \$ 1,977          |  |
| Investment earnings:                                       |  |                                     |   |   |                   |  |
| Interest and dividends                                     | 10,190   | 990                                 | 316   | -   | 11,496            |  |
| Net increase(decrease)<br>in the fair value of investments | <u>35,083</u>                                      | <u>5,018</u>                        | <u>1,601</u>  | <u>-</u>                                  | <u>41,702</u>     |  |
| Total investment earnings                                  | <u>45,273</u>                                      | <u>6,008</u>                        | <u>1,917</u>  | <u>-</u>                                  | <u>53,198</u>     |  |
| Less investment expense                                    | (6,279)  | (678)                               | (216)   | -   | (7,173)           |  |
| Total additions  | <u>38,994</u>                                      | <u>5,330</u>                        | <u>1,701</u>  | <u>1,977</u>                              | <u>48,002</u>     |  |
| <b>DEDUCTIONS</b>  |  |                                     |   |   |                   |  |
| Payment to beneficiaries                                   | 9,125  | 365                                 | 228   | 795                                       | 10,513            |  |
| Total deductions   | <u>9,125</u>                                       | <u>365</u>                          | <u>228</u>  | <u>795</u>                                | <u>10,513</u>     |  |
| Changes in net position                                    | 29,869   | 4,965                               | 1,473   | 1,182                                     | 37,489            |  |
| Net position - beginning of year                           | 613,377  | 69,548                              | 22,192  | -   | 705,117           |  |
| Net position - end of year                                 | <u>\$ 643,246</u>                                  | <u>\$ 74,513</u>                    | <u>\$ 23,665</u>  | <u>\$ 1,182</u>                           | <u>\$ 742,606</u> |  |

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**Scholarship and Education Funds**  
**June 30, 2013**

|  | Samuel<br>Davis<br>School Prize<br>Fund | Skolfield<br>Turner<br>Scholarship<br>Fund | Pearl<br>Baker<br>Scholarship<br>Fund | Lewis<br>Gallagher<br>Scholarship<br>Fund | Doris<br>Bibber<br>Memorial<br>Fund | Elizabeth<br>Nickerson<br>Scholarship<br>Fund | John<br>Bibber<br>Scholarship<br>Fund | Lester<br>Rogers<br>Memorial<br>Fund | Brunswick<br>JHS Personal<br>Growth Award<br>Fund | Totals            |
|--|---|--|---------------------------------------|---|-------------------------------------|---|---------------------------------------|--------------------------------------|---|-------------------|
| <b>ASSETS</b>                                    |   |  |                                       |   |                                     |   |                                       |                                      |   |                   |
| Cash and cash equivalents                        | \$ 579                                  | \$ 4,500                                   | \$ 61                                 | \$ 10,853                                 | \$ 22                               | \$ 1,314                                      | \$ 350                                | \$ 73                                | \$ 35   | \$ 17,787         |
| Investments                                      | 36,647                                  | 284,658                                    | 3,834                                 | 186,864                                   | 1,359                               | 83,122  | 22,150                                | 4,614                                | 2,211   | 625,459           |
| Due from other funds                             | -                                       | -  | -                                     | -   | -                                   | -   | -                                     | -                                    | -   | -                 |
| Total assets                                     | <u>37,226</u>                           | <u>289,158</u>                             | <u>3,895</u>                          | <u>197,717</u>                            | <u>1,381</u>                        | <u>84,436</u>                                 | <u>22,500</u>                         | <u>4,687</u>                         | <u>2,246</u>                                      | <u>643,246</u>    |
| <b>LIABILITIES</b>                               |   |  |                                       |   |                                     |   |                                       |                                      |   |                   |
| Accounts payable                                 | -                                       | -  | -                                     | -   | -                                   | -   | -                                     | -                                    | -   | -                 |
| Total liabilities                                | <u>-</u>                                | <u>-</u>                                   | <u>-</u>                              | <u>-</u>                                  | <u>-</u>                            | <u>-</u>                                      | <u>-</u>                              | <u>-</u>                             | <u>-</u>  | <u>-</u>          |
| <b>NET POSITION</b>                              |   |  |                                       |   |                                     |   |                                       |                                      |   |                   |
| Net position held in trust<br>for other purposes | <u>\$ 37,226</u>                        | <u>\$ 289,158</u>                          | <u>\$ 3,895</u>                       | <u>\$ 197,717</u>                         | <u>\$ 1,381</u>                     | <u>\$ 84,436</u>                              | <u>\$ 22,500</u>                      | <u>\$ 4,687</u>                      | <u>\$ 2,246</u>                                   | <u>\$ 643,246</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, 2013**

|   | <b>Samuel<br/>Davis<br/>School Prize<br/>Fund</b> | <b>Skolfield<br/>Turner<br/>Scholarship<br/>Fund</b> | <b>Pearl<br/>Baker<br/>Scholarship<br/>Fund</b> | <b>Lewis<br/>Gallagher<br/>Scholarship<br/>Fund</b> | <b>Doris<br/>Bibber<br/>Memorial<br/>Fund</b> | <b>Elizabeth<br/>Nickerson<br/>Scholarship<br/>Fund</b> | <b>John<br/>Bibber<br/>Scholarship<br/>Fund</b> | <b>Lester<br/>Rogers<br/>Memorial<br/>Fund</b> | <b>Brunswick<br/>JHS Personal<br/>Growth Award<br/>Fund</b> | <b>Totals</b> |
|---|---|--|---|---|---|---|---|--|---|---------------|
| <b>ADDITIONS</b>                                |   |  |   |   |   |   |   |  |   |               |
| Investment earnings:                            |   |  |   |   |   |   |   |  |   |               |
| Interest and dividends                          | \$ 499  | \$ 3,827   | \$ 51   | \$ 4,206  | \$ 18   | \$ 1,197  | \$ 298  | \$ 63  | \$ 31   | \$ 10,190     |
| Net incr(decr) in the fair value of investments | 2,528   | 19,376   | 261   | 4,786   | 93  | 6,059   | 1,508   | 317  | 155   | 35,083        |
| Total investment earnings                       | 3,027   | 23,203   | 312   | 8,992   | 111   | 7,256   | 1,806   | 380  | 186   | 45,273        |
| Less investment expense                         | (342)   | (2,619)  | (35)  | (2,184)   | (12)  | (819)   | (204)   | (43)   | (21)  | (6,279)       |
| Total additions                                 | 2,685   | 20,584   | 277   | 6,808   | 99  | 6,437   | 1,602   | 337  | 165   | 38,994        |
| <b>DEDUCTIONS</b>                               |   |  |   |   |   |   |   |  |   |               |
| Payment to beneficiaries                        | 500   | -  | -   | 2,500   | -   | 6,000   | -   | 50   | 75  | 9,125         |
| Total deductions                                | 500   | -  | -   | 2,500   | -   | 6,000   | -   | 50   | 75  | 9,125         |
| Changes in net position                         | 2,185   | 20,584   | 277   | 4,308   | 99  | 437   | 1,602   | 287  | 90  | 29,869        |
| Net position - beginning of year                | 35,041  | 268,574  | 3,618   | 193,409   | 1,282   | 83,999  | 20,898  | 4,400  | 2,156   | 613,377       |
| Net position - end of year                      | \$ 37,226   | \$ 289,158   | \$ 3,895  | \$ 197,717  | \$ 1,381                                      | \$ 84,436   | \$ 22,500                                       | \$ 4,687                                       | \$ 2,246  | \$ 643,246    |

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**Public Library Funds**  
**June 30, 2013**

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|  | <b>L. Augusta<br/>Curtis<br/>Library<br/>Fund</b> | <b>W. J. Curtis<br/>Library<br/>Fund</b> | <b>Letitia A.<br/>Curtis<br/>Library<br/>Fund</b> | <b>Totals</b>    |
|--|---|--|---|------------------|
| <b>ASSETS</b>                                    |   |  |   |                  |
| Cash and cash equivalents                        | \$ 566  | \$ 468                                   | \$ 126  | \$ 1,160         |
| Investments                                      | 35,784  | 29,616                                   | 7,953   | 73,353           |
| Total assets                                     | <u>36,350</u>                                     | <u>30,084</u>                            | <u>8,079</u>                                      | <u>74,513</u>    |
| <b>LIABILITIES</b>                               |   |  |   |                  |
| Due to other funds                               | -   | -  | -   | -                |
| Total liabilities                                | -   | -  | -   | -                |
| <b>NET POSITION</b>                              |   |  |   |                  |
| Net position held in trust<br>for other purposes | <u>\$ 36,350</u>                                  | <u>\$ 30,084</u>                         | <u>\$ 8,079</u>                                   | <u>\$ 74,513</u> |

**Statement F-6**

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Changes in Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**Public Library Funds**  
**For the year ended June 30, 2013**

|  | <b>L. Augusta<br/>Curtis<br/>Library<br/>Fund</b> | <b>W. J. Curtis<br/>Library<br/>Fund</b> | <b>Letitia A.<br/>Curtis<br/>Library<br/>Fund</b> | <b>Totals</b>           |
|--|---|--|---|-------------------------|
| <b>ADDITIONS</b>   |   |  |   |                         |
| Investment earnings:                                       |   |  |   |                         |
| Interest and dividends                                     | \$ 483  | \$ 400                                   | \$ 107  | \$ 990                  |
| Net increase(decrease)<br>in the fair value of investments | <u>2,448</u>                                      | <u>2,026</u>                             | <u>544</u>  | <u>5,018</u>            |
| Total investment earnings                                  | <u>2,931</u>                                      | <u>2,426</u>                             | <u>651</u>  | <u>6,008</u>            |
| Less investment expense                                    | <u>(331)</u>                                      | <u>(274)</u>                             | <u>(73)</u>                                       | <u>(678)</u>            |
| Total additions  | <u>2,600</u>                                      | <u>2,152</u>                             | <u>578</u>  | <u>5,330</u>            |
| <b>DEDUCTIONS</b>  |   |  |   |                         |
| Payment to beneficiaries                                   | <u>178</u>  | <u>148</u>                               | <u>39</u>   | <u>365</u>              |
| Total deductions   | <u>178</u>  | <u>148</u>                               | <u>39</u>   | <u>365</u>              |
| Changes in net position                                    | 2,422   | 2,004                                    | 539   | 4,965                   |
| Net position - beginning of year                           | <u>33,928</u>                                     | <u>28,080</u>                            | <u>7,540</u>                                      | <u>69,548</u>           |
| Net position - end of year                                 | <u><u>\$ 36,350</u></u>                           | <u><u>\$ 30,084</u></u>                  | <u><u>\$ 8,079</u></u>                            | <u><u>\$ 74,513</u></u> |

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Changes in Assets and Liabilities**  
**Fiduciary Funds**  
**Agency Fund**  
**For the year ended June 30, 2013**

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|  | <u>Balance</u>       |                  | <u>Balance</u>    |                      |
|--|----------------------|------------------|-------------------|----------------------|
|  | <u>June 30, 2012</u> | <u>Additions</u> | <u>Deductions</u> | <u>June 30, 2013</u> |
| <b>ASSETS</b>                                |                      |                  |                   |                      |
| Accounts receivable                          | \$ 20                | \$ 38            | \$ -              | \$ 58                |
| Due from other funds                         | 56,901               | 80,762           | 77,966            | 59,697               |
| Total assets                                 | <u>56,921</u>        | <u>80,800</u>    | <u>77,966</u>     | <u>59,755</u>        |
| <b>LIABILITIES</b>                           |                      |                  |                   |                      |
| Accounts payable                             | - -                  | 853              | - -               | 853                  |
| Amounts held for others - student activities | 56,921               | 79,947           | 77,966            | 58,902               |
| Total liabilities                            | <u>\$ 56,921</u>     | <u>\$ 80,800</u> | <u>\$ 77,966</u>  | <u>\$ 59,755</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  | 1-7           |
| <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  | 8-11          |
| <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>2004(a)</u>       | <u>2005</u>           | <u>2006</u>           | <u>2007</u>           | <u>2008</u>           | <u>2009</u>           | <u>2010</u>           | <u>2011(b)</u>        | <u>2012</u>           | <u>2013</u>           |
| <b>Governmental activities</b>              |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 27,619,276        | \$ 29,724,992         | \$ 37,020,478         | \$ 39,042,020         | \$ 40,125,041         | \$ 45,120,315         | \$ 45,552,625         | \$ 45,183,666         | \$ 45,338,934         | \$ 47,805,066         |
| Restricted                                  | 5,316,054            | 5,718,868             | 6,304,457             | 6,833,786             | 8,134,803             | 9,851,093             | 10,935,859            | 12,444,106            | 9,412,416             | 9,100,700             |
| Unrestricted                                | 5,328,090            | 9,223,614             | 6,807,250             | 7,171,177             | 8,437,332             | 6,460,505             | 7,423,485             | 7,612,316             | 11,150,181            | 10,836,336            |
| Total governmental activities net position  | <u>\$ 38,263,420</u> | <u>\$ 44,667,474</u>  | <u>\$ 50,132,185</u>  | <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>  |
| <b>Business-type activities</b>             |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 356,799           | \$ 1,949,097          | \$ 2,250,552          | \$ 2,359,347          | \$ 2,236,796          | \$ 2,126,001          | \$ 2,405,839          | \$ 2,494,242          | \$ 2,525,417          | \$ 2,432,176          |
| Unrestricted                                | 56,164               | (3,502,424)           | (4,810,323)           | (4,360,674)           | (4,576,316)           | (4,376,319)           | (4,573,897)           | (4,650,533)           | (4,797,321)           | (4,522,385)           |
| Total business-type activities net position | <u>\$ 412,963</u>    | <u>\$ (1,553,327)</u> | <u>\$ (2,559,771)</u> | <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> |
| <b>Primary government</b>                   |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 27,976,075        | \$ 31,674,089         | \$ 39,271,030         | \$ 41,401,367         | \$ 42,361,837         | \$ 47,246,316         | \$ 47,958,464         | \$ 47,677,908         | \$ 47,864,351         | \$ 50,237,242         |
| Restricted                                  | 5,316,054            | 5,718,868             | 6,304,457             | 6,833,786             | 8,134,803             | 9,851,093             | 10,935,859            | 12,444,106            | 9,412,416             | 9,100,700             |
| Unrestricted                                | 5,384,254            | 5,721,190             | 1,996,927             | 2,810,503             | 3,861,016             | 2,084,186             | 2,849,588             | 2,961,783             | 6,352,860             | 6,313,951             |
| Total primary government net position       | <u>\$ 38,676,383</u> | <u>\$ 43,114,147</u>  | <u>\$ 47,572,414</u>  | <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>  |

(a) The amounts shown above do not reflect the restatement of net position as the result of prior period adjustments made in 2005.

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

Table 2

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

|   | <b>Fiscal Year</b>   |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | <b>2004(a)</b>       | <b>2005(b)</b>       | <b>2006(c)</b>       | <b>2007</b>          | <b>2008</b>          | <b>2009</b>          | <b>2010</b>          | <b>2011(d)</b>       | <b>2012</b>          | <b>2013</b>          |
| <b>Expenses</b>                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities:                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government                              | \$ 4,131,004         | \$ 4,599,226         | \$ 5,087,652         | \$ 6,325,899         | \$ 5,975,174         | \$ 4,450,115         | \$ 3,950,035         | \$ 4,368,816         | \$ 4,414,316         | \$ 4,144,050         |
| Public safety                                   | 4,691,368            | 4,738,304            | 5,594,034            | 5,973,835            | 7,246,419            | 7,390,601            | 7,493,862            | 7,656,381            | 7,650,053            | 8,095,189            |
| Public works                                    | 5,146,384            | 4,183,545            | 3,956,725            | 4,212,477            | 4,877,097            | 4,720,393            | 5,099,104            | 4,809,787            | 4,991,362            | 5,740,333            |
| Human services                                  | 1,105,185            | 189,035              | 194,494              | 169,445              | 183,258              | 146,580              | 134,805              | 150,279              | 168,829              | 154,429              |
| Education                                       | 28,940,721           | 30,565,978           | 32,968,322           | 34,371,439           | 35,844,028           | 36,159,857           | 36,967,698           | 35,576,224           | 34,590,451           | 34,366,120           |
| Recreation and culture                          | 1,379,552            | 2,144,292            | 2,361,284            | 2,397,979            | 5,035,862            | 2,717,282            | 2,660,828            | 2,447,708            | 2,619,742            | 2,749,776            |
| Intergovernmental                               | -                    | 1,007,709            | 977,266              | 998,732              | 1,052,971            | 1,088,467            | 1,149,612            | 1,171,049            | 1,187,020            | 1,183,264            |
| Unclassified                                    | 2,067,932            | 1,349,068            | 442,312              | 898,278              | 369,038              | 308,691              | 133,725              | 120,725              | 296,682              | 281,424              |
| Interest on long term debt                      | 678,703              | 508,766              | 412,216              | 379,004              | 317,925              | 307,106              | 251,625              | 644,723              | 785,569              | 698,508              |
| Total governmental activities expenses          | <u>48,140,849</u>    | <u>49,285,923</u>    | <u>51,994,305</u>    | <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>    |
| Business-type activities:                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Solid waste facilities                          | -                    | 784,870              | 1,714,936            | 646,244              | 1,151,731            | 627,056              | 693,496              | 1,260,786            | 876,942              | 614,661              |
| Other business-type activities                  | 55,989               | 73,570               | 45,569               | 185,082              | 123,069              | 130,498              | 160,424              | 177,705              | 178,742              | 207,322              |
| Total business-type activities                  | <u>55,989</u>        | <u>858,440</u>       | <u>1,760,505</u>     | <u>831,326</u>       | <u>1,274,800</u>     | <u>757,554</u>       | <u>853,920</u>       | <u>1,438,491</u>     | <u>1,055,684</u>     | <u>821,983</u>       |
| Total primary government expenses               | <u>\$ 48,196,838</u> | <u>\$ 50,144,363</u> | <u>\$ 53,754,810</u> | <u>\$ 56,558,414</u> | <u>\$ 62,176,572</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> |
| <b>Program Revenues</b>                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities:                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for services:                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Education                                       | \$ 2,665,916         | \$ 2,693,575         | \$ 2,578,143         | \$ 2,606,605         | \$ 1,820,813         | \$ 1,799,297         | \$ 1,468,047         | \$ 887,731           | \$ 605,689           | \$ 679,596           |
| Other activities                                | 2,102,037            | 2,175,842            | 2,358,152            | 2,228,401            | 2,449,894            | 2,451,870            | 2,328,099            | 2,518,376            | 1,961,989            | 2,080,643            |
| Operating grants and contributions              | 14,031,039           | 15,513,125           | 17,956,023           | 20,074,892           | 23,027,043           | 22,273,609           | 21,959,665           | 19,758,529           | 18,275,484           | 15,249,827           |
| Capital grants and contributions                | 950,915              | 1,145,143            | 2,025,501            | 1,131,548            | 3,202,015            | 1,226,969            | 897,073              | 1,069,654            | 247,704              | 2,487,876            |
| Total governmental activities program revenues  | <u>19,749,907</u>    | <u>21,527,685</u>    | <u>24,917,819</u>    | <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>    |
| Business-type activities:                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Charges for services:                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Solid waste facilities                          | -                    | 671,995              | 698,097              | 558,208              | 427,487              | 434,935              | 411,035              | 380,115              | 351,918              | 321,153              |
| Other business-type activities                  | 22,026               | 21,692               | 21,685               | 231,252              | 362,209              | 342,733              | 330,783              | 362,105              | 339,069              | 334,906              |
| Operating grants and contributions              | -                    | -                    | -                    | -                    | -                    | -                    | 29,333               | 44,000               | 44,000               | 44,000               |
| Capital grants and contributions                | -                    | -                    | -                    | -                    | -                    | -                    | 25,000               | -                    | -                    | 53,430               |
| Total business-type activities program revenues | <u>22,026</u>        | <u>693,687</u>       | <u>719,782</u>       | <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>       |
| Total primary government program revenues       | <u>\$ 19,771,933</u> | <u>\$ 22,221,372</u> | <u>\$ 25,637,601</u> | <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> |

Table 2 , continued

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

|   | <b>Fiscal Year</b>     |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | <b>2004(a)</b>         | <b>2005(b)</b>         | <b>2006(c)</b>         | <b>2007</b>            | <b>2008</b>            | <b>2009</b>            | <b>2010</b>            | <b>2011(d)</b>         | <b>2012</b>            | <b>2013</b>            |
| <b>Net (expense) revenue</b>                              |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                   | \$ (28,390,942)        | \$ (27,758,238)        | \$ (27,076,486)        | \$ (29,685,642)        | \$ (30,402,007)        | \$ (29,537,347)        | \$ (31,188,410)        | \$ (32,711,402)        | \$ (35,613,158)        | \$ (36,915,151)        |
| Business-type activities                                  | (33,963)               | (164,753)              | (1,040,723)            | (41,866)               | (485,104)              | 20,114                 | (57,769)               | (652,271)              | (320,697)              | (68,494)               |
| Total primary government net expenses                     | <u>\$ (28,424,905)</u> | <u>\$ (27,922,991)</u> | <u>\$ (28,117,209)</u> | <u>\$ (29,727,508)</u> | <u>\$ (30,887,111)</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> |
| <b>General Revenues and Other Changes in Net Position</b> |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities:                                  |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Taxes   |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Property taxes  | \$ 25,526,287          | \$ 26,805,912          | \$ 27,036,692          | \$ 27,391,240          | \$ 28,230,949          | \$ 29,205,064          | \$ 29,348,586          | \$ 30,047,418          | \$ 31,373,355          | \$ 34,120,685          |
| Vehicle and watercraft excise taxes                       | 2,542,492              | 2,600,796              | 2,628,484              | 2,595,301              | 2,576,634              | 2,475,618              | 2,496,579              | 2,549,546              | 2,653,928              | 2,904,995              |
| Unrestricted grants and contributions                     | 1,894,013              | 2,322,132              | 2,286,073              | 2,298,024              | 2,363,928              | 2,513,424              | 1,850,600              | 1,764,401              | 1,791,677              | 1,815,749              |
| Investment earnings                                       | 190,259                | 253,783                | 525,312                | 892,719                | 699,275                | 112,774                | 83,101                 | 387,470                | 27,287                 | 55,750                 |
| Other   | 288,027                | 13,738                 | 64,636                 | 21,201                 | 301,414                | 25,204                 | 9,600                  | 43,950                 | 365,434                | 3,261                  |
| Special items   | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | 267,920                | 105,282                |
| Transfers   | -                      | (858,938)              | -                      | (598,045)              | (120,000)              | (60,000)               | (120,000)              | (664,000)              | (205,000)              | (250,000)              |
| Total governmental activities                             | <u>\$ 30,441,078</u>   | <u>\$ 31,137,423</u>   | <u>\$ 32,541,197</u>   | <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>   |
| Business type activities:                                 |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Investment earnings                                       | -                      | 10,995                 | 34,279                 | 2,265                  | 26,911                 | 9,088                  | 29                     | 38                     | 84                     | 189                    |
| Other   | -                      | -                      | -                      | -                      | -                      | -                      | 20,000                 | -                      | -                      | -                      |
| Transfers   | -                      | 858,938                | -                      | 598,045                | 120,000                | 60,000                 | 120,000                | 664,000                | 205,000                | 250,000                |
| Total business-type activities                            | -                      | <u>\$ 869,933</u>      | <u>34,279</u>          | <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>         |
| Total primary government                                  | <u>\$ 30,441,078</u>   | <u>\$ 32,007,356</u>   | <u>\$ 32,575,476</u>   | <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>   |
| <b>Change in Net Position</b>                             |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                   | \$ 2,050,136           | \$ 3,379,185           | \$ 5,464,711           | \$ 2,914,798           | \$ 3,650,193           | \$ 4,734,737           | \$ 2,480,056           | \$ 1,417,383           | \$ 661,443             | \$ 1,840,571           |
| Business-type activities                                  | (33,963)               | 705,180                | (1,006,444)            | 558,444                | (338,193)              | 89,202                 | 82,260                 | 11,767                 | (115,613)              | 181,695                |
| Total primary government                                  | <u>\$ 2,016,173</u>    | <u>\$ 4,084,365</u>    | <u>\$ 4,458,267</u>    | <u>\$ 3,473,242</u>    | <u>\$ 3,312,000</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>    |

(a) The amounts shown above for 2004 do not reflect a restatement of revenues or expenses that would result from prior period adjustments made in 2005.

(b) Beginning in 2005, certain expenses previously classified as human services expenses were classified as recreation and culture expenses. The numbers shown above do not reflect a reclassification prior to 2005.

(c)Beginning in 2006, certain expenses previously classified as unclassified were classified as general government, public safety, public works, recreation and culture, and intergovernmental. The numbers shown above do not reflect a reclassification prior to 2006.

(d) 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          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                | <b>2004</b>          | <b>2005</b>          | <b>2006</b>          | <b>2007</b>          | <b>2008</b>          | <b>2009</b>          | <b>2010</b>          | <b>2011</b>          | <b>2012</b>          | <b>2013</b>          |
| <b>Function/Program</b>        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities:       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General government             | \$ 793,109           | \$ 1,840,485         | \$ 1,570,761         | \$ 2,122,317         | \$ 2,823,207         | \$ 1,497,628         | \$ 1,411,158         | \$ 1,666,819         | \$ 1,029,607         | \$ 726,191           |
| Public safety                  | 722,654              | 1,141,110            | 1,314,788            | 960,310              | 889,669              | 991,905              | 981,767              | 1,253,600            | 1,235,942            | 1,341,026            |
| Public works                   | 1,661,983            | 1,268,894            | 2,077,843            | 1,231,591            | 580,899              | 1,518,156            | 1,111,713            | 1,135,478            | 390,552              | 2,121,817            |
| Human services                 | 35,564               | 24,243               | 29,340               | 19,169               | 28,498               | 37,609               | 29,566               | 29,538               | 38,337               | 29,305               |
| Education                      | 16,120,324           | 16,848,572           | 19,485,503           | 21,258,944           | 22,902,105           | 23,341,642           | 22,784,394           | 19,780,838           | 18,005,614           | 15,309,950           |
| Recreation and culture         | 409,661              | 404,381              | 439,584              | 449,115              | 3,275,387            | 364,805              | 334,286              | 368,017              | 390,814              | 969,653              |
| Unclassified                   | 6,612                | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Total governmental activities  | 19,749,907           | 21,527,685           | 24,917,819           | 26,041,446           | 30,499,765           | 27,751,745           | 26,652,884           | 24,234,290           | 21,090,866           | 20,497,942           |
| Business-type activities:      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Solid waste facilities         | -                    | 671,995              | 698,097              | 558,208              | 427,487              | 434,935              | 411,035              | 380,115              | 351,918              | 321,153              |
| Other business-type activities | 22,026               | 21,692               | 21,685               | 231,252              | 362,209              | 342,733              | 385,116              | 406,105              | 383,069              | 432,336              |
| Total business-type activities | 22,026               | 693,687              | 719,782              | 789,460              | 789,696              | 777,668              | 796,151              | 786,220              | 734,987              | 753,489              |
| Total primary government       | <u>\$ 19,771,933</u> | <u>\$ 22,221,372</u> | <u>\$ 25,637,601</u> | <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> |

Table 4

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

|   | Fiscal Year          |                      |                      |                      |                      |                      |                        |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|
|   | <u>2004</u>          | <u>2005</u>          | <u>2006</u>          | <u>2007</u>          | <u>2008</u>          | <u>2009</u>          | <u>2010</u>            | <u>2011</u>          | <u>2012</u>          | <u>2013</u>          |
| <b>General fund</b>                       |                      |                      |                      |                      |                      |                      |                        |                      |                      |                      |
| <b>Nonspendable</b>                       |                      |                      |                      |                      |                      |                      |                        |                      |                      |                      |
| Long-term loans and advances              | \$ -                 | \$ -                 | \$ 1,162,313         | \$ 1,953,201         | \$ 2,653,201         | \$ 2,053,201         | \$ 2,685,795           | \$ 495,297           | \$ 450,580           |                      |
| Inventories and prepaids                  | -                    | -                    | 50,509               | 62,772               | 16,101               | 30,054               | 34,266                 | 23,925               | 55,570               |                      |
| <b>Restricted</b>                         |                      |                      |                      |                      |                      |                      |                        |                      |                      |                      |
| Education                                 | 2,602,521            | 3,092,244            | 3,537,917            | 4,014,296            | 5,116,194            | 7,110,084            | 7,952,876              | 7,269,640            | 6,202,796            | 4,968,986            |
| Municipal purposes                        | 95,420               | 252,625              | 409,516              | 351,058              | 416,890              | 326,784              | 129,721                | 281,669              | 370,351              | 210,670              |
| <b>Assigned</b>                           |                      |                      |                      |                      |                      |                      |                        |                      |                      |                      |
| Assigned                                  | 1,264,828            | 958,378              | 1,241,798            | 749,070              | 625,002              | 608,524              | 1,626,364              | 1,014,339            | 1,987,354            | 1,824,835            |
| <b>Unassigned</b>                         |                      |                      |                      |                      |                      |                      |                        |                      |                      |                      |
| Unassigned                                | 7,059,330            | 8,426,288            | 7,507,802            | 6,034,017            | 6,680,850            | 6,944,897            | 7,484,221              | 8,508,525            | 9,028,572            | 10,001,974           |
| <b>Total general fund</b>                 | <b>\$ 11,022,099</b> | <b>\$ 12,729,535</b> | <b>\$ 12,697,033</b> | <b>\$ 12,361,263</b> | <b>\$ 14,854,909</b> | <b>\$ 17,659,591</b> | <b>\$ 19,276,437</b>   | <b>\$ 19,794,234</b> | <b>\$ 18,108,295</b> | <b>\$ 17,512,615</b> |
| <b>All other governmental funds</b>       |                      |                      |                      |                      |                      |                      |                        |                      |                      |                      |
| <b>Nonspendable</b>                       |                      |                      |                      |                      |                      |                      |                        |                      |                      |                      |
| Special revenues funds                    | \$ -                 | \$ 400,000           | \$ 400,000           | \$ 441,382           | \$ 21,336            | \$ 22,479            | \$ 27,896              | \$ 13,640            | \$ 23,109            | \$ 15,797            |
| Debt service funds                        | 1,175,000            | 1,095,000            | -                    | -                    | -                    | -                    | -                      | -                    | -                    | -                    |
| Capital projects funds                    | -                    | -                    | -                    | -                    | -                    | -                    | -                      | 1,261,128            | 1,261,128            | 1,188,479            |
| Permanent funds                           | 402,287              | 417,998              | 444,594              | 501,530              | 482,545              | 389,919              | 414,534                | 478,429              | 455,125              | 489,301              |
| <b>Restricted</b>                         |                      |                      |                      |                      |                      |                      |                        |                      |                      |                      |
| Police station building fund              | -                    | -                    | -                    | -                    | -                    | -                    | -                      | -                    | -                    | 1,372,663            |
| Special revenues funds                    | 652,506              | 509,911              | 630,587              | 471,712              | 1,027,052            | 806,966              | 996,936                | 993,665              | 841,722              | 535,723              |
| Impact fee fund                           | 658,786              | 824,742              | 882,169              | 979,592              | 1,044,245            | 1,081,920            | 1,103,566              | 631,845              | 824,059              | 580,862              |
| Capital projects funds                    | -                    | -                    | -                    | -                    | -                    | -                    | -                      | 2,755,373            | 674,476              | 921,306              |
| Permanent funds                           | 18,675               | 18,421               | 18,561               | 17,586               | 20,375               | 22,375               | 21,826                 | 19,845               | 20,778               | 21,189               |
| <b>Committed</b>                          |                      |                      |                      |                      |                      |                      |                        |                      |                      |                      |
| Capital improvements fund                 | 511,893              | -                    | -                    | -                    | -                    | -                    | 1,942,117              | 413,677              | 938,562              | 728,319              |
| Special revenues funds                    | 23,227               | 10,134               | 27,555               | 42,489               | 57,731               | 94,554               | 98,440                 | 108,355              | 167,422              | 203,617              |
| Debt service funds                        | -                    | 78,378               | -                    | -                    | -                    | -                    | -                      | -                    | -                    | -                    |
| Capital projects funds                    | 1,446,154            | 628,215              | 578,643              | 866,584              | 1,406,068            | 1,429,981            | 1,355,914              | 950,421              | 1,238,270            | 1,634,358            |
| <b>Unassigned</b>                         |                      |                      |                      |                      |                      |                      |                        |                      |                      |                      |
| Capital improvements fund                 | -                    | (891,522)            | (2,281,840)          | (188,553)            | (785,477)            | (1,190,875)          | (7,780,477)            | (2,453,705)          | (498,142)            | (225,430)            |
| Downtown TIF District fund                | -                    | -                    | -                    | -                    | -                    | -                    | -                      | (1,486,278)          | (1,490,853)          | (1,413,629)          |
| Elementary School Bond fund               | -                    | -                    | -                    | -                    | -                    | (1,796,942)          | (9,994,057)            | -                    | -                    | -                    |
| Debt service funds                        | (1,904)              | (10)                 | (92)                 | (490)                | (23)                 | (1,289)              | -                      | -                    | -                    | -                    |
| Capital projects funds                    | -                    | -                    | -                    | -                    | -                    | (971,283)            | (1,353,495)            | -                    | -                    | -                    |
| Permanent funds                           | -                    | -                    | -                    | -                    | -                    | -                    | -                      | (1,108)              | (2,157)              | (5,437)              |
| <b>Total all other governmental funds</b> | <b>\$ 4,886,624</b>  | <b>\$ 3,091,267</b>  | <b>\$ 700,177</b>    | <b>\$ 3,131,832</b>  | <b>\$ 3,273,852</b>  | <b>\$ (112,195)</b>  | <b>\$ (13,166,800)</b> | <b>\$ 3,685,287</b>  | <b>\$ 4,453,499</b>  | <b>\$ 6,047,118</b>  |

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.

Beginning with 2005, the activities of the Town's solid waste facilities are reported in an enterprise fund, a proprietary fund. Activities prior to 2005 were reported in the governmental funds and the years prior to 2005 have not been restated.

Table 5

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

|   | Fiscal Year   |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2004 (b)      | 2005 (c)      | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          |
| <b>Revenues</b>   |               |               |               |               |               |               |               |               |               |               |
| Taxes   | \$ 28,079,600 | \$ 29,550,406 | \$ 29,643,615 | \$ 29,800,475 | \$ 30,822,507 | \$ 31,625,044 | \$ 31,689,472 | \$ 32,488,432 | \$ 34,021,307 | \$ 37,040,074 |
| Licenses and permits  | 476,640       | 387,418       | 359,681       | 373,905       | 278,999       | 259,430       | 267,450       | 337,927       | 310,181       | 372,259       |
| Intergovernmental   | 15,925,770    | 17,737,321    | 20,770,878    | 22,639,688    | 26,932,362    | 24,547,076    | 23,158,881    | 20,272,445    | 18,727,482    | 16,497,591    |
| Investment income   | -             | 24,011        | 33,736        | 65,961        | (7,996)       | (83,626)      | 29,066        | 67,955        | (18,420)      | 36,307        |
| Charges for services  | 3,659,849     | 3,460,483     | 3,418,632     | 3,424,296     | 4,269,577     | 3,352,421     | 3,663,930     | 3,832,176     | 2,908,738     | 2,427,793     |
| Fines and penalties   | -             | -             | -             | -             | 26,731        | 31,190        | 22,148        | 29,063        | 20,019        | 34,756        |
| Interest  | 172,858       | 364,701       | 590,931       | 1,012,869     | 707,270       | 196,400       | 54,036        | 319,515       | 45,707        | 19,440        |
| Donations   | 360,473       | 416,229       | 247,025       | 252,686       | 319,463       | 893,074       | 582,786       | 989,051       | 317,071       | 265,575       |
| Other   | 735,883       | 1,011,512     | 1,245,772     | 1,084,613     | 1,015,958     | 951,563       | 828,785       | 583,613       | 920,986       | 744,501       |
| Total revenues  | 49,411,073    | 52,952,081    | 56,310,270    | 58,654,493    | 64,364,871    | 61,772,572    | 60,296,554    | 58,920,177    | 57,253,071    | 57,438,296    |
| <b>Expenditures</b>   |               |               |               |               |               |               |               |               |               |               |
| General government  | 3,930,650     | 4,237,581     | 4,861,462     | 5,801,427     | 5,365,558     | 3,860,752     | 3,513,241     | 3,741,931     | 3,929,459     | 3,738,745     |
| Public safety   | 4,506,785     | 4,755,303     | 5,628,891     | 5,601,493     | 6,995,272     | 7,064,771     | 7,063,771     | 7,163,104     | 7,455,083     | 7,755,060     |
| Public works  | 2,364,773     | 2,541,889     | 2,867,781     | 2,845,638     | 3,398,383     | 5,379,632     | 3,075,136     | 3,226,444     | 3,051,783     | 3,394,481     |
| Human services (a)  | 186,134       | 189,035       | 194,494       | 169,445       | 183,258       | 146,587       | 134,829       | 150,281       | 168,813       | 154,425       |
| Education   | 24,729,524    | 27,753,926    | 32,514,337    | 33,886,447    | 35,371,000    | 35,750,312    | 36,302,217    | 34,998,644    | 32,669,127    | 32,690,215    |
| Recreation and culture (a)                                  | 2,044,655     | 2,104,891     | 2,236,023     | 2,371,349     | 2,486,347     | 2,599,504     | 2,535,604     | 2,313,753     | 2,496,881     | 2,669,560     |
| Intergovernmental   | -             | 1,007,709     | 977,266       | 998,732       | 1,052,971     | 1,088,467     | 1,149,612     | 1,171,049     | 1,187,020     | 1,183,264     |
| Unclassified (d)  | 1,382,772     | 376,752       | 442,312       | 448,278       | 319,038       | 308,691       | 133,725       | 120,725       | 296,682       | 281,424       |
| Miscellaneous - municipal (e)                               | 600,958       | 972,316       | -             | -             | -             | -             | -             | -             | -             | -             |
| Miscellaneous - school (f)                                  | 2,200,691     | 2,387,117     | -             | -             | -             | -             | -             | -             | -             | -             |
| Debt service  |               |               |               |               |               |               |               |               |               |               |
| Principal   | 3,175,000     | 1,930,000     | 3,045,019     | 2,080,000     | 1,725,000     | 1,545,000     | 1,525,000     | 1,120,000     | 2,738,113     | 2,728,113     |
| Interest  | 1,023,116     | 511,771       | 318,749       | 423,235       | 369,063       | 311,245       | 256,465       | 533,417       | 818,911       | 704,610       |
| Other charges   | -             | 300           | 20,500        | -             | -             | -             | -             | -             | -             | -             |
| Capital outlay  | 1,721,331     | 3,658,974     | 5,627,028     | 4,488,927     | 4,343,315     | 4,179,052     | 15,924,714    | 12,039,460    | 3,219,832     | 6,490,340     |
| Total expenditures  | 47,866,389    | 52,427,564    | 58,733,862    | 59,114,971    | 61,609,205    | 62,234,013    | 71,614,314    | 66,578,808    | 58,031,704    | 61,790,237    |
| Excess (deficiencies) of revenues over (under) expenditures | 1,544,684     | 524,517       | (2,423,592)   | (460,478)     | 2,755,666     | (461,441)     | (11,317,760)  | (7,658,631)   | (778,633)     | (4,351,941)   |

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>2004 (b)</u>     | <u>2005 (c)</u>    | <u>2006</u>           | <u>2007</u>         | <u>2008</u>         | <u>2009</u>         | <u>2010</u>            | <u>2011</u>          | <u>2012</u>         | <u>2013</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                              | 2,924,815           | 2,789,403          | 3,756,638             | 3,544,286           | 2,968,450           | 2,156,561           | 2,737,090              | 5,269,207            | 4,135,515           | 4,613,380         |
| Transfers to other funds                                | (1,484,404)         | (2,257,841)        | (985,013)             | (1,509,920)         | (2,545,674)         | (1,914,085)         | (2,241,590)            | (5,542,161)          | (3,974,324)         | (3,424,833)       |
| Transfers to other funds - capital budg                 | -                   | -                  | -                     | -                   | -                   | -                   | -                      | -                    | -                   | (462,250)         |
| Transfers to other funds - supplemental appropriations  | (131,069)           | (1,008,500)        | (2,364,000)           | (2,092,074)         | (90,000)            | (362,400)           | (615,500)              | (319,500)            | (147,000)           | (845,580)         |
| Transfers to other funds - education                    | (1,295,846)         | (375,000)          | (399,779)             | (540,337)           | (452,776)           | -                   | -                      | (71,546)             | (219,191)           | (130,717)         |
| Transfers to other funds - recreation                   | (13,496)            | (7,000)            | (7,846)               | -                   | -                   | -                   | -                      | -                    | -                   | -                 |
| Capital lease   | -                   | 175,000            | -                     | -                   | -                   | -                   | -                      | -                    | -                   | -                 |
| Sale of assets  | 412,000             | 71,500             | -                     | -                   | -                   | -                   | -                      | -                    | 65,906              | -                 |
| Total other financing sources (uses)                    | 412,000             | (612,438)          | -                     | 2,556,363           | (120,000)           | (119,924)           | (120,000)              | 25,028,515           | (139,094)           | 5,349,880         |
| Net change in fund balance                              | <u>\$ 1,956,684</u> | <u>\$ (87,921)</u> | <u>\$ (2,423,592)</u> | <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> |
| Debt service as a percentage of noncapital expenditures | 8.99%               | 5.00%              | 6.43%                 | 4.55%               | 3.65%               | 3.30%               | 3.19%                  | 3.03%                | 6.66%               | 6.34%             |

(a) Beginning in fiscal year ended June 30, 2005, the Library and The 55+ Center (now People Plus) have been included as recreation & culture expenditures. They had previously been reported as human services expenditures. Both recreation & culture and human services have been reclassified for all years to provide consistency in reporting.

(b) Beginning in fiscal year ended June 30, 2004, the Town began budgeting for certain capital projects as transfers to capital projects funds. Many similar projects had been reported as departmental expenditures in prior years. Years prior to 2004 have not been reclassified.

(c) Beginning for fiscal year ended June 30, 2005, the Town reports its solid waste facilities in an enterprise fund, a proprietary fund. Both the revenues and expenditures of those facilities had previously been reported in the General Fund. The effects of this change have not been restated for the years prior to 2005.

(d) Beginning in fiscal year ended June 30, 2005, certain expenses previously classified as Unclassified have been classified as Intergovernmental.

(e) Beginning in fiscal year ended June 30, 2006, expenses previously classified as Miscellaneous-municipal were classified as General Government, Public Safety, Public Works and Recreation and culture.

(f) Beginning in fiscal year ended June 30, 2006, expenses previously classified as Miscellaneous-school were classified as Education.

**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>  |
|--------------------|-----------------------|----------------------|-------------------------|-----------------------|--------------|-----------------|---------------------------|---------------|
| 2004               | \$ 25,195,572         | \$ 2,516,999         | \$ 25,493               | \$ -                  | \$ 238,581   | \$ 27,976,645   | \$ 186,272                | \$ 28,162,917 |
| 2005               | 26,340,153            | 2,575,808            | 24,988                  | -                     | 232,435      | 29,173,384      | 238,710                   | 29,412,094    |
| 2006               | 26,589,755            | 2,602,600            | 25,885                  | -                     | 225,655      | 29,443,895      | 221,282                   | 29,665,177    |
| 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    |

Table 7

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

| <b>Fiscal<br/>Year</b> | <b>Property<br/>Taxes</b> | <b>Vehicle<br/>Taxes</b> | <b>Watercraft<br/>Taxes</b> | <b>Aircraft<br/>Taxes</b> | <b>Other</b> | <b>Subtotal</b> | <b>TIF<br/>Property<br/>Taxes</b> | <b>Total</b>  |
|------------------------|---------------------------|--------------------------|-----------------------------|---------------------------|--------------|-----------------|-----------------------------------|---------------|
| 2004                   | \$ 25,112,255             | \$ 2,516,999             | \$ 25,493                   | \$ -                      | \$ 238,581   | \$ 27,893,328   | \$ 186,272                        | \$ 28,079,600 |
| 2005                   | 26,478,465                | 2,575,808                | 24,988                      | -                         | 232,435      | 29,311,696      | 238,710                           | 29,550,406    |
| 2006                   | 26,568,193                | 2,602,600                | 25,885                      | -                         | 225,655      | 29,422,333      | 221,282                           | 29,643,615    |
| 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    |

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     |                           |                              |                          |                       |                        |                                |  |
| 2004        | \$ 799,346,525        | \$ 287,485,025 | \$ 73,233,400             | \$ 1,160,064,950             | \$ 8,663,800             | \$ 1,151,401,150      | 21.50                  | \$ 1,354,589,588               | 85.00%   |
| 2005        | 831,217,300           | 294,271,100    | 69,553,300                | 1,195,041,700                | 10,900,000               | 1,184,141,700         | 21.90                  | 1,480,177,125                  | 80.00%   |
| 2006        | 836,713,800           | 303,800,400    | 63,327,200                | 1,203,841,400                | 10,104,200               | 1,193,737,200         | 21.90                  | 1,705,338,857                  | 70.00%   |
| 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%   |

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|      | Homestead Assessed Values | Homestead Estimated Actual Values |
|------|---------------------------|-----------------------------------|
| 2004 | \$ 21,397,900             | \$ 25,174,000                     |
| 2005 | 18,868,000                | 23,585,000                        |
| 2006 | 19,260,350                | 27,514,786                        |
| 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                        |

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>Fiscal<br/>Year</b> | <b>Direct Rates</b>          |                      |                       |              |
|------------------------|------------------------------|----------------------|-----------------------|--------------|
|                        | <b>General<br/>Municipal</b> | <b>Education (a)</b> | <b>County Tax (b)</b> | <b>Total</b> |
| 2004                   | 8.29                         | 12.34                | 0.87                  | 21.50        |
| 2005                   | 8.27                         | 12.79                | 0.84                  | 21.90        |
| 2006                   | 8.66                         | 12.44                | 0.80                  | 21.90        |
| 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        |

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<br>Principal Property Taxpayers<br>Current Year and Nine Years Ago |                                  |      |   |  |                                  |      |   |  |
|---|----------------------------------|------|---|--|----------------------------------|------|---|--|
| Taxpayer  | 2013                             |      |   |  | 2004                             |      |   |  |
|   | Taxable<br>Assessed<br>Valuation | Rank | Percentage of<br>Total Taxable<br>Assessed<br>Valuation | Percentage of<br>Total Taxable<br>Municipal<br>Valuation | Taxable<br>Assessed<br>Valuation | Rank | Percentage of<br>Total Taxable<br>Assessed<br>Valuation | Percentage of<br>Total Taxable<br>Municipal<br>Valuation |
| Bath Iron Works Corporation   | \$ 24,891,300                    | 1    | 1.87%   | 1.89%  | \$ 33,335,900                    | 1    | 2.87%   | 2.90%  |
| FPL Energy Maine Hydro LLC  | 18,474,500                       | 2    | 1.39%   | 1.40%  | 17,205,000                       | 3    | 1.48%   | 1.49%  |
| Midcoast Regional Redevelopment Authority   | 18,082,900                       | 3    | 1.36%   | 1.37%  | -                                |      |   |  |
| Developers Diversified (Cooks Corner)   | 15,862,900                       | 4    | 1.19%   | 1.21%  | 19,171,100                       | 2    | 1.65%   | 1.67%  |
| Affordable Midcoast Housing LLC   | 13,389,850                       | 5    | 1.00%   | 1.02%  | -                                |      | 0.00%   | 0.00%  |
| Wade, W.J. Trustee (Wal-Mart)   | 12,768,200                       | 6    | 0.96%   | 0.97%  | 7,739,700                        | 7    | 0.67%   | 0.67%  |
| Thornton Oaks Homeowners Assn. Corp.  | 11,942,600                       | 7    | 0.90%   | 0.91%  | 13,008,200                       | 4    | 1.12%   | 1.13%  |
| W/S Brunswick Properties LP   | 11,036,000                       | 8    | 0.83%   | 0.84%  | 10,210,900                       | 5    | 0.88%   | 0.89%  |
| Central Maine Power Co.   | 9,023,200                        | 9    | 0.68%   | 0.69%  | 7,398,800                        | 8    | 0.64%   | 0.64%  |
| Bowdoin College   | 8,425,200                        | 10   | 0.63%   | 0.64%  | 6,500,000                        | 10   | 0.56%   | 0.56%  |
| Cooper Industries Inc. (Arrowhart Division)   | -                                |      | 0.00%   | 0.00%  | 10,067,800                       | 6    | 0.87%   | 0.87%  |
| LL Bean Inc.  | -                                |      | 0.00%   | 0.00%  | 7,055,100                        | 9    | 0.61%   | 0.61%  |
|   | <u>\$ 143,896,650</u>            |      | <u>10.80%</u>   | <u>10.94%</u>  | <u>\$ 131,692,500</u>            |      | <u>9.88%</u>  | <u>10.01%</u>  |
| Total Assessed Valuation *  | \$ 1,332,368,190                 |      |   |  | \$ 1,160,064,950                 |      |   |  |
| * Includes:   |                                  |      |   |  |                                  |      |   |  |
| Municipal valuation   | \$ 1,315,896,090                 |      |   |  | \$ 1,151,401,150                 |      |   |  |
| TIF valuation   | 16,472,100                       |      |   |  | 8,663,800                        |      |   |  |
|   | <u>\$ 1,332,368,190</u>          |      |   |  | <u>\$ 1,160,064,950</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> |
|--------------------|---------------------------|-----------------|-----------------------|---------------------------|-------------------|------------------------|--|
| 2004               | \$24,755,143              | \$186,272       | \$24,941,415          | \$33,044                  | (\$55,801)        | \$24,918,658           | \$24,519,278                                   |
| 2005               | 25,932,703                | 238,710         | 26,171,413            | 11,938                    | (21,047)          | 26,162,304             | 25,772,833                                     |
| 2006               | 26,142,845                | 221,282         | 26,364,127            | 58,755                    | (42,028)          | 26,380,854             | 25,921,847                                     |
| 2007               | 26,574,540                | 178,976         | 26,753,516            | 22,487                    | (20,350)          | 26,755,653             | 26,116,835                                     |
| 2008               | 27,427,219                | 182,888         | 27,610,107            | 17,300                    | (70,955)          | 27,556,452             | 26,935,530                                     |
| 2009               | 28,255,632                | 189,295         | 28,444,927            | 6,418                     | (31,967)          | 28,419,378             | 27,837,707                                     |
| 2010               | 28,364,875                | 191,838         | 28,556,713            | 10,225                    | (49,101)          | 28,517,837             | 27,698,194                                     |
| 2011               | 28,805,365                | 504,158         | 29,309,523            | 24,513                    | (68,842)          | 29,265,194             | 28,598,906                                     |
| 2012               | 30,366,052                | 319,305         | 30,685,357            | 30,110                    | (123,362)         | 30,592,105             | 29,777,364                                     |
| 2013               | 32,765,813                | 410,155         | 33,175,968            | 2,672                     | (24,686)          | 33,153,954             | 32,348,601                                     |

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**Collected within the Fiscal Year of the Levy**

| <b>Fiscal Year</b> | <b>Amount</b> | <b>Collected within the Fiscal Year of the Levy</b> |                                      | <b>Collected in Subsequent Years</b> | <b>Total Collections to Date</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> |
| 2004               | \$24,519,278  | 98.31%  | 98.40%                               | \$398,552                            | \$24,917,830                     | 99.91%                    | 100.00%                              |
| 2005               | 25,772,833    | 98.48%  | 98.51%                               | 388,860                              | 26,161,693                       | 99.96%                    | 100.00%                              |
| 2006               | 25,921,847    | 98.32%  | 98.26%                               | 457,423                              | 26,379,270                       | 100.06%                   | 99.99%                               |
| 2007               | 26,116,835    | 97.62%  | 97.61%                               | 636,873                              | 26,753,708                       | 100.00%                   | 99.99%                               |
| 2008               | 26,935,530    | 97.56%  | 97.75%                               | 615,654                              | 27,551,184                       | 99.79%                    | 99.98%                               |
| 2009               | 27,837,707    | 97.87%  | 97.95%                               | 569,211                              | 28,406,918                       | 99.87%                    | 99.96%                               |
| 2010               | 27,698,194    | 96.99%  | 97.13%                               | 800,502                              | 28,498,696                       | 99.80%                    | 99.93%                               |
| 2011               | 28,598,906    | 97.58%  | 97.72%                               | 633,078                              | 29,231,984                       | 99.74%                    | 99.89%                               |
| 2012               | 29,777,364    | 97.04%  | 97.34%                               | 608,879                              | 30,386,243                       | 99.03%                    | 99.33%                               |
| 2013               | 32,348,601    | 97.51%  | 97.57%                               | -                                    | 32,348,601                       | 97.51%                    | 97.57%                               |

Table 12

| TOWN OF BRUNSWICK, MAINE   |                              |  |                              |               |                                   |            |  |                                   |                        |                                   |                                    |                                      |  |                                  |  |
|----------------------------|------------------------------|--|------------------------------|---------------|-----------------------------------|------------|--|-----------------------------------|------------------------|-----------------------------------|------------------------------------|--------------------------------------|--|----------------------------------|--|
| Ratios of Outstanding Debt |                              |  |                              |               |                                   |            |  |                                   |                        |                                   |                                    |                                      |  |                                  |  |
| Last Ten Fiscal Years      |                              |  |                              |               |                                   |            |  |                                   |                        |                                   |                                    |                                      |  |                                  |  |
| Governmental Activities    |                              |  | Business-Type Activities     |               |                                   |            |  | Ratios of Net General Bonded Debt |                        |                                   | Other Governmental Activities Debt |                                      |  | Ratios of Total Outstanding Debt |  |
| Fiscal Year                | General Obligation Bonds (a) | Less: Amounts Available in Debt Service Fund (b) | General Obligation Bonds (c) | Total         | Percentage of Personal Income (d) | Per Capita | Percentage of Estimated Actual Taxable Value of Property (e) | Capital Lease                     | Total Outstanding Debt | Percentage of Personal Income (d) | Per Capita                         | Actual Taxable Value of Property (e) | Percentage of Estimated Actual Taxable Value of Property (e) |                                  |  |
|                            |                              |  |                              |               |                                   |            |  |                                   |                        |                                   |                                    |                                      |  |                                  |  |
| 2004                       | \$ 15,080,000                | \$ -   | \$ -                         | \$ 15,080,000 | 3.50%                             | \$ 712.26  | 1.11%  | \$ -                              | \$ 15,080,000          | 3.50%                             | \$ 712.26                          | 1.11%                                |  |                                  |  |
| 2005                       | 12,385,000                   | 78,378   | 510,000                      | 12,816,622    | 2.98%                             | 605.36     | 0.87%  | 161,510                           | 12,978,132             | 3.02%                             | 612.99                             | 0.88%                                |  |                                  |  |
| 2006                       | 9,465,000                    | -  | 255,000                      | 9,720,000     | 2.26%                             | 459.10     | 0.57%  | 105,628                           | 9,825,628              | 2.28%                             | 464.09                             | 0.58%                                |  |                                  |  |
| 2007                       | 10,510,000                   | -  | -                            | 10,510,000    | 2.44%                             | 496.41     | 0.56%  | 46,536                            | 10,556,536             | 2.45%                             | 498.61                             | 0.56%                                |  |                                  |  |
| 2008                       | 8,785,000                    | -  | -                            | 8,785,000     | 2.04%                             | 414.93     | 0.43%  | -                                 | 8,785,000              | 2.04%                             | 414.93                             | 0.43%                                |  |                                  |  |
| 2009                       | 7,240,000                    | -  | -                            | 7,240,000     | 1.68%                             | 341.96     | 0.35%  | -                                 | 7,240,000              | 1.68%                             | 341.96                             | 0.35%                                |  |                                  |  |
| 2010                       | 5,715,000                    | -  | -                            | 5,715,000     | 1.33%                             | 269.93     | 0.27%  | -                                 | 5,715,000              | 1.33%                             | 269.93                             | 0.27%                                |  |                                  |  |
| 2011                       | 30,177,250                   | -  | -                            | 30,177,250    | 5.42%                             | 1,425.34   | 1.49%  | -                                 | 30,177,250             | 5.42%                             | 1,425.34                           | 1.49%                                |  |                                  |  |
| 2012                       | 27,439,138                   | -  | -                            | 27,439,138    | 4.93%                             | 1,353.15   | 1.41%  | -                                 | 27,439,138             | 4.93%                             | 1,353.15                           | 1.41%                                |  |                                  |  |
| 2013                       | 30,211,025                   | -  | -                            | 30,211,025    | 5.43%                             | 1,489.84   | 1.61%  | -                                 | 30,211,025             | 5.43%                             | 1,489.84                           | 1.61%                                |  |                                  |  |

(a) The Total Net 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.

(b) Amounts available in the Debt Service Fund are restricted by the TIF program established with the State of Maine.

(c) Beginning in 2005, the Town's solid waste facilities are accounted for in an enterprise fund. While the enterprise fund is expected to fund this debt, the obligation remains general obligations of the Town.

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

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

Table 13

**TOWN OF BRUNSWICK, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2013**

| <b>Jurisdiction</b>                   | <b>Debt Outstanding</b> | <b>Percentage Applicable to Government</b> | <b>Amount Applicable to Government</b> |
|---------------------------------------|-------------------------|--|--|
| <b>Direct:</b>                        |                         |  |  |
| Town of Brunswick General Obligation  | \$ 30,211,025           | 100.00%                                    | \$ 30,211,025                          |
| Total direct debt                     | 30,211,025              |  | 30,211,025                             |
| <b>Overlapping:</b>                   |                         |  |  |
| Cumberland County                     | 36,925,000              | 5.13%                                      | 1,892,925                              |
| Maine Region 10 Technical High School | 24,500                  | 38.29%                                     | 9,381                                  |
| Total overlapping debt                | 36,949,500              |  | 1,902,306                              |
| Total direct and overlapping debt     | <u>\$ 67,160,525</u>    |  | <u>\$ 32,113,331</u>                   |

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Note: Annually, Cumberland County assesses each municipality its proportionate share of the County tax required to fund the County budget. The County tax assessment applicable to the Town of Brunswick is included in the total property tax levy of the Town of Brunswick.

Sources: The outstanding debt for Cumberland County has been provided by the County. The percentage applicable to the Town of Brunswick is based on the ratio of the State equalized assessed valuation for the Town of Brunswick versus the equalized state valuation for Cumberland County in total.

The outstanding debt for Maine Region 10 Technical High School has been provided by MR10. The percentage applicable to the Town of Brunswick is based on the cooperative agreement that established MR10. That agreement specifies that the percentage each participant is required to contribute is based on the population as determined by the most recent Federal Decennial Census.

Table 14

| TOWN OF BRUNSWICK, MAINE<br>Legal Debt Margin Information<br>June 30, 2013  |                                    |                           |                          |                              |                   |  |
|---|------------------------------------|---------------------------|--------------------------|------------------------------|-------------------|--|
| Debt Limit by Category  |                                    |                           |                          |                              |                   |  |
|   | Type of Debt                       | Maximum Percent Allowable | Maximum Allowable Amount | Principal Amount Outstanding | Legal Debt Margin |  |
| 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 2013 State Valuation of \$1,983,450,000, the Town is in compliance with the total and categorical debt limits: | School                             | 10.00%                    | \$ 198,345,000           | \$ 20,101,025                | \$ 178,243,975    |  |
|   | Storm or Sanitary Sewer            | 7.50%                     | 148,758,750              | -                            | 148,758,750       |  |
|   | Municipal Airport Special District | 3.00%                     | 59,503,500               | -                            | 59,503,500        |  |
|   | Municipal                          | 7.50%                     | 148,758,750              | 10,110,000                   | 138,648,750       |  |
| <b>Legal Debt Margin Calculation for Fiscal Year 2013</b>   |                                    |                           |                          |                              |                   |  |
| State Valuation   | \$ 1,983,450,000                   |                           |                          |                              |                   |  |
| Debt Limit - 15% of State Valuation   | 297,517,500                        |                           |                          |                              |                   |  |
| Less outstanding debt applicable to debt limit  | (30,211,025)                       |                           |                          |                              |                   |  |
| Legal Debt Margin   | \$ 267,306,475                     |                           |                          |                              |                   |  |

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|  | 2004           | 2005           | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Debt limit   | \$ 214,672,500 | \$ 234,900,000 | \$ 266,580,000 | \$ 296,340,000 | \$ 313,927,500 | \$ 325,800,000 | \$ 330,720,000 | \$ 321,225,000 | \$ 304,207,500 | \$ 297,517,500 |
| Total debt applicable to limit                                   | 15,080,000     | 12,895,000     | 9,720,000      | 10,510,000     | 8,785,000      | 7,240,000      | 5,715,000      | 30,177,250     | 27,439,138     | 30,211,025     |
| Legal debt margin  | \$ 199,592,500 | \$ 222,005,000 | \$ 256,860,000 | \$ 285,830,000 | \$ 305,142,500 | \$ 318,560,000 | \$ 325,005,000 | \$ 291,047,750 | \$ 276,768,362 | \$ 267,306,475 |
| Total debt applicable to the limit as a percentage of debt limit | 7.02%          | 5.49%          | 3.65%          | 3.55%          | 2.80%          | 2.22%          | 1.73%          | 9.39%          | 9.02%          | 10.15%         |

Table 15

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

| <b><u>Employer</u></b>                                  | <b><u>2013</u></b>          |                    | <b><u>2004</u></b>          |                    |
|---|-----------------------------|--------------------|-----------------------------|--------------------|
|   | <b><u>Employees (a)</u></b> | <b><u>Rank</u></b> | <b><u>Employees (a)</u></b> | <b><u>Rank</u></b> |
| Mid Coast Health Services                               | 1600                        | 1                  | 860                         | 2                  |
| Bath Iron Works   | 1300                        | 2                  | 1700                        | 1                  |
| Bowdoin College   | 970                         | 3                  | 750                         | 3                  |
| Town of Brunswick                                       | 600                         | 4                  | 665                         | 5                  |
| Wal-Mart Stores, Inc.                                   | 281                         | 5                  | 275                         | 7                  |
| L.L. Bean Inc., Manufacturing Div.                      | 275                         | 6                  | 264                         | 8                  |
| Parkview Memorial Hospital                              | 179                         | 7                  | 370                         | 6                  |
| Hannaford Brothers                                      | 160                         | 8                  | 196                         | 10                 |
| Bank of America, formerly MBNA                          | 108                         | 9                  | 225                         | 9                  |
| Lowe's  | 112                         | 10                 |                             |                    |
| Shaw's  | 102                         | 11                 | 148                         | 12                 |
| Downeast Energy   | 83                          | 12                 | 173                         | 11                 |
| Sears Roebuck & Co                                      | 79                          | 13                 | 115                         | 15                 |
| Brunswick Publishing Co                                 | 67                          | 14                 | 143                         | 13                 |
| Naval Air Station, Brunswick (civilian employment only) |                             |                    | 737                         | 4                  |
| Cooper Industries (Arrowhart Div.)                      |                             |                    | 114                         | 14                 |

(a) Telephone Survey of Employers, March 2004 and March 2013. The employee counts were determined by the employers and may or may not represent full-time equivalents (FTEs).

Note: Each employer's percentage of total employment is not indicated, as there is no reliable source of data for total employment within the Town.

Table 16

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

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| <b>Fiscal Year</b> | <b>Population (a)</b> | <b>Per Capita</b>          |                            |       | <b>Median Age (a)</b> | <b>School Enrollment (c)</b> | <b>Unemployment Rate (d)</b> |
|--------------------|-----------------------|----------------------------|----------------------------|-------|-----------------------|------------------------------|------------------------------|
|                    |                       | <b>Personal Income (b)</b> | <b>Personal Income (a)</b> |       |                       |                              |                              |
| 2004               | 21,172                | \$ 430,257,384             | \$ 20,322                  | 35.50 |                       | 3,153                        | 3.7%                         |
| 2005               | 21,172                | 430,257,384                | 20,322                     | 35.50 |                       | 3,110                        | 3.8%                         |
| 2006               | 21,172                | 430,257,384                | 20,322                     | 35.50 |                       | 3,140                        | 3.9%                         |
| 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%                         |

(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>2004</u>        | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| General government        |                    |             |             |             |             |             |             |             |             |             |
| Administration            | 4                  | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Finance                   | 10                 | 10          | 10          | 10          | 9           | 9           | 8           | 8           | 8           | 8           |
| Technology                | 1                  | 1           | 0           | 0           | 0           | 0           | 0           | 1           | 1           | 1           |
| Assessing                 | 4                  | 4           | 4           | 4           | 4           | 4           | 3           | 3           | 3           | 3           |
| Town Clerk                | 4.5                | 4.5         | 4.5         | 4.5         | 4.5         | 4.5         | 4           | 4           | 4           | 4           |
| Planning and Codes        | 6                  | 6           | 6           | 6           | 6           | 6           | 5           | 5           | 5           | 5           |
| Natural Resources         | 1                  | 1           | 1           | 1           | 1           | 1           | 0           | 0           | 0           | 0           |
| Economic development      | 1                  | 1           | 1           | 2           | 2           | 3           | 3           | 2           | 2           | 1           |
| Municipal building        | 1.5                | 1.5         | 1.5         | 1.5         | 1.5         | 1.5         | 1.5         | 1.5         | 1.5         | 1.5         |
| Public safety             |                    |             |             |             |             |             |             |             |             |             |
| Fire department           | 29                 | 32          | 36          | 36          | 36          | 36          | 36          | 36          | 36          | 36          |
| Police department         | 50                 | 51          | 51          | 51          | 51          | 51          | 51          | 48          | 50          | 50          |
| Public works              |                    |             |             |             |             |             |             |             |             |             |
| Administration            | 5                  | 6           | 6           | 6           | 6           | 6           | 5           | 5           | 5           | 5           |
| General maintenance       | 18                 | 17          | 17          | 17          | 17          | 17          | 17          | 17          | 15.5        | 11.5        |
| Refuse collection         | 2                  | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Landfill                  | 4.5                | 4.5         | 3.5         | 3.5         | 3.5         | 2.5         | 2.5         | 2.5         | 2.5         | 2.5         |
| Recycling                 | 4                  | 4           | 5           | 4           | 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            |                    |             |             |             |             |             |             |             |             |             |
| Human services            | 2                  | 2           | 2           | 2           | 2           | 1.5         | 1.5         | 1.5         | 1.5         | 1.5         |
| Education                 | 398                | 407         | 411         | 413         | 415         | 410         | 402         | 396         | 390         | 392         |
| Recreation                |                    |             |             |             |             |             |             |             |             |             |
| Administration            | 6                  | 6           | 6           | 6           | 6           | 6           | 5           | 5           | 5           | 5           |
| Buildings and grounds     | 7                  | 7           | 7           | 7           | 7           | 7           | 6           | 5           | 5           | 5           |
| Cable TV                  | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| High School Spring Street | 1                  | 1           | 1           | 1           | 1           | 0           | 0           | 0           | 0           | 0           |
| Totals                    | 564                | 575         | 582         | 584         | 581         | 574.5       | 559         | 549         | 543.5       | 540.5       |

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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>2004</u>        | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| <b>Fire Department</b>               |                    |             |             |             |             |             |             |             |             |             |
| Fire calls                           | 763                | 817         | 785         | 1,038       | 850         | 887         | 835         | 975         | 985         | 1,144       |
| Medical calls                        | 2,108              | 2,278       | 2,251       | 2,305       | 2,313       | 2,278       | 2,406       | N/A         | 2,549       | 2,823       |
| Inspections                          | 608                | 401         | 326         | 712         | 327         | 189         | 249         | N/A         | 300         | 342         |
| <b>Police</b>                        |                    |             |             |             |             |             |             |             |             |             |
| Calls for service (a)                | 27,101             | 25,149      | 25,812      | 26,519      | 30,186      | 33,137      | 33,358      | 36,254      | 45,060      | 43,815      |
| Crash reports (b)                    | N/A                | N/A         | N/A         | 926         | 921         | 829         | 713         | 679         | 767         | 713         |
| Field interviews (b)                 | N/A                | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | 508         | 464         |
| Offense reports                      | 1,501              | 1,392       | 1,407       | 1,334       | 1,150       | 1,207       | 1,243       | 1,133       | 1,230       | 1,304       |
| Physical arrests                     | 1,238              | 1,066       | 1,120       | 1,258       | 1,237       | 1,095       | 1,150       | 1,069       | 1,098       | 1,184       |
| <b>Public Works</b>                  |                    |             |             |             |             |             |             |             |             |             |
| Street resurfacing (miles)           | 5                  | 6           | 4           | 7           | 6           | 3           | 5           | 8           | 5           | 4           |
| Recyclables collected (tons)         | 1,971              | 2,009       | 1,757       | 1,963       | 2,011       | 1,823       | 1,804       | 1,754       | 1,711       | 1,548       |
| <b>Codes Enforcement</b>             |                    |             |             |             |             |             |             |             |             |             |
| Residential permits issued           | 496                | 415         | 564         | 380         | 356         | 306         | 291         | 258         | 249         | 249         |
| Commercial/Industrial permits issued | 109                | 69          | 67          | 61          | 76          | 79          | 39          | 34          | 55          | 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**

| <u>Function</u>         | <u>Fiscal Year</u> |             |             |             |             |             |             |             |             |             |
|-------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         | <u>2004</u>        | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Police Department       |                    |             |             |             |             |             |             |             |             |             |
| Patrol units            | 18                 | 18          | 18          | 18          | 18          | 18          | 18          | 18          | 16          | 17          |
| Fire Department         |                    |             |             |             |             |             |             |             |             |             |
| Stations                | 1                  | 1           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| Emergency vehicles      | 14                 | 14          | 13          | 14          | 14          | 15          | 14          | 14          | 12          | 12          |
| Public Works Department |                    |             |             |             |             |             |             |             |             |             |
| Streets (miles)         | 136                | 137         | 140         | 141         | 141         | 152         | 152         | 152         | 152         | 154         |
| Recycling trucks        | 2                  | 2           | 2           | 2           | 0           | 0           | 0           | 0           | 0           | 0           |
| School Department       |                    |             |             |             |             |             |             |             |             |             |
| Schools                 | 7                  | 7           | 7           | 7           | 7           | 7           | 6           | 6           | 4           | 4           |
| School buses            | 26                 | 26          | 26          | 26          | 26          | 26          | 26          | 26          | 26          | 26          |

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