

CONTINUING DISCLOSURE STATEMENT DATED MARCH 26, 2015

**TOWN OF BRUNSWICK, MAINE**



Questions regarding the information contained in this disclosure and requests for official statements should be directed to Julia A.C. Henze, Finance Director, Town of Brunswick, 85 Union Street, Brunswick, Maine 04011, 207-725-6652.



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**CUSIP NUMBERS**

<b>2006 G. O.</b>			<b>2011 G. O.</b>		
<b>Bonds</b>		<b>CUSIP</b>	<b>Bonds</b>		<b>CUSIP</b>
<b>Amount</b>	<b>November 1,</b>		<b>Amount</b>	<b>November 1,</b>	
\$275,000	2006	117205KF0	\$555,000	2011	117205KW3
250,000	2007	117205KG8	555,000	2012	117205KX1
200,000	2008	117205KH6	555,000	2013	117205KY9
200,000	2009	117205KJ2	555,000	2014	117205KZ6
200,000	2010	117205KK9	550,000	2015	117205LA0
200,000	2011	117205KL7	270,000	2016	117205LB8
200,000	2012	117205KM5	270,000	2017	117205LC6
200,000	2013	117205KN3	270,000	2018	117205LD4
200,000	2014	117205KP8	270,000	2019	117205LE2
200,000	2015	117205KQ6	270,000	2020	117205LF9
200,000	2016	117205KR4			
200,000	2017	117205KS2			
200,000	2018	117205KT0			
200,000	2019	117205KU7			
200,000	2020	117205KV5			
<b>2013 G. O.</b>			<b>2013 G. O.</b>		
<b>Bonds</b>		<b>CUSIP</b>	<b>Bonds</b>		<b>CUSIP</b>
<b>Amount</b>	<b>November 1,</b>		<b>Amount</b>	<b>November 1,</b>	
\$275,000	2013	117205LG7	275,000	2014	117205LH5
275,000	2015	117205LJ1	275,000	2016	117205LK8
275,000	2017	117205LL6	275,000	2018	117205LM4
275,000	2019	117205LN2	275,000	2020	117205LP7
275,000	2021	117205LQ5	275,000	2022	117205LR3
275,000	2023	117205LS1	275,000	2024	117205LT9
275,000	2025	117205LU6	275,000	2026	117205LV4
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.

Julia A.C. Henze  
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 storefront 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 85 Union 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 2013, construction began on the renovations to convert the building for use as the Brunswick Town Hall. Town offices and the Town Council Chambers were moved into the first two floors of the building in April 2014. Bowdoin will continue to occupy the top floor of the McLellan Building for up to ten additional years. In June 2014, the vacated 28 Federal Street property was conveyed to the Brunswick Development Corporation for subsequent sale to Coastal Enterprises, Inc.

### **Public Safety**

The Police Department is staffed by a Police Chief, two Deputy Chiefs, 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 three 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 six 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, 2014, 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, four 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 June 2014, the Town Council sold 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**

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.

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. 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.

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.

### **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 12-member Board of Directors manages the Association with a staff comprised of approximately 20 full-time equivalent personnel including ten professional librarians. At June 30, 2014, the Library’s collections included approximately 142,173 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, 2014 was 391,311 items loaned, with yearly active cardholders numbering 12,058, of which 71.5% 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 250 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, 2014 Population<sup>(1)</sup></u>	<u>October 1, 2014 Population<sup>(1)</sup></u>
Coffin School <sup>(2)</sup>	K – 1	356	342
Harriet Beecher Stowe	2 – 5	702	736
Brunswick Junior High <sup>(2)</sup>	6 – 8	499	469
Brunswick High	9 – 12	821	801

SOURCE: Town of Brunswick School Department.

NOTE: <sup>(1)</sup> As of April 1, 2014 and October 1, 2014 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. Based on the funding approval received from the State Department of Education ("DOE"), approximately 87% of the annual net debt service cost on these bonds will be included 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 indicated the cost of new facilities could exceed \$54 million, so additional work is being done to explore options to renovate existing schools. 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>	
2014	1,055	499	800	2,354
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

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 266 students enrolled in Region 10 on October 1, 2014, 95 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 Effective</u>	<u>Date of Contract Expiration</u>
Teamsters (Local #340)	21	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	250	School Teachers	9/01/12	8/31/15
BEA/MEA – Educational Technicians	68	Educational Technicians	8/01/13	7/31/16
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

<u>Fiscal Yr. End</u>	<u>Residential</u>		<u>Commercial &amp; Industrial</u>	
<u>June 30,</u>	<u># Permits</u>	<u>Est. Cost Const.</u>	<u># Permits</u>	<u>Est. Cost Const.</u>
2014	291	\$16,370,912	59	\$20,672,370 <sup>(1)</sup>
2013	247	12,938,533	54	9,918,226 <sup>(2)</sup>
2012	247	11,345,444	55	17,227,286 <sup>(3)</sup>
2011	258	7,683,897	34	10,128,789 <sup>(4)</sup>
2010	291	12,784,450	39	25,538,418 <sup>(5)</sup>
2009	306	8,159,449	79	27,335,170 <sup>(6)</sup>
2008	356	15,038,810	76	30,534,200 <sup>(7)</sup>
2007	380	23,491,638	61	27,616,628 <sup>(8)</sup>
2006	464	26,317,631	67	41,426,845 <sup>(9)</sup>
2005	415	26,044,849	69	21,393,468 <sup>(10)</sup>

NOTES: <sup>(1)</sup>Includes \$6,000,000 for commercial development at Brunswick Landing, \$2,500,000 for an administration building for Bowdoin College, \$1,800,000 for a church on Middle Street, \$1,306,000 for a solar array for Bowdoin College and \$1,100,000 for a retail building at Cooks Corner.

<sup>(2)</sup>Includes \$4,800,000 for the Police Station, \$1,992,441 for renovation of the former Longfellow School by Bowdoin College and \$1,200,000 for a manufacturing facility at Brunswick Landing.

<sup>(3)</sup>Includes \$12,000,000 for construction of a manufacturing facility at Brunswick Landing.

<sup>(4)</sup>Includes \$9,622,529 for construction of an inn and \$2,272,200 for a medical office building.

<sup>(5)</sup>Includes \$14,000,000 for construction of an elementary school and \$6,000,000 for a nursing home.

<sup>(6)</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>(7)</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>(8)</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>(9)</sup>Includes \$36,680,000 for construction projects at Bowdoin College.

<sup>(10)</sup>Includes \$11,000,000 for construction projects at Bowdoin College.

## 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>					
		<u>Town of Brunswick</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</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>					
		<u>Town of Brunswick</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</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>
2014		4.9%	4.4%	8.6%	6.2%
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

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/ Operating</b>	<b>Personal &amp; Business</b>
	<b>Building Supply</b>	<b>Food Store</b>	<b>General Mdse.</b>	<b>Other Retail</b>	<b>Auto/ Transp.</b>	<b>Restaurant/ Lodging</b>	<b>Personal Consumption</b>			
2014	\$71,322	\$32,684	\$82,832	\$26,249	\$68,578	\$57,651	\$339,316	\$18,098	\$357,414	
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	

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, but live in:</b>	<b>Number of Workers</b>	<b>% Town's Workforce</b>	<b>Live in Brunswick, but work in:</b>	<b>Number of Workers</b>	<b>% Town's 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 Average # of Employees</b>
Mid Coast Health Services	Hospital, Health Care, Retire.	1,600
Bath Iron Works	Ship Building	1,300
Bowdoin College	College	921
Town of Brunswick	Municipality	548
LL Bean Inc., Mfg. Div.	Outdoor Equip/Sporting Goods	408
Wal-Mart Stores, Inc.	Retail	234
Parkview Memorial Hospital	Hospital	179
Hannaford Bros.	Groceries/Pharmacy	160
Providence Service Corp	Social Services	150
Shaw's	Groceries	122
Bank of America	Financial Services	108
Lowe's	Building/Home Supplies	103

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 2014 was 1,803 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 921 full-time equivalent (FTE) employees, including 204 FTE faculty members. Bowdoin’s payroll totaled \$66.1 million for the fiscal year ending on June 30, 2014, with close to half that amount paid to Brunswick residents. The College was listed at the 11<sup>th</sup> largest taxpayer in Brunswick in FY 2014. In addition to taxes and fees, the College also makes annual financial contributions to the Town of Brunswick. These voluntary unrestricted payments totaled \$122,200 in FY 2014. 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, employment levels are anticipated 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. BIW says it expects to hire up to 400 new employees in 2015, mainly in trades including electrical, machinist, shipfitters, tinsmiths, welders, pipefitters and more, as well as supervisory positions. However, the US Navy's procurement plans are always subject to change and 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 Jobs</b>	<b>Indirect Jobs</b>	<b>Direct Income Loss</b>	<b>Indirect Income Loss</b>	<b>Total Job Loss</b>	<b>Total Income 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 126 housing units in the McKeen Street neighborhood and the majority of the remaining rental units are currently occupied.

### **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 \$13.3 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 1,760.24 acres of the 2,090 acres that MRRA is slated to receive. MRRA has now received 982.69 (99%) of the 992.2 acres of airport land and 777.55 (71%) of the 1,098 acres of the non-airport property. These transfers included the transfer of 86 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 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 2013, 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.** In 2013 the MRRA Board approved the establishment of a \$500,000 revolving loan fund for the purpose of tenant leasehold improvements. Subsequently, MRRA staff worked with a local bank to consider a broader lending program to include \$500,000 for working capital and equipment, and 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 360.8 acres of land, 437,875 square feet of real estate within 28 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
- ❖ Oxford Networks
- ❖ American Bureau of Shipping
- ❖ Rollease
- ❖ Coastal Landing Senior Housing
- ❖ Sunray Animal Clinic

**Economic Development.** Sixty entities now call Brunswick Landing home with 576 jobs, and those entities are in the process of creating hundreds of additional 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. Opening officially in January 2015, *TechPlace* currently has six businesses.

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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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>REVENUES</b>					
Property Taxes	\$ 28,741	\$ 30,210	\$ 32,470	\$ 35,345	\$ 36,503
Vehicle Excise Taxes	2,375	2,475	2,550	2,700	2,825
Other Taxes	284	304	369	351	278
Licenses, Fees, & Permits	256	330	281	303	323
Intergovernmental	14,923	14,251	12,234	12,227	11,219
Charges for Service	2,238	1,437	1,335	1,374	1,351
Interest on Investments	100	100	100	50	40
Other	656	667	751	1,436	1,173
Transfers and Use of Balances	3,785	3,690	4,586	3,820	4,387
<b>TOTAL REVENUES</b>	<b>\$ 53,358</b>	<b>\$ 53,464</b>	<b>\$ 54,676</b>	<b>\$ 57,606</b>	<b>\$ 58,099</b>
<b>EXPENDITURES</b>					
General Government	\$ 3,387	\$ 3,273	\$ 3,409	\$ 3,542	\$ 3,606
Public Safety	7,261	7,644	8,056	8,221	8,507
Public Works	3,285	3,417	3,622	3,688	3,756
Human Services	149	152	169	173	166
Education	32,282	30,394	30,687	32,940	33,958
Recreation & Culture	2,036	2,191	2,359	2,561	2,710
Debt Service	1,322	3,466	3,346	3,555	2,728
County Tax	1,171	1,187	1,183	1,249	1,333
Unclassified	201	195	210	241	187
Transfers Out	2,264	1,545	1,635	1,436	1,148
<b>TOTAL EXPENDITURES</b>	<b>\$ 53,358</b>	<b>\$ 53,464</b>	<b>\$ 54,676</b>	<b>\$ 57,606</b>	<b>\$ 58,099</b>

**NOTES:** This table is prepared on the Budgetary Basis. It reflects the adopted budget, 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 2014-15 municipal budget was developed with the awareness that the Town had made significant use of reserves and one-time revenues for the previous three budgets, and was facing continued reductions in State revenue sharing. This led to decisions to reduce funding of capital reserves and to use debt financing for certain capital projects. Even with these compromises, and repeating the use of \$1 million in general fund balance, the budget still required a property tax rate increase of 3.47%. Budgets for the past several years have been strongly affected by changes in state aid. See "STATE AID" herein.

The preparation of the 2015-16 municipal budget is proceeding under many questions surrounding Governor LePage's proposed biennial budget for the State of Maine. The Governor's proposal introduces a number of initiatives which would have profound effects on municipalities. Most of the changes are scheduled to take effect in the 2016-17 fiscal year, but how these options will be implemented remains unclear, and the effects have yet to be quantified. For 2015-16, Brunswick is evaluating the effects of the reductions in State revenue sharing, and changes to the Homestead Exemption for taxpayers.

The Governor's biennial budget proposes the elimination of revenue sharing entirely in the 2016-17 fiscal year and beyond. Revenue Sharing is 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, and this was increased to 53% in FY 14. For the year ended June 30, 2014, Brunswick received \$1,069,677 in revenue sharing, which was approximately \$1.2 million less than the amount called for by state statute. For 2014-15 Brunswick is anticipating a slight reduction in revenue sharing, and in 2015-16 the State is predicting no change in the amount Brunswick receives.

The Governor's proposed budget also includes a provision to change the Homestead Exemption Program to be based on the age of the homeowner. This change is proposed to take effect for the year beginning July 1, 2015. To quantify the effect for Brunswick, age data will need to be collected from homeowners. The Town is currently watching State-level legislative discussions to determine the likely effect on the 2015-16 budget. For a description of the Homestead Exemption Program change, see "STATE AID" herein.

With the FY 13 – FY 15 biennial budget 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. When the state budget was finalized, it required local school units to include the normal cost of teacher retirement in the local school budget. However, the State budget did increase the level of state aid to cover that cost. Legislation has been introduced that would, again, require the State to fund teacher retirement. The Town currently anticipates that it will continue to be required to budget the normal cost and that the State will continue the higher level of state aid. No assurance can be made that the State's subsidy program will continue in its present form.

As in 2013, it is likely that Brunswick will adopt a 2015-16 municipal budget before the State of Maine budget is finalized. It is possible that Brunswick will be forced to consider amendments to the municipal budget to adjust for any reductions in state aid. Two years ago, the 2013-14 budget was amended without an additional increase in property taxes.

The Town attempts to make five-year revenue and expenditure forecasts. This year's forecast is challenged by many components in the Governor's biennial budget proposal. It is clear, however, 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Personal Income Factor	1.78%	1.66%	1.43%	1.05%	1.09%
Town Property Growth Factor	1.27%	1.04%	2.36%	3.26%	2.44%
Growth Limitation Factor	3.05%	2.70%	3.79%	4.31%	3.53%
Property Tax Levy Limit	12,909,131	13,257,677	13,760,143	14,353,205	14,859,874
Property Tax Levy	<u>11,377,958</u>	<u>11,786,776</u>	<u>11,608,434</u>	<u>11,928,920</u>	<u>12,106,342</u>
Over/(below) Prop Tax Levy Limit	(1,531,173)	(1,470,901)	(2,151,709)	(2,424,285)	(2,753,532)

## 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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Unrestricted General Fund					
Balance	\$ 9,110,585	\$ 9,522,864	\$ 11,015,926	\$ 11,826,809	\$ 10,107,555
Total Revenues	55,250,920	53,398,716	53,034,602	53,777,437	55,316,128
<b>As a % of Revenues</b>	<b>16.49%</b>	<b>17.83%</b>	<b>20.77%</b>	<b>21.99%</b>	<b>18.27%</b>
Unassigned General Fund					
Balance	\$ 7,484,221	\$ 8,508,525	\$ 9,028,572	\$ 10,001,974	\$ 8,488,177
Total Revenues	55,250,920	53,398,716	53,034,602	53,777,437	55,316,128
<b>As a % of Revenues</b>	<b>13.55%</b>	<b>15.93%</b>	<b>17.02%</b>	<b>18.60%</b>	<b>15.34%</b>

Based on a December, 2013 Town Council appropriation of \$950,000 from unassigned fund balance to a building project, it was anticipated that the General Fund assigned fund balance would 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 2016-2020. 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 is being 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 that 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 to be 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 CIP Committee 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.

In the fall and winter of 2013-14, the CIP Committee followed the new CIP policy and procedures in the development of the CIP, and on May 29, 2014, the Town Council adopted a CIP for fiscal years ending 2015-2019. This document is available on the Town's website.

In August 2014, the Town Council established a Finance Committee, and assigned to it, among other responsibilities, the duties of the CIP Committee. The Town Manager and the Finance Committee have recently submitted a recommended CIP for fiscal years ending 2016-2020 for Town Council review and adoption. The Town Council will review the CIP in conjunction with its development of the 2015-16 budget, and it is anticipated that the 2016-2020 CIP will be adopted by the Town Council at the same time as the 2015-16 budget in May 2015. Adoption of the CIP does not constitute funding of capital projects. Appropriation of funds, or authorization of the issuance of bonds, will happen in a separate action of the Town Council.

Information from the Finance Committee recommended 2016-2020 CIP follows.

## **CIP Projects Recommended for Funding – Finance Committee Draft**

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

### **Capital Improvement Program - Recommended for Funding For Fiscal Years Ending 2016-2020**

<b>PROJECTS</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>TOTALS</b>
Facilities - Improvements	\$ -	\$ 685,530	\$ -	\$ -	\$ -	\$ 685,530
Infrastructure	160,000	1,000,000	-	-	-	1,160,000
Capital Acquisitions	175,500	-	-	525,000	-	700,500
Other Projects	400,000	-	-	-	-	400,000
Munic vehicle replacement	631,236	643,861	656,737	669,873	683,270	3,284,977
Munic annual work programs	750,000	975,000	1,045,000	1,050,000	1,025,000	4,845,000
School vehicle replacement	185,000	185,400	190,962	196,691	202,592	960,645
School annual work programs	390,000	584,000	433,985	430,000	55,000	1,892,985
<b>TOTALS</b>	<b>\$ 2,691,736</b>	<b>\$ 4,073,791</b>	<b>\$ 2,326,684</b>	<b>\$ 2,871,564</b>	<b>\$ 1,965,862</b>	<b>\$ 13,929,637</b>

### **FUNDING SOURCES**

General Obligation Bonds	\$ 525,500	\$ 553,030	\$ -	\$ 525,000	\$ -	\$ 1,603,530
General Fund Balance	50,000	132,500	-	-	-	182,500
Municipal Revenues	1,381,236	1,618,861	1,701,737	1,719,873	1,708,270	8,129,977
School Revenues	575,000	769,400	624,947	626,691	257,592	2,853,630
State of Maine	100,000	800,000	-	-	-	900,000
Impact Fees	60,000	-	-	-	-	60,000
Other	-	200,000	-	-	-	200,000
<b>TOTALS</b>	<b>\$ 2,691,736</b>	<b>\$ 4,073,791</b>	<b>\$ 2,326,684</b>	<b>\$ 2,871,564</b>	<b>\$ 1,965,862</b>	<b>\$ 13,929,637</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**

<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>
High School Boiler Replacement	\$ -	\$ 553,030	\$ -	\$ -	\$ -	\$ 553,030
Parks & Rec Sidewalk Tractor	125,500	-	-	-	-	125,500
Engine 2 Replacement	-	-	-	-	525,000	525,000
Property Revaluation	400,000	-	-	-	-	400,000
<b>RECOMMENDED TOTALS</b>	<b>\$ 525,500</b>	<b>\$ 553,030</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 525,000</b>	<b>\$ 1,603,530</b>

## **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 - In Development - for Funding with General Obligation Bonds**

<b>PROJECTS</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>TOTAL</b>
Town Hall Exterior Trim	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Town Hall HVAC	- -	- -	- -	400,000	- -	400,000
BHS Track Replacement	300,000	- -	- -	- -	- -	300,000
Jordan Acres demo & site wor	325,000	- -	- -	- -	- -	325,000
Elementary Grades Transition	- -	215,000	- -	- -	- -	215,000
Elementary School Solution	- -	5,000,000	- -	- -	- -	5,000,000
Junior High School Solution	- -	- -	5,000,000	- -	- -	5,000,000
BJHS Sprinkler System	- -	- -	248,000	- -	- -	248,000
Tennis Courts	- -	208,060	- -	- -	- -	208,060
Bus Garage	- -	- -	- -	- -	2,200,000	2,200,000
Central Fire Station	- -	- -	- -	6,000,000	- -	6,000,000
Vehicle Wash Bay	- -	255,000	- -	- -	- -	255,000
Aquatics Facility	- -	- -	- -	1,500,000	- -	1,500,000
East Brunswick Fields	- -	- -	250,000	250,000	- -	500,000
Cooks Corner Road	1,400,000	- -	- -	- -	- -	1,400,000
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>IN DEVELOPMENT TOTALS</b>	<b>\$ 2,225,000</b>	<b>\$ 7,478,060</b>	<b>\$ 5,798,000</b>	<b>\$ 8,150,000</b>	<b>\$ 2,200,000</b>	<b>\$ 25,851,060</b>

### **Elementary Grades Solution/Junior High School Solution/Bus Garage**

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 identified a number of projects, including the demolition of a former elementary school, renovations or new construction of elementary and junior high schools, as well as a bus garage. With total costs estimated at \$55.4 million, and as it is not likely any these projects would be eligible for State participation, the School Department is currently exploring other options for Coffin Elementary School, Brunswick Junior High School and the bus garage. The projects are in development, and are included in the CIP for a total of \$12.2 million. If any of these projects are eventually approved, the Town anticipates that funding would be through the issuance of general obligation bonds.

### **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.

## **Cook's Corner Road Construction**

On November 4, 2013, the Town Council authorized the Town to proceed with preliminary engineering for a road construction and improvement project in the Cook's Corner area. The road project, estimated at a total of approximately \$2 million, is included in the Town's CIP with the expectation that \$1.4 million of the cost associated with it would be funded through the issuance of general obligation bonds, and the debt service payments recovered through tax increment financing. This project is currently in development as the Town continues to examine the scope and viability of the project.

## **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 \$6.25 million.

### **Debt Authorized But Not Issued**

The section "INDEBTEDNESS – FUTURE FINANCING" summarizes projects for which the Town has adopted bond ordinances, but has not yet issued debt to fund those projects.

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, 2014 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><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
<b>ASSETS</b>					
Cash & Investments	\$ 21,724,381	\$ 20,952,423	\$ 21,193,010	\$ 20,257,711	\$ 19,500,293
Taxes Receivable	752,364	706,276	706,866	821,285	798,261
Tax Liens & Acq. Property	154,593	178,530	245,769	264,646	292,495
Accounts Receivable	696,414	595,162	623,447	974,337	718,089
Advances to Other Funds	2,053,201	2,685,795	495,297	450,580	-
Other	30,054	42,429	23,925	55,570	36,767
<b>TOTAL ASSETS</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><u>\$ 21,345,905</u></b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 790,947	\$ 407,950	\$ 638,737	\$ 490,519	\$ 800,131
Accrued Payroll	2,810,979	2,783,560	2,580,995	2,661,617	2,949,180
Due to Other Funds	1,606,269	1,319,431	875,669	1,112,709	1,269,664
Other	325,795	232,678	256,645	260,509	261,032
<b>TOTAL LIABILITIES</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><u>5,280,007</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Property Taxes	479,514	529,804	631,311	577,813	721,220
Unavailable Revenues	121,066	92,958	196,662	208,347	219,446
<b>TOTAL DEFERRED INFLOWS</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><u>940,666</u></b>
<b>FUND BALANCES</b>					
Nonspendable	2,083,255	2,720,061	519,222	506,150	36,767
Restricted	8,082,597	7,551,309	6,573,147	5,179,656	4,980,910
Assigned	1,626,364	1,014,339	1,987,354	1,824,835	1,619,378
Unassigned	7,484,221	8,508,525	9,028,572	10,001,974	8,488,177
<b>TOTAL FUND BALANCES</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><u>15,125,232</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</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><u>\$ 21,345,905</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>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>REVENUES</b>					
Taxes	\$ 31,593,993	\$ 32,014,953	\$ 33,574,965	\$ 36,629,919	\$ 38,490,317
Licenses, Fees & Permits	267,450	337,927	310,181	372,259	399,359
Intergovernmental	19,975,317	17,965,819	16,907,852	14,393,862	14,268,570
Charges for Services	2,532,274	2,455,016	1,626,511	1,617,719	1,413,140
Interest on Investments	53,101	41,388	45,402	19,177	13,687
Other	828,785	583,613	569,691	744,501	731,055
<b>TOTAL REVENUES</b>	<b>55,250,920</b>	<b>53,398,716</b>	<b>53,034,602</b>	<b>53,777,437</b>	<b>55,316,128</b>
<b>EXPENDITURES</b>					
General Government	3,252,950	3,218,401	3,223,623	3,281,811	3,552,992
Public Safety	6,955,140	7,089,887	7,258,896	7,681,120	8,013,000
Public Works	3,064,200	3,221,383	3,040,274	3,389,760	3,690,883
Human Services	134,829	150,281	168,813	154,425	168,723
Education	33,078,519	32,012,711	30,310,885	30,599,422	32,539,288
Recreation & Culture	2,228,651	1,989,193	2,163,371	2,322,958	2,490,538
Debt Service	1,714,125	1,618,145	3,466,375	3,346,403	3,566,428
County Tax	1,149,612	1,171,049	1,187,020	1,183,264	1,249,487
Unclassified	133,725	120,725	296,682	281,424	36,996
<b>TOTAL EXPENDITURES</b>	<b>51,711,751</b>	<b>50,591,775</b>	<b>51,115,939</b>	<b>52,240,587</b>	<b>55,308,335</b>
<b>OTHER SOURCES (USES)</b>					
Transfers In	447,199	383,402	202,613	956,397	704,265
Transfers Out	(2,369,522)	(2,672,546)	(3,873,121)	(3,088,927)	(3,324,441)
Sale of general capital assets	-	-	65,906	-	225,000
<b>TOTAL OTHER SOURCES (USES)</b>	<b>(1,922,323)</b>	<b>(2,289,144)</b>	<b>(3,604,602)</b>	<b>(2,132,530)</b>	<b>(2,395,176)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>1,616,846</b>	<b>517,797</b>	<b>(1,685,939)</b>	<b>(595,680)</b>	<b>(2,387,383)</b>
<b>BEGINNING FUND BALANCE</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>ENDING FUND BALANCE</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><u>\$ 15,125,232</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, 2014, 2013, 2012, 2011 and 2010 are \$2,403,000, \$2,445,000, \$2,450,000, \$2,900,000 and \$2,900,000 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 2014-2015 personal property taxes are due by October 15, 2014. Real estate taxes are due in two installments with one-half due October 15, 2014 and one-half due April 15, 2015. 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, 2015 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 \$751,026 for the year ending June 30, 2015.

### **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 Yr. End	Equalized			Collections				
	State Valuation	Assessed Valuation <sup>(1,2,3)</sup>	Tax Rate	Tax Levy <sup>(1&amp;2)</sup>	<u>(after Supplements / Abatements)</u>	Year End	% of Levy	% of Levy a/o 6/30/14
June 30,	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>		
2015	\$2,026,250	\$1,359,621	\$27.40	\$37,254	-----In Process-----			
2014	1,983,450	1,335,461	26.54	35,443	\$34,464	97.24%	97.24%	
2013	2,028,050	1,337,807	24.90	33,311	32,321	97.03	99.30	
2012	2,141,500	1,302,514	23.68	30,844	29,935	97.05	99.90	
2011	2,204,800	1,278,493	22.87	29,239	28,529	97.57	99.92	
2010	2,172,000	1,280,191	22.54	28,856	27,997	97.03	99.95	
2009	2,092,850	1,272,613	22.54	28,685	28,078	97.89	99.97	
2008	1,975,600	1,252,303	22.20	27,801	27,127	97.58	99.99	
2007	1,777,200	1,239,650	21.75	26,962	26,326	97.64	100.00	
2006	1,566,000	1,212,998	21.90	26,565	26,122	98.34	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, 2014</b>				
		<b>Real Estate</b>	<b>Personal Property</b>	<b>Assessed Total</b>	<b>Property Tax</b>	<b>% of Levy</b>
MRRA	Development	\$ 29,226,700	\$ -	\$ 29,226,700	\$ 800,812	2.12%
Affordable Midcoast Housing	Housing	26,115,800	67,800	26,183,600	717,431	1.90%
Bath Iron Works Corp	Shipbuilding	6,373,000	17,680,500	24,053,500	659,066	1.74%
BIF II US Renewable	Utility	19,560,600	-	19,560,600	535,960	1.42%
Developers Diversified	Shopping Ctr	15,862,300	600	15,862,900	434,643	1.15%
Wade, WJ Trustee (Wal-Mart)	Retail	11,294,000	1,583,100	12,877,100	352,833	0.93%
Thornton Oakes Homeowners	Housing	11,771,800	218,800	11,990,600	328,542	0.87%
Central Maine Power	Utility	11,250,800	356,500	11,607,300	318,040	0.84%
W/S Brunswick Properties	Shopping Ctr	11,036,000	-	11,036,000	302,386	0.80%
Maine Natural Gas	Utility	7,843,700	181,400	8,025,100	219,888	0.58%
						12.35%

NOTES: The total taxable assessed value of the Town is \$1,379,778,500, which includes \$50,746,600 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, 2015, the Town has a total of \$50,746,600 in captured valuation for four TIF districts. The tax revenue captured in these districts totals \$1,390,457 for the year.

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 revenues could fund the construction of infrastructure and transportation improvements, 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. The State annually estimates State aid but actual payments may vary from the estimate. 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. Beginning in 2005, the State changed the reimbursement to 50% of the property tax reduction. For the fiscal year ending June 30, 2015, the maximum amount of the exemption is \$10,000, with the State reimbursing 50% of the property tax reduction due to the exemption.

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

<b>Yr. End</b>	<b>School Subsidy</b>	<b>Revenue Sharing</b>	<b>Homestead Reimbursement</b>	<b>Other State Aid</b>	<b>Total State Aid</b>
<b><u>June 30,</u></b>					
2014	\$10,477,217	\$1,069,677	\$409,411	\$2,690,251	\$14,646,556
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

### **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, stemming from the closure of the Brunswick Naval Air Station, and 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, 2015, if enacted, will continue the pattern of transfers out of the revenue sharing pool in the first year, and eliminate the entire revenue sharing program in the second year. As in FY 15, the FY 16 budget is projected to transfer \$86 million to the State's General Fund, reducing the revenue sharing pool to an estimated \$60 million. For FY 16 the Town currently is budgeting the same amount expected in FY 15. Based on the Governor's proposed budget, revenue sharing would be eliminated entirely in FY 17.

The Governor's proposed budget for 2015-16 includes a provision to change the Homestead Exemption Program from a \$10,000 property exemption on the primary residence of all Maine homeowners, to a \$20,000 exemption for homeowners 65 years old or older. The State would continue to reimburse the Town for 50% of the property tax exemption. To quantify this change for Brunswick, age data will need to be collected from homeowners, but it has been estimated that up to 75-80% of those taxpayers currently receiving the Homestead Exemption could lose their exemption. This would reduce the amount reimbursed by the State, while increasing taxes paid by homeowners under age 65.

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. For a discussion of the Town's response to state aid changes, see "TOWN FINANCES - BUDGETARY PROCESS - Budget Commentary".

## **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. Based on the current EPS model, and the current variables included in the EPS funding formula, Brunswick has received 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 2013 equalized State valuation (“Equalized State Valuation”) for use in the fiscal year ended June 30, 2014 was \$1,983,450,000. The 2014 Equalized State Valuation as of June 30, 2014 was \$2,026,250,000 making the 15% debt limit \$303,937,500.

## DEBT SUMMARY

General obligation debt payable at fiscal year-end June 30, 2014 (audited) and projected for fiscal year-end June 30, 2015 (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, 2014</u>		<u>2015</u>
2006	Capital Improvements	\$ 3,125,000	11/01/20	\$ 1,400,000	\$ 1,200,000	
2010	Elementary School (BABS) <sup>(1)</sup>	21,462,250	11/01/30	18,242,913	17,169,800	
2011	Capital Improvements	4,120,000	11/01/20	2,455,000	1,900,000	
2013	Police Station	5,500,000	11/01/32	5,225,000	4,950,000	
				\$ 27,322,913	\$ 25,219,800	

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 (2015 projected):

<b>Fiscal Yr. End June 30,</b>	<b>Population</b>	<b>Equalized State Val. (000)</b>	<b>Assessed Valuation<sup>(1)</sup> (000)</b>	<b>Total Debt<sup>(2)</sup> (000)</b>	<b>Debt as % Eq. Val</b>	<b>Per Capita<sup>(2)</sup> Debt</b>
2015	20,278	\$ 2,026,250	\$ 1,359,621	\$ 25,220	1.24%	\$ 1,243.71
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

NOTES: <sup>(1)</sup> Valuation has been adjusted to add back Homestead Exemption values. For Fiscal Years 2006 through 2015 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, 2015 is projected.

## PROJECTED ANNUAL PRINCIPAL PAYMENTS BY ISSUE

<b>Yr. End June 30,</b>	<b>2006</b>	<b>2010</b>	<b>2011</b>	<b>2013</b>	<b>Total Debt</b>
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
	\$ 1,400,000	\$ 18,242,913	\$ 2,455,000	\$ 5,225,000	\$ 27,322,913

## PROJECTED DEBT SERVICE

<b>Fiscal Year End June 30,</b>	<b>Annual Principal</b>	<b>Annual Interest</b>	<b>Total</b>	<b>BABs Subsidy (1)</b>	<b>Net Debt Service</b>
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>\$ 27,322,913</b>	<b>\$ 8,729,598</b>	<b>\$ 36,052,511</b>	<b>\$ (2,336,969)</b>	<b>\$ 33,715,542</b>

NOTE: <sup>(1)</sup> A portion of the Town's \$21,462,250 school construction bonds, issued in 2010 with the Maine Municipal Bond Bank ("MMBB"), are 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 a lesser amount. Federal sequestration reduced the BABs subsidy by approximately 8% in the fiscal year ended June 30, 2014. For future years the reduction is estimated to be approximately 7.3% of the subsidy.

## DEBT SERVICE COMPONENT OF BUDGETED EXPENDITURES

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Total Budgeted Debt Service	\$1,618,144	\$3,557,022	\$3,432,723	\$3,639,373	\$2,811,249
(less TIF Paid Debt)	-	(90,648)	(86,320)	(84,900)	(83,480)
(less School Debt Service Subsidy) <sup>(1)</sup>	<b>(1,073,183)</b>	<b>(2,196,001)</b>	<b>(2,122,628)</b>	<b>(2,059,315)</b>	<b>(1,356,519)</b>
Net Tax-backed Debt Service	\$544,961	\$1,270,373	\$1,223,775	\$1,495,158	\$1,371,250
Budgeted Operating Expenditure	\$53,357,973	\$53,463,870	\$54,675,531	\$57,606,531	\$58,099,543
Debt Service as % of Expenditures	3.03%	6.65%	6.28%	6.32%	4.84%
Net Debt Service as % of Expenditure	1.02%	2.38%	2.24%	2.60%	2.36%

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, 2014 the Town's equalized State Valuation of \$2,026,250,000 was 5.25% of the County's equalized State Valuation of \$38,619,800,000. The Town's share was 5.25%, or \$2,010,783, of the County's \$38,325,000 debt obligations outstanding as of June 30, 2014.

### **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, 2014, MR10 had total debt outstanding of \$7,104. The Town of Brunswick's 38.29% share of MR10's debt was \$2,720 as of June 30, 2014.

## **CONTINGENT DEBT**

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

## **FUTURE FINANCING**

On July 7, 2014, the Town Council adopted a bond ordinance authorizing the issuance of up to \$454,080 in debt to finance the acquisition and installation of heating, ventilation, cooling and related equipment at the Brunswick Junior High School. This is the fourth and final phase of an air quality project at the school, and was included in the 2015-2019 Capital Improvement Plan (CIP) adopted by the Town Council on May 29, 2014.

On September 2, 2014 the Town Council adopted a bond ordinance authorizing the issuance of up to \$580,000 to finance storm drain improvements and reconstruction of Nancy Drive, Patricia Road and Pierce Lane. This project was included in the 2015-2019 CIP and the work is anticipated to begin in the spring of 2015.

On September 2, 2014 the Town Council adopted a bond ordinance authorizing the issuance of \$146,000 to finance the acquisition of a sidewalk tractor and associated attachments.

On December 1, 2014 the Town Council adopted a bond ordinance authorizing the issuance of \$150,000 to finance the upgrading of heating, ventilation, cooling and related improvements at Emerson Station.

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 MSRS 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, 2014 varied from 6.5% to 12.8% 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, 2014, 2013 and 2012 were \$796,662, \$683,783 and \$532,670 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, 2013, the latest information available, the remaining balance was \$231,731. The Town has used credits of \$66,024, \$68,280 and \$71,712 for the years ended June 30, 2014, 2013 and 2012 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 6.5% of their compensation to the retirement system. Beginning with the fiscal year ended June 30, 2014, the Town is required to make contributions equivalent to the actuarially determined normal cost of the Plan for non-federally-funded teachers. Contributions paid by the Town for the year ended June 30, 2014, were \$415,000, at a rate of 2.65%, equal to the required contribution for the year. 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, 2014, 2013 and 2012 were \$2,038,000, \$2,135,000 and \$2,144,000, 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, 2014, 2013 and 2012 were \$61,368, \$64,533 and \$116,602, 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, 2014 were 13.03% and 16.15%, 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”) Statement 45 addresses 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	<u>4,089</u>
Annual Required Contribution	210,543
Interest on Net OPEB Obligation	5,501
Amortizing Adjustment to ARC	<u>(7,953)</u>
Annual OPEB Cost	208,091
Contributions made	<u>(62,460)</u>
Increase in Net OPEB Obligation	145,631
Net OPEB obligation - beginning of year	<u>617,802</u>
Net OPEB obligation - end of year	<u>\$ 763,433</u>

The following table represents the OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2014 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, 2012	184,382	38.92%	480,280
June 30, 2013	210,543	34.68%	617,802
June 30, 2014	208,061	30.02%	763,433

**Funding Status and Funding Progress:** The funded status of the plan as of June 30, 2014 was as follows:

Actuarial accrued liability	\$ 2,464,551
Plan assets	<u>-</u>
Unfunded actuarial accrued liability	\$ 2,464,551
Funded ratio	0%
Covered payroll	\$ 8,114,329
Unfunded actuarial accrued liability as a percentage of covered payroll	30.37%

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 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. Late in 2010, the Town learned that the waivers it sought were not available. Through January, 2012, the Town and the Maine Department of Environmental Protection (DEP) worked to negotiate an Administrative Consent Agreement (ACA) to resolve violations of certain wastewater discharge limits and other operational violations. Late in 2012, the Town and DEP cooperated in the construction and operation of a small-scale experimental treatment facility. The Town operated the facility through the 2013-14 winter months in order to obtain more reliable data about the facility's effectiveness in cold weather conditions. In November 2014 DEP presented their report on the pilot project, and as the results were not conclusive, the Town anticipates further discussion with DEP on the next steps.

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.

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**

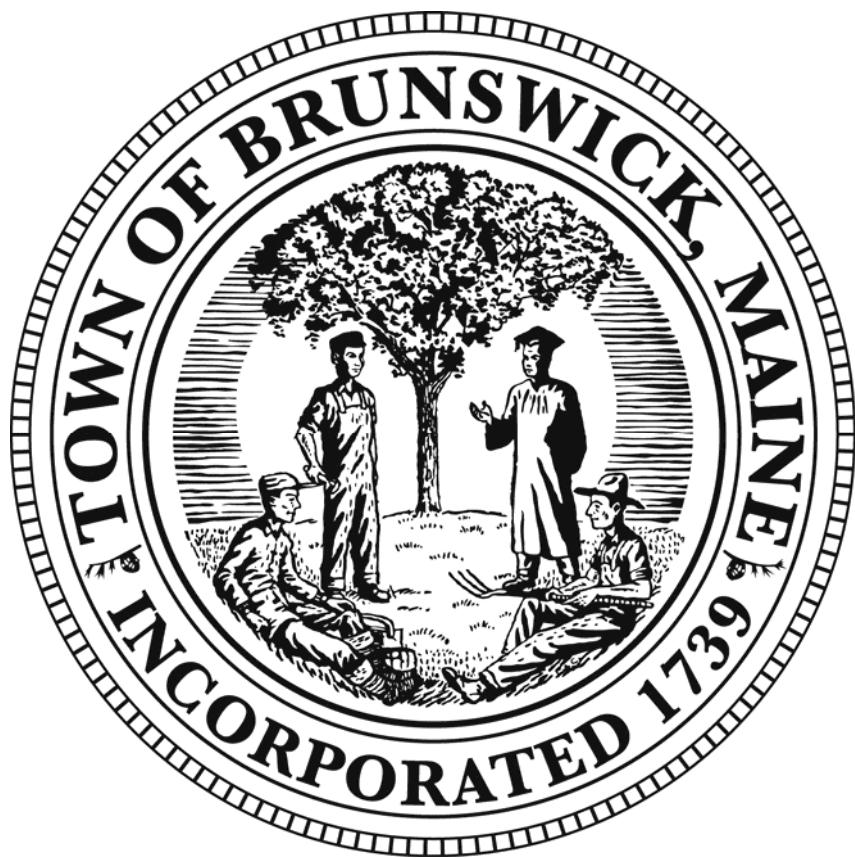
There are various claims and suits pending against the Town that arise in the normal course of the Town's activities. In the opinion of Town officials there is no litigation pending against the Town which, either individually or in the aggregate, would result in judgments that would have a materially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

## **APPENDIX A**

**TOWN OF BRUNSWICK, MAINE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2014**

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# **TOWN OF BRUNSWICK, MAINE**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2014**



**TOWN OF BRUNSWICK, MAINE**  
**Comprehensive Annual Financial Report**  
**Year ended June 30, 2014**

Prepared by:  
Town of Brunswick  
Department of Finance



Town of Brunswick, Maine  
Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

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## **INTRODUCTORY SECTION**





# Town of Brunswick, Maine

INCORPORATED 1739

## OFFICE OF THE FINANCE DIRECTOR

85 UNION STREET

BRUNSWICK, MAINE 04011-2418

TELEPHONE 207-725-6652

FAX 207-725-4107

November 28, 2014

To the Brunswick Town Council and Citizens of the Town of Brunswick, Maine:

The Town of Brunswick is required by its charter and the laws of Maine to prepare a set of audited financial statements. The audited basic financial statements, contained within this larger comprehensive annual financial report (CAFR), are intended to meet those requirements. The Town of Brunswick chooses to go beyond the minimum reporting requirements and prepare this CAFR in an effort to provide greater detail regarding the financial condition of the Town and its financial operations.

This CAFR consists of management's representations concerning the finances of the Town of Brunswick. The responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. The Town of Brunswick has established a comprehensive framework of internal controls in order to provide a reasonable basis for making these representations. The Town recognizes that the costs of a control should not exceed the benefits to be derived, and the objective of its internal controls is to provide reasonable, rather than absolute, assurance that its financial reporting is free of material misstatements.

Runyon Kersteen Ouellette, a licensed firm of certified public accountants, has audited the Town of Brunswick's basic financial statements for the year ended June 30, 2014. 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. In previous years, BDC was reported as a component unit of the Town of Brunswick because the Town appointed a majority of the directors and because BDC had the potential to provide specific financial benefits to, or impose specific financial burdens on the Town. Effective July 1, 2013, with a change in the formation and composition of BDC's board of directors, management has determined that BDC should no longer be considered a component unit of the Town. The financial statements for BDC can be obtained directly from BDC at 85 Union Street, Brunswick, ME 04011.

### ***Local economy***

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

*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. Situated in Brunswick for many years, Mid Coast Hospital moved into a new facility in 2001, and in 2009, completed a major expansion that added approximately 50,000 square feet to the hospital. In 2011, MCHS opened a primary care and walk-in clinic facility in leased space at Brunswick Station in downtown Brunswick.

*Bath Iron Works.* Bath Iron Works (BIW) is a shipbuilder headquartered in Bath, Maine, which is heavily dependent on contracts to build surface combatants for the US Navy. As a consequence, the Navy's procurement plans are always a concern for BIW and its employees. Since 1985, BIW has been the lead contractor and has delivered ships of the Arleigh Burke (DDG-51) class. As BIW was nearing the completion of the ships it had contracted to deliver, the Navy decided to restart procurement of the DDG-51s. BIW and a competitor are each building ships in the restarted program. 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 says it expects to hire up to 400 new employees in 2015, mainly in trades including electrical, machinist, shipfitters, tinsmiths, welders, pipefitters and more, as well as supervisory positions. However, the US Navy's procurement plans are always subject to change and those changes could adversely impact BIW and its employees. BIW continues to look for opportunities to diversify its work beyond Navy contracts and is currently one of three shipyards designing the next offshore patrol cutter for the U.S. Coast Guard. If BIW wins the competition, the cutter would be built by BIW.

*Bowdoin College.* Bowdoin College (Bowdoin or College) is an undergraduate liberal arts college located in Brunswick. Bowdoin employs approximately 921 full-time equivalent (FTE) employees, including 204 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 and offices. 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. The Navy has conveyed parcels to the Maine Community College System (MCCS), facilities have been renovated or constructed and many programs and classes are now being offered by the community college and university system. Other properties were identified for manufacturing and commercial uses and have been conveyed to MRRA for development. Several facilities have been renovated and others have been constructed, attracting a variety of businesses. 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 February, 2013, the Council adopted a new CIP policy, new procedures, and a revised document format. The policy requires that items included in the CIP have a value greater than \$100,000. Those recommended to be funded with debt are required to have a value greater than \$325,000. All items require a minimum life of five years. Further, the policy established a mechanism for the annual funding of reserves for the replacement of vehicles and equipment. Finally, the policy requires that the CIP be developed and completed ahead of the development of the annual municipal budget.

The CIP for fiscal years ending 2015-19 recommended funding projects totaling \$13,975,925, with \$2,698,500 to be financed with debt. Projects in development (those that may eventually be considered for funding) totaled \$70,125,000. 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. Further, the CIP policy articulates the Town's goals for financing capital items. In adopting the policy, the Town understood that many of its goals will need to be accomplished over a period of time in a phased approach.

### ***Relevant financial policies***

The Town of Brunswick has an established fund balance policy that targets its unassigned general fund balance at 16.67% of its general fund revenues. The policy, adopted in 2010, is based on the Government Finance Officer Association's (GFOA's) recommended best practice regarding appropriate levels of fund balance. In developing the target, the Town considered a number of factors, including the diversity of its property tax base, the reliability and volatility of its non-property tax revenues, and the potential of incurring significant one-time expenditures. The policy requires that funds in excess of the target to be used for capital or other one-time expenditures.

For the year ended June 30, 2014, the amount of unassigned fund balance was \$8,488,177 or 15.34% of general fund revenues. This reduced balance was anticipated, as during the year the Town Council approved the use of fund balance to fund the renovation of the new Town Hall. In accordance with the fund balance policy, the Town intends to develop a plan, to be implemented through the annual budgetary process, to bring the balance to the target level over a period of no more than three years.

During the development of the 2014-15 budget, the Town Council expressed its intention to promote longer-range budgeting and financial planning. In August, 2014 the Town Council adopted a policy establishing a Town Finance Committee, composed of three members of the Town Council, to assume responsibility for reviewing and participating in the financial affairs of the Town.

### ***Major initiatives***

*Police Station.* 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. In accordance with the exchange agreement, Bowdoin may occupy the third floor of the McLellan Building until 2024. Beginning in December, 2013 The Town undertook renovations to the first two floors of the McLellan Building so that it could become the new Town Hall. In addition to providing additional space for the administrative functions formerly housed at 28 Federal Street, the new Town Hall allows the Town to bring other functions that were located in leased spaces, (i.e. meeting facilities, television studio, and general assistance offices) to a central facility. Renovations were complete, and the Town Hall at 85 Union Street was opened in April, 2014.

*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 in July 2013, the property was conveyed to the Town. With the acquisition of the fitness center, the Town Council voted to abandon the downtown recreation center at 30 Federal Street. The recreation department moved its offices and operations into the new recreation center during the fall and winter 2013-14, and in June 2014, the Town sold the land and building at 30 Federal Street to Brunswick Development Corporation (BDC). BDC immediately sold the property, along with the property at 28 Federal Street, to Coastal Enterprises, Inc. (CEI). CEI has razed both buildings and intends to construct new office space.

In addition to the Navy fitness center, the Town has received several other parcels, including a large parcel of approximately 591 acres of open space. The Town will use these parcels in accordance with the conditions of the conveyances, primarily for conservation and recreation purposes.

*School Construction and Facilities Projects.* With the opening of the new Harriet Beecher Stowe School in 2011, the school department turned its attention to examining its other facilities and program needs. Although the department had at one time anticipated that it would meet its needs through renovations of and additions to the Coffin and Jordan Acres elementary schools, as well as the Junior High School, the department decided it needed to take a fresh look at those and other options. As a result, the school board embarked on the development of a comprehensive facilities master plan, with the goal of identifying the facilities required to support the department's programs as well as the costs associated with constructing and operating the required facilities. Phases I and II of the plan's development have been completed, and although no final decisions have been reached, the department has identified a number of options, including renovation and new construction. The school department believes that projects to expand, renovate or construct school facilities would require the issuance of debt and that those projects are not likely to qualify for State participation. The results of the planning will be addressed through the Capital Improvement Program (CIP).

*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. NNEPRA is moving forward with plans to construct the facility at Brunswick West, and is currently pursuing the necessary permitting from the Maine Department of Environmental Protection.

*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 its projects.

In March 2013, the Town Council approved two TIF districts on the former NASB. The Town and MRRA then engaged in 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, allocating up to 50% of captured TIF revenues to be made available to MRRA and future developers. In October, 2013, the Maine Department of Economic and Community Development (DECD) gave final approval to the TIF development programs.

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

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

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

*Zoning Ordinance Rewrite.* In 2008, the Town Council adopted an update to the Town's Comprehensive Plan, culminating a 5-year planning process. The updated Comprehensive Plan provided guidance for Town's general pattern of development and anticipated updating the 1997 Zoning Ordinance. In October, 2013 the Zoning Ordinance Rewrite Committee (ZORC) was formed, and a consultant was selected, to facilitate an update to the Zoning Ordinance. Through the year, the ZORC worked to implement the 2008 Comprehensive Plan, simplify the zone district structure, integrate Brunswick Landing regulations, improve user-friendliness of the document and revise the zoning map. The committee presented a draft ordinance and held numerous public sessions seeking reaction and input. Based on the comments received to date, the ZORC will continue work on the draft ordinance and will conduct another series of public input sessions.

*Bond Issues and Debt Authorization.* Subsequent to June 30, 2014, the Town authorized the issuance of bonds for three projects, totaling \$1,180,080, as recommended in the 2015-19 CIP. The Town continues to enjoy an Aa2 rating with Moody's Investors Service. In January, 2014, Standard & Poor's completed a review of the Town and updated its rating of the Town from AA to AA+.

#### **Awards and acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Brunswick for its comprehensive annual financial report for the year ended June 30, 2013. The certificate recognizes that Brunswick published an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable legal requirements. The Town of Brunswick has received this prestigious award every year since 1999. A Certificate of Achievement is valid for a period of one year. We believe this year's comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for a certificate.

Finally, this report could not have been completed without the cooperation and assistance of all the Town departments. Especially appreciated are the efficient and dedicated services of the entire Finance Department, as well as the efforts of Runyon Kersteen Ouellette for its assistance in the review of this report.

Respectfully submitted,

*John S. Eldridge*

John S. Eldridge, CPFO  
Town Manager

*Julia Henze*

Julia Henze, CPFO  
Finance Director



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Town of Brunswick**  
**Maine**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

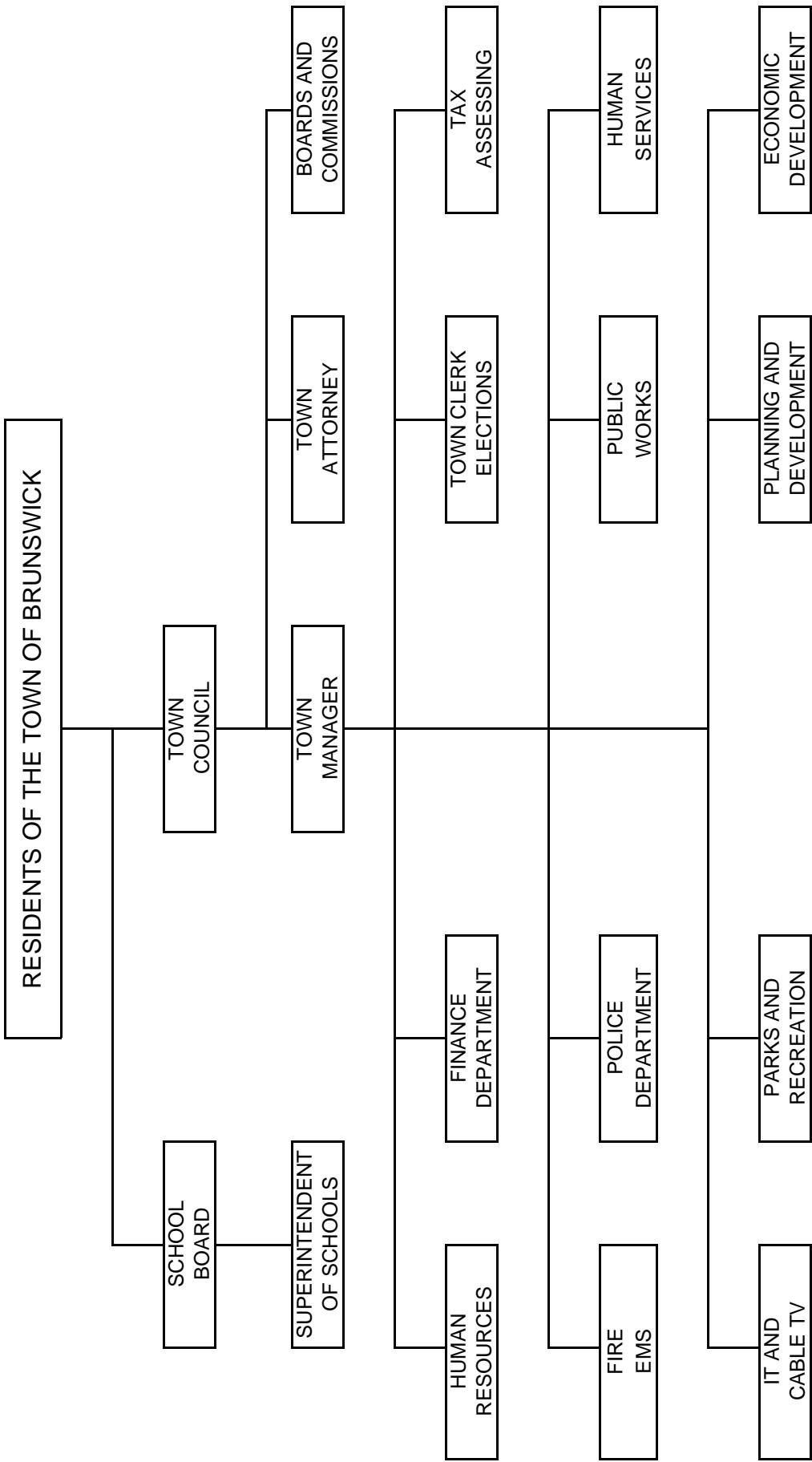
**June 30, 2013**

A handwritten signature in black ink, appearing to read 'Jeffrey P. Eman'.

Executive Director/CEO



**TOWN OF BRUNSWICK, MAINE  
ORGANIZATIONAL CHART**



**TOWN OF BRUNSWICK, MAINE**

**ELECTED AND APPOINTED OFFICIALS**

June 30, 2014

**Elected Officials**

Council Member - At large	Chair	E. Benet Pols
Council Member - District 7	Vice Chair	Sarah Brayman
Council Member - District 1		W. David Watson
Council Member - District 2		Stephen Walker
Council Member - District 3		Suzan Z. Wilson
Council Member - District 4		John M. Perreault
Council Member - District 5		Gerald E. Favreau
Council Member - District 6		Jane F. Millett
Council Member - At large		John G. Richardson, Jr.

**Appointed Officials**

Town Manager (Interim)	John S. Eldridge
Town Attorney	Stephen E. F. Langsdorf
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 A. 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

Finance Committee  
Town of Brunswick, Maine

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brunswick, Maine, as of and for the year ended June 30, 2014, 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 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brunswick, Maine as of June 30, 2014, 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.

Finance Committee  
Town of Brunswick, Maine

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2014 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 28, 2014  
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, 2014. 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, 2014, the Town of Brunswick's total net position increased by \$5,575,972, to total \$71,227,865. Of this amount, \$5,537,578 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 \$7,958,357, while in total the other categories of net position decreased by \$2,382,385.
- Outstanding long-term principal debt decreased by \$2,888,113, all attributable to debt retirement.
- Governmental funds reported combined ending fund balances of \$19,182,281, a decrease of \$4,377,452 from the previous fiscal year. The decrease is largely the result of using bond proceeds for the construction of a police station, and the use of fund balance for renovation of the new Town Hall during the fiscal year.
- The unassigned fund balance for the General Fund at June 30, 2014 was \$8,488,177. The Town's policy is to maintain the unassigned fund balance at 16.67% of revenues. At June 30, 2014, this portion of the fund balance is approximately 15.35% and 15.34% 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 county tax. The business-type activities of the Town include the Town's solid waste facilities, the pay-per-bag program, the Mere Point Wastewater District and the train station/visitors center.

In previous years, the government-wide financial statements included not only the Town of Brunswick but also the legally separate Brunswick Development Corporation (BDC) as a discretely presented component unit. During the fiscal year ended June 30, 2014, BDC made changes to its by-laws which, among other things, established that the Town no longer appoints a majority of BDC's board of directors. Accordingly, BDC is no longer a component unit of the Town of Brunswick and its financial statements have not been included in the Town's report. The government-wide financial statements can be found on pages 32 and 33 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Brunswick, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of *governmental funds* is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Brunswick maintains 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 and the Police Station Building 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 34-41 of this report. Individual fund data for each of the non-major governmental funds is provided in *combining statements* found on pages 78-87 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 90-92.

**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 and 46 of this report. The combining statements can be found on pages 94-100.

**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 47-74 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 75 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 78-100 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 \$71,227,865 at the close of the most recent fiscal year which is an increase of \$5,575,972 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		Business-type		Total	
	activities		activities		2014	2013
	2014	2013	2014	2013	2014	2013
Current and other assets	\$24,527,329	\$29,090,362	\$ 2,574,373	\$ 2,189,221	\$27,101,702	\$ 31,279,583
Capital assets	82,955,758	76,183,251	2,269,672	2,432,176	85,225,430	78,615,427
<b>Total assets</b>	<b>107,483,087</b>	<b>105,273,613</b>	<b>4,844,045</b>	<b>4,621,397</b>	<b>112,327,132</b>	<b>109,895,010</b>
Deferred outflows of resources	-	8,594	-	-	-	8,594
Long-term liabilities outstanding	29,782,134	32,594,652	6,829,772	6,632,862	36,611,906	39,227,514
Other liabilities	4,451,004	4,945,453	36,357	78,744	4,487,361	5,024,197
<b>Total liabilities</b>	<b>34,233,138</b>	<b>37,540,105</b>	<b>6,866,129</b>	<b>6,711,606</b>	<b>41,099,267</b>	<b>44,251,711</b>
Net position						
Net investment						
in capital assets	55,925,927	47,805,066	2,269,672	2,432,176	58,195,599	50,237,242
Restricted	7,494,688	9,100,700	-	-	7,494,688	9,100,700
Unrestricted	9,829,334	10,836,336	(4,291,756)	(4,522,385)	5,537,578	6,313,951
<b>Total net position</b>	<b>\$73,249,949</b>	<b>\$67,742,102</b>	<b>\$ (2,022,084)</b>	<b>\$ (2,090,209)</b>	<b>\$71,227,865</b>	<b>\$ 65,651,893</b>

By far, the largest portion of the Town's net position, \$58,195,599 or 81.70%, 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, \$7,494,688 or 10.52% 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, \$5,537,578 or 7.78%, may be used to meet the Town's obligations.

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

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 2,609,479	\$ 2,760,239	\$ 721,599	\$ 656,059	\$ 3,331,078	\$ 3,416,298
Operating grants and contributions	15,533,543	15,249,827	44,000	44,000	15,577,543	15,293,827
Capital grants and contributions	5,961,817	2,487,876	-	53,430	5,961,817	2,541,306
General revenues						
Property taxes	36,850,361	34,120,685	-	-	36,850,361	34,120,685
Vehicle and w atercraft excise taxes	2,950,348	2,904,995	-	-	2,950,348	2,904,995
Grants and contributions not restricted to specific programs	1,319,069	1,815,749	-	-	1,319,069	1,815,749
Unrestricted investment earnings	83,537	55,750	232	189	83,769	55,939
Other	17,965	3,261	3,328	-	21,293	3,261
Total revenues	<u>65,326,119</u>	<u>59,398,382</u>	<u>769,159</u>	<u>753,678</u>	<u>66,095,278</u>	<u>60,152,060</u>
<b>Expenses:</b>						
General government	4,382,918	4,144,050	-	-	4,382,918	4,144,050
Public safety	8,643,119	8,095,189	-	-	8,643,119	8,095,189
Public w orks	5,180,234	5,740,333	-	-	5,180,234	5,740,333
Human services	168,706	154,429	-	-	168,706	154,429
Education	36,080,222	34,366,120	-	-	36,080,222	34,366,120
Recreation and culture	3,319,591	2,749,776	-	-	3,319,591	2,749,776
County tax	1,249,487	1,183,264	-	-	1,249,487	1,183,264
Unclassified	36,996	281,424	-	-	36,996	281,424
Interest on long-term debt	741,999	698,508	-	-	741,999	698,508
Solid w aste facilities	-	-	712,042	614,661	712,042	614,661
Pay-per-bag program	-	-	85,259	80,200	85,259	80,200
Wastew ater treatment	-	-	57,324	42,114	57,324	42,114
Train station	-	-	86,409	85,008	86,409	85,008
Total expenses	<u>59,803,272</u>	<u>57,413,093</u>	<u>941,034</u>	<u>821,983</u>	<u>60,744,306</u>	<u>58,235,076</u>
Increase (decrease) in net position before special items and transfers	5,522,847	1,985,289	(171,875)	(68,305)	5,350,972	1,916,984
Special items	225,000	105,282	-	-	225,000	105,282
Transfers	(240,000)	(250,000)	240,000	250,000	-	-
Increase (decrease) in net position	5,507,847	1,840,571	68,125	181,695	5,575,972	2,022,266
Net position beginning of year	<u>67,742,102</u>	<u>65,901,531</u>	<u>(2,090,209)</u>	<u>(2,271,904)</u>	<u>65,651,893</u>	<u>63,629,627</u>
Net position end of year	<u>\$73,249,949</u>	<u>\$67,742,102</u>	<u>\$ (2,022,084)</u>	<u>\$ (2,090,209)</u>	<u>\$ 71,227,865</u>	<u>\$ 65,651,893</u>

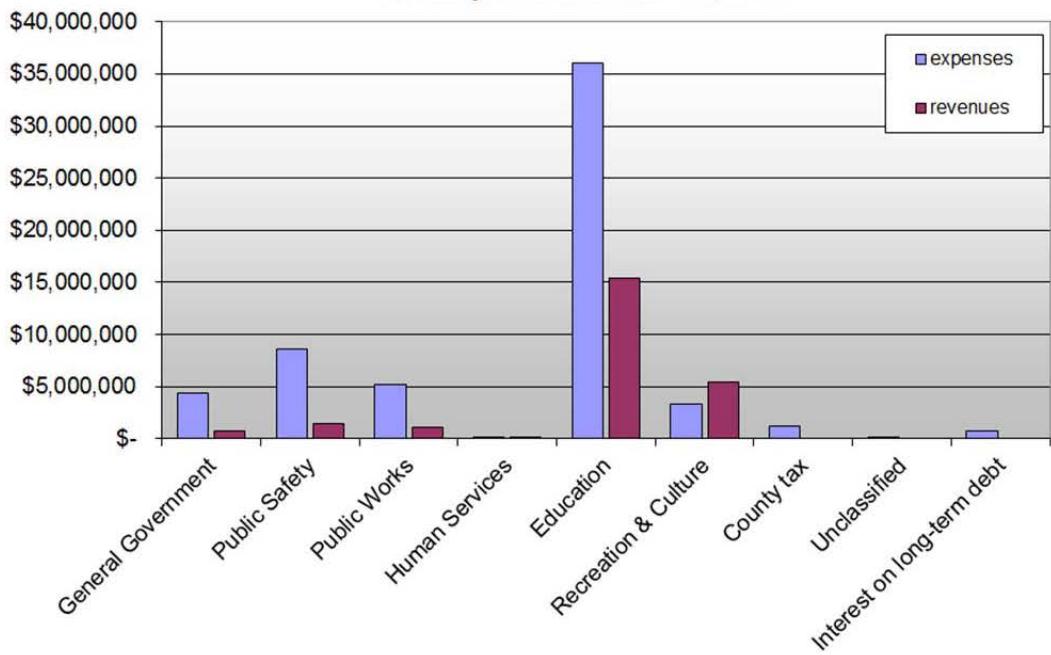
While in total the Town's net position is positive, results are very different for the governmental activities and the business-type activities. Readers should review the following analysis pertaining to those portions to fully understand the Town's financial reports.

**Governmental activities.** Governmental activities including transfers and special items increased the Town of Brunswick's total net position by \$5,507,847. This increase was \$3,667,276 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:

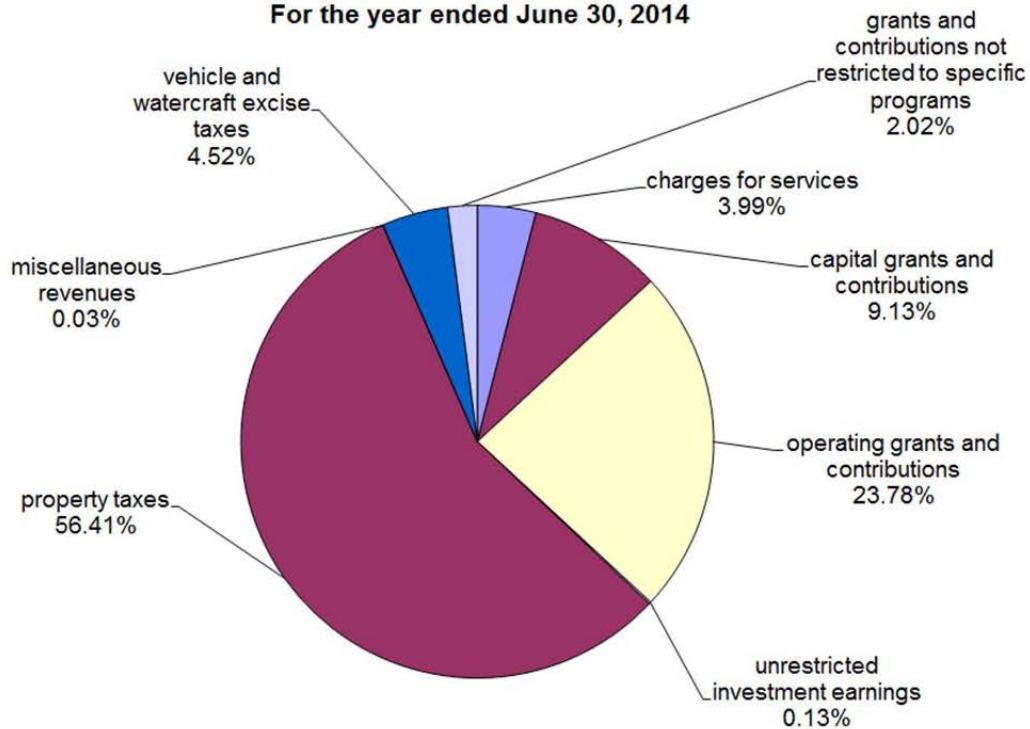
- Property tax revenue, the Town's largest revenue, increased by \$2,729,676 or approximately 8%. This increase was anticipated as the tax rate increased in fiscal year 2013-14 by 6.59%. Property taxes made up 56.41% of the total revenue, down from 57.44% of the total in the previous year. The percentage decrease was the result of the increase in the total revenues, primarily influenced by substantial capital contributions.
- Charges for services revenue decreased by \$150,760. School department tuition revenue continues to decrease. Prior to a state law that required school districts to consolidate, the vast majority of students residing in the town of Durham attended Brunswick High School as tuition students. Most Durham students now attend Freeport High School. Ambulance service fees also decreased from the previous year, largely due to the sequestration order reducing Medicare reimbursements effective June, 2013. Offsetting these increases was an increase in building permits revenue, with building activity primarily at Brunswick Landing and Bowdoin College.
- Operating grants and contributions increased by \$283,716. The largest contributor to this increase was in state aid to education, representing increased funding to offset the state requirement that the school department pay an additional share of teacher retirement costs. Decreases in grants to the economic development and recreation departments offset this increase.
- Capital grants and contributions increased by \$3,473,941. This increase is primarily due to the Town's acceptance of several parcels of recreation land, and a building to be used as the new recreation center. These additions were all associated with the closure of the former Brunswick Naval Air Station. Infrastructure contributions, though substantial, were less than the previous year.
- Investment income revenues increased by \$27,787. The Town's cash and cash equivalents continued to be invested in conservative, low-yielding instruments, but yields were continuing to climb slightly from the lows of previous years.
- Special items were \$119,718 more than the prior year. The amount of \$225,000 was recognized in the sale of the former recreation building.
- Transfers out to business-type activities were \$10,000 less than the previous year. This reflects a reduction in the General Fund subsidy of the train station, after one year of experience with 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.

**Expenses and Program Revenues - Governmental Activities**  
For the year ended June 30, 2014

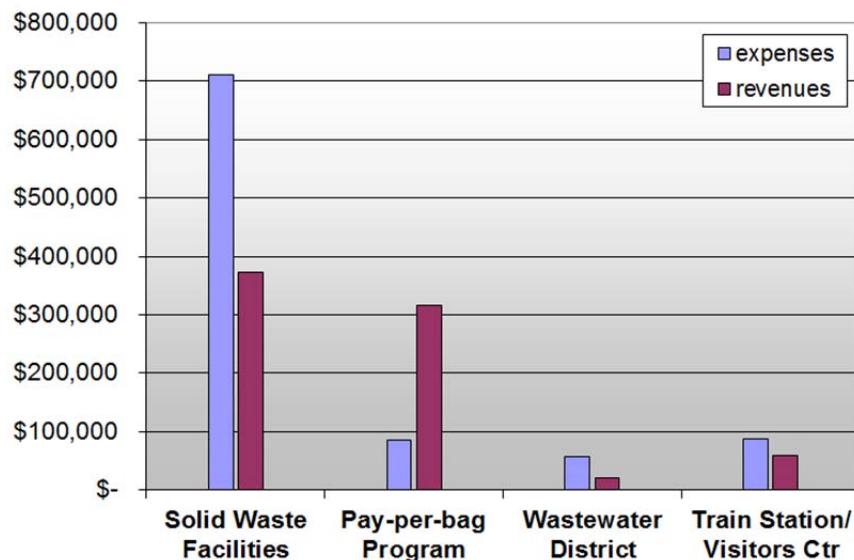


**Revenues by Source - Governmental Activities**  
For the year ended June 30, 2014

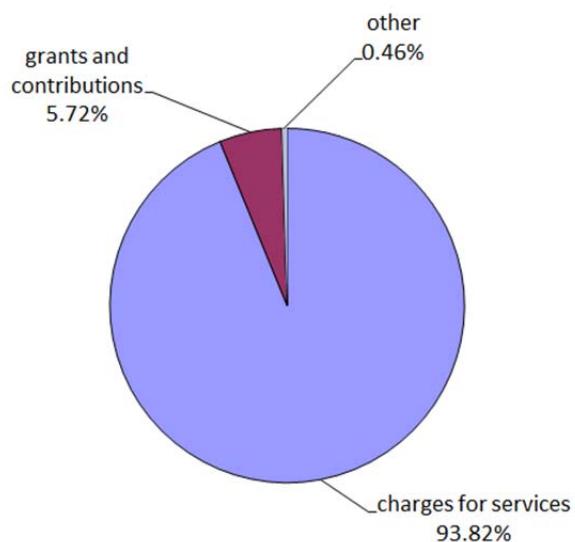


**Business-type activities.** The Town's business-type activities consist of four enterprise funds, two major funds accounting for its solid waste facilities and its pay-per-bag program, and two non-major funds, including a small wastewater district and the train station/visitors center. The following charts illustrate the total expenses by program, and revenues by source, for the Town's business-type activities. The vast majority of the revenue is provided through charges for services.

**Expenses and Program Revenues - Business-type Activities  
For the year ended June 30, 2014**



**Revenues by Source - Business-type Activities  
For the year ended June 30, 2014**



The Town's business-type activities increased the Town's total net position by \$68,125. This was a result of decreases in the Solid Waste Facilities Fund and Mere Point Wastewater District of \$138,628 and \$35,787, respectively, offset by increases in the Pay-per-bag Program Fund and the Train Station/Visitors Center Fund of \$230,805 and \$11,735, respectively.

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, 2014, the landfill experienced a \$342,012 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 an increased estimate of closure and post closure costs. For the year ended June 30, 2014, the Town had estimated eventual landfill closure costs of \$6,460,000 and post closure costs of \$2,135,000. For the fiscal year, the amount of expense related to closure and post closure was \$195,137.

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 2014 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, 2014, the Pay-per-bag Program Fund had net position of \$1,841,593.

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. Even if depreciation was excluded, the fund would have experienced an operating loss as the remaining expenses were \$12,234 more 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. 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, 2014, the Town recognized revenues and rent expenditures of \$44,000, corresponding to twelve months of the lease. By June 30, 2014, the Train Station/Visitor's Center Fund had a net position totaling \$120,253, with \$36,994 of this recorded as investment in capital assets. The five-year lease term will conclude in November, 2014. In April, 2014, the Town and JHR signed a letter of intent to amend the lease, extending the term an additional five years at the same rental rate of \$44,000 per year. Also in April, BDC committed to grant the Town \$34,000 in FY 2015 to defray this cost. The Town does not anticipate future grants from BDC for this purpose.

### **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 \$19,182,281. Of that amount, \$1,603,136 is classified as nonspendable. Another \$6,923,843 is restricted, \$1,505,327 is committed and \$1,619,378 is assigned.

The largest portion of the \$1,603,136 nonspendable fund balance consists of \$945,524 advances made by the Capital Improvements Fund to the Downtown TIF District Fund. Another \$557,770 is held in the permanent funds and \$99,842 is held in inventories and deposit items.

Of the \$6,923,843 in restricted fund balance, \$5,151,778, or approximately 74%, is restricted for education purposes. An additional \$1,168,276, or approximately 17%, 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, 2014, the targeted unassigned fund balance for the General Fund was \$9,221,199. At \$8,488,177 the actual unassigned fund balance was 15.34% of revenues, and \$733,022 under the target. As a percentage of expenditures, the unassigned fund balance was 15.35%. In accordance with the fund balance policy, the Town will develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of no more than three years.

The net change in the Town of Brunswick's total General Fund balance was a decrease of \$2,387,383. Budget factors in this reduction include:

- A budgeted reduction of \$3,820,000 to balance the 2013-14 budget.
- Supplemental appropriations of \$1,751,580 for various purposes.
- Encumbrances of \$67,397 that were carried forward and re-appropriated for 2013-14.

Factors resulting from actual results include:

- Total actual revenues exceeded the budget by \$26,597. Most revenue categories exceeded the budget.
- Total actual expenditures were less than the budget by \$3,195,732. Most expenditure lines were less than the budget.
- Net transfers between the General Fund and other funds had a positive variance of \$29,265 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, 2014 the fund had a deficit balance of \$945,524, 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 \$11,097 as of June 30, 2014. To finance the building project, the Town issued bonds totaling \$5,500,000 on June 27, 2013. The Police Station was substantially 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, 2015.

**Proprietary funds.** The Town of Brunswick's proprietary funds provide the same type of information found in the government-wide statements, but in greater detail. At year end, the Solid Waste Facilities Fund had a deficit in unrestricted net position of \$6,249,216. The Pay-per-bag Program Fund had unrestricted net position of \$1,841,593. The unrestricted net position of the Mere Point Wastewater District Fund amounted to \$32,608. The Train Station/Visitors Center Fund had unrestricted net position of \$83,259. 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 \$270,000 were made from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations. These adjustments were:

- \$100,000 for Administration. The largest portion of the amount transferred was for personnel costs and legal fees. Although the actual costs were higher than originally budgeted, the amount transferred could have been lower by approximately \$40,000.
- \$90,000 for the Town Hall at 85 Union Street. Due to the accelerated schedule of moving the Town offices, unanticipated operating costs were incurred in fiscal year 2013-14. No funds were originally budgeted for this building.
- \$40,000 for Risk Management. The largest portion of the amount transferred was for unanticipated costs in unemployment and workers compensation.
- \$40,000 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 \$3,689,580. Of that amount, \$2,403,000 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 \$1,286,580 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.

- \$950,000 to fund costs relating to the renovation of the McLellan Building (new Town Hall) at 85 Union Street.
- \$150,000 to fund unanticipated costs related to the occupation of the new Town Hall.
- \$186,580 to fund the full repayment of an advance to the School department. This was previously anticipated to be repaid through annual appropriations over several years.

The three supplemental appropriations funded unanticipated expenditures and were made from unassigned fund balance.

#### Capital Budget

The Town Council adopted a capital budget in conjunction with the operating budget for the fiscal year ended June 30, 2014. The capital budget authorized the use of unassigned General Fund balance totaling \$465,000 and is shown as an additional appropriation to distinguish it from the operating budget. The capital budget funded the following projects:

- \$50,000 to fund engineering and design costs in preparation for storm sewer upgrades and reconstruction of Union Street.
- \$50,000 to fund design costs in preparation for the renovation of the McLellan Building (new Town Hall) at 85 Union Street.
- \$50,000 to fund the first of three installments in the cost of a new telephone system to serve all Town departments.
- \$70,000 to fund the Town's share of the installation of a system of floats at the Water Street boat launch.
- \$100,000 to fund a variety of improvements to the Recreation Building at 220 Neptune Drive.
- \$145,000 to fund the purchase and installation of a new fire alarm system at Brunswick High School.

#### Revenues - actual vs. final budget

For the year, actual revenues exceeded budgeted revenues by \$26,597. The following paragraphs discuss the various categories of revenues and the variances within each category.

In total, actual tax revenues exceeded the budget by \$93,865. Of this amount, property tax revenue was less than budgeted by \$108,458. This is the result of several factors. The total actual taxable valuation of real and personal property tax was less than the estimate used in the development of the budget, resulting in \$181,106 less property tax revenue than projected. The actual amount of tax abatements granted was \$67,931 more than budgeted. Offsetting these, the actual amount of property tax deferred was less than budgeted by \$64,301. Additionally, supplemental tax assessments were \$76,278 more than budgeted. Interest on delinquent taxes and tax lien costs were \$3,027 and \$706 more than budgeted, respectively. Payments in lieu of taxes were approximately \$27,757 less than budgeted. Excise tax revenues were \$226,347 more than budgeted, because of better than expected collections on vehicles, watercraft and aircraft.

In total, actual license and permit revenues were \$96,847 more than the amount budgeted. The largest portion of this variance was in Codes Enforcement revenue where actual building permit revenue was \$94,021 more than budgeted due to more new construction than anticipated, largely at Brunswick Landing and Bowdoin College. The Town Clerk's revenue also exceeded projections by \$4,665 because of better than anticipated fee revenue from the issuance of vital record copies, marriage licenses and burial permits. The Planning Department's revenues were less than projected by \$6,617, reflecting development activity timed differently than anticipated. The remaining revenues of this category were a total of \$4,778 more than budgeted.

Actual intergovernmental revenues were less than the budget by \$361,802. State aid to education was \$393,891 lower than the amount budgeted. This was due primarily to the Maine Department of Education's (DOE) decision to apply \$204,967 in unused bond proceeds on the Harriet Beecher Stowe School to the state's subsidy of school debt service. Additionally, state aid was reduced to account for Medicaid revenue received by the school department. State revenue sharing exceeded estimates by \$10,677. 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. State tax exemption reimbursement and highway grant funds also exceeded the budget by \$18,294 and \$6,392

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 Town received approximately \$7,585 in unanticipated state emergency management disaster assistance for a severe winter storm and flooding in February 2013. State general assistance reimbursement was less than budgeted by \$24. The net of all other intergovernmental revenues was less than budgeted by \$10,835.

Actual charges for services exceeded the budget by \$27,850. The largest portion of this variance was \$65,956 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. Conversely, emergency medical service fees were less than anticipated by \$46,794, primarily as a result of ongoing changes in Medicare/Medicaid reimbursements related to sequestration. The remaining variances in this category result in a net positive variance of \$8,688.

Fines and penalties collected were more than budgeted by \$11,011. Parking tickets and other police department fines exceeded the budget by \$8,786. The increase was due largely to more aggressive enforcement of parking regulations in the downtown area. Fire department permits were \$750 more than anticipated, while unlicensed dog fines brought in \$1,475 more than budgeted.

Interest on investments fell short of the budget estimate by \$36,313. 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 \$195,139. Of that variance, \$84,325, is attributable to miscellaneous municipal department revenue. The largest portion reflects unanticipated reimbursements in the police department for the training of officers who moved to other municipalities. School miscellaneous revenues were more than the budget by \$59,406. Cable TV franchise fees exceeded the budget by \$30,218. The net of the other revenues in this category was more than budgeted by \$21,190.

#### Expenditures - actual vs. final budget

The Charter of the Town of Brunswick requires that expenditures be within the various appropriations established in the budget unless the Town Council approves the excess expenditures. As previously mentioned in the discussion about the original and amended budgets, the Town regularly monitors its expenditure budget to ensure compliance with the Charter requirements. 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 over-expenditures up to \$10,000 for a few budget items. These over-expenditures, in two departments, totaled \$14,573. Additionally, in the Technology department and in the Central Garage, the Town anticipated, and the Town Council approved, over-expenditures up to \$40,000 and \$90,000, respectively. These departments' expenditures ended the year over budget by \$31,266 and \$75,842 respectively. In one case, the Refuse Collection department which accounts for the cost of curbside trash collection, expenditures exceeded the \$10,000 limit by \$957.

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

Unbudgeted transfers into the general fund totaled \$29,265. Included was \$42,271 from completed capital projects and \$212,144 from unused bond proceeds to pay debt service. Offsetting these was

\$225,150 budgeted as a reimbursement of the general fund for the advance to the Maine Street Station project. This advance was repaid, but it was not appropriate to account for it with a transfer into the general fund.

### **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, 2014 amounts to \$85,225,430, 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 8.4%. Increases were seen in governmental capital assets. Major capital asset events during the current fiscal year are listed below.

- Land additions totaled \$595,208 during the year. These consisted of six parcels of undeveloped land at the former Brunswick Naval Air Station (BNAS) which were transferred to the Town by the National Park Service for recreation purposes. The largest of these parcels is the 591 acre Kate Furbish Preserve, and will be utilized as a park.
- Construction projects in progress totaled \$99,848 at the conclusion of the year. This category of assets decreased significantly as several large projects were completed during the year. A number of road construction projects were in the planning phase as of June 30, 2014, at a cost of \$74,792. The Water Street float system project was in progress at a cost of \$25,056.
- Additions to building assets totaled \$11,042,901. The Town acquired and/or renovated three large buildings during the fiscal year ended June 30, 2014. The Police Station, valued at \$5,316,744, was completed and occupied in September 2013. The recreation department received a building valued at \$4,400,000 at Brunswick Landing (the former Brunswick Naval Air Station) and, in December 2013, moved its offices and operations from its downtown location at 30 Federal Street. The Town renovated the McLellan Building previously acquired in an exchange with Bowdoin College, adding \$1,079,284 to the asset value of the building. The Town offices were moved to the new Town Hall in April 2014. The school department added building improvements valued at \$246,873 which primarily consisted of fire alarm and security components at Brunswick High School.
- Machinery and equipment additions totaled \$949,504. Of this amount, \$442,129 was for six large pieces of construction and grounds maintenance equipment for the public works and recreation department. A new town-wide telephone system valued at \$164,701, and computer network equipment totaling \$33,887 were added in conjunction with the occupancy of the three new municipal buildings. Completion of the new police station required the addition of a generator, a photocopier, records storage equipment and upgrades to the dispatch microwave communications system totaling \$208,749. The recreation department added a scoreboard and bleachers at the new recreation building totaling \$34,897, and a chlorination pump at Coffin Pond for \$5,267. The fire department added emergency medical services equipment for a total of \$30,338. A shelving system for the town clerk's department was added at a value of \$14,485. The school department added a total of \$15,051, which included an audio system and grounds maintenance equipment.
- Vehicles were replaced in the planning, police, fire, public works, parks and recreation, and school departments during the year, with the cost of new vehicles totaling \$935,813. Additions were \$485,749 for three public works dump trucks, \$146,701 for two school buses, \$142,867 for the completion of the ambulance purchased the previous year, \$85,200 for three new police cruisers, \$40,572 for a parks and recreation pickup truck, \$29,224 for a fire department pickup truck and \$5,500 for a used passenger vehicle for the planning department.
- Governmental activities added infrastructure during the year totaling \$1,852,278. Much of this increase was due to the acceptance of three new streets in the housing development formerly

occupied by the US Navy. Shobe Avenue, with sidewalks and drainage, was valued at \$326,700. Windorf Circle and Krampf Circle were valued at \$110,300 and \$105,900, respectively. The Town also completed work on rebuilding College Street, a joint project with Bowdoin College, Brunswick Topsham Water District and Brunswick Sewer District. College Street with sidewalks, crosswalks and drainage is valued at \$808,915. Rossmore Road was another Town project during the year, adding \$333,850. Other additions, totaling \$166,613, included several sidewalk projects and raised crosswalks on Maine Street.

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>2014</u>	<u>2013</u>
	<u>activities</u>	<u>2014</u>	<u>activities</u>	<u>2013</u>		
<b>Capital assets not being depreciated:</b>						
Land	\$ 6,036,412	\$ 5,456,204	\$ 115,000	\$ 115,000	\$ 6,151,412	\$ 5,571,204
Construction in progress	99,848	4,682,223	-	-	99,848	4,682,223
Intangibles	200,000	200,000	-	-	200,000	200,000
<b>Capital assets being depreciated:</b>						
Buildings	46,378,688	37,546,011	1,320	3,964	46,380,008	37,549,975
Improvements other than buildings	1,766,067	2,013,494	1,809,566	1,919,354	3,575,633	3,932,848
Machinery and equipment	1,938,672	1,377,066	248,557	273,886	2,187,229	1,650,952
Vehicles	2,814,934	2,177,097	-	-	2,814,934	2,177,097
Intangibles	17,670	49,690	-	1,186	17,670	50,876
Infrastructure	23,703,467	22,681,466	95,229	118,786	23,798,696	22,800,252
<b>Total</b>	<b>\$82,955,758</b>	<b>\$76,183,251</b>	<b>\$2,269,672</b>	<b>\$2,432,176</b>	<b>\$85,225,430</b>	<b>\$ 78,615,427</b>

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

**Long-term debt.** At the end of the current fiscal year, the Town of Brunswick had total bonded debt outstanding of \$27,322,912, all of which is general obligation debt.

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

	Governmental		Business-type		<u>2014</u>	<u>2013</u>
	<u>activities</u>	<u>2014</u>	<u>activities</u>	<u>2013</u>		
<b>General obligation bonds</b>						
General obligation bonds	\$ 27,322,912	\$ 30,211,025	\$ _____	\$ _____	\$ 27,322,912	\$ 30,211,025
<b>Total</b>	<b>\$ 27,322,912</b>	<b>\$ 30,211,025</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ 27,322,912</b>	<b>\$ 30,211,025</b>

The amount of principal debt retired during the year totaled \$2,888,113. The Town's outstanding debt is rated Aa2 by Moody's Investors Service. In January, 2014, Standard & Poor's completed a review and updated their rating of the Town's bonds from AA to AA+.

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 \$303,937,500, 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.

Subsequent to June 30, 2014, the Town Council authorized additional debt for up to a total of \$1,180,800. \$454,800 was authorized to finance an air quality project at the Brunswick Junior High School, up to \$580,000 was authorized for a road reconstruction project, and \$146,000 was authorized for the purchase of a public works sidewalk tractor and associated attachments.

Additional information on the Town's long-term debt can be found in note IV.F on pages 63-68 of this report, and additional information on subsequent events can be found in note V.I. on page 74.

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

As in prior years, development of the 2014-15 municipal budget was affected by proposals made during the State's budget process. From a municipal perspective, the most troubling proposals have been those related to 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. A 2013 proposal to virtually eliminate revenue sharing followed several years during which the State transferred funds from the revenue sharing pool to its general fund. For the biennial budget, adopted in 2013, the Legislature rejected the Governor's proposal to eliminate revenue sharing. However, the state budget substantially reduced the revenue sharing pool in 2013-14 and called for further reductions in 2014-15.

For 2014-15, the revenue sharing pool was scheduled to be cut an additional \$40 million. However, the supplemental State budget, developed by the Legislature's Committee on Appropriations and Financial Affairs, restored most of this scheduled cut. Still, the Town of Brunswick's 2014-15 budget for state revenue sharing was reduced \$81,329 from the previous year.

In addition to eliminating revenue sharing, the Governor's biennial budget also proposed nearly flat funding for state aid to education. Further, it required 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. Although the Legislature modified the Governor's education funding proposals, the normal cost of teacher retirement must now be included in the local school budget. However, the State budget did increase the level of education aid to cover that cost.

As in the previous three budgets, the 2014-15 municipal budget made significant use of reserves. Even with these uses, the budget still required a property tax rate increase of 3.25%. Though less than last year's rate increase of 6.59%, the Town Council has committed to a program of longer term financial planning to anticipate budget impacts on future property tax rates. The aim of the long-range planning effort is to develop sustainable budgets.

For the fiscal year ended June 30, 2014, the unrestricted fund balance in the General Fund was \$10,107,555, with the unassigned portion of the unrestricted balance at \$8,488,177. The Town's policy for its general fund targets the unassigned fund balance at 16.67% of its GAAP revenues. For the year ended June 30, 2014 the target was \$9,221,199. The actual balance, at 15.34% of GAAP revenues, is \$733,022 below the target. This was anticipated, as the Town Council authorized the use of unassigned general fund balance totaling \$1,286,580 for capital projects during the fiscal year. In accordance with the fund balance policy, the Town intends to develop a plan to bring the balance to the target level over a period of no more than three years.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Brunswick's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for financial information should be addressed to the Town of Brunswick, Office of the Finance Director, 85 Union Street, Brunswick, ME 04011.

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## **BASIC FINANCIAL STATEMENTS**

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Net Position**  
**June 30, 2014**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 21,613,084	\$ 2,459,826	\$ 24,072,910
Receivables (net of allowance for uncollectibles):			
Accounts	785,152	51,569	836,721
Taxes receivable - current year	772,699	-	772,699
Taxes receivable - prior year	25,562	-	25,562
Tax liens	292,495	-	292,495
Intergovernmental	370,051	-	370,051
Internal balances	1,503	(1,503)	-
Deposits	51,236	-	51,236
Inventories	48,606	49,814	98,420
Other	-	14,667	14,667
Permanently restricted assets:			
Cash and cash equivalents	25,204	-	25,204
Investments	541,737	-	541,737
Capital assets not being depreciated:			
Land	6,036,412	115,000	6,151,412
Construction in progress	99,848	-	99,848
Intangibles	200,000	-	200,000
Capital assets (net of accumulated depreciation):			
Buildings	46,378,688	1,320	46,380,008
Improvements other than buildings	1,766,067	1,809,566	3,575,633
Machinery and equipment	1,938,672	248,557	2,187,229
Vehicles	2,814,934	-	2,814,934
Intangibles	17,670	-	17,670
Infrastructure	23,703,467	95,229	23,798,696
Total assets	<u>107,483,087</u>	<u>4,844,045</u>	<u>112,327,132</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	4,148,756	21,690	4,170,446
Interest payable	121,861	-	121,861
Payable to agency fund - student activities	64,149	-	64,149
Unearned revenues	116,238	14,667	130,905
Noncurrent liabilities:			
Due within one year	2,602,995	5,250	2,608,245
Due in more than one year	<u>27,179,139</u>	<u>6,824,522</u>	<u>34,003,661</u>
Total liabilities	<u>34,233,138</u>	<u>6,866,129</u>	<u>41,099,267</u>
<b>NET POSITION</b>			
Net investment in capital assets	55,925,927	2,269,672	58,195,599
Restricted for:			
Education	5,164,853	-	5,164,853
Municipal	207,738	-	207,738
Special revenue programs and grants	375,174	-	375,174
Development projects - impact fees	558,619	-	558,619
Capital projects	609,657	-	609,657
Permanent funds:			
Expendable	20,877	-	20,877
Nonexpendable	557,770	-	557,770
Unrestricted	<u>9,829,334</u>	<u>(4,291,756)</u>	<u>5,537,578</u>
Total net position	<u><u>\$ 73,249,949</u></u>	<u><u>\$ (2,022,084)</u></u>	<u><u>\$ 71,227,865</u></u>

*See accompanying notes to financial statements.*

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2014**

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 4,382,918	\$ 483,854	\$ 179,804	\$ 81,100	\$ (3,638,160)	\$ -	\$ (3,638,160)	
Public safety	8,643,119	1,269,418	126,881	3,206	(7,243,614)	-	(7,243,614)	
Public works	5,180,234	40,857	221,060	866,916	(4,051,401)	-	(4,051,401)	
Human services	168,706	-	26,976	-	(141,730)	-	(141,730)	
Education	36,080,222	417,018	14,973,579	-	(20,689,625)	-	(20,689,625)	
Recreation and culture	3,319,591	398,332	5,243	5,010,595	2,094,579	-	2,094,579	
County tax	1,249,487	-	-	-	(1,249,487)	-	(1,249,487)	
Unclassified	36,996	-	-	-	(36,996)	-	(36,996)	
Interest on long-term debt	741,999	-	-	-	(741,999)	-	(741,999)	
Total governmental activities	<u>59,803,272</u>	<u>2,609,479</u>	<u>15,533,543</u>	<u>5,961,817</u>	<u>(35,698,433)</u>	<u>-</u>	<u>(35,698,433)</u>	
33								
Business-type activities:								
Solid Waste Facilities	712,042	370,030	-	-	-	(342,012)	(342,012)	
Pay-per-bag Program	85,259	315,900	-	-	-	230,641	230,641	
Mere Point Wastewater District	57,324	21,533	-	-	-	(35,791)	(35,791)	
Train Station	86,409	14,136	44,000	-	-	(28,273)	(28,273)	
Total business-type activities	<u>941,034</u>	<u>721,599</u>	<u>44,000</u>	<u>-</u>	<u>-</u>	<u>(175,435)</u>	<u>(175,435)</u>	
Total primary government	<u>\$ 60,744,306</u>	<u>\$ 3,331,078</u>	<u>\$ 15,577,543</u>	<u>\$ 5,961,817</u>	<u>\$ (35,698,433)</u>	<u>\$ (175,435)</u>	<u>\$ (35,873,868)</u>	
General revenues:								
Property taxes					36,850,361	-	36,850,361	
Vehicle, watercraft and aircraft excise taxes					2,950,348	-	2,950,348	
Grants and contributions not restricted to specific programs					1,319,069	-	1,319,069	
Unrestricted investment earnings					83,537	232	83,769	
Other					17,965	3,328	21,293	
Special items					225,000	-	225,000	
Transfers					(240,000)	240,000	-	
Total general revenues, special items and transfers					<u>41,206,280</u>	<u>243,560</u>	<u>41,449,840</u>	
Changes in net position					5,507,847	68,125	5,575,972	
Net position - beginning					<u>67,742,102</u>	<u>(2,090,209)</u>	<u>65,651,893</u>	
Net position - ending					<u>\$ 73,249,949</u>	<u>\$ (2,022,084)</u>	<u>\$ 71,227,865</u>	

See accompanying notes to financial statements.

## TOWN OF BRUNSWICK, MAINE

## Balance Sheet

## Governmental Funds

June 30, 2014

	General Fund	Downtown TIF District Fund	Police Station Bldg Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 19,500,293	\$ -	\$ 11,459	\$ 2,126,536	\$ 21,638,288
Investments	-	-	-	541,737	541,737
Receivables (net of allowance for uncollectibles):					
Accounts	706,164	-	-	78,988	785,152
Taxes - current	772,699	-	-	-	772,699
Taxes - prior years	25,562	-	-	-	25,562
Tax liens	292,495	-	-	-	292,495
Intergovernmental	11,925	-	-	358,126	370,051
Deposits	1,236	-	-	50,000	51,236
Inventory, at cost	35,531	-	-	13,075	48,606
Due from other funds	-	-	-	1,185,216	1,185,216
Advances to other funds	-	-	-	945,524	945,524
Total assets	<u>\$ 21,345,905</u>	<u>\$ -</u>	<u>\$ 11,459</u>	<u>\$ 5,299,202</u>	<u>\$ 26,656,566</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 800,131	\$ -	\$ 362	\$ 108,181	\$ 908,674
Accrued wages and benefits payable	2,949,180	-	-	78,090	3,027,270
Payable to agency fund - student activities	64,149	-	-	-	64,149
Other liabilities	41,395	-	-	5,217	46,612
Payments in escrow	155,488	-	-	-	155,488
Unearned revenue	-	-	-	116,238	116,238
Due to other funds	1,269,664	-	-	-	1,269,664
Advances from other funds	-	945,524	-	-	945,524
Total liabilities	<u>\$ 5,280,007</u>	<u>945,524</u>	<u>362</u>	<u>307,726</u>	<u>6,533,619</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	721,220	-	-	-	721,220
Unavailable revenue - miscellaneous	219,446	-	-	-	219,446
Total deferred inflows of resources	<u>940,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>940,666</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable:					
Long-term loans and advances	-	-	-	945,524	945,524
Inventories and deposits	36,767	-	-	63,075	99,842
Permanent funds	-	-	-	557,770	557,770
Restricted:					
Education	4,773,172	-	-	378,606	5,151,778
Municipal purposes	207,738	-	-	-	207,738
Capital projects funds	-	-	11,097	1,157,179	1,168,276
Special revenue funds	-	-	-	375,174	375,174
Permanent funds	-	-	-	20,877	20,877
Committed:					
Capital projects funds	-	-	-	1,327,163	1,327,163
Special revenue funds	-	-	-	178,164	178,164
Assigned:					
General fund	1,619,378	-	-	-	1,619,378
Unassigned:					
General fund	8,488,177	-	-	-	8,488,177
Downtown Development TIF fund	-	(945,524)	-	-	(945,524)
Capital improvements fund	-	-	-	-	-
Permanent funds	-	-	-	(12,056)	(12,056)
Total fund balances (deficits)	<u>15,125,232</u>	<u>(945,524)</u>	<u>11,097</u>	<u>4,991,476</u>	<u>19,182,281</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 21,345,905</u>	<u>\$ -</u>	<u>\$ 11,459</u>	<u>\$ 5,299,202</u>	

Amounts reported for governmental activities in the statement of net position are different because (see Note II.A., also):

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	82,955,758
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	940,666
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(29,903,995)
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.	75,239
Net position of governmental activities (see Statement 1)	<u>\$ 73,249,949</u>

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2014**

	General Fund	Downtown TIF District Fund	Police Station Bldg Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 38,490,317	\$ 287,152	\$ -	\$ 835,538	\$ 39,613,007
Licenses and permits	399,359	-	-	-	399,359
Intergovernmental	14,268,570	-	-	1,241,925	15,510,495
Investment income	-	-	-	69,563	69,563
Charges for services	1,373,629	-	-	1,258,396	2,632,025
Fines and penalties	39,511	-	-	-	39,511
Interest	13,687	-	51	237	13,975
Donations	-	-	-	311,824	311,824
Other	731,055	-	-	-	731,055
Total revenues	<u>55,316,128</u>	<u>287,152</u>	<u>51</u>	<u>3,717,483</u>	<u>59,320,814</u>
<b>EXPENDITURES</b>					
Current:					
General government	3,552,992	104,429	-	151,025	3,808,446
Public safety	8,013,000	-	-	113,462	8,126,462
Public works	3,690,883	-	-	12,271	3,703,154
Human services	168,723	-	-	-	168,723
Education	32,539,288	-	-	2,116,527	34,655,815
Recreation and culture	2,490,538	-	-	464,891	2,955,429
County tax	1,249,487	-	-	-	1,249,487
Unclassified	36,996	-	-	-	36,996
Debt service:					
Principal	2,817,113	71,000	-	-	2,888,113
Interest	749,315	13,900	-	-	763,215
Capital outlay	-	-	1,368,153	3,959,273	5,327,426
Total expenditures	<u>55,308,335</u>	<u>189,329</u>	<u>1,368,153</u>	<u>6,817,449</u>	<u>63,683,266</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,793</u>	<u>97,823</u>	<u>(1,368,102)</u>	<u>(3,099,966)</u>	<u>(4,362,452)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	704,265	370,282	6,536	3,258,804	4,339,887
Transfers to other funds	(1,448,011)	-	-	(1,255,446)	(2,703,457)
Transfers to other funds - capital budget	(465,000)	-	-	-	(465,000)
Transfers to other funds - suppl. approp.	(1,100,000)	-	-	-	(1,100,000)
Transfers to other funds - education	(311,430)	-	-	-	(311,430)
Sale of general capital assets	225,000	-	-	-	225,000
Total other financing sources (uses)	<u>(2,395,176)</u>	<u>370,282</u>	<u>6,536</u>	<u>2,003,358</u>	<u>(15,000)</u>
Net changes in fund balances	<u>(2,387,383)</u>	<u>468,105</u>	<u>(1,361,566)</u>	<u>(1,096,608)</u>	<u>(4,377,452)</u>
Fund balances (deficits), beginning of year	<u>17,512,615</u>	<u>(1,413,629)</u>	<u>1,372,663</u>	<u>6,088,084</u>	<u>23,559,733</u>
Fund balances (deficits), end of year	<u>\$ 15,125,232</u>	<u>\$ (945,524)</u>	<u>\$ 11,097</u>	<u>\$ 4,991,476</u>	<u>\$ 19,182,281</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, 2014**

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Net change in fund balances - total governmental funds (from Statement 4)	\$ (4,377,452)
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.	7,015,450
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.	(242,943)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	154,506
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.	2,888,113
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	45,610
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.	24,563
Change in net position of governmental activities (see Statement 2)	\$ <u>5,507,847</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, 2014**

	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>					
Taxes:					
Real and personal property	\$ 35,348,452	\$ -	\$ 35,348,452	\$ 35,239,994	\$ (108,458)
Interest on delinquent taxes	75,000	-	75,000	78,027	3,027
Tax lien costs	14,000	-	14,000	14,706	706
Payment in lieu of taxes	235,000	-	235,000	207,243	(27,757)
Vehicle excise taxes	2,700,000	-	2,700,000	2,920,776	220,776
Watercraft excise taxes	24,000	-	24,000	25,976	1,976
Aircraft excise taxes	-	-	-	3,595	3,595
Total taxes	<u>38,396,452</u>	<u>-</u>	<u>38,396,452</u>	<u>38,490,317</u>	<u>93,865</u>
Licenses and permits:					
Finance department	9,500	-	9,500	12,350	2,850
Codes enforcement	154,500	-	154,500	248,521	94,021
Town clerk	116,712	-	116,712	121,377	4,665
Planning	20,000	-	20,000	13,383	(6,617)
Fire department	700	-	700	520	(180)
Police department	600	-	600	1,160	560
Public works	500	-	500	2,048	1,548
Total licenses and permits	<u>302,512</u>	<u>-</u>	<u>302,512</u>	<u>399,359</u>	<u>96,847</u>
Intergovernmental:					
State education subsidy	10,871,108	-	10,871,108	10,477,217	(393,891)
MainePERS contribution	-	2,403,000	2,403,000	2,403,000	-
State revenue sharing	1,059,000	-	1,059,000	1,069,677	10,677
State highway grant	208,000	-	208,000	214,392	6,392
State snowmobile funds	1,264	-	1,264	1,589	325
State tax exemption reimbursement	26,000	-	26,000	44,294	18,294
State general assistance reimbursement	27,000	-	27,000	26,976	(24)
SAFER grant	20,000	-	20,000	3,255	(16,745)
EMPG grant	15,000	-	15,000	20,585	5,585
State civil emergency preparedness	-	-	-	7,585	7,585
Total intergovernmental	<u>12,227,372</u>	<u>2,403,000</u>	<u>14,630,372</u>	<u>14,268,570</u>	<u>(361,802)</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, 2014**

	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES, CONTINUED</b>					
Charges for services:					
Auto registration	50,000	-	50,000	53,006	3,006
Watercraft, ATV, snowmobile registration	1,500	-	1,500	1,572	72
Municipal building rental	-	-	-	600	600
Fire department	1,000	-	1,000	631	(369)
Emergency medical services	875,000	-	875,000	828,206	(46,794)
Police department	87,600	-	87,600	91,652	4,052
Dispatch services fees	139,268	-	139,268	139,405	137
Recycling	25,000	-	25,000	26,190	1,190
Education - tuition, transportation, etc.	166,411	-	166,411	232,367	65,956
Total charges for services	1,345,779	-	1,345,779	1,373,629	27,850
Fines and penalties:					
Town clerk	5,000	-	5,000	6,475	1,475
Fire department	2,000	-	2,000	2,750	750
Police department	21,500	-	21,500	30,286	8,786
Total fines and penalties	28,500	-	28,500	39,511	11,011
Interest earned	50,000	-	50,000	13,687	(36,313)
Other revenue:					
Sale of miscellaneous assets	78,566	-	78,566	94,640	16,074
Cable TV franchise fees	210,000	-	210,000	240,218	30,218
Property & casualty dividend	-	-	-	9,283	9,283
BDC subsidy	75,000	-	75,000	75,000	-
MRRA subsidy of Eco Dev position	25,000	-	25,000	20,833	(4,167)
MRRA contribution to MCOG dues	15,000	-	15,000	15,000	-
Miscellaneous - municipal	12,350	-	12,350	96,675	84,325
Miscellaneous - school	120,000	-	120,000	179,406	59,406
Total other revenue	535,916	-	535,916	731,055	195,139
Total revenues	\$ 52,886,531	\$ 2,403,000		\$ 55,289,531	\$ 55,316,128
					\$ 26,597

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, 2014**

	2013								Variance		2014	
	Adopted Budget	Encumbered Balances	Original Budget	Additional Appropriation	Adjustments	Final Budget	Actual	Positive (Negative)	Encumbered Balances			
<b>EXPENDITURES</b>												
Current:												
General government:												
Administration	\$ 487,927	\$ -	\$ 487,927	\$ -	\$ 100,000	\$ 587,927	\$ 547,180	\$ 40,747	\$ -			
Finance department	680,948	-	680,948	-	-	680,948	666,380	14,568	-			
Technology services	328,531	-	328,531	-	-	328,531	359,797	(31,266)	-			
Municipal officers	126,615	-	126,615	-	(20,000)	106,615	99,739	6,876	-			
Town hall building	-	-	-	-	90,000	90,000	71,385	18,615	-			
Municipal building	166,850	-	166,850	-	(40,000)	126,850	118,077	8,773	-			
Risk management	414,750	-	414,750	-	40,000	454,750	443,350	11,400	-			
Cable TV	37,360	-	37,360	-	10,000	47,360	38,007	9,353	-			
Assessing	297,218	6,150	303,368	-	-	303,368	261,545	41,823	-			
Town clerk and elections	356,478	-	356,478	-	-	356,478	336,020	20,458	3,400			
Planning	541,059	5,900	546,959	-	-	546,959	522,875	24,084	19,725			
Economic development	104,564	-	104,564	-	-	104,564	88,637	15,927	-			
Total general government	3,542,300	12,050	3,554,350	-	180,000	3,734,350	3,552,992	181,358	23,125			
Public safety:												
Fire department	2,985,969	24,900	3,010,869	-	-	3,010,869	2,947,456	63,413	9,350			
Central fire station	41,054	-	41,054	-	-	41,054	39,112	1,942	3,650			
Emerson fire station	50,350	-	50,350	-	-	50,350	48,382	1,968	-			
Police department	3,684,953	6,909	3,691,862	-	(100,000)	3,591,862	3,575,278	16,584	-			
Emergency services dispatch	721,909	-	721,909	-	5,000	726,909	716,034	10,875	-			
Police station	68,730	-	68,730	-	10,000	78,730	65,704	13,026	-			
Streetlights	205,000	-	205,000	-	-	205,000	186,629	18,371	-			
Traffic signals	31,600	-	31,600	-	-	31,600	28,697	2,903	-			
Fire suppression (hydrants)	429,178	-	429,178	-	(20,000)	409,178	404,908	4,270	-			
Civil emergency preparedness	2,000	-	2,000	-	-	2,000	800	1,200	-			
Total public safety	8,220,743	31,809	8,252,552	-	(105,000)	8,147,552	8,013,000	134,552	13,000			
Public works:												
Administration	414,090	-	414,090	-	5,000	419,090	414,197	4,893	-			
General maintenance	1,629,304	-	1,629,304	-	-	1,629,304	1,538,490	90,814	-			
Refuse collection	573,143	-	573,143	-	-	573,143	584,100	(10,957)	-			
Recycling	289,743	-	289,743	-	-	289,743	296,290	(6,547)	-			
Central garage	781,964	-	781,964	-	-	781,964	857,806	(75,842)	10,200			
Total public works	3,688,244	-	3,688,244	-	5,000	3,693,244	3,690,883	2,361	10,200			

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, 2014**

	<b>2013</b>							<b>Variance</b>		<b>2014</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>2014</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>2014</b>
<b>EXPENDITURES, CONTINUED</b>										
Human services:										
General assistance	170,106	-	170,106	-	-	170,106	166,193	3,913	-	-
Health and social services	2,744	-	2,744	-	-	2,744	2,530	214	-	-
Total human services	172,850	-	172,850	-	-	172,850	168,723	4,127	-	-
Education:										
Education	35,570,775	-	35,570,775	2,403,000	(2,773,916)	35,199,859	32,539,288	2,660,571	-	-
Recreation and culture:										
Recreation administration	435,014	-	435,014	-	10,000	445,014	432,006	13,008	10,000	
Buildings and grounds	657,996	4,111	662,107	-	-	662,107	623,213	38,894	-	
Rec Building Federal St	15,840	-	15,840	-	-	15,840	15,012	828	-	
Rec Building Neptune Dr	122,151	-	122,151	-	(25,000)	97,151	77,751	19,400	-	
People Plus	115,000	-	115,000	-	-	115,000	114,630	370	-	
Library	1,215,000	4,900	1,219,900	-	-	1,219,900	1,227,926	(8,026)	-	
Total recreation and culture	2,561,001	9,011	2,570,012	-	(15,000)	2,555,012	2,490,538	64,474	10,000	
Intergovernmental:										
County tax	1,249,487	-	1,249,487	-	-	1,249,487	1,249,487	-	-	
Unclassified:										
Promotion and development	160,258	-	160,258	-	(5,500)	154,758	151,899	2,859	-	
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	68,000	-	68,000	-	(65,000)	3,000	(126,903)	129,903	-	
School master plan	-	14,527	14,527	-	-	14,527	-	14,527	14,527	
Total unclassified	241,258	14,527	255,785	-	(70,500)	185,285	36,996	148,289	14,527	

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, 2014**

	<b>2013</b>							<b>Variance</b>		<b>2014</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>2014</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>2014</b>
<b>EXPENDITURES, CONTINUED</b>										
Debt service:										
Long-term debt, principal	703,000	-	703,000	-	2,114,113	2,817,113	2,817,113	-	-	-
Long-term debt, interest	220,898	-	220,898	-	528,417	749,315	749,315	-	-	-
Total debt service	923,898	-	923,898	-	2,642,530	3,566,428	3,566,428	-	-	-
Total expenditures	56,170,556	67,397	56,237,953	2,403,000	(136,886)	58,504,067	55,308,335	3,195,732	70,852	
Excess (deficiency) of revenues over (under) expenditures	(3,284,025)	(67,397)	(3,351,422)	-	136,886	(3,214,536)	7,793	3,222,329	-	
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers from other funds	675,000	-	675,000	-	-	675,000	704,265	29,265	-	-
Transfers to other funds	(1,435,975)	-	(1,435,975)	-	(12,036)	(1,448,011)	(1,448,011)	-	-	-
Transfers to other funds - capital budget	-	-	-	(465,000)	-	(465,000)	(465,000)	-	-	-
Transfers to other funds - supplemental appropriations	-	-	-	(1,100,000)	-	(1,100,000)	(1,100,000)	-	-	-
Transfers to other funds - education	-	-	-	(186,580)	(124,850)	(311,430)	(311,430)	-	-	-
Sales of general capital assets	225,000	-	225,000	-	-	225,000	225,000	-	-	-
Total other financing sources (uses)	(535,975)	-	(535,975)	(1,751,580)	(136,886)	(2,424,441)	(2,395,176)	29,265	-	-
Net changes in fund balances	\$ (3,820,000)	\$ (67,397)	\$ (3,887,397)	\$ (1,751,580)	\$ -	\$ (5,638,977)	\$ (2,387,383)	\$ 3,251,594	\$ -	
Fund balance, beginning of year								17,512,615		
Fund balance, end of year								\$ 15,125,232		

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	Business-type Activities - Enterprise Funds					Governmental Activities	
	<u>Major Fund</u>		<u>Major Fund</u>		<u>Totals</u>	<u>Internal Service Fund</u>	
	<u>Solid Waste</u>	<u>Facilities</u>	<u>Pay-Per-Bag</u>	<u>Program</u>		<u>Printing Services</u>	
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 581,784	\$ 1,763,947	\$ 114,095	\$ 2,459,826	\$	-	
Accounts receivable	18,814	29,700	3,055	51,569			
Inventory	-	49,814	-	49,814			
Prepaid rent	-	-	14,667	14,667			
Due from other funds	-	-	431	431			
Total current assets	<u>600,598</u>	<u>1,843,461</u>	<u>132,248</u>	<u>2,576,307</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	537,459	-	97,500	634,959			
Vehicles	88,632	-	-	88,632			
Intangibles	6,470	-	-	6,470			
Infrastructure	-	-	589,927	589,927			
Less accumulated depreciation	(6,032,197)	-	(629,242)	(6,661,439)			
Net capital assets	<u>2,137,449</u>	<u>-</u>	<u>132,223</u>	<u>2,269,672</u>			
Total assets	<u>2,738,047</u>	<u>1,843,461</u>	<u>264,471</u>	<u>4,845,979</u>			
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	14,293	-	1,714	16,007			
Accrual of payroll	3,815	-	-	3,815			
Other liabilities	-	1,868	-	1,868			
Landfill closure and postclosure	4,000	-	-	4,000			
Compensated absences	1,250	-	-	1,250			
Unearned revenue	-	-	14,667	14,667			
Due to other funds	1,934	-	-	1,934			
Total current liabilities	<u>25,292</u>	<u>1,868</u>	<u>16,381</u>	<u>43,541</u>			
Noncurrent liabilities:							
Landfill closure and postclosure	6,816,218	-	-	6,816,218			
Compensated absences	8,304	-	-	8,304			
Total noncurrent liabilities	<u>6,824,522</u>	<u>-</u>	<u>-</u>	<u>6,824,522</u>			
Total liabilities	<u>6,849,814</u>	<u>1,868</u>	<u>16,381</u>	<u>6,868,063</u>			
<b>NET POSITION</b>							
Investment in capital assets	2,137,449	-	132,223	2,269,672			
Unrestricted	(6,249,216)	1,841,593	115,867	(4,291,756)			
Total net position	<u>\$ (4,111,767)</u>	<u>\$ 1,841,593</u>	<u>\$ 248,090</u>	<u>\$ (2,022,084)</u>	<u>\$ 89,167</u>		

See accompanying notes to financial statements.

Statement 8

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2014**

	Business-type Activities - Enterprise Funds					Governmental Activities	
	<u>Major Fund</u> <u>Solid Waste</u> <u>Facilities</u>	<u>Major Fund</u> <u>Pay-Per-Bag</u> <u>Program</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Internal Service Fund</u> <u>Printing Services</u>		
<b>OPERATING REVENUES</b>							
Charge for services	\$ 12,987	\$ 315,900	\$ 35,669	\$ 364,556	\$ 58,694		
Tipping fees	357,043	-	-	357,043	-		
Other	-	-	-	-	9,912		
Total operating revenues	<u>370,030</u>	<u>315,900</u>	<u>35,669</u>	<u>721,599</u>	<u>68,606</u>		
<b>OPERATING EXPENSES</b>							
Personnel services	178,080	-	-	178,080	-		
Administrative expenses	7,875	-	-	7,875	-		
Contractual services	118,930	-	103,620	222,550	29,908		
Central garage costs	40,000	-	-	40,000	-		
Materials and supplies	44,552	85,259	1,748	131,559	4,223		
Closure and postclosure costs	195,137	-	-	195,137	-		
Depreciation	127,468	-	38,365	165,833	14,437		
Total operating expenses	<u>712,042</u>	<u>85,259</u>	<u>143,733</u>	<u>941,034</u>	<u>48,568</u>		
Operating income (loss)	<u>(342,012)</u>	<u>230,641</u>	<u>(108,064)</u>	<u>(219,435)</u>	<u>20,038</u>		
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest income	56	164	12	232	-		
Contributions	-	-	44,000	44,000	-		
Gain on sale of capital assets	3,328	-	-	3,328	-		
Total nonoperating revenues (expenses)	<u>3,384</u>	<u>164</u>	<u>44,012</u>	<u>47,560</u>	<u>-</u>		
Income (loss) before transfers	<u>(338,628)</u>	<u>230,805</u>	<u>(64,052)</u>	<u>(171,875)</u>	<u>20,038</u>		
Transfers in	<u>200,000</u>	<u>-</u>	<u>40,000</u>	<u>240,000</u>	<u>-</u>		
Change in net position	<u>(138,628)</u>	<u>230,805</u>	<u>(24,052)</u>	<u>68,125</u>	<u>20,038</u>		
Net position, beginning of year	<u>(3,973,139)</u>	<u>1,610,788</u>	<u>272,142</u>	<u>(2,090,209)</u>	<u>69,129</u>		
Net position, end of year	<u>\$ (4,111,767)</u>	<u>\$ 1,841,593</u>	<u>\$ 248,090</u>	<u>\$ (2,022,084)</u>	<u>\$ 89,167</u>		

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2014**

	Business-type Activities - Enterprise Funds				Governmental Activities	
	<u>Major Fund</u> <u>Solid Waste</u> <u>Facilities</u>	<u>Major Fund</u> <u>Pay-Per-Bag</u> <u>Program</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Internal Service</u> <u>Fund - Printing</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 361,297	\$ 334,700	\$ 34,957	\$ 730,954	\$ 68,606	-
Payments to employees	(176,263)	-	-	(176,263)	-	-
Payments to suppliers for goods and services	(209,825)	(71,424)	(104,726)	(385,975)	(33,902)	-
Net cash provided (used) by operating activities	<u>(24,791)</u>	<u>263,276</u>	<u>(69,769)</u>	<u>168,716</u>	<u>34,704</u>	-
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfer from other funds	200,000	-	40,000	240,000	-	-
Unearned revenue	-	-	44,000	44,000	-	-
Increase (decrease) in due from other funds	4,903	-	203	5,106	(24,792)	-
Cash provided (used) by noncapital financing activities	<u>204,903</u>	<u>-</u>	<u>84,203</u>	<u>289,106</u>	<u>(24,792)</u>	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of capital assets	-	-	-	-	-	(9,912)
Cash provided (used) by capital and related financing activities	-	-	-	-	-	(9,912)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments	56	164	12	232	-	-
Cash provided by investing activities	<u>56</u>	<u>164</u>	<u>12</u>	<u>232</u>	<u>-</u>	-
Net increase in cash	180,168	263,440	14,446	458,054	-	-
Cash, beginning of year	401,616	1,500,507	99,649	1,733,912	-	-
Cash, end of year	<u>\$ 581,784</u>	<u>\$ 1,763,947</u>	<u>\$ 114,095</u>	<u>\$ 2,459,826</u>	<u>\$ -</u>	-
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ (342,012)	\$ 230,641	\$ (108,064)	\$ (219,435)	\$ 20,038	-
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	127,468	-	38,365	165,833	14,437	-
(Increase) decrease in accounts receivable	(8,734)	18,800	166	10,232	-	-
(Increase) decrease in inventory	-	13,563	-	13,563	-	-
(Increase) decrease in prepaid rent	-	-	44,000	44,000	-	-
Increase (decrease) in accounts payable	1,533	272	642	2,447	229	-
Increase (decrease) in accrued payroll	44	-	-	44	-	-
Increase (decrease) in closure/postclosure	195,137	-	-	195,137	-	-
Increase (decrease) in compensated absences	1,773	-	-	1,773	-	-
Increase (decrease) in unearned revenue	-	-	(44,878)	(44,878)	-	-
Total adjustments	<u>317,221</u>	<u>32,635</u>	<u>38,295</u>	<u>388,151</u>	<u>14,666</u>	-
Net cash provided (used) by operating activities	<u>\$ (24,791)</u>	<u>\$ 263,276</u>	<u>\$ (69,769)</u>	<u>\$ 168,716</u>	<u>\$ 34,704</u>	-

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

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	<b>Private- purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 38,146	\$ -
Investments	793,268	-
Accounts receivable	-	121
Due from other funds	8,681	64,149
Total assets	840,095	64,270
<b>LIABILITIES</b>		
Accounts payable	212	1,969
Amounts held for others - student activities	-	62,301
Total liabilities	212	64,270
<b>NET POSITION</b>		
Net position held in trust for other purposes	\$ 839,883	\$ -

*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, 2014**

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	<b>Private- purpose Trust Funds</b>
<b>ADDITIONS</b>	
Contributions	\$ 10,610
Investment earnings:	
Interest and dividends	11,405
Net increase (decrease) in the fair value of investments	<u>93,258</u>
Total investment earnings	104,663
Less investment expense	<u>(7,948)</u>
Total additions	<u>107,325</u>
<b>DEDUCTIONS</b>	
Payment to beneficiaries	<u>10,048</u>
Total deductions	<u>10,048</u>
Change in net position	97,277
Net position - beginning	<u>742,606</u>
Net position - ending	<u>\$ 839,883</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.

Prior to the fiscal year ended June 30, 2014, the Town reported Brunswick Development Corporation (BDC) as a discrete component unit, as the Town appointed a majority of the directors and because BDC had the potential to provide specific financial benefits to, or impose specific financial burdens on the Town. The BDC was established by the Town Council and incorporated on February 9, 1995 to promote and foster economic development within the Town of Brunswick. Effective July 1, 2013, with a change in the formation and composition of BDC's board of directors, management has determined that BDC should no longer be considered a component unit of the Town.

*Related Organizations*

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

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

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

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

**B. Government-wide Financial Statements**

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

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

## C. Fund Financial Statements

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

### 1. Major governmental funds

The Town reports the following major governmental funds:

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

The *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.

### 2. Major proprietary funds

The Town reports the following major enterprise funds:

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

The *Pay-Per-Bag Program Fund* accounts for the purchase and sale of Town trash bags.

### 3. Other fund types

In addition to the major funds described above, the Town reports the following fund types:

*Governmental Funds.* In addition to the general fund, which is always a major fund and described above, the Town reports three additional fund types in this category.

The *special revenue funds* account for revenue sources that are legally restricted or committed to expenditure for specific purposes (not including permanent funds or major capital projects). The Town reports three nonmajor special revenue funds.

The *capital projects funds* account for the acquisition of capital assets or construction of major capital projects not financed by the Town's major capital improvement funds, proprietary funds or permanent funds. The Town reports 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 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 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 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. In the past, the Town has had only one item that qualified 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. The Town Council has a fund balance policy that requires certain items to be classified as assigned. Further, the policy gives discretion to the Town Manager and Finance Director to make assignments as they deem appropriate in their professional judgment.

*Unassigned* – resources which cannot be properly classified in one of the other four categories. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

#### 9. Fund balance policy

The Town has an adopted Fund Balance Policy for the General Fund. This policy lists the criteria to be used in evaluating fund balance requirements, and establishes a minimum target balance for the unassigned category of fund balance. In addition, the policy establishes a process for reaching and maintaining the targeted level of unassigned fund balance, and the priority for the use of amounts in excess of the target.

#### 10. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

#### 11. Use of estimates

Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### **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 \$82,955,758 are as follows:

Capital assets	\$ 130,552,988
Accumulated depreciation	(47,597,230)
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 82,955,758

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 \$940,666 difference are as follows:

Deferred inflows - unavailable revenue - property tax	\$ 721,220
Deferred inflows - unavailable revenue - miscellaneous	219,446
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 940,666

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 \$(29,903,995) difference are as follows:

Bonds payable	\$ (27,322,912)
Premium on bonds (to be amortized as interest expense)	(179,782)
Accrued interest	(121,861)
School retirement incentive	(112,465)
Compensated absences	(1,403,542)
Other post employment benefits	(763,433)
Net adjustment to decrease fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ (29,903,995)

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 \$75,239 difference are as follows:

Net position of the internal service fund	\$ 89,167
Less: Capital assets net of accumulated depreciation	(13,928)
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 75,239

**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 \$7,015,450 difference are as follows:

Capital outlay	\$ 10,793,329
Depreciation expense	<u>(3,777,879)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 7,015,450

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 \$(242,943) difference are as follows:

Cost of disposed capital assets	\$ (1,902,740)
Accumulated depreciation on disposed capital assets	<u>1,659,797</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (242,943)

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 \$154,506 difference are as follows:

Property taxes	\$ 143,407
Charges for services	87,774
Other revenues	<u>(76,675)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 154,506

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 \$2,888,113 difference are as follows:

Principal repayments: General obligation debt	\$ <u>2,888,113</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 2,888,113

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$45,610 difference are as follows:

Compensated absences	\$ 5,122
School retirement incentive	39,623
Post employment benefits annual required contribution	(145,631)
Contract obligations	125,280
Accrued interest	4,519
Amortization of premium on refunding and general obligation bonds	25,291
Amortization of deferred charge on refunding	(8,594)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ 45,610

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 \$24,563 difference are as follows:

Change in net position of the internal service funds	\$ 20,038
Plus: depreciation on capital assets	14,437
Less: acquisition of capital assets	(11,641)
Plus: book value of disposed assets	1,729
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 24,563

### 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, 2014, the Town budgeted and utilized the following amounts:

	As of June 30, 2013			
	Original Budget	Encumbered Balances	Additional Appropriations	Final Budget
Restricted fund balance:				
Educational purposes	\$ 2,800,000	\$ -	\$ -	\$ 2,800,000
Municipal purposes	20,000	-	-	20,000
Assigned fund balance:				
Municipal purposes	1,000,000	-	465,000	1,465,000
Encumbrances	-	67,397	-	67,397
Unassigned fund balance:				
Educational purposes	-	-	186,580	186,580
Municipal purposes	-	-	1,100,000	1,100,000
Total utilization of fund balance	\$ 3,820,000	\$ 67,397	\$ 1,751,580	\$ 5,638,977

**C. Additional Appropriations****1. Supplemental appropriations**

The Town Council made several supplemental budgetary appropriations throughout the year totaling \$1,751,580. Of this amount, \$465,000 was appropriated to fund the capital budget. Additional appropriations throughout the year included:

McLellan Building (new Town Hall) renovation	\$ 950,000
Advance to School department	186,580
McLellan Building (new Town Hall) additional costs	<u>150,000</u>
	\$1,286,580

**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 2013-14 were \$2,038,000 for retirement, and \$365,000 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 \$270,000 were made by moving appropriations from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations.

**E. Authority to Over Expend**

On June 23, 2014, 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. Additionally on June 23, 2014, the Town Council adopted a resolution authorizing the over-expenditure of up to \$90,000 in the Public Works Central Garage operations. On August 4, 2014, the Town Council authorized the over-expenditure of up to \$40,000 to fund unanticipated expenditures paid from the Technology Services accounts. The Town exceeded its authorization to over expend by \$957 in the Refuse Collection accounts.

**F. Deficit Fund Balance or Net Position**

The following *fund balance deficits* exist at June 30, 2014:

Downtown Development TIF District Fund	\$ (945,524)
--	--------------

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.

The following *net position deficit* exists as of June 30, 2014:

Solid Waste Facilities Fund	\$(4,111,767)
-----------------------------	---------------

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

As of June 30, 2014, the Town of Brunswick had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of Deposit	\$ 10,025,861	N/A
Money-market Mutual Funds	7,396,959	N/A
Equities	347,019	N/A
Other Mutual Funds	987,986	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, 2014, 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, 2014, the bank balance of \$6,354,873 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, 2014, the Town did not have a policy for concentration of credit risk.

## B. Receivables

Receivables at June 30, 2014 consist of the following:

	General Fund	Governmental Funds	Enterprise Funds	Other Total
Taxes	\$ 810,923	\$ -	\$ -	\$ 810,923
Tax liens	292,495	-	-	292,495
Accounts	727,414	78,988	51,569	857,971
Intergovernmental	11,925	358,126	-	370,051
Gross receivables	1,842,757	437,114	51,569	2,331,440
Less: Allowance for uncollectibles	(33,912)	-	-	(33,912)
Net receivables	\$ 1,808,845	\$ 437,114	\$ 51,569	\$ 2,297,528

Property taxes for the current year were committed September 6, 2013 on the assessed value listed as of April 1, 2013, for all taxable real and personal property located in the Town. Real property taxes were due in two installments, October 15, 2013 and April 15, 2014. Personal property taxes were due in one installment, October 15, 2013. 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, 2013, upon which the levy for the year ended June 30, 2014 was based, was \$1,314,481,800. This assessed value was 70% of the estimated market value and 66.27% of the 2013 State valuation of \$1,983,450,000.

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 \$94,684 for the year ended June 30, 2014.

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, 2014, the Town had a total of \$42,301,800 in captured valuation for five TIF districts. The tax revenue captured in these districts totaled \$1,122,690 for the year.

## C. Long-term Receivables

During the fiscal year ended June 30, 2014, the Town of Brunswick collected in full one long-term receivable. 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 provided for an annual interest rate of 5% amortized on a 10 year basis, with a balloon payment due April 10, 2014, 30 months from the date of issuance.

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2014 follows.

**Governmental activities:**

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 5,456,204	\$ 595,208	\$ (15,000)	\$ 6,036,412
Construction in progress	4,682,223	67,468	(4,649,843)	99,848
Intangibles	200,000	-	-	200,000
Total capital assets not being depreciated	10,338,427	662,676	(4,664,843)	6,336,260
Capital assets being depreciated:				
Buildings	52,776,065	11,042,901	(657,030)	63,161,936
Improvements other than buildings	3,808,073	-	(178,142)	3,629,931
Machinery and equipment	4,339,973	949,504	(428,702)	4,860,775
Vehicles	7,035,634	935,813	(476,305)	7,495,142
Intangibles	428,618	-	-	428,618
Infrastructure	42,935,609	1,852,278	(147,561)	44,640,326
Total capital assets being depreciated	111,323,972	14,780,496	(1,887,740)	124,216,728
Less accumulated depreciation for:				
Buildings	(15,230,054)	(2,050,969)	497,775	(16,783,248)
Improvements other than buildings	(1,794,579)	(229,608)	160,323	(1,863,864)
Machinery and equipment	(2,962,907)	(356,492)	397,296	(2,922,103)
Vehicles	(4,858,537)	(287,971)	466,300	(4,680,208)
Intangibles	(378,928)	(32,020)	-	(410,948)
Infrastructure	(20,254,143)	(820,819)	138,103	(20,936,859)
Total accumulated depreciation	(45,479,148)	(3,777,879)	1,659,797	(47,597,230)
Total capital assets being depreciated, net	65,844,824	11,002,617	(227,943)	76,619,498
Governmental activities capital assets, net	<u>\$ 76,183,251</u>	<u>\$ 11,665,293</u>	<u>\$ (4,892,786)</u>	<u>\$ 82,955,758</u>

**Business-type activities:**

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 115,000	\$ -	\$ -	\$ 115,000
Total capital assets not being depreciated	115,000	-	-	115,000
Capital assets being depreciated:				
Buildings	54,220	-	-	54,220
Improvements other than buildings	7,441,903	-	-	7,441,903
Machinery and equipment	593,386	118,177	(76,604)	634,959
Vehicles	88,632	-	-	88,632
Intangibles	6,470	-	-	6,470
Infrastructure	589,927	-	-	589,927
Total capital assets being depreciated	8,774,538	118,177	(76,604)	8,816,111
Less accumulated depreciation for:				
Buildings	(50,256)	(2,644)	-	(52,900)
Improvements other than buildings	(5,522,549)	(109,788)	-	(5,632,337)
Machinery and equipment	(319,500)	(143,506)	76,604	(386,402)
Vehicles	(88,632)	-	-	(88,632)
Intangibles	(5,284)	(1,186)	-	(6,470)
Infrastructure	(471,141)	(23,557)	-	(494,698)
Total accumulated depreciation	(6,457,362)	(280,681)	76,604	(6,661,439)
Total business-type capital assets being depreciated, net	2,317,176	(162,504)	-	2,154,672
Business-type activities capital assets, net	\$ 2,432,176	\$ (162,504)	\$ -	\$ 2,269,672

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

**Governmental activities:**

General government	\$ 341,970
Public safety	410,167
Public works, including depreciation of general infrastructure assets	992,807
Human services	12
Education	1,817,261
Recreation and culture	215,662
Total depreciation expense - governmental activities	\$ 3,777,879

**Business-type activities:**

Mere Point wastewater	\$ 23,557
Solid Waste facilities	127,468
Train Station/Visitors Center	14,808
Total depreciation expense - business-type activities	\$ 165,833

For business-type activities, depreciation expense differs from depreciation additions by \$114,848, the amount of accumulated depreciation on an asset retired from Public Works and added to the Landfill.

## E. Leases

During the fiscal year ended June 30, 2014, the Town was 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 used the leased space as a meeting facility for the Town Council and the Town's other boards and committees. As a result of the McLellan Building/Longfellow School property exchange between Bowdoin College and the Town, and the move of the council chambers and TV function to the McLellan Building, the lease was terminated on December 31, 2013. During the fiscal year ended June 30, 2014 the total lease expense was \$18,881.

#### *Train Station and Visitor's Center*

In June 2009, the Town executed a five-year agreement with JHR Development of Maine (JHR) to lease approximately 2,125 square feet of space at JHR's Brunswick Station development (formerly Maine Street Station). The Town uses the leased space as a train station and visitor's center, subcontracting with the Brunswick Downtown Association (BDA) to manage the operation. The term of the initial five-year lease began November 1, 2009. During the year ended June 30, 2009, the Town received a \$220,000 grant from the Brunswick Development Corporation (BDC) which allowed the Town to pre-pay all five years of the rent. On April 15, 2014 the Town and JHR signed an amendment to the lease, extending the agreement five years, to November 1, 2019. For the year ended June 30, 2014 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>	
2015	\$	44,000
2016		44,000
2017		44,000
2018		44,000
2019		14,667
	\$	190,667

## 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:

**TOWN OF BRUNSWICK, MAINE** **Notes to Financial Statements**

<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>						
2006 Fire Station & Truck	2006	\$ 3,125,000	4.00% 2.00%	2021	\$ 200,000 to 275,000	\$ 1,400,000
2010 Elementary School	2010	21,462,250	to 5.50% 2.00%	2030	1,073,113 270,000	18,242,912
2011 GO Bonds	2011	4,120,000	to 3.00% 2.00%	2021	to 555,000	2,455,000
2013 Police Station	2013	5,500,000	to 3.50%	2033	275,000	<u>5,225,000</u> <u>\$ 27,322,912</u>

All long-term debt of the Town of Brunswick has been issued as general obligation. All of the 2010 Elementary School Bonds were issued through the Maine Municipal Bond Bank (MMBB). A large percentage of those were issued as Build America Bonds (BABs). Interest on BABs is taxable. The issuer, in this case MMBB, files annually for an interest subsidy from the US Treasury. The subsidy lowers the effective interest rate. Further, 87% of the debt service on the Elementary School Bonds is eligible for State subsidy.

The amounts required to amortize all bonds and notes outstanding as of June 30, 2014 are as follows:

Governmental Activities						
Year Ending June 30	Principal	Interest	Total	BAB Subsidy	Net Total	
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	1,818,112	736,377	2,554,489	(198,583)	2,355,906	
2020-2024	7,680,563	2,839,253	10,519,816	(795,151)	9,724,665	
2025-2029	6,740,563	1,498,074	8,238,637	(413,716)	7,824,921	
2030-2033	3,246,224	183,020	3,429,244	(37,364)	3,391,880	
Total	\$ 27,322,912	\$ 8,729,598	\$ 36,052,510	\$ (2,336,970)	\$ 33,715,540	

For the year ended June 30, 2014, the Town paid \$2,888,113 in principal and \$763,215 in interest (net of \$232,603 BABs subsidy) for a total of \$3,621,328 in debt service payments. Due to federal sequestration, the BABs subsidy was reduced in FY 14 by a total of \$18,492. The amount of the sequestration reduction for the November 1, 2013 interest payment subsidy was \$10,118, or an 8.7% reduction. The May 1, 2014 interest payment subsidy was reduced by \$8,374, or 7.5%. 87% of the sequestration reduction is eligible for State subsidy. The Town anticipates BABs subsidy reductions in future years, but cannot estimate the amount of the reduction going forward.

*Additional debt authorizations:* Additional debt was authorized after June 30, 2014, as follows. Also see Note "V. ADDITIONAL INFORMATION – I. Subsequent Events" herein.

On July 7, 2014 the Town Council adopted "An Ordinance Authorizing the Acquisition and Installation of Heating, Ventilation, Cooling, and Related Equipment at the Junior High School, with Total Project Costs Not to Exceed \$454,080 (plus any other costs authorized hereunder), and Further Authorizing Issuance of

Bonds and Notes in an Amount not to Exceed \$454,080 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder."

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

On September 2, 2014 the Town Council adopted "An Ordinance Authorizing the Acquisition of a Sidewalk Tractor and Associated Attachments, with Total Project Costs Not to Exceed \$146,000 (plus any other authorized costs), and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$146,000 (plus the cost of issuance)."

*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	\$ 431,701	\$ 3,576
Vacation	590,805	5,978
Compensatory time	54,390	-
School retirement stipend	326,646	-
Totals	\$ 1,403,542	\$ 9,554

## 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	<u>4,089</u>
Annual Required Contribution	210,543
Interest on Net OPEB Obligation	5,501
Amortizing Adjustment to ARC	<u>(7,953)</u>
Annual OPEB Cost	208,091
Contributions made	<u>(62,460)</u>
Increase in Net OPEB Obligation	145,631
Net OPEB obligation - beginning of year	<u>617,802</u>
Net OPEB obligation - end of year	<u>\$ 763,433</u>

The following table represents the OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2014 and two preceding years:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	Percentage of	<u>Net OPEB Obligation</u>
		<u>Annual OPEB Cost Contributed</u>	
June 30, 2012	184,382	38.92%	480,280
June 30, 2013	210,543	34.68%	617,802
June 30, 2014	208,091	30.02%	763,433

**Funding Status and Funding Progress:** The funded status of the plan as of June 30, 2014 was as follows:

Actuarial accrued liability	\$ 2,464,551
Plan assets	<u>-</u>
Unfunded actuarial accrued liability	\$ 2,464,551
Funded ratio	0%
Covered payroll	\$ 8,114,329
Unfunded actuarial accrued liability as a percentage of covered payroll	30.37%

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 75, provides multiyear trend information (six 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, 2014.

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, 2014, the Town estimates the facility has a remaining capacity of 21.72% 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 \$6,460,000. 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, \$8,595,000, the Town estimates that \$6,728,218 is applicable to this facility based on the estimated capacity used as of June 30, 2014.

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. Late in 2010, the Town learned that the waivers it sought were not available. Through January, 2012, the Town and the Maine Department of Environmental Protection (DEP) worked to negotiate an Administrative Consent Agreement (ACA) to resolve violations of certain wastewater discharge limits and other operational violations. Late in 2012, the Town and DEP cooperated in the construction and operation of a small-scale experimental treatment facility. The Town operated the facility through the 2013-14 winter months in order to obtain 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, 2014, the Town estimates that \$92,000 is applicable to this facility. This represents annual monitoring at \$4,000 per year for 23 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. Annual monitoring has now ceased, and effective June 30, 2014 the Town does not recognize a liability for landfill post-closure care for this facility.

## G. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014	Due Within One Year
<u>Governmental Activities</u>					
Bonds payable:					
General government	\$ 30,211,025	\$ -	\$ (2,888,113)	\$ 27,322,912	\$ 2,103,113
Plus premium on bonds	205,073	-	(25,291)	179,782	18,464
School retirement incentive	152,088	10,493	(50,116)	112,465	51,230
Compensated absences	1,408,664	840,118	(845,240)	1,403,542	430,188
Other post employment benefits	617,802	145,631	-	763,433	-
	<u>\$ 32,594,652</u>	<u>\$ 996,242</u>	<u>\$ (3,808,760)</u>	<u>\$ 29,782,134</u>	<u>\$ 2,602,995</u>

**TOWN OF BRUNSWICK, MAINE** **Notes to Financial Statements**

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
<b><u>Business-type Activities</u></b>					
Compensated absences	\$ 7,781	\$ 9,645	\$ (7,872)	\$ 9,554	\$ 1,250
Landfill closure and postclosure care	6,625,081	206,637	(11,500)	6,820,218	4,000
	<u>\$ 6,632,862</u>	<u>\$ 216,282</u>	<u>\$ (19,372)</u>	<u>\$ 6,829,772</u>	<u>\$ 5,250</u>

For the governmental activities, compensated absences and net pension obligations are generally liquidated by the General Fund. For business-type activities, compensated absences and net pension obligations are liquidated by the Solid Waste Facilities Fund. 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, 2014 fund balance are as follows:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
<b>General Fund:</b>				
Inventories and deposits	\$ 36,767	\$ -	\$ -	\$ -
Education purposes	-	4,773,172	-	-
State road assistance funds	-	82,305	-	-
State revenue sharing funds	-	125,433	-	-
Encumbrances	-	-	-	70,852
Budget appropriation	-	-	-	1,000,000
Supplemental appropriations	-	-	-	200,000
Compensated absences	-	-	-	348,526
Police station building fund	-	11,097	-	-
<b>Capital projects funds:</b>				
Advances and deposits	995,524	-	-	-
Restricted programs/purposes	-	1,157,179	-	-
Appropriated for capital projects	-	-	1,327,163	-
Special revenue funds	13,075	753,780	178,164	-
Permanent funds	<u>557,770</u>	<u>20,877</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,603,136</u>	<u>\$ 6,923,843</u>	<u>\$ 1,505,327</u>	<u>\$ 1,619,378</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, 2014, the Town's unassigned fund balance was at 15.34% of revenues, which is \$733,022 under the target. In accordance with the Town's fund balance policy, the Town intends to develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of no more than three years.

**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.

**TOWN OF BRUNSWICK, MAINE****Notes to Financial Statements**

The advances are interfund loans 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	Enterprise Funds	\$ 1,503
		\$ 1,503
Recreation Program Funds	General Fund	74,726
Town Restricted Funds	General Fund	321,572
School Restricted Funds	General Fund	91,260
Public Works Projects	General Fund	102,864
Vehicle/Equipment Reserves	General Fund	317,492
Capital Improvement Fund	General Fund	277,302
Private-purpose Trust Funds	General Fund	8,681
Internal Service Fund	General Fund	77,270
		\$ 1,271,167

2. Advances to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Improvements Fund	Downtown Development TIF District	\$ 945,524

It is anticipated that the advances to the Downtown Development TIF District will be repaid from future TIF revenues.

**J. Interfund transfers**

	Transfers In:						Total transfers out
	General Fund	Downtown TIF District	Police Station Fund	Nonmajor Governmental Funds	Enterprise Funds		
<u>Transfers Out:</u>							
General Fund	\$ -	\$ -	\$ 6,536	\$ 3,077,905	\$ 240,000	\$ 3,324,441	
Nonmajor Govt Funds							
Special Revenue Funds	20	370,282	-	180,899	-	551,201	
Capital Project Funds	<u>704,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>704,245</u>	
Total transfers in	<u>\$ 704,265</u>	<u>\$ 370,282</u>	<u>\$ 6,536</u>	<u>\$ 3,258,804</u>	<u>\$ 240,000</u>	<u>\$ 4,579,887</u>	

Of the \$3,324,441 transferred out of the General Fund, \$2,992,941 was made for a variety of capital projects. The largest of these include \$1,100,000 for renovations to the new Town Hall at 85 Union St. and other related costs, \$680,580 for vehicle acquisitions, \$513,000 for annual Public Works projects, and \$465,000 for Capital Budget projects. The \$240,000 transfer to Enterprise Funds represents General Fund subsidies of the Graham Road Landfill operations of \$200,000 and the Train Station/Visitors Center of \$40,000. 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 \$275,000 from the Industrial Park Fund, \$212,144 in unspent bond proceeds used to pay debt service, and \$217,121 in balances from completed projects and activities.

**K. Sale of Property (special item)**

Sale of property to Brunswick Development Corporation (BDC) – On June 5, the Town finalized the sale of the Recreation building at 30 Federal Street to BDC, coincident with BDC's sale of this property, along with the property at 28 Federal Street, to Coastal Enterprises, Inc. (CEI). The Town recognizes a special item of \$225,000 from this sale.

**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, 2014, 2013 and 2012, 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, 2014.

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 taxes for the fiscal years ended June 30, 2013 and 2014 for \$114,114 and \$121,630, respectively. The Town has also taxed these properties for fiscal year 2014-15 and the amount that would be due with an abatement would be \$125,571.

#### **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, 2014 varied from 6.5% to 12.8% 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, 2014, 2013 and 2012 were \$796,662, \$683,783 and \$532,670, 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, 2013, the latest information available, the remaining balance is \$231,731. The Town has used credits of \$66,024, \$68,280 and \$71,712 for the years ended June 30, 2014, 2013 and 2012, 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 6.5% of their compensation to the retirement system. Beginning with the fiscal year ended June 30, 2014, the Town is required to make contributions equivalent to the actuarially determined normal cost of the Plan for non-federally-funded teachers. Contributions paid by the Town for the year ended June 30, 2014, were \$415,000, at a rate of 2.65%, equal to the required contribution for the year. 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, 2014, 2013 and 2012 were \$2,038,000, \$2,135,000 and \$2,144,000, 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, 2014, 2013 and 2012 were \$61,368, \$64,533 and \$116,602, 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, 2014 were 13.03% and 16.15%, 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, 2014, the Town's equalized state valuation of \$2,026,250,000 was 5.25% of the County's equalized state valuation of \$38,619,800,000. The Town's share of Cumberland County's principal debt as of June 30, 2014 is \$2,010,783 or 5.25% of the total outstanding long-term County debt of \$38,325,000.

### **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, 2014, MR10 had total principal debt outstanding of \$7,104. The Town of Brunswick's share of MR10's debt is 38.29%, or \$2,720. 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, 2014 is provided as an indication of the combined debt burden of the constituent ratepayer/taxpayer base.

	Total <u>Principal Debt</u>	% Applicable to Brunswick	Amt Applicable to Brunswick
Brunswick and Topsham Water District	\$ 8,585,560	66.67%	\$ 5,723,993
Brunswick Sewer District	1,463,231	100.00%	1,463,231
<b>Total</b>	<b>\$ 10,048,791</b>		<b>\$ 7,187,224</b>

#### **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, 2014, 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, 2014, MR10 had total principal debt outstanding of \$7,104. The Town of Brunswick's share of MR10's debt is 38.29%, or \$2,720. 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**

As of June 30, 2014, the Town had various contractual commitments, none of which are considered material.

#### **I. Subsequent Events**

On July 7, 2014, the Town Council adopted a bond ordinance authorizing the issuance of up to \$454,080 in debt to finance the acquisition and installation of heating, ventilation, cooling and related equipment at the Brunswick Junior High School. This is the fourth and final phase of an air quality project at the school, and was included in the 2015-2019 Capital Improvement Plan (CIP) adopted by the Town Council on May 29, 2014.

On September 2, 2014 the Town Council adopted a bond ordinance authorizing the issuance of up to \$580,000 to finance storm drain improvements and reconstruction of Nancy Drive, Patricia Road and Pierce Lane. This project was included in the 2015-2019 CIP and the work is anticipated to begin in the spring of 2015.

On September 2, 2014 the Town Council adopted a bond ordinance authorizing the issuance of \$146,000 to finance the acquisition of a sidewalk tractor and associated attachments.

**Required Supplementary Information**

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

Fiscal year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial			Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
			Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded 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%
2014	1/1/2013		- 2,464,551	(2,464,551)	0.00%	8,114,329		30.37%

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

Special revenue funds are established for the following purposes:

#### **Recreation Programs**

To account for all user-supported recreation programs.

#### **Town Restricted Programs**

To account for grants and other programs where revenues are restricted for a specific purpose.

#### **School Restricted Programs**

To account for grants and other programs where revenues are restricted for a specific purpose related to educational expenditures.

### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

Capital projects funds have been established for the following purposes:

#### **Impact Fees**

To account for a variety of capital improvements for which an impact fee has been levied to fund all or a portion of the improvement. The fees are collected through the Town's site development and subdivision review process.

#### **Industrial Park**

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

#### **Public Works Projects**

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

#### **Vehicle/Equipment Reserves**

To account for vehicle and capital equipment purchases.

#### **Downtown Improvement Projects**

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

**Capital 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, 2014**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Nonmajor Permanent Funds</b>	<b>Total Other Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 250,778	\$ 1,850,554	\$ 25,204	\$ 2,126,536
Investments	-	-	541,737	541,737
Receivables:				
Accounts	78,988	-	-	78,988
Intergovernmental	358,126	-	-	358,126
Deposits	-	50,000	-	50,000
Inventory	13,075	-	-	13,075
Due from other funds	487,558	697,658	-	1,185,216
Advances to other funds	-	945,524	-	945,524
Total assets	<u>\$ 1,188,525</u>	<u>\$ 3,543,736</u>	<u>\$ 566,941</u>	<u>\$ 5,299,202</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 43,961	\$ 63,870	\$ 350	\$ 108,181
Accrued payroll	78,090	-	-	78,090
Other liabilities	5,217	-	-	5,217
Unearned revenue	116,238	-	-	116,238
Total liabilities	<u>243,506</u>	<u>63,870</u>	<u>350</u>	<u>307,726</u>
Fund balances:				
Nonspendable	13,075	995,524	557,770	1,566,369
Restricted	753,780	1,157,179	20,877	1,931,836
Committed	178,164	1,327,163	-	1,505,327
Unassigned	-	-	(12,056)	(12,056)
Total fund balances	<u>945,019</u>	<u>3,479,866</u>	<u>566,591</u>	<u>4,991,476</u>
Total liabilities and fund balances	<u>\$ 1,188,525</u>	<u>\$ 3,543,736</u>	<u>\$ 566,941</u>	<u>\$ 5,299,202</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, 2014**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Nonmajor Permanent Funds</b>	<b>Total Other Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 835,538	\$ -	\$ -	\$ 835,538
Intergovernmental	1,241,925	-	-	1,241,925
Investment income	-	-	69,563	69,563
Charges for services	1,258,396	-	-	1,258,396
Interest	27	210	-	237
Donations	204,012	107,812	-	311,824
Total revenues	<u>3,539,898</u>	<u>108,022</u>	<u>69,563</u>	<u>3,717,483</u>
<b>EXPENDITURES</b>				
Current:				
General government	150,500	-	525	151,025
Public safety	113,462	-	-	113,462
Public works	12,271	-	-	12,271
Education	2,116,527	-	-	2,116,527
Recreation and culture	457,391	-	7,500	464,891
Capital outlay	40,164	3,919,109	-	3,959,273
Total expenditures	<u>2,890,315</u>	<u>3,919,109</u>	<u>8,025</u>	<u>6,817,449</u>
Excess (deficiency) of revenues over (under) expenditures	<u>649,583</u>	<u>(3,811,087)</u>	<u>61,538</u>	<u>(3,099,966)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other funds	91,500	3,167,304	-	3,258,804
Transfer to other funds	<u>(551,201)</u>	<u>(704,245)</u>	<u>-</u>	<u>(1,255,446)</u>
Total other financing sources (uses)	<u>(459,701)</u>	<u>2,463,059</u>	<u>-</u>	<u>2,003,358</u>
Net changes in fund balances	189,882	(1,348,028)	61,538	(1,096,608)
Fund balances, beginning of year	755,137	4,827,894	505,053	6,088,084
Fund balances, end of year	<u>\$ 945,019</u>	<u>\$ 3,479,866</u>	<u>\$ 566,591</u>	<u>\$ 4,991,476</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2014**

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	<b>Recreation Programs</b>	<b>Town Restricted Programs</b>	<b>School Restricted Programs</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 238,997	\$ 11,781	\$ -	\$ 250,778
Receivables:				
Accounts	553	966	77,469	78,988
Intergovernmental	- 55,225	302,901	358,126	
Inventory	- -	13,075	13,075	
Due from other funds	74,726	321,572	91,260	487,558
Total assets	<u>\$ 314,276</u>	<u>\$ 389,544</u>	<u>\$ 484,705</u>	<u>\$ 1,188,525</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 22,299	\$ 13,371	\$ 8,291	\$ 43,961
Accrued payroll	12,017	999	65,074	78,090
Other liabilities	- -	5,217	5,217	
Unearned revenue	101,796	- -	14,442	116,238
Total liabilities	<u>136,112</u>	<u>14,370</u>	<u>93,024</u>	<u>243,506</u>
Fund balances:				
Nonspendable	- -	13,075	13,075	
Restricted	- 375,174	378,606	753,780	
Committed	178,164 -	- -	178,164	
Total fund balances	<u>178,164</u>	<u>375,174</u>	<u>391,681</u>	<u>945,019</u>
Total liabilities and fund balances	<u>\$ 314,276</u>	<u>\$ 389,544</u>	<u>\$ 484,705</u>	<u>\$ 1,188,525</u>

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**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the year ended June 30, 2014**

	<u>Recreation Programs</u>	<u>Town Restricted Programs</u>	<u>School Restricted Programs</u>	<u>Totals</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ 835,538	\$ -	\$ 835,538
Intergovernmental	-	96,107	1,145,818	1,241,925
Charges for services	396,692	28,573	833,131	1,258,396
Interest	26	1	-	27
Donations	-	84,354	119,658	204,012
Total revenues	<u>396,718</u>	<u>1,044,573</u>	<u>2,098,607</u>	<u>3,539,898</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	150,500	-	150,500
Public safety	-	113,462	-	113,462
Public works	-	12,271	-	12,271
Education	-	-	2,116,527	2,116,527
Recreation and culture	382,007	75,384	-	457,391
Capital outlay	40,164	-	-	40,164
Total expenditures	<u>422,171</u>	<u>351,617</u>	<u>2,116,527</u>	<u>2,890,315</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,453)</u>	<u>692,956</u>	<u>(17,920)</u>	<u>649,583</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other funds	-	5,500	86,000	91,500
Transfer to other funds	-	(551,201)	-	(551,201)
Total other financing sources (uses)	<u>-</u>	<u>(545,701)</u>	<u>86,000</u>	<u>(459,701)</u>
Net changes in fund balances	<u>(25,453)</u>	<u>147,255</u>	<u>68,080</u>	<u>189,882</u>
Fund balances, beginning of year	<u>203,617</u>	<u>227,919</u>	<u>323,601</u>	<u>755,137</u>
Fund balances, end of year	<u>\$ 178,164</u>	<u>\$ 375,174</u>	<u>\$ 391,681</u>	<u>\$ 945,019</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2014**

	<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	\$ 558,619	\$ 640,486	\$ -	\$ -	\$ 136,794	\$ 52,889	\$ 461,766	\$ 1,850,554
Deposits	-	-	-	-	-	50,000	-	50,000
Due from other funds	-	-	102,864	317,492	-	277,302	-	697,658
Advances to other funds	-	-	-	-	-	945,524	-	945,524
<b>Total assets</b>	<b>\$ 558,619</b>	<b>\$ 640,486</b>	<b>\$ 102,864</b>	<b>\$ 317,492</b>	<b>\$ 136,794</b>	<b>\$ 1,325,715</b>	<b>\$ 461,766</b>	<b>\$ 3,543,736</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 14,791	\$ 223	\$ -	\$ 48,856	\$ -	\$ 63,870
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,791</b>	<b>\$ 223</b>	<b>\$ -</b>	<b>\$ 48,856</b>	<b>\$ -</b>	<b>\$ 63,870</b>
Fund balances:								
Nonspendable	-	-	-	-	-	995,524	-	995,524
Restricted	558,619	-	-	-	136,794	-	461,766	1,157,179
Committed	-	640,486	88,073	317,269	-	281,335	-	1,327,163
<b>Total fund balances</b>	<b>558,619</b>	<b>640,486</b>	<b>88,073</b>	<b>317,269</b>	<b>136,794</b>	<b>1,276,859</b>	<b>461,766</b>	<b>3,479,866</b>
<b>Total liabilities and fund balances</b>	<b>\$ 558,619</b>	<b>\$ 640,486</b>	<b>\$ 102,864</b>	<b>\$ 317,492</b>	<b>\$ 136,794</b>	<b>\$ 1,325,715</b>	<b>\$ 461,766</b>	<b>\$ 3,543,736</b>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the year ended June 30, 2014**

	<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>REVENUES</b>								
Interest	\$ 58	\$ 59	\$ -	\$ -	\$ 19	\$ 9	\$ 65	\$ 210
Donations	13,147	-	-	-	-	94,665	-	107,812
Total revenues	<u>13,205</u>	<u>59</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>94,674</u>	<u>65</u>	<u>108,022</u>
<b>EXPENDITURES</b>								
Capital outlay	35,448	-	509,684	1,180,779	110,686	2,082,512	-	3,919,109
Total expenditures	<u>35,448</u>	<u>-</u>	<u>509,684</u>	<u>1,180,779</u>	<u>110,686</u>	<u>2,082,512</u>	<u>-</u>	<u>3,919,109</u>
Excess (deficiency) of revenues over (under) expenditures	(22,243)	59	(509,684)	(1,180,779)	(110,667)	(1,987,838)	65	(3,811,087)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers from other funds	-	180,899	513,000	682,975	-	1,790,430	-	3,167,304
Transfers to other funds	-	(275,000)	-	-	-	(217,101)	(212,144)	(704,245)
Total other financing sources (uses)	-	(94,101)	513,000	682,975	-	1,573,329	(212,144)	2,463,059
Net changes in fund balances	(22,243)	(94,042)	3,316	(497,804)	(110,667)	(414,509)	(212,079)	(1,348,028)
Fund balances, beginning of year	580,862	734,528	84,757	815,073	247,461	1,691,368	673,845	4,827,894
Fund balances, end of year	<u>\$ 558,619</u>	<u>\$ 640,486</u>	<u>\$ 88,073</u>	<u>\$ 317,269</u>	<u>\$ 136,794</u>	<u>\$ 1,276,859</u>	<u>\$ 461,766</u>	<u>\$ 3,479,866</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**June 30, 2014**

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	<b>Education Funds</b>	<b>Community Improvements Fund</b>	<b>Recreation and Cultural Fund</b>	<b>Social Services Fund</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 823	\$ 1,986	\$ 20,234	\$ 2,161	\$ 25,204
Investments	17,698	42,687	434,895	46,457	541,737
<b>Total assets</b>	<b>\$ 18,521</b>	<b>\$ 44,673</b>	<b>\$ 455,129</b>	<b>\$ 48,618</b>	<b>\$ 566,941</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 350	\$ -	\$ -	350
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 350</b>	<b>\$ -</b>	<b>\$ -</b>	<b>350</b>
Fund balances (deficits):					
Nonspendable	14,673	41,766	467,185	34,146	557,770
Restricted	3,848	2,557	-	14,472	20,877
Unassigned	-	-	(12,056)	-	(12,056)
<b>Total fund balances</b>	<b>18,521</b>	<b>44,323</b>	<b>455,129</b>	<b>48,618</b>	<b>566,591</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,521</b>	<b>\$ 44,673</b>	<b>\$ 455,129</b>	<b>\$ 48,618</b>	<b>\$ 566,941</b>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the year ended June 30, 2014**

	<b>Education Funds</b>	<b>Community Improvements Fund</b>	<b>Recreation and Cultural Fund</b>	<b>Social Services Fund</b>	<b>Totals</b>
<b>REVENUES</b>					
Investment earnings:					
Interest and dividends	\$ 199	\$ 482	\$ 4,976	\$ 523	\$ 6,180
Net increase (decrease) in the fair value of investments	2,207	5,344	55,124	5,793	68,468
Total investment earnings	2,406	5,826	60,100	6,316	74,648
Less investment expense	(164)	(397)	(4,094)	(430)	(5,085)
<b>Total revenues</b>	<b>2,242</b>	<b>5,429</b>	<b>56,006</b>	<b>5,886</b>	<b>69,563</b>
<b>EXPENDITURES</b>					
Payment to beneficiaries	-	525	7,500	-	8,025
<b>Total expenditures</b>	<b>-</b>	<b>525</b>	<b>7,500</b>	<b>-</b>	<b>8,025</b>
Net changes in fund balances	2,242	4,904	48,506	5,886	61,538
Fund balances, beginning of year	16,279	39,419	406,623	42,732	505,053
<b>Fund balances, end of year</b>	<b>\$ 18,521</b>	<b>\$ 44,323</b>	<b>\$ 455,129</b>	<b>\$ 48,618</b>	<b>\$ 566,591</b>

**Statement D-3**

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**Education Funds**  
**June 30, 2014**

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	<b>Brunswick School Fund</b>	<b>Brunswick High Class of 1920 Fund</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 629	\$ 194	\$ 823
Investments	13,525	4,173	17,698
Total assets	<u>\$ 14,154</u>	<u>\$ 4,367</u>	<u>\$ 18,521</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	10,896	3,777	14,673
Restricted	3,258	590	3,848
Total fund balances	<u>14,154</u>	<u>4,367</u>	<u>18,521</u>
Total liabilities and fund balances	<u>\$ 14,154</u>	<u>\$ 4,367</u>	<u>\$ 18,521</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, 2014**

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	<b>Brunswick School Fund</b>	<b>Brunswick High Class of 1920 Fund</b>	<b>Totals</b>
<b>REVENUES</b>			
Investment earnings:			
Interest and dividends	\$ 152	\$ 47	\$ 199
Net increase (decrease) in the fair value of investments	<u>1,687</u>	<u>520</u>	<u>2,207</u>
Total investment earnings	1,839	567	2,406
Less investment expense	<u>(125)</u>	<u>(39)</u>	<u>(164)</u>
Total revenues	1,714	528	2,242
<b>EXPENDITURES</b>			
Payment to beneficiaries	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	1,714	528	2,242
Fund balances, beginning of year	<u>12,440</u>	<u>3,839</u>	<u>16,279</u>
Fund balances, end of year	<u>\$ 14,154</u>	<u>\$ 4,367</u>	<u>\$ 18,521</u>

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## PROPRIETARY FUNDS

### **Enterprise Funds:**

These funds are used to report activities for which a fee is charged to external users for goods or services. In addition to its Solid Waste Facilities and Pay-per-bag major funds, the Town reports the following nonmajor enterprise funds:

Mere Point Wastewater  
Operation of a wastewater district serving 35 households.

Train Station/Visitors Center  
Operation of a downtown train station and visitors center.

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**Enterprise Funds**  
**June 30, 2014**

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	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 30,547	\$ 83,548	\$ 114,095
Accounts receivable	2,755	300	3,055
Prepaid rent	-	14,667	14,667
Due from other funds	431	-	431
Total current assets	<u>33,733</u>	<u>98,515</u>	<u>132,248</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	(592,198)	(37,044)	(629,242)
Net capital assets	<u>95,229</u>	<u>36,994</u>	<u>132,223</u>
Total assets	<u>128,962</u>	<u>135,509</u>	<u>264,471</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,125	589	1,714
Unearned revenue	-	14,667	14,667
Total liabilities	<u>1,125</u>	<u>15,256</u>	<u>16,381</u>
<b>NET POSITION</b>			
Net investment in capital assets	95,229	36,994	132,223
Unrestricted	32,608	83,259	115,867
Total net position	<u>\$ 127,837</u>	<u>\$ 120,253</u>	<u>\$ 248,090</u>

Statement E-2

**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, 2014**

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	<b>Mere Point Wastewater</b>	<b>Train Station/ Visitors Center</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charge for services	\$ 21,533	\$ 14,136	\$ 35,669
Total operating revenues	<u>21,533</u>	<u>14,136</u>	<u>35,669</u>
<b>OPERATING EXPENSES</b>			
Contractual services	33,767	69,853	103,620
Materials and supplies	-	1,748	1,748
Depreciation	23,557	14,808	38,365
Total operating expenses	<u>57,324</u>	<u>86,409</u>	<u>143,733</u>
Operating income (loss)	<u>(35,791)</u>	<u>(72,273)</u>	<u>(108,064)</u>
<b>NONOPERATING REVENUES</b>			
Interest income	4	8	12
Contributions	-	44,000	44,000
Total nonoperating revenues	<u>4</u>	<u>44,008</u>	<u>44,012</u>
Income (loss) before transfers	<u>(35,787)</u>	<u>(28,265)</u>	<u>(64,052)</u>
Transfers in	-	40,000	40,000
Change in net position	(35,787)	11,735	(24,052)
Net position, beginning of year	<u>163,624</u>	<u>108,518</u>	<u>272,142</u>
Net position, end of year	<u>\$ 127,837</u>	<u>\$ 120,253</u>	<u>\$ 248,090</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**Enterprise Funds**  
**For the year ended June 30, 2014**

	<b>Mere Point Wastewater</b>	<b>Train Station/ Visitors Center</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 21,699	\$ 13,258	\$ 34,957
Payments to suppliers for goods and services	(33,528)	(71,198)	(104,726)
Net cash provided (used) by operating activities	<u>(11,829)</u>	<u>(57,940)</u>	<u>(69,769)</u>
<b>CASH FLOWS FROM NONCAPITAL</b>			
<b>FINANCING ACTIVITIES</b>			
Transfer from other funds	-	40,000	40,000
Unearned revenue	-	44,000	44,000
Increase (decrease) in due to other funds	203	-	203
Cash provided (used) by noncapital financing activities	<u>203</u>	<u>84,000</u>	<u>84,203</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	4	8	12
Cash provided by investing activities	<u>4</u>	<u>8</u>	<u>12</u>
Net increase in cash	(11,622)	26,068	14,446
Cash, beginning of year	42,169	57,480	99,649
Cash, end of year	<u>\$ 30,547</u>	<u>\$ 83,548</u>	<u>\$ 114,095</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (35,791)	\$ (72,273)	\$ (108,064)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	23,557	14,808	38,365
(Increase) decrease in accounts receivable	166	-	166
(Increase) decrease in prepaid rent	-	44,000	44,000
Increase (decrease) in accounts payable	239	403	642
Increase (decrease) in unearned revenue	-	(44,878)	(44,878)
Total adjustments	<u>23,962</u>	<u>14,333</u>	<u>38,295</u>
Net cash provided (used) by operating activities	<u>\$ (11,829)</u>	<u>\$ (57,940)</u>	<u>\$ (69,769)</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, 2014**

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<b>Private-purpose Trust Funds</b>					
	<b>Scholarship and Education Funds</b>	<b>Public Library Funds</b>	<b>E. H. Pennell Village Improvement Fund</b>	<b>Alex Labbe Recreation Fund</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 33,184	\$ 3,769	\$ 1,193	\$ -	\$ 38,146
Investments	686,629	81,007	25,632	-	793,268
Due from other funds	-	-	-	8,681	8,681
Total assets	<u>719,813</u>	<u>84,776</u>	<u>26,825</u>	<u>8,681</u>	<u>840,095</u>
<b>LIABILITIES</b>					
Accounts payable	-	212	-	-	212
Total liabilities	-	212	-	-	212
<b>NET POSITION</b>					
Net position held in trust for other purposes	<u>\$ 719,813</u>	<u>\$ 84,564</u>	<u>\$ 26,825</u>	<u>\$ 8,681</u>	<u>\$ 839,883</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Changes in Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**For the year ended June 30, 2014**

	<b>Private-purpose Trust Funds</b>					
	<b>Scholarship and Education Funds</b>	<b>Public Library Funds</b>	<b>E. H. Pennell Village Improvement Fund</b>	<b>Alex Labbe Recreation Fund</b>	<b>Totals</b>	
<b>ADDITIONS</b>						
Contributions	\$ -	\$ -	\$ -	\$ 10,610	\$ 10,610	
Investment earnings:						
Interest and dividends	10,203	912	290	-	11,405	
Net increase (decrease) in the fair value of investments	<u>79,949</u>	<u>10,101</u>	<u>3,208</u>	<u>-</u>	<u>93,258</u>	
Total investment earnings	<u>90,152</u>	<u>11,013</u>	<u>3,498</u>	<u>-</u>	<u>104,663</u>	
Less investment expense	(6,960)	(750)	(238)	-	(7,948)	
Total additions	<u>83,192</u>	<u>10,263</u>	<u>3,260</u>	<u>10,610</u>	<u>107,325</u>	
<b>DEDUCTIONS</b>						
Payment to beneficiaries	6,625	212	100	3,111	10,048	
Total deductions	<u>6,625</u>	<u>212</u>	<u>100</u>	<u>3,111</u>	<u>10,048</u>	
Changes in net position	76,567	10,051	3,160	7,499	97,277	
Net position - beginning of year	643,246	74,513	23,665	1,182	742,606	
Net position - end of year	<u>\$ 719,813</u>	<u>\$ 84,564</u>	<u>\$ 26,825</u>	<u>\$ 8,681</u>	<u>\$ 839,883</u>	

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**Scholarship and Education Funds**  
**June 30, 2014**

	Samuel Davis School Prize Fund	Skolfield Turner Scholarship Fund	Pearl Baker Scholarship Fund	Lewis Gallagher Scholarship Fund	Doris Bibber Memorial Fund	Elizabeth Nickerson Scholarship Fund	John Bibber Scholarship Fund	Lester Rogers Memorial Fund	Brunswick JHS Personal Growth Award Fund	Totals
<b>ASSETS</b>										
Cash and cash equivalents	\$ 1,861	\$ 14,625	\$ 197	\$ 10,944	\$ 70	\$ 4,004	\$ 1,138	\$ 235	\$ 110	\$ 33,184
Investments	39,993	314,359	4,234	208,602	1,501	86,062	24,461	5,047	2,370	686,629
Due from other funds	-	-	-	-	-	-	-	-	-	-
Total assets	<u>41,854</u>	<u>328,984</u>	<u>4,431</u>	<u>219,546</u>	<u>1,571</u>	<u>90,066</u>	<u>25,599</u>	<u>5,282</u>	<u>2,480</u>	<u>719,813</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 for other purposes	<u>\$ 41,854</u>	<u>\$ 328,984</u>	<u>\$ 4,431</u>	<u>\$ 219,546</u>	<u>\$ 1,571</u>	<u>\$ 90,066</u>	<u>\$ 25,599</u>	<u>\$ 5,282</u>	<u>\$ 2,480</u>	<u>\$ 719,813</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, 2014**

	<b>Samuel Davis School Prize Fund</b>	<b>Skolfield Turner Scholarship Fund</b>	<b>Pearl Baker Scholarship Fund</b>	<b>Lewis Gallagher Scholarship Fund</b>	<b>Doris Bibber Memorial Fund</b>	<b>Elizabeth Nickerson Scholarship Fund</b>	<b>John Bibber Scholarship Fund</b>	<b>Lester Rogers Memorial Fund</b>	<b>Brunswick JHS Personal Growth Award Fund</b>	<b>Totals</b>
<b>ADDITIONS</b>										
Investment earnings:										
Interest and dividends	\$ 456	\$ 3,538	\$ 47	\$ 4,752	\$ 17	\$ 1,033	\$ 275	\$ 57	\$ 28	\$ 10,203
Net incr (decr) in fair value of investments	5,047	39,199	528	19,552	187	11,447	3,050	635	304	79,949
Total investment earnings	5,503	42,737	575	24,304	204	12,480	3,325	692	332	90,152
Less investment expense	(375)	(2,911)	(39)	(2,475)	(14)	(850)	(226)	(47)	(23)	(6,960)
Total additions	5,128	39,826	536	21,829	190	11,630	3,099	645	309	83,192
<b>DEDUCTIONS</b>										
Payment to beneficiaries	500	-	-	-	-	6,000	-	50	75	6,625
Total deductions	500	-	-	-	-	6,000	-	50	75	6,625
Changes in net position	4,628	39,826	536	21,829	190	5,630	3,099	595	234	76,567
Net position - beginning of year	37,226	289,158	3,895	197,717	1,381	84,436	22,500	4,687	2,246	643,246
Net position - end of year	\$ 41,854	\$ 328,984	\$ 4,431	\$ 219,546	\$ 1,571	\$ 90,066	\$ 25,599	\$ 5,282	\$ 2,480	\$ 719,813

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**Public Library Funds**  
**June 30, 2014**

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	<b>L. Augusta Curtis Library Fund</b>	<b>W. J. Curtis Library Fund</b>	<b>Letitia A. Curtis Library Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,838	\$ 1,522	\$ 409	\$ 3,769
Investments	39,518	32,706	8,783	81,007
Total assets	<u>41,356</u>	<u>34,228</u>	<u>9,192</u>	<u>84,776</u>
<b>LIABILITIES</b>				
Accounts payable	103	86	23	212
Total liabilities	<u>103</u>	<u>86</u>	<u>23</u>	<u>212</u>
<b>NET POSITION</b>				
Net position held in trust for other purposes	\$ 41,253	\$ 34,142	\$ 9,169	<u>\$ 84,564</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Changes in Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**Public Library Funds**  
**For the year ended June 30, 2014**

	<b>L. Augusta Curtis Library Fund</b>	<b>W. J. Curtis Library Fund</b>	<b>Letitia A. Curtis Library Fund</b>	<b>Totals</b>
<b>ADDITIONS</b>				
Investment earnings:				
Interest and dividends	\$ 445	\$ 368	\$ 99	\$ 912
Net increase (decrease) in the fair value of investments	<u>4,927</u>	<u>4,079</u>	<u>1,095</u>	<u>10,101</u>
Total investment earnings	<u>5,372</u>	<u>4,447</u>	<u>1,194</u>	<u>11,013</u>
Less investment expense	<u>(366)</u>	<u>(303)</u>	<u>(81)</u>	<u>(750)</u>
Total additions	<u>5,006</u>	<u>4,144</u>	<u>1,113</u>	<u>10,263</u>
<b>DEDUCTIONS</b>				
Payment to beneficiaries	<u>103</u>	<u>86</u>	<u>23</u>	<u>212</u>
Total deductions	<u>103</u>	<u>86</u>	<u>23</u>	<u>212</u>
Changes in net position	4,903	4,058	1,090	10,051
Net position - beginning of year	<u>36,350</u>	<u>30,084</u>	<u>8,079</u>	<u>74,513</u>
Net position - end of year	<u><u>\$ 41,253</u></u>	<u><u>\$ 34,142</u></u>	<u><u>\$ 9,169</u></u>	<u><u>\$ 84,564</u></u>

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Changes in Assets and Liabilities**  
**Fiduciary Funds**  
**Agency Fund**  
**For the year ended June 30, 2014**

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	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>ASSETS</b>				
Accounts receivable	\$ 58	\$ 62	\$ -	\$ 120
Due from other funds	59,697	71,817	67,364	64,150
Total assets	<u>59,755</u>	<u>71,879</u>	<u>67,364</u>	<u>64,270</u>
<b>LIABILITIES</b>				
Accounts payable	853	1,116	\$ -	1,969
Amounts held for others - student activities	58,902	70,763	67,364	62,301
Total liabilities	<u>\$ 59,755</u>	<u>\$ 71,879</u>	<u>\$ 67,364</u>	<u>\$ 64,270</u>

## STATISTICAL SECTION

The following statistical tables are provided to give a historical perspective and to assist in assessing the current financial status of the Town of Brunswick. The tables do not provide full financial information for prior years and are provided for supplementary analysis purposes only.

<u>Contents</u>	<u>Tables</u>
Financial Trends	1-5
<i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	
Revenue Capacity	6-11
<i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	
Debt Capacity	12-14
<i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	15-16
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	
Operating Information	17-19
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i>	



Table 1

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

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011(a)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 55,925,927
Restricted	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	7,494,688
Unrestricted	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	9,829,334
Total governmental activities net position	<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>	<u>\$ 73,249,949</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 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	\$ 2,269,672
Unrestricted	(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)	(4,291,756)
Total business-type activities net position	<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>	<u>\$ (2,022,084)</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 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	\$ 58,195,599
Restricted	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	7,494,688
Unrestricted	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	5,537,578
Total primary government net position	<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>	<u>\$ 71,227,865</u>

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

Table 2

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

	<b>Fiscal Year</b>									
	<b>2005</b>	<b>2006(a)</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011(b)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 4,382,918
Public safety	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	8,643,119
Public works	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	5,180,234
Human services	189,035	194,494	169,445	183,258	146,580	134,805	150,279	168,829	154,429	168,706
Education	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	36,080,222
Recreation and culture	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	3,319,591
County tax	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	1,249,487
Unclassified	1,349,068	442,312	898,278	369,038	308,691	133,725	120,725	296,682	281,424	36,996
Interest on long term debt	508,766	412,216	379,004	317,925	307,106	251,625	644,723	785,569	698,508	741,999
Total governmental activities expenses	<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>	<u>59,803,272</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	712,042
Other business-type activities	73,570	45,569	185,082	123,069	130,498	160,424	177,705	178,742	207,322	228,992
Total business-type activities	<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>	<u>941,034</u>
Total primary government expenses	<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>	<u>\$ 60,744,306</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Education	\$ 2,693,575	\$ 2,578,143	\$ 2,606,605	\$ 1,820,813	\$ 1,799,297	\$ 1,468,047	\$ 887,731	\$ 605,689	\$ 679,596	\$ 417,018
Other activities	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	2,192,461
Operating grants and contributions	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	15,533,543
Capital grants and contributions	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	5,961,817
Total governmental activities program revenues	<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>	<u>24,104,839</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	370,030
Pay-per-bag program	-	-	209,700	340,600	321,200	308,900	328,100	303,400	299,100	315,900
Other business-type activities	21,692	21,685	21,552	21,609	21,533	21,883	34,005	35,669	35,806	35,669
Operating grants and contributions	-	-	-	-	-	29,333	44,000	44,000	44,000	44,000
Capital grants and contributions	-	-	-	-	-	25,000	-	-	53,430	-
Total business-type activities program revenues	<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>	<u>765,599</u>
Total primary government program revenues	<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>	<u>\$ 24,870,438</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>2005</b>	<b>2006(a)</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011(b)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Net (expense) revenue</b>										
Governmental activities	\$ (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)	\$ (35,698,433)
Business-type activities	(164,753)	(1,040,723)	(41,866)	(485,104)	20,114	(57,769)	(652,271)	(320,697)	(68,494)	(175,435)
Total primary government net expenses	<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>	<u>\$ (35,873,868)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 36,850,361
Vehicle and watercraft excise taxes	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	2,950,348
Unrestricted grants and contributions	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	1,319,069
Investment earnings	253,783	525,312	892,719	699,275	112,774	83,101	387,470	27,287	55,750	83,537
Other	13,738	64,636	21,201	301,414	25,204	9,600	43,950	365,434	3,261	17,965
Special items	-	-	-	-	-	-	-	267,920	105,282	225,000
Transfers	(858,938)	-	(598,045)	(120,000)	(60,000)	(120,000)	(664,000)	(205,000)	(250,000)	(240,000)
Total governmental activities	<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>	<u>\$ 41,206,280</u>
Business type activities:										
Investment earnings	10,995	34,279	2,265	26,911	9,088	29	38	84	189	232
Other	-	-	-	-	-	20,000	-	-	-	3,328
Transfers	858,938	-	598,045	120,000	60,000	120,000	664,000	205,000	250,000	240,000
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>	<u>\$ 243,560</u>
Total primary government	<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>	<u>\$ 41,449,840</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 5,507,847
Business-type activities	705,180	(1,006,444)	558,444	(338,193)	89,202	82,260	11,767	(115,613)	181,695	68,125
Total primary government	<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>	<u>\$ 5,575,972</u>

(a) 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.

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

Table 3

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

	Fiscal Year									
	<u>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>	<u>2014</u>
<b>Function/Program</b>										
Governmental activities:										
General government	\$ 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	\$ 744,758
Public safety	1,141,110	1,314,788	960,310	889,669	991,905	981,767	1,253,600	1,235,942	1,341,026	1,399,505
Public works	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	1,128,833
Human services	24,243	29,340	19,169	28,498	37,609	29,566	29,538	38,337	29,305	26,976
Education	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	15,390,597
Recreation and culture	404,381	439,584	449,115	3,275,387	364,805	334,286	368,017	390,814	969,653	5,414,170
Total governmental activities	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	24,104,839
Business-type activities:										
Solid waste facilities	671,995	698,097	558,208	427,487	434,935	411,035	380,115	351,918	321,153	370,030
Pay-per-bag program	-	-	209,700	340,600	321,200	308,900	328,100	303,400	299,100	315,900
Other business-type activities	21,692	21,685	21,552	21,609	21,533	76,216	78,005	79,669	133,236	79,669
Total business-type activities	693,687	719,782	789,460	789,696	777,668	796,151	786,220	734,987	753,489	765,599
Total primary government	<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>	<u>\$ 24,870,438</u>

Table 4

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

	Fiscal Year									
	<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>	<u>2014</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	36,767
<b>Restricted</b>										
Education	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	4,773,172
Municipal purposes	252,625	409,516	351,058	416,890	326,784	129,721	281,669	370,351	210,670	207,738
<b>Assigned</b>										
<b>Unassigned</b>										
Total general fund	<u>\$ 12,729,535</u>	<u>\$ 12,697,033</u>	<u>\$ 12,361,263</u>	<u>\$ 14,854,909</u>	<u>\$ 17,659,591</u>	<u>\$ 19,276,437</u>	<u>\$ 19,794,234</u>	<u>\$ 18,108,295</u>	<u>\$ 17,512,615</u>	<u>\$ 15,125,232</u>
<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	\$ 13,075
Debt service funds	1,095,000	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	1,261,128	1,261,128	1,188,479	995,524
Permanent funds	417,998	444,594	501,530	482,545	389,919	414,534	478,429	455,125	489,301	557,770
<b>Restricted</b>										
Police station building fund	-	-	-	-	-	-	-	-	1,372,663	11,097
Special revenues funds	509,911	630,587	471,712	1,027,052	806,966	996,936	993,665	841,722	535,723	753,780
Impact fee fund	824,742	882,169	979,592	1,044,245	1,081,920	1,103,566	631,845	824,059	580,862	558,619
Capital projects funds	-	-	-	-	-	-	2,755,373	674,476	921,306	598,560
Permanent funds	18,421	18,561	17,586	20,375	22,375	21,826	19,845	20,778	21,189	20,877
<b>Committed</b>										
Capital improvements fund	-	-	-	-	-	1,942,117	413,677	938,562	728,319	331,335
Special revenues funds	10,134	27,555	42,489	57,731	94,554	98,440	108,355	167,422	203,617	178,164
Debt service funds	78,378	-	-	-	-	-	-	-	-	-
Capital projects funds	628,215	578,643	866,584	1,406,068	1,429,981	1,355,914	950,421	1,238,270	1,634,358	995,828
<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)	(945,524)
Elementary School Bond fund	-	-	-	-	(1,796,942)	(9,994,057)	-	-	-	-
Debt service funds	(10)	(92)	(490)	(23)	(1,289)	-	-	-	-	-
Capital projects funds	-	-	-	-	(971,283)	(1,353,495)	-	-	-	-
Permanent funds	-	-	-	-	-	-	(1,108)	(2,157)	(5,437)	(12,056)
Total all other governmental funds	<u>\$ 3,091,267</u>	<u>\$ 700,177</u>	<u>\$ 3,131,832</u>	<u>\$ 3,273,852</u>	<u>\$ (112,195)</u>	<u>\$ (13,166,800)</u>	<u>\$ 3,685,287</u>	<u>\$ 4,453,499</u>	<u>\$ 6,047,118</u>	<u>\$ 4,057,049</u>

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

Table 5

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 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	\$ 39,613,007
Licenses and permits	387,418	359,681	373,905	278,999	259,430	267,450	337,927	310,181	372,259	399,359
Intergovernmental	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	15,510,495
Investment income	24,011	33,736	65,961	(7,996)	(83,626)	29,066	67,955	(18,420)	36,307	69,563
Charges for services	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	2,632,025
Fines and penalties	-	-	-	26,731	31,190	22,148	29,063	20,019	34,756	39,511
Interest	364,701	590,931	1,012,869	707,270	196,400	54,036	319,515	45,707	19,440	13,975
Donations	416,229	247,025	252,686	319,463	893,074	582,786	989,051	317,071	265,575	311,824
Other	1,011,512	1,245,772	1,084,613	1,015,958	951,563	828,785	583,613	920,986	744,501	731,055
Total revenues	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	59,320,814
<b>Expenditures</b>										
General government	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	3,808,446
Public safety	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	8,126,462
Public works	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	3,703,154
Human services	189,035	194,494	169,445	183,258	146,587	134,829	150,281	168,813	154,425	168,723
Education	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	34,655,815
Recreation and culture	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	2,955,429
County tax	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	1,249,487
Unclassified	376,752	442,312	448,278	319,038	308,691	133,725	120,725	296,682	281,424	36,996
Miscellaneous - municipal (a)	972,316	-	-	-	-	-	-	-	-	-
Miscellaneous - school (b)	2,387,117	-	-	-	-	-	-	-	-	-
Debt service										
Principal	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	2,888,113
Interest	511,771	318,749	423,235	369,063	311,245	256,465	533,417	818,911	704,610	763,215
Other charges	300	20,500	-	-	-	-	-	-	-	-
Capital outlay	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	5,327,426
Total expenditures	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	63,683,266
Excess (deficiencies) of revenues over (under) expenditures	524,517	(2,423,592)	(460,478)	2,755,666	(461,441)	(11,317,760)	(7,658,631)	(778,633)	(4,351,941)	(4,362,452)

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>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>	<u>2014</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	2,789,403	3,756,638	3,544,286	2,968,450	2,156,561	2,737,090	5,269,207	4,135,515	4,613,380	4,339,887
Transfers to other funds	(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)	(2,703,457)
Transfers to other funds - capital budg	-	-	-	-	-	-	-	-	(462,250)	(465,000)
Transfers to other funds - supplemental appropriations	(1,008,500)	(2,364,000)	(2,092,074)	(90,000)	(362,400)	(615,500)	(319,500)	(147,000)	(845,580)	(1,100,000)
Transfers to other funds - education	(375,000)	(399,779)	(540,337)	(452,776)	-	-	(71,546)	(219,191)	(130,717)	(311,430)
Transfers to other funds - recreation	(7,000)	(7,846)	-	-	-	-	-	-	-	-
Capital lease	175,000	-	-	-	-	-	-	-	-	-
Sale of assets	71,500	-	-	-	-	-	-	65,906	-	225,000
Total other financing sources (uses)	(612,438)	-	2,556,363	(120,000)	(119,924)	(120,000)	25,028,515	(139,094)	5,349,880	(15,000)
Net change in fund balance	<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>	<u>\$ (4,377,452)</u>
Debt service as a percentage of noncapital expenditures	5.00%	6.43%	4.55%	3.65%	3.30%	3.19%	3.03%	6.66%	6.34%	6.90%

(a) 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.

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

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

**Table 6**

<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>
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
2014	35,383,401	2,920,776	25,976	3,595	299,976	38,633,724	1,122,690	39,756,414

Table 7

**TOWN OF BRUNSWICK, MAINE**  
**Governmental Activities Tax Revenue by Source**  
**Last Ten Fiscal Years**  
**(modified 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>Subtotal</b>	<b>TIF Property Taxes</b>	<b>Total</b>
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	
2014	35,239,994	2,920,776	25,976	3,595	299,976	38,490,317	1,122,690	39,613,007	

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							
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%
2014	942,358,200	362,093,700	52,331,700	1,356,783,600	42,301,800	1,314,481,800	26.54	1,877,831,143	70.00%

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Homestead Assessed Values	Homestead Estimated Actual Values
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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
2014	15,426,200	22,037,429

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 Year</b>	<b>Direct Rates</b>				<b>Total</b>
	<b>General Municipal</b>	<b>Education (a)</b>	<b>County Tax (b)</b>		
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
2014	9.42	16.18	0.94		26.54

The Town annually adopts an annual budget for which property taxes are levied. The Education and County Tax are a part of the total property tax levy. The distribution shown above reflects the amount each component requires of the total tax levy.

(a) The Town is a member of the Maine Region 10 Technical High School (MR10). MR10 does not have taxing authority. However MR10 does assess the Town for participation in the Region. That assessment becomes part of the Town's education budget. The amount of the direct tax rate attributable to education expenditures is shown above.

(b) Cumberland County assesses a county tax to the Town of Brunswick. The Town includes the county assessment in the Town's total direct tax rate. The rate shown here reflects the portion of the Town's total direct tax rate levied by the Town to pay the county tax assessment.

Table 10

TOWN OF BRUNSWICK, MAINE Principal Property Taxpayers Current Year and Nine Years Ago									
Taxpayer	2013-14				2004-05				
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Percentage of Total Taxable Municipal Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Percentage of Total Taxable Municipal Valuation	
Midcoast Regional Redevelopment Authority	\$ 25,797,800	1	1.90%	1.96%	\$ -	-	2.73%	2.70%	
Bath Iron Works Corporation	24,416,400	2	1.80%	1.86%	32,324,400	1	2.73%	2.70%	
Affordable Midcoast Housing LLC	21,554,500	3	1.59%	1.64%	-	-	-	-	
Developers Diversified (Cooks Corner)	18,474,500	4	1.36%	1.41%	19,170,600	2	1.62%	1.60%	
BIF II US Renewable LLC (formerly Maine Hydro)	15,862,900	5	1.17%	1.21%	17,205,000	3	1.45%	1.44%	
Wade, W.J. Trustee (Wal-Mart)	12,527,400	6	0.92%	0.95%	7,859,000	7	0.66%	0.66%	
Thornton Oakes Homeowners Assn. Corp.	11,905,300	7	0.88%	0.91%	13,031,800	4	1.10%	1.09%	
W/S Brunswick Properties LP	11,036,000	8	0.81%	0.84%	10,210,900	5	0.86%	0.85%	
Central Maine Power Co.	10,436,800	9	0.77%	0.79%	7,113,000	8	0.60%	0.60%	
Bowdoin College	7,840,200	10	0.58%	0.60%	6,855,100	9	0.58%	0.57%	
Cooper Industries Inc. (Arrowhart Division)	-		0.00%	0.00%	9,605,200	6	0.81%	0.80%	
LL Bean Inc.	-		0.00%	0.00%	6,681,400	10	0.56%	0.56%	
	<u>\$ 159,851,800</u>		<u>11.78%</u>	<u>12.16%</u>	<u>\$ 130,056,400</u>		<u>9.59%</u>	<u>9.89%</u>	
Total Assessed Valuation *	\$ 1,356,783,600				\$ 1,184,141,700				
* Includes:									
Municipal valuation	\$ 1,314,481,800				\$ 1,195,041,700				
TIF valuation	42,301,800				10,900,000				
	<u>\$ 1,356,783,600</u>				<u>\$ 1,184,141,700</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>
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	(42,269)	26,380,613	25,921,847
2007	26,574,540	178,976	26,753,516	22,487	(20,481)	26,755,522	26,116,835
2008	27,427,219	182,888	27,610,107	17,300	(72,640)	27,554,767	26,935,530
2009	28,255,632	189,295	28,444,927	6,418	(33,896)	28,417,449	27,837,707
2010	28,364,875	191,838	28,556,713	10,225	(50,917)	28,516,021	27,698,194
2011	28,805,365	504,158	29,309,523	24,513	(71,403)	29,262,633	28,598,906
2012	30,366,052	319,305	30,685,357	30,110	(126,479)	30,588,988	29,777,364
2013	32,765,813	410,155	33,175,968	2,672	(29,200)	33,149,440	32,348,601
2014	34,886,347	1,122,690	36,009,037	68,242	(126,938)	35,950,341	35,177,642

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

<b>Fiscal Year</b>	<b>Amount</b>	<b>Percentage of Levy</b>	<b>Percentage of Net Collectible</b>	<b>Collected in Subsequent Years</b>	<b>Amount</b>	<b>Total Collections to Date</b>	
						<b>Percentage of Levy</b>	<b>Percentage of Net Collectible</b>
2005	25,772,833	98.48%	98.51%	\$388,928	\$26,161,761	99.96%	100.00%
2006	25,921,847	98.32%	98.26%	457,491	26,379,338	100.06%	100.00%
2007	26,116,835	97.62%	97.61%	637,576	26,754,411	100.00%	100.00%
2008	26,935,530	97.56%	97.75%	616,919	27,552,449	99.79%	99.99%
2009	27,837,707	97.87%	97.96%	571,837	28,409,544	99.88%	99.97%
2010	27,698,194	96.99%	97.13%	804,755	28,502,949	99.81%	99.95%
2011	28,598,906	97.58%	97.73%	641,774	29,240,680	99.77%	99.92%
2012	29,777,364	97.04%	97.35%	781,999	30,559,363	99.59%	99.90%
2013	32,348,601	97.51%	97.58%	570,387	32,918,988	99.23%	99.30%
2014	35,177,642	97.69%	97.85%	-	35,177,642	97.69%	97.85%

Table 12

TOWN OF BRUNSWICK, MAINE Ratios of Outstanding Debt Last Ten Fiscal Years															
Business-Type Governmental Activities				Ratios of Net General Bonded Debt				Other Governmental Activities Debt				Ratios of Total Outstanding Debt			
Fiscal Year	Less: Amounts Available in Debt Service Fund (c)		General Obligation Bonds (d)	Total	Percentage of Personal Income (e)	Per Capita	Percentage of Estimated Actual Taxable Value of Property (f)	Capital Lease	Total Outstanding Debt	Percentage of Personal Income (e)	Per Capita	Percentage of Estimated Actual Taxable Value of Property (f)			
	General Obligation Bonds (a)(b)														
2005	\$ 12,340,817	\$ 78,378	\$ 510,000	\$ 12,772,439	2.97%	\$ 603.27	0.86%	\$ 161,510	\$ 12,933,949	3.01%	\$ 610.90	0.87%			
2006	9,426,119	-	255,000	9,681,119	2.25%	457.26	0.57%	105,628	9,786,747	2.27%	462.25	0.57%			
2007	10,504,061	-	-	10,504,061	2.44%	496.13	0.56%	46,536	10,550,597	2.45%	498.33	0.56%			
2008	8,782,435	-	-	8,782,435	2.04%	414.81	0.43%	-	8,782,435	2.04%	414.81	0.43%			
2009	7,240,808	-	-	7,240,808	1.68%	342.00	0.35%	-	7,240,808	1.68%	342.00	0.35%			
2010	5,719,181	-	-	5,719,181	1.33%	270.13	0.27%	-	5,719,181	1.33%	270.13	0.27%			
2011	30,290,602	-	-	30,290,602	5.44%	1,430.69	1.49%	-	30,290,602	5.44%	1,430.69	1.49%			
2012	27,578,697	-	-	27,578,697	4.95%	1,360.03	1.42%	-	27,578,697	4.95%	1,360.03	1.42%			
2013	30,416,098	-	-	30,416,098	5.46%	1,499.96	1.62%	-	30,416,098	5.46%	1,499.96	1.62%			
2014	27,502,694	-	-	27,502,694	4.94%	1,356.28	1.46%	-	27,502,694	4.94%	1,356.28	1.46%			

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- (a) Presented net of original issuance discounts and premiums.
- (b) General Bonded Debt includes debt issued as General Obligation Tax Increment Financing Bonds. Although the debt has been issued as general obligations, it is anticipated that it will be fully paid from Tax Increment Financing (TIF) revenues.
- (c) Amounts available in the Debt Service Fund are restricted by the TIF program established with the State of Maine.
- (d) 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.
- (e) Per capita income and population can be found in Table 16.
- (f) For taxable property value data see Table 8.

Table 13

**TOWN OF BRUNSWICK, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2014**

<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	\$ 27,322,912	100.00%	\$ 27,322,912
Premium on bonds	<u>179,782</u>	100.00%	<u>179,782</u>
Total direct debt	27,502,694		27,502,694
<b>Overlapping:</b>			
Cumberland County	38,325,000	5.25%	2,010,783
Maine Region 10 Technical High School	<u>7,104</u>	38.29%	<u>2,720</u>
Total overlapping debt	38,332,104		2,013,503
<b>Total direct and overlapping debt</b>	<b>\$ 65,834,798</b>		<b>\$ 29,516,197</b>

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 Legal Debt Margin Information June 30, 2014										
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 2014 State Valuation of \$2,026,250,000, the Town is in compliance with the total and categorical debt limits:	School	10.00%	\$ 202,625,000	\$ 18,242,912	\$ 184,382,088					
	Storm or Sanitary Sewer	7.50%	151,968,750	-	151,968,750					
	Municipal Airport Special District	3.00%	60,787,500	-	60,787,500					
	Municipal	7.50%	151,968,750	9,080,000	142,888,750					
<b>Legal Debt Margin Calculation for Fiscal Year 2014</b>										
State Valuation	\$ 2,026,250,000									
Debt Limit - 15% of State Valuation	303,937,500									
Less outstanding debt applicable to debt limit	(27,322,912)									
Legal Debt Margin	\$ 276,614,588									
	Total Maximum Debt	15.00%	\$ 303,937,500	\$ 27,322,912	\$ 276,614,588					
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 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	\$ 303,937,500
Total debt applicable to limit	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	27,322,912
Legal debt margin	\$ 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	\$ 276,614,588
Total debt applicable to the limit as a percentage of debt limit	5.49%	3.65%	3.55%	2.80%	2.22%	1.73%	9.39%	9.02%	10.15%	8.99%

Table 15

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

<b><u>Employer</u></b>	<b>2014</b>		<b>2005</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	1500	1
Bowdoin College	905	3	800	3
Town of Brunswick	560	4	665	5
L.L. Bean Inc., Manufacturing Div.	316	6	269	8
Wal-Mart Stores, Inc.	222	5	285	7
Parkview Memorial Hospital	173	7	395	6
Hannaford Brothers	160	8	219	9
Shaw's	122	9	154	13
Bank of America, formerly MBNA	108	10	177	10
Lowe's	85	11		
Downeast Energy	83	12	165	11
Naval Air Station, Brunswick (civilian employment only)			702	4

(a) Telephone Survey of Employers, March 2005 and March 2014. 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**

<b>Fiscal Year</b>	<b>Population (a)</b>	<b>Personal Income (b)</b>	<b>Per Capita Personal Income (a)</b>	<b>Median Age (a)</b>	<b>School Enrollment (c)</b>	<b>Unemployment Rate (d)</b>
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%
2014	20,278	556,691,934	27,453	41.40	2,378	6.0%

(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>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>	<u>2014</u>
General government										
Administration	4	4	4	4	4	4	4	4	4	4
Finance	10	10	10	9	9	8	8	8	8	8
Technology	1	0	0	0	0	0	1	1	1	1
Assessing	4	4	4	4	4	3	3	3	3	3
Town Clerk	4.5	4.5	4.5	4.5	4.5	4	4	4	4	4
Planning and Codes	6	6	6	6	6	5	5	5	5	5
Natural Resources	1	1	1	1	1	0	0	0	0	0
Economic development	1	1	2	2	3	3	2	2	1	1
Municipal building	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1
Public safety										
Fire department	32	36	36	36	36	36	36	36	36	36
Police department	51	51	51	51	51	51	48	50	50	51
Public works										
Administration	6	6	6	6	6	5	5	5	5	5
General maintenance	17	17	17	17	17	17	17	15.5	11.5	16
Landfill	4.5	3.5	3.5	3.5	2.5	2.5	2.5	2.5	2.5	2.5
Recycling	4	5	4	0	0	0	0	0	0	0
Central garage	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Human services										
Human services	2	2	2	2	1.5	1.5	1.5	1.5	1.5	1.5
Education	407	411	413	415	410	402	396	390	392	394
Recreation										
Administration	6	6	6	6	6	5	5	5	5	5
Buildings and grounds	7	7	7	7	7	6	5	5	5	5
Cable TV	1	1	1	1	1	1	1	1	1	1
High School Spring Street	1	1	1	1	0	0	0	0	0	0
Totals	575	582	584	581	574.5	559	549	543.5	540.5	547.5

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>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>	<u>2014</u>
<b>Fire Department</b>										
Fire calls	817	785	1,038	850	887	835	975	985	1,144	1,098
Medical calls	2,278	2,251	2,305	2,313	2,278	2,406	N/A	2,549	2,823	2,737
Inspections	401	326	712	327	189	249	N/A	300	342	356
<b>Police</b>										
Calls for service (a)	25,149	25,812	26,519	30,186	33,137	33,358	36,254	45,060	43,815	42,332
Crash reports (b)	N/A	N/A	926	921	829	713	679	767	713	715
Field interviews (b)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	508	464	444
Offense reports	1,392	1,407	1,334	1,150	1,207	1,243	1,133	1,230	1,304	714
Physical arrests	1,066	1,120	1,258	1,237	1,095	1,150	1,069	1,098	1,184	1,022
<b>Public Works</b>										
Street resurfacing (miles)	6	4	7	6	3	5	8	5	4	4
Recyclables collected (tons)	2,009	1,757	1,963	2,011	1,823	1,804	1,754	1,711	1,548	1,622
<b>Codes Enforcement</b>										
Residential permits issued	415	564	380	356	306	291	258	249	249	293
Commercial/Industrial permits issued	69	67	61	76	79	39	34	55	52	58

(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>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>	<u>2014</u>
Police Department										
Stations	0	0	0	0	0	0	0	0	0	1
Patrol units	18	18	18	18	18	18	18	16	17	17
Fire Department										
Stations	1	2	2	2	2	2	2	2	2	2
Emergency vehicles	14	13	14	14	15	14	14	12	12	12
Public Works Department										
Streets (miles)	137	140	141	141	152	152	152	152	154	155
Recycling trucks	2	2	2	0	0	0	0	0	0	0
School Department										
Schools	7	7	7	7	7	6	6	4	4	4
School buses	26	26	26	26	26	26	26	26	26	26

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