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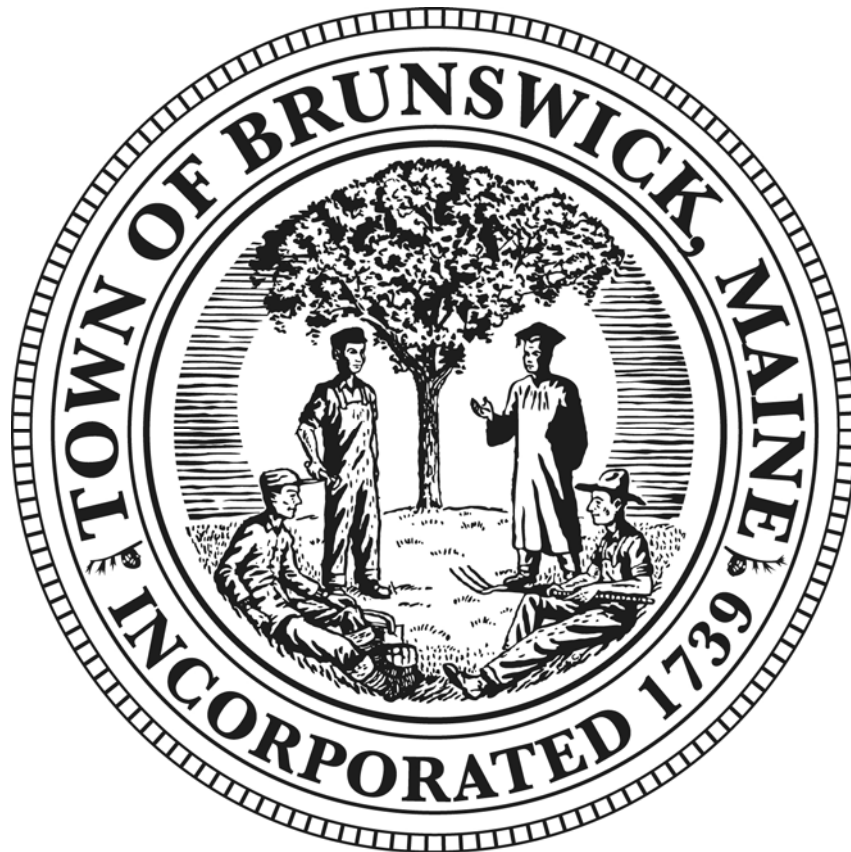
Town of Brunswick Maine Annual Financial Audit 2013

Brunswick, Me.

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TOWN OF BRUNSWICK, MAINE



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

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

Prepared by:
Town of Brunswick
Department of Finance

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

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INTRODUCTORY SECTION



Town of Brunswick, Maine

INCORPORATED 1739

OFFICE OF THE FINANCE DIRECTOR

28 FEDERAL STREET

BRUNSWICK, MAINE 04011-1583

TELEPHONE 207-725-6652

FAX 207-725-4107

November 15, 2013

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

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

This CAFR consists of management's representations concerning the finances of the Town of Brunswick. The responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. The Town of Brunswick has established a comprehensive framework of internal controls in order to provide a reasonable basis for making these representations.

Runyon Kersteen Ouellette, a licensed firm of certified public accountants, has audited the Town of Brunswick's basic financial statements for the year ended June 30, 2013. The goal of an independent audit is to provide reasonable assurance that the basic financial statements are free of material misstatement. Runyon Kersteen Ouelette has issued an unmodified opinion on the Town of Brunswick's basic financial statements indicating that, in its opinion, the basic financial statements are fairly presented in all material respects, in conformity with accounting principles generally accepted in the United States. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

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

The Town of Brunswick operates under a charter that provides for a council-manager form of government with a nine-member town council elected on a non-partisan basis to three-year staggered terms. Seven council members are elected from districts and two are elected at-large. The charter grants to the town council all powers to enact, amend, or repeal ordinances, orders, resolutions, policies, and rules relating to the Town's property and affairs. The town council appoints the town manager who in turn appoints the municipal department heads, subject to confirmation by the town council.

A nine-member elected school board is responsible for the operation of all facets of a school department that provides K-12 education. Members are elected for three-year staggered terms with seven elected from districts and two elected at-large. The school board appoints the superintendent of schools, who administers the department and carries out the policies of the board. In consultation with the superintendent, the school board also proposes an educational budget for consideration by the town council and inclusion in the Town's annual budget.

The town manager is required to propose an annual budget to the town council by May 1st. The budget includes the municipal departments and activities. It also includes an education budget approved by the school board. The town council must adopt an annual budget by June 15th. State law also requires that voters, in a budget validation referendum, approve the school budget adopted by the town council. Once the budget is adopted, the charter allows for the transfer of resources within departments. However, transfers between departments require town council approval. State law also has special requirements for changes to the education budget.

The Town of Brunswick provides a full range of services including public safety, public works, education, human services, and recreation. The Brunswick Sewer District, a separate legal entity, provides sanitary sewer services. The Brunswick-Topsham Water District, also a separate legal entity, provides water services. These districts are not part of the Town of Brunswick so their financial statements are not included in this report. The financial statements for these districts can be obtained directly from the districts.

The Brunswick Development Corporation (BDC) is a separate legal entity established to foster economic development within Brunswick. For financial reporting purposes, BDC is a component unit of the Town of Brunswick and its financial statements are included in this report.

Local economy

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

Bath Iron Works. Bath Iron Works (BIW) is a shipbuilder headquartered in Bath, Maine, which is heavily dependent on contracts to build surface combatants for the US Navy. The Navy's procurement plans are always a concern for BIW and its employees. Since 1985, BIW has been the lead contractor and has delivered ships of the Arleigh Burke (DDG-51) class. As BIW was nearing the completion of the ships it had contracted to deliver, the Navy decided to restart procurement of the DDG-51s. BIW and a competitor are each building ships in the restarted program. Further, as the lead designer of the DDG-51, BIW is considered the "planning yard" as ships already delivered to the Navy are upgraded and modernized. BIW expects to compete for the modernization contracts.

The Zumwalt (DDG-1000) class had been planned as the US Navy's next generation surface combatant. Originally, a competitor was designated as the lead designer and builder of the DDG-1000, with that competitor and BIW each building one of the first two ships in this class. Cost concerns for this class caused the Navy to limit production to three ships. Currently, all three ships of the DDG-1000 class are under construction at BIW.

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

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

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

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

Brunswick Landing, Maine's Center for Innovation. Brunswick Landing is the name given to the former Naval Air Station Brunswick (NASB or BNAS) property. NASB, closed in May 2011, was once one of the state's largest employers. The operation of the base was turned over to the Midcoast Regional Redevelopment Authority (MRRA). MRRA is a state-appointed agency responsible for the management and disposition of NASB property and the implementation of the "Master Reuse Plan for BNAS" (Master Plan).

The Master Plan recommended that portions of the base continue operating aviation facilities and Brunswick Executive Airport is the name given to the airport portion of the property. Other components of the plan envisioned educational uses by the University of Maine system and Southern Maine Community College. Facilities have been renovated or constructed and many programs and classes are now being offered by the community college and university system. Other properties were identified for manufacturing and commercial uses. Several facilities have been renovated and others are have been constructed. The Master Plan along with information regarding the impact of NASB's closure, and MRRA's redevelopment efforts can be found on MRRA's website at www.mrra.us.

Long-term financial planning

The charter of the Town of Brunswick requires the annual preparation of a five-year capital improvement program (CIP). The CIP identifies capital improvements and addresses financing those improvements, and the annual cost of supporting them. The CIP is a plan; it does not fund any projects. Project funding can be authorized in a variety of formats.

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

The CIP for fiscal years ending 2014-2018 recommended funding projects totaling \$22,541,512, with \$4,200,000 to be financed with debt. Projects in development (those that may eventually be considered for funding) totaled \$46,698,000. The Town continues to recognize that the health and diversity of Brunswick's property tax base, the continued pressure on annual operating budgets, and the continued desire to minimize property tax increases, will impact the Town's capacity to finance capital projects and the related operating costs outlined in the CIP.

Relevant financial policies

The Town of Brunswick has an established fund balance policy that targets its unassigned general fund balance at 16.67% of its general fund revenues. The policy, adopted in 2010, is based on the Government Finance Officer Association's (GFOA's) recommended best practice regarding appropriate levels of fund balance. In developing the target, the Town considered a number of factors, including the diversity of its property tax base, the reliability and volatility of its non-property tax revenues, and the potential of incurring significant one-time expenditures. For the year ended June 30, 2013, the amount of unassigned fund balance was \$10,001,974 or 18.6% of general fund revenues. The policy requires that funds in excess of the target to be used for capital or other one-time expenditures.

Major initiatives

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

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

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

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

School Construction and Facilities Projects. With the opening of the new Harriet Beecher Stowe School in 2011, the school department turned its attention to examining its other facilities and program needs. Although the department had at one time anticipated that it would meet its needs through renovations of and additions to the Coffin and Jordan Acres elementary schools, as well as the Junior High School, the department decided it needed to take a fresh look at those and other alternatives. As a result, the school board embarked on the development of a comprehensive facilities master plan, with the goal of identifying the facilities required to support the department's programs as well as the costs associated with constructing and operating the required facilities. Phases I and II of the plan's development have been completed and the department is entering phase III. Although no final decisions have been reached, the department has identified a number of options, including renovation and new construction. The department hopes to have its master plan completed by early 2014.

Brunswick Station and Amtrak Downeaster Service. With work completed on a \$38 million project to upgrade 28 miles of rail track between Brunswick and Portland and other rail-related improvements, the Downeaster's inaugural run rolled into Brunswick Station on November 1, 2012. According to the Northern New England Passenger Rail Authority (NNEPRA), additional scheduled service could be provided to and from Brunswick if the proposed Downeaster layover facility is eventually constructed in Brunswick. NNEPRA's preferred location for the layover facility, known as Brunswick West, has been opposed by abutters and others who are worried about the facility's impact on their neighborhood. Initial

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

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

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

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

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

After learning that the waivers it sought were not available, the Town and the DEP engaged in negotiating an Administrative Consent Agreement (ACA) to resolve the wastewater discharge and operational violations. In January 2012, the Town and DEP discontinued the ACA discussions and instead agreed to pursue a cooperative approach by constructing an experimental treatment facility. Most of the Town's violations occur in the cold weather months. The experimental facility was not completed early enough to allow sufficient time to assess the facility's effectiveness in cold weather. The Town and DEP intend to monitor treatment through the upcoming winter (2013-14) to gather more reliable test data. Depending on its collaboration with DEP, the cost of wastewater treatment options, and other factors, the Town may ultimately consider closing the landfill. While the Town faces potential fines for its failure to comply with wastewater discharge limits and other violations, DEP has indicated that it would not pursue enforcement action so long as the Town and DEP were pursuing a collaborative solution. The Town cannot reasonably estimate the amount of any potential fines, should it once again be faced with enforcement action.

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

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

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

Awards and acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Brunswick for its comprehensive annual financial report for the year ended June 30, 2012. The certificate recognizes that Brunswick published an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable legal requirements. The Town of Brunswick has received this prestigious award every year since 1999. A Certificate of Achievement is valid for a period of one year. We believe this year's comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for a certificate.

Finally, this report could not have been completed without the efficient and dedicated services of the entire Finance Department. Special recognition goes to Julie Henze for her dedication and effort in preparing this report. Also appreciated are the efforts of Runyon Kersteen Ouellette for its assistance in the review of this report.

Respectfully submitted,

John S. Eldridge

John S. Eldridge, CPFO
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

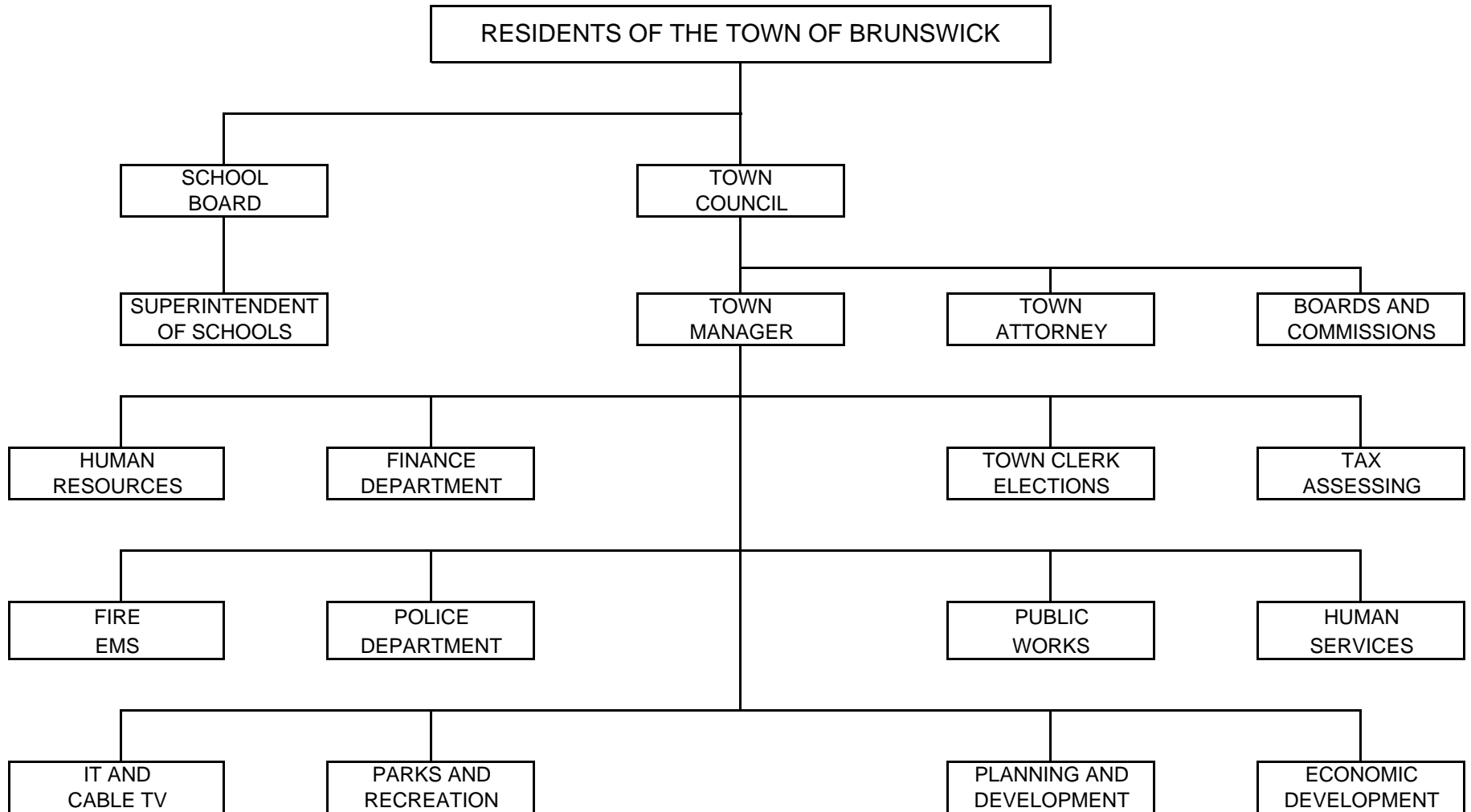
**Town of Brunswick
Maine**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

TOWN OF BRUNSWICK, MAINE ORGANIZATIONAL CHART



TOWN OF BRUNSWICK, MAINE

LIST OF ELECTED AND APPOINTED OFFICIALS

June 30, 2013

Elected Officials

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

Appointed Officials

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

FINANCIAL SECTION

Independent Auditor's Report

Audit Committee
Town of Brunswick, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Brunswick, Maine, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Brunswick, Maine as of June 30, 2013, and respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Postemployment Healthcare Benefit – Schedule of Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

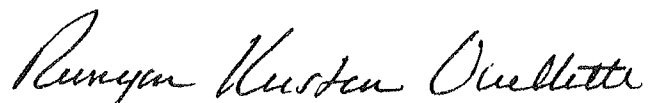
The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Audit Committee
Town of Brunswick, Maine

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013 on our consideration of the Town of Brunswick, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Brunswick, Maine's internal control over financial reporting and compliance.



November 15, 2013
South Portland, Maine

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Management's Discussion and Analysis

As the Town of Brunswick's management, we offer readers of the Town of Brunswick's financial statements this narrative overview and analysis of the financial activities of the Town of Brunswick for the fiscal year ended June 30, 2013. This overview and analysis is referred to as Management's Discussion and Analysis (MD&A). We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found in the introductory section of this comprehensive annual financial report (CAFR).

Financial Highlights

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

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, human services, education, recreation/culture, and intergovernmental. The business-type activities of the Town include the Town's solid waste facilities, the pay-per-bag program, the Mere Point Wastewater District and the train station/visitors center.

The government-wide financial statements include not only the Town of Brunswick (the *primary government*) but also the legally separate Brunswick Development Corporation (BDC) (the *component unit*). Because of “financial accountability,” financial reporting standards require the inclusion of a component unit’s information within a primary government’s financial report despite the separate legal status. The BDC’s financial information is reported separately from the Town of Brunswick’s. The government-wide financial statements can be found on pages 32 & 33 of this report.

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

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

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

The Town of Brunswick maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Downtown Development TIF District Fund, the Police Station Building Fund and the School Restricted Fund, all of which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 32-39 of this report. Individual fund data for each of the non-major governmental funds is provided in *combining statements* found on pages 82-91 of this CAFR.

In accordance with the Charter of the Town of Brunswick, an annual appropriated budget is adopted for the Town’s General Fund. It is the only fund with an annual appropriated budget. A statement, comparing the budget with actual results, has been provided to demonstrate compliance with the General Fund budget. A full discussion of the General Fund budget and highlights for the year is contained later in this MD&A.

Proprietary funds. The Town reports two types of proprietary funds, enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Brunswick uses enterprise funds to account for its solid waste facilities, the pay-per-bag program, the Mere Point Wastewater District and the train station/visitors center. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town’s functions. The Town utilizes an internal service fund to account for printing services provided to departments on a cost reimbursement basis. The proprietary fund statements provide the same type of information as the government-wide financial statements, only in greater detail. The basic proprietary fund financial statements can be found on pages 42-44. The combining statements can be found on pages 94-96.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because

the resources of those funds are not available to support the Town of Brunswick's own programs. The Town's fiduciary funds include its private-purpose trust funds and an agency fund. The private purpose trust funds report on scholarships, gifts to the library, resources available to the Village Improvement Association, and awards for participation in recreation programs. The agency fund reports on money held for the benefit of Brunswick student activities. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 45 & 46 of this report. The combining statements can be found on pages 98-104.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-78 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town's progress in funding its other than pension postemployment benefits (OPEB) obligations. Required supplementary information can be found on page 79 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 82-104 of this report.

Government-wide Financial Analysis

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. For the Town of Brunswick, assets exceeded liabilities by \$65,651,893 at the close of the most recent fiscal year which is an increase of \$2,022,266 during the fiscal year. The Town is able to report positive balances in all three categories of net position, (net investment in capital assets, restricted and unrestricted) for the government as a whole.

Town of Brunswick's Net Position

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

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

outstanding debt used to acquire those assets (i.e. net investment in capital assets). As the Town uses capital assets to provide services to citizens, these assets are generally not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources. An additional portion, \$9,100,700 or 13.86% of the Town of Brunswick's net position represents resources that are restricted, meaning they are subject to external restrictions on how they may be used. The remaining balance, unrestricted net position, \$6,313,951 or 9.62%, may be used to meet the Town's obligations.

Town of Brunswick's Change in Net Position

	Governmental activities		Business-type activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues						
Charges for services	\$ 2,760,239	\$ 2,567,678	\$ 656,059	\$ 690,987	\$ 3,416,298	\$ 3,258,665
Operating grants and contributions	15,249,827	18,275,484	44,000	44,000	15,293,827	18,319,484
Capital grants and contributions	2,487,876	247,704	53,430	-	2,541,306	247,704
General revenues						
Property taxes	34,120,685	31,373,355	-	-	34,120,685	31,373,355
Vehicle and watercraft excise taxes	2,904,995	2,653,928	-	-	2,904,995	2,653,928
Grants and contributions not restricted to specific programs	1,815,749	1,791,677	-	-	1,815,749	1,791,677
Unrestricted investment earnings	55,750	27,287	189	84	55,939	27,371
Other	3,261	365,434	-	-	3,261	365,434
Total revenues	<u>59,398,382</u>	<u>57,302,547</u>	<u>753,678</u>	<u>735,071</u>	<u>60,152,060</u>	<u>58,037,618</u>
Expenses:						
General government	4,144,050	4,414,316	-	-	4,144,050	4,414,316
Public safety	8,095,189	7,650,053	-	-	8,095,189	7,650,053
Public works	5,740,333	4,991,362	-	-	5,740,333	4,991,362
Human services	154,429	168,829	-	-	154,429	168,829
Education	34,366,120	34,590,451	-	-	34,366,120	34,590,451
Recreation & culture	2,749,776	2,619,742	-	-	2,749,776	2,619,742
Intergovernmental	1,183,264	1,187,020	-	-	1,183,264	1,187,020
Unclassified	281,424	296,682	-	-	281,424	296,682
Interest on long-term debt	698,508	785,569	-	-	698,508	785,569
Solid waste facilities	-	-	614,661	876,942	614,661	876,942
Pay-per-bag program	-	-	80,200	80,969	80,200	80,969
Wastewater treatment	-	-	42,114	39,636	42,114	39,636
Train station	-	-	85,008	58,137	85,008	58,137
Total expenses	<u>57,413,093</u>	<u>56,704,024</u>	<u>821,983</u>	<u>1,055,684</u>	<u>58,235,076</u>	<u>57,759,708</u>
Increase (decrease) in net position before special items and transfers	1,985,289	598,523	(68,305)	(320,613)	1,916,984	277,910
Special items	105,282	267,920	-	-	105,282	267,920
Transfers	(250,000)	(205,000)	250,000	205,000	-	-
Increase (decrease) in net position	1,840,571	661,443	181,695	(115,613)	2,022,266	545,830
Net position beginning of year	<u>65,901,531</u>	<u>65,240,088</u>	<u>(2,271,904)</u>	<u>(2,156,291)</u>	<u>63,629,627</u>	<u>63,083,797</u>
Net position end of year	<u>\$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>

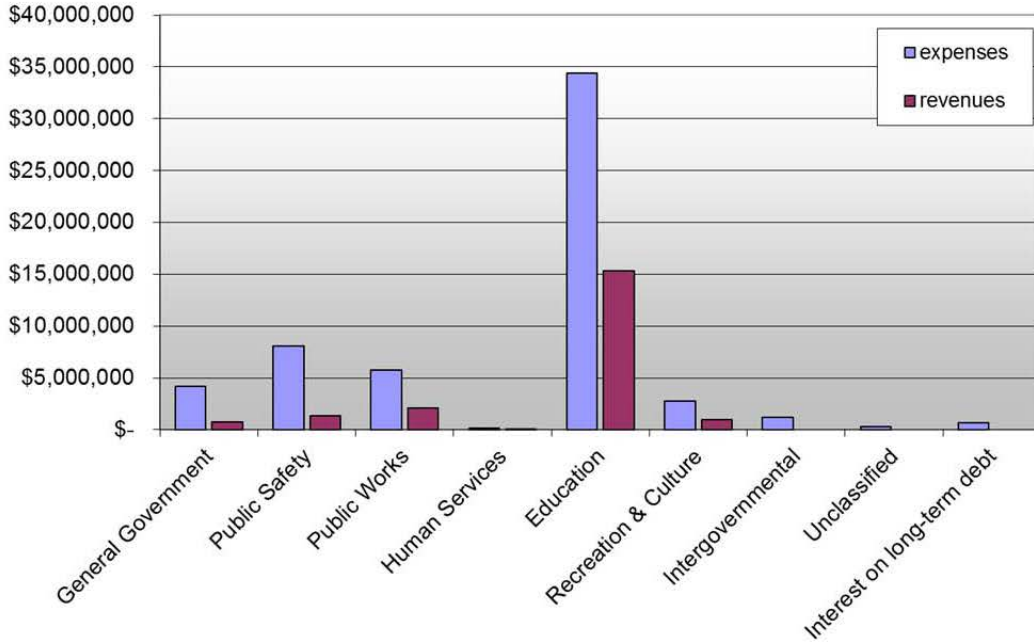
While in total the Town's net position is positive, results are very different for the governmental activities and the business-type activities. Readers should review the following analysis pertaining to those portions to fully understand the Town's financial reports.

Governmental activities. Governmental activities including transfers and special items increased the Town of Brunswick's total net position by \$1,840,571. This increase was \$1,179,128 higher than the increase reported at the end of the previous fiscal year. The following points highlight the significant changes compared with changes that occurred in the previous year:

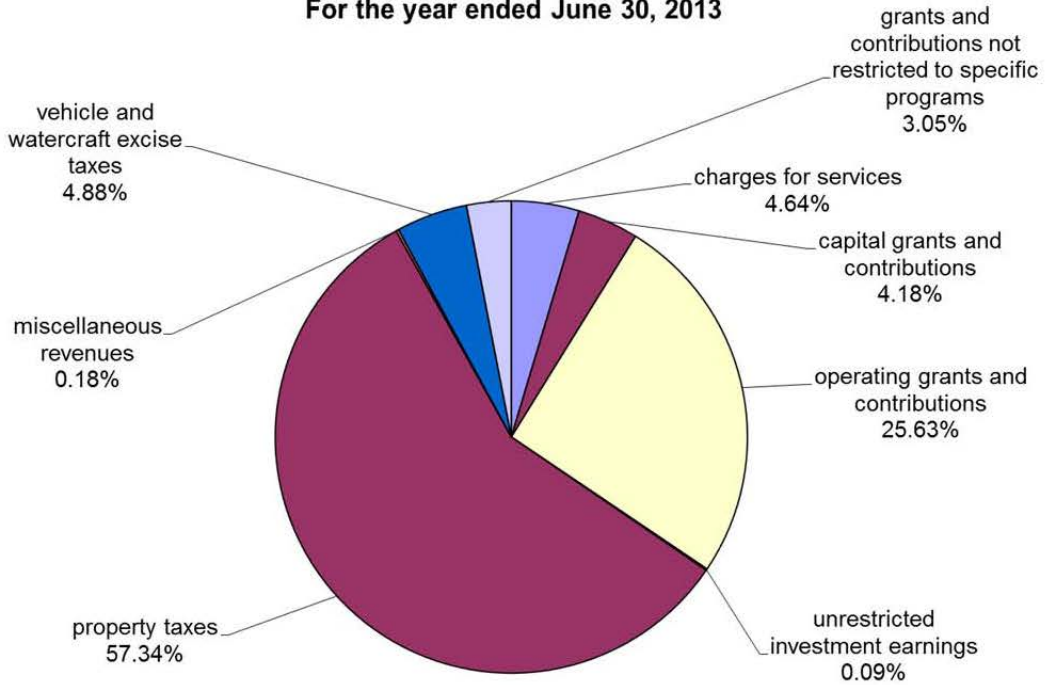
- Property tax revenue, the Town's largest revenue, increased by \$2,747,330 or approximately 8.8%. Property taxes made up 57.44% of the total revenue, up from 54.75% of the total in the previous year. This percentage change was largely the result of a 5.15% increase in the tax rate as well as decreases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

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

**Expenses and Program Revenues - Governmental Activities
For the year ended June 30, 2013**

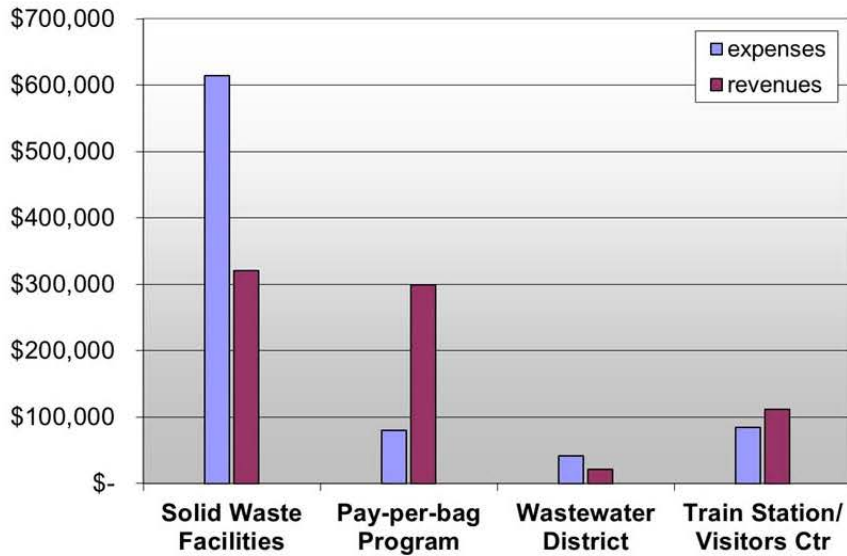


**Revenues by Source - Governmental Activities
For the year ended June 30, 2013**

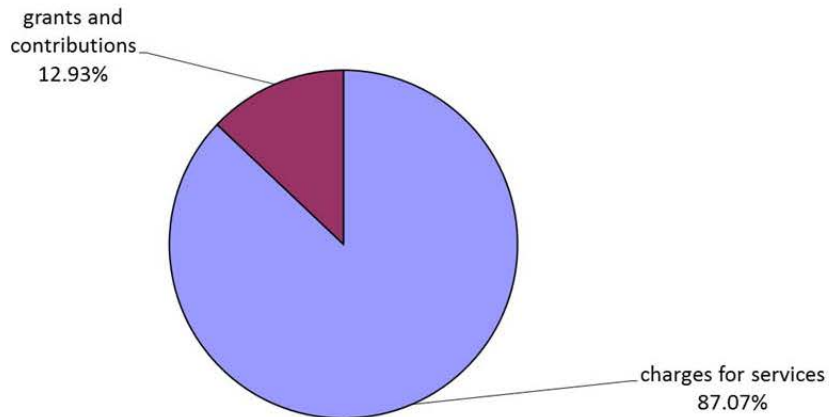


Business-type activities. The Town's business-type activities consist of four enterprise funds, one major fund accounting for its solid waste facilities, and three non-major funds, including the pay-per-bag program, a small wastewater district and the train station/visitors center. The following charts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

**Expenses and Program Revenues - Business-type Activities
For the year ended June 30, 2013**



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



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

The major activity accounted for in the Solid Waste Facilities Fund is the operation of the Town's solid waste landfill located on Graham Road. For the year ended June 30, 2013, the landfill experienced a \$293,508 operating loss. This was largely due to costs associated with sampling and testing, as well as continued negotiations with the Maine Department of Environmental Protection (DEP) to resolve wastewater discharge and other violations. In addition, the Town recognized expenses in anticipation of estimated closure and post closure costs. For the year ended June 30, 2013, the Town had estimated eventual landfill closure costs of \$6,300,000 and post closure costs of \$2,135,000. For the fiscal year, the amount of expense related to closure and post closure was \$63,621.

The Town continues to operate pay-per-bag trash disposal and single-stream recycling programs. The pay-per-bag disposal program charges residents a fee for each bag of trash collected at curbside. The fee was implemented to encourage recycling. The single-stream recycling program makes it easier for residents to recycle. The two programs, instituted in 2007, are intended to extend the life of the landfill. While these programs have decreased the volume of solid waste delivered to the landfill, the Town has not been able to sufficiently reduce operating costs to meet the reduction in revenue. Recognizing the need to reduce the deficit in this fund, the Town's FY 2013 budget included a \$200,000 General Fund subsidy for the Solid Waste Facilities Fund. In a previous year, the Town Council voted its intent that the net funds generated by the pay-per-bag program be used toward future landfill closure costs. By June 30, 2013 the Pay-per-bag Program Fund had net position of \$1,610,788.

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

The Train Station/Visitor's Center Fund was established in June 2009 when the Town executed a five-year agreement with JHR Development of Maine (JHR) to lease approximately 2,125 square feet of space at Brunswick Station. The Town uses the leased space for a train station and visitor's center. Under a property management agreement, the Brunswick Downtown Association (BDA) operates the train station and visitor's center. The Brunswick Development Corporation (BDC) provided a \$220,000 grant to the Town for the prepayment of all five years of the lease rent. In the year ending June 30, 2013, the Town recognized revenues and rent expenditures of \$44,000, corresponding to twelve months of the lease. By June 30, 2013, the Train Station/Visitor's Center Fund had a net position totaling \$108,518, with \$51,802 of this recorded as investment in capital assets. During the year, BDC contributed \$53,430 to the development of a long-term parking lot, built on land the Town has leased for five years. In the upcoming year, the Town expects to negotiate for the continued use of the train station space.

Financial Analysis of the Government's Funds

As noted earlier, the Town of Brunswick uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town of Brunswick's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Fund balance is the measure of a governmental fund's spendable resources. Fund balance is presented in five possible categories:

- *Nonspendable* fund balance cannot be spent.
- *Restricted* fund balance reflects resources that are subject to externally enforceable legal restrictions, typically imposed by parties outside of the government.
- *Committed* fund balance represents resources whose use is constrained by limitations the government imposes on itself at its highest level of decision making (i.e., the Town Council), that remain binding unless removed in the same manner.
- *Assigned* fund balance reflects a government's intended use of resources.
- *Unassigned* fund balance represents the net resources in excess of what can be properly classified in one of the other four categories. Only the General Fund can report a positive amount of unassigned fund balance.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$23,559,733. Of that amount, \$2,199,727 is classified as nonspendable. Another \$8,611,399 is restricted, \$2,566,294 is committed and \$1,824,835 is assigned.

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

Of the \$8,611,399 in restricted fund balance, \$5,276,790, or approximately 61%, is restricted for education purposes. An additional \$2,874,831, or approximately 33%, is in bond proceeds and impact fees restricted for various capital projects.

The General Fund is the chief operating fund of the Town of Brunswick and, by definition, is the only fund that can have positive unassigned fund balance. Since unassigned fund balance represents resources not restricted, committed, or assigned to any particular use, this amount represents funds considered surplus. To provide for unforeseen circumstances and maintain liquidity, the Town's fund balance policy targets the unassigned General Fund balance at 16.67% of revenues. For the year ended June 30, 2013, the targeted unassigned fund balance for the General Fund was \$8,964,699. At \$10,001,974 the actual unassigned fund balance was 18.60% of revenues, and \$1,037,275 over the target. As a percentage of expenditures, the unassigned fund balance was 19.15%.

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

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

Factors resulting from actual results include:

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

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

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

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

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

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

Proprietary funds. The Town of Brunswick’s proprietary funds provide the same type of information found in the government-wide statements, but in greater detail. At year end, the Solid Waste Facilities Fund had a deficit in unrestricted net assets of \$6,234,727. The Pay-per-bag Program Fund had unrestricted net position of \$1,610,788. The unrestricted net position of the Mere Point Wastewater District Fund amounted to \$44,838. The Train Station/Visitors Center Fund had unrestricted net position of \$56,716. The finances of these funds have been addressed previously in the discussion of the Town of Brunswick’s business-type activities.

General Fund Budgetary Highlights

Original Budget vs. Final Budget

Differences between the original and final budgets result from budget adjustments and/or supplemental appropriations made during the year. Adjustments are generally the result of the Town’s budget management process which constantly monitors department budgets and the budget in total. The Town Council, upon the request of the Town Manager, may move funds from departments with anticipated budget surpluses to those with anticipated budget shortfalls. Adjustments of this type have no impact on the budget in total.

During the year, adjustments totaling \$206,500 were made from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations. These adjustments were:

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

The other difference between the original and final budgets results from supplemental appropriations made during the year. These differences total \$3,465,080. Of that amount, \$2,445,000 is the amount the State of Maine contributed to Maine Public Employees Retirement System (MainePERS) for retirement and other benefits on behalf of employees enrolled in the MainePERS Teacher Plan. This on-behalf-of amount increases both the revenue and expenditure budgets. The remaining \$1,020,080 represents supplemental appropriations from the unrestricted General Fund balance for a variety of purposes. Since they are made from fund balance, there is no increase in the revenue budget; only the expenditure budget is increased. The supplemental appropriations for the year are summarized as follows.

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

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

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

Capital Budget

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

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

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

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

Revenues - actual vs. final budget

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

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

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

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

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

As part of the total intergovernmental revenues referenced in the preceding paragraph, the Town had several other revenues that exceeded the budget. The Town received approximately \$89,370 in unanticipated federal emergency management disaster assistance for a severe winter storm and flooding in February 2013. State revenue sharing exceeded estimates by \$46,775. Because this revenue is primarily dependent on state income and sales tax collections and because in recent years the State has re-directed funds that normally would have deposited to the revenue sharing pool, the Town is generally conservative when budgeting this source. The Town also received \$13,105 more than anticipated in state tax exemption reimbursement. State general assistance reimbursement and highway grant funds were less than budgeted by \$11,711 and \$6,456 respectively. Highway Grant revenue is based on a municipality's qualifying mileage and a per mile reimbursement rate established by the State. The rate per mile was not known at the time the budget was prepared. The net of all other intergovernmental revenues was more than budgeted by \$11,543.

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

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

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

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

Expenditures - actual vs. final budget

The Charter of the Town of Brunswick requires that expenditures be within the various appropriations established in the budget unless Town Council approves the excess expenditures. As previously mentioned in the discussion about the original and amended budgets, the Town regularly monitors its expenditure budget to ensure compliance with the Charter requirements. Again, compliance is ensured with budget transfers and supplemental appropriations. Readers are directed to the discussion regarding the original and final expenditure budgets for a thorough discussion of the transfers and supplemental appropriations. The Town Council did authorize minor over-expenditures for a few budget items. These over-expenditures totaled \$18.

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

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

Capital Asset and Debt Administration

Capital assets. The Town of Brunswick's investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounts to \$78,615,427, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, improvements, buildings, machinery and equipment, vehicles, intangibles and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was just over 5%. A small decrease in business-type capital activity was offset by an increase in governmental capital asset activities. Major capital asset events during the current fiscal year are listed below.

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

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

A table comparing the Town's capital assets (net of depreciation) as of June 30 for this and the prior fiscal year is shown following.

Town of Brunswick's Capital Assets (net of depreciation)

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

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

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

Town of Brunswick's Outstanding Long-term Debt

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

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

Maine law limits the amount of general obligation debt a governmental entity may issue to an amount equal to 15% of its total State assessed valuation. The current debt limitation for the Town is \$297,517,500, which is significantly in excess of the Town's outstanding general obligation debt. Within the 15% total debt limitation, there are also categorical limits. Those categories include debt limits for schools, sewers, airports, and other municipal projects. The Town is well within each of those categorical limits.

As of June 30, 2012, the Town had debt authorized but not issued of \$187,000 to fund the purchase of an ambulance. On April 1, 2013, the Town Council authorized use of unassigned general fund balance for the ambulance purchase, and rescinded the authorization to issue debt for this purpose.

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

Economic Factors and Next Year's Budgets and Rate

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

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

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

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

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

Requests for Information

This financial report is designed to provide a general overview of the Town of Brunswick's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for financial information should be addressed to the Town of Brunswick, Office of the Finance Director, 28 Federal Street, Brunswick, ME 04011.

BASIC FINANCIAL STATEMENTS

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

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

Amounts reported for governmental activities in the statement of net position (Statement 1) are different because (see Note II.A., also):

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	76,183,251
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	786,160
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(32,837,718)
Internal service funds are used by management to charge the costs of printing services to the funds.	
The assets and liabilities of the internal service fund are not included in the governmental funds.	50,676
Net position of governmental activities (see Statement 1)	<u>\$ 67,742,102</u>

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

Net change in fund balances - total governmental funds (from Statement 4)	\$	997,939
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because (see Note II.B., also):</p>		
<p>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.</p>		4,011,583
<p>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.</p>		(37,111)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		(41,813)
<p>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.</p>		(2,871,767)
<p>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.</p>		(228,195)
<p>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.</p>		<u>9,935</u>
Change in net position of governmental activities (see Statement 2)	\$	<u><u>1,840,571</u></u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2013

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

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2013

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

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2013

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

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2013

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

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2013

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

See accompanying notes to financial statements.

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

	Business-type Activities - Enterprise Funds			Governmental Activities
	<u>Major Fund Solid Waste Facilities</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Internal Service Fund Printing Services</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 401,616	\$ 1,600,156	\$ 2,001,772	\$ -
Accounts receivable	10,081	51,721	61,802	-
Inventory	-	63,377	63,377	-
Prepaid rent	-	58,667	58,667	-
Due from other funds	2,969	634	3,603	52,478
Total current assets	<u>414,666</u>	<u>1,774,555</u>	<u>2,189,221</u>	<u>52,478</u>
Capital assets:				
Land	115,000	-	115,000	-
Buildings	54,220	-	54,220	-
Improvements other than buildings	7,367,865	74,038	7,441,903	-
Machinery and equipment	495,886	97,500	593,386	83,240
Vehicles	88,632	-	88,632	-
Intangibles	6,470	-	6,470	-
Infrastructure	-	589,927	589,927	-
Less accumulated depreciation	<u>(5,866,485)</u>	<u>(590,877)</u>	<u>(6,457,362)</u>	<u>(64,787)</u>
Net capital assets	<u>2,261,588</u>	<u>170,588</u>	<u>2,432,176</u>	<u>18,453</u>
Total assets	<u>2,676,254</u>	<u>1,945,143</u>	<u>4,621,397</u>	<u>70,931</u>
LIABILITIES				
Current liabilities:				
Accounts payable	12,760	1,072	13,832	1,802
Accrual of payroll	3,771	-	3,771	-
Other liabilities	-	1,596	1,596	-
Landfill closure and postclosure	11,500	-	11,500	-
Compensated absences	1,250	-	1,250	-
Unearned revenue	-	59,545	59,545	-
Total current liabilities	<u>29,281</u>	<u>62,213</u>	<u>91,494</u>	<u>1,802</u>
Noncurrent liabilities:				
Landfill closure and postclosure	6,613,581	-	6,613,581	-
Compensated absences	6,531	-	6,531	-
Total noncurrent liabilities	<u>6,620,112</u>	<u>-</u>	<u>6,620,112</u>	<u>-</u>
Total liabilities	<u>6,649,393</u>	<u>62,213</u>	<u>6,711,606</u>	<u>1,802</u>
NET POSITION				
Net investment in capital assets	2,261,588	170,588	2,432,176	18,453
Unrestricted	<u>(6,234,727)</u>	<u>1,712,342</u>	<u>(4,522,385)</u>	<u>50,676</u>
Total net position	<u>\$ (3,973,139)</u>	<u>\$ 1,882,930</u>	<u>\$ (2,090,209)</u>	<u>\$ 69,129</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2013

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

	<u>Private- purpose Trust Funds</u>
ADDITIONS	
Contributions	\$ 1,977
Investment earnings:	
Interest and dividends	11,496
Net increase (decrease) in the fair value of investments	<u>41,702</u>
Total investment earnings	53,198
Less investment expense	<u>(7,173)</u>
Total additions	<u>48,002</u>
DEDUCTIONS	
Payment to beneficiaries	<u>10,513</u>
Total deductions	<u>10,513</u>
Change in net position	37,489
Net position - beginning	<u>705,117</u>
Net position - ending	<u>\$ 742,606</u>

See accompanying notes to financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Brunswick is a municipal corporation (Town or primary government) governed by an elected nine-member council (Town Council). The accompanying financial statements present information for the primary government and its component unit. Component units are separate legal entities for which, according to generally accepted accounting principles (GAAP), the Town is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, and presented as funds of the primary government. Discretely presented component units are reported in separate columns in the government-wide financial statements. The Town has determined that it has one component unit and that it should be discretely presented.

Discretely Presented Component Unit - Brunswick Development Corporation

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

Related Organizations

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

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

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

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

B. Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. They report information on all of the non-fiduciary activities of the Town of Brunswick, the primary government, and the Brunswick Development Corporation, its component unit. While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the Town's

enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements.

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

C. Fund Financial Statements

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

1. Major governmental funds

The Town reports the following major governmental funds:

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

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

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

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

2. Major proprietary funds

The Town reports the following major enterprise fund:

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

3. Other fund types

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

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

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

The *capital projects funds* account for the acquisition of capital assets or construction of major capital projects not financed by the Town's major capital improvement funds, proprietary funds or permanent funds. The Town reports seven nonmajor capital project funds.

The *permanent funds* account for resources where principal is legally restricted by a formal trust agreement and only earnings may be used for purposes that benefit the Town or its citizenry. The Town reports five nonmajor permanent funds.

Proprietary Funds. These funds can be classified into two fund types:

Enterprise funds account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The Town's enterprise funds consist of the activities of the Solid Waste Facilities operations, the Pay-per-bag Program, the Mere Point Wastewater District and the Train Station.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. The Town's internal service fund accounts for printing services provided to departments on a cost reimbursement basis.

Fiduciary Funds account for assets held by the Town in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide statements. The Town's fiduciary funds include the following:

Private-purpose trust funds are used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. These include Scholarship and Education Funds, Public Library Funds, a Village Improvement Fund and a Recreation Fund.

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

4. Inter-fund activity

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current

financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

1. Government wide financial statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

2. Governmental funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for service, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments the State of Maine makes to the Maine Public Employee Retirement System on behalf of teachers and certain other school department employees are reflected as both revenues and expenditures in the General Fund.

3. Proprietary funds and private-purpose trust funds

The Town's proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

4. Agency funds

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

E. Budgetary Information

1. Budgetary basis of accounting

An annual budget of the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The capital project funds are appropriated on a project-length basis. Other special revenue funds and permanent funds do not have appropriated budgets since other means

control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one year.

2. Legal level of budgetary control

The general fund budget is legally adopted by the town council through the passage of an appropriation resolution. By state law, that portion appropriated for educational purposes must be validated through a referendum vote. The town charter states that the town manager may at any time transfer any unencumbered appropriation balance, or portion thereof, between general classifications of expenditures within an office, department or agency. Accordingly, the legal level of budgetary control is an office, department or agency. Historically, the appropriated budget for the General Fund is prepared by department or activity. This has been interpreted to be equivalent to the charter language of office, department or agency. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund (Statement 6) reports at the legal level of control. Town council authorization is required when expenditures exceed appropriations.

All appropriations of the General Fund lapse at the end of the fiscal year to the extent that they have not been expended or lawfully encumbered. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as an assignment of fund balance and do not constitute expenditures or liabilities. The encumbrances are re-appropriated and honored during the subsequent year.

3. Final budget amounts

The amounts reported as “Final Budgeted Amounts” on the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, for the General Fund, include the adopted budget as well as prior-year encumbrances, additional appropriations, and adjustments.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances

1. Cash, cash equivalents and investments

The Town's and its component unit's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and readily convertible to cash.

The Town has established a formal investment policy that governs the investment of all funds other than its permanent funds, private-purpose trust funds, and agency funds. Pursuant to its investment policy and applicable Maine law (Title 30-A, Section 5706 *et seq.* of the Maine Revised Statutes, as amended) all investments of the Town must be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment considering (i) safety of principal and maintenance of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements with which a fund is charged, that is reasonably expected, and (iii) return of income commensurate with avoidance of unreasonable risk. Under its policy, the Town's investment practice is to invest its operating funds in short-term investments. The Town is not invested in any obligations typically referred to as derivatives.

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

2. Receivables and payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/from other funds”. All other outstanding balances between funds are reported as “due to/from other funds”.

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not expendable financial resources and are therefore not available for appropriation.

3. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital assets

Capital assets, which include property, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. All infrastructure, regardless of acquisition date, has been reported.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities has not been included as part of the capitalized value of the assets constructed.

Property, equipment, intangibles and infrastructure of the Town, as well as its component unit, is depreciated using the straight line method over the assets' estimated useful lives ranging from 5 to 50 years.

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

5. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item,

which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and ambulance user fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Net position flow assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. Fund balance flow assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

8. Fund balances

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable – resources which cannot be spent because they are either a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – resources which are subject to limitations the Town imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. The Town Council is the highest level of decision making authority, and can commit fund balance by ordinance.

Assigned – resources neither restricted nor committed for which the Town has a stated intended use as established by the Town Council or a body or official to which the Town Council has delegated the authority to assign amounts for specific purposes.

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

9. Fund balance policy

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

10. Long-term obligations

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

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

11. Use of estimates

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

12. New pronouncements

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

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

G. Revenues and Expenditures/Expenses

1. Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. All taxes, including those dedicated for specific purposes, are reported as general revenues.

2. Property taxes

Property taxes are committed on or around September 1st of each year, on the assessed value listed as of the previous April 1st. Real property taxes are due in two installments, on or near October 15th and April 15th. Personal property taxes are due in one installment on or near October 15th. Taxes unpaid by

the due date are assessed interest. Tax liens are placed on real property of delinquent tax accounts within eight to twelve months following the date taxes are committed for collection.

3. Compensated absences

Under the terms of personnel policies and union contracts, vacation and sick leave (compensated absences) are granted in varying amounts according to length of service. Certain employees also earn compensatory time. A liability for vested or accumulated vacation, sick and compensatory leave is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. All accumulated leave is accrued when incurred in the government-wide financial statements. However, sick leave is valued based on the vesting method that calculates the amount of sick leave that is expected to become eligible for payout at termination.

4. Proprietary funds operating and non-operating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Town’s enterprise funds and internal service fund are charges for services to customers. Operating expenses for the enterprise funds and the internal service fund include the cost of personnel, contractual services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of this \$76,183,251 are as follows:

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

Another element of that reconciliation explains that “other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.” The details of this \$786,160 difference are as follows:

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

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

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

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

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

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

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position – governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$4,011,583 difference are as follows:

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

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

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

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

Another element of that reconciliation states that “revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds.” The details of this \$(41,813) difference are as follows:

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

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(2,871,767) difference are as follows:

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

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$(228,195) difference are as follows:

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

Another element of that reconciliation states that “internal service funds are used by management to charge the costs of printing services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.” The details of this \$9,935 difference are as follows:

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

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Control

The accounting system is employed as a budgetary management control device to monitor the individual departments. Encumbrance accounting is employed in the governmental funds.

B. Budgetary Use of Fund Balance

The Town utilizes fund balance as a source of funds for the General Fund budget. For the year ended June 30, 2013, the Town budgeted and utilized the following amounts:

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

C. Additional Appropriations

1. Supplemental appropriations

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

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

2. On-behalf payments

The payments the State of Maine makes to the Maine Public Employees Retirement System (Maine PERS) for retirement and other benefits, on behalf of the Town for teachers and other school employees, are reported as additional appropriations in both the revenue and expenditure budgets. The amounts of on-behalf payments for fiscal year 2012-13 were \$2,135,000 for retirement, and \$310,000 for other benefits.

D. Budget Adjustments

The adjustments are generally the result of the Town's management process which monitors department budgets and the budget in total. The Town Council, upon the request of the town manager, may move funds from departments with anticipated budget surpluses to those with anticipated budget shortfalls.

Adjustments of this type have no impact on the budget in total. During the year, adjustments totaling \$206,500 were made by moving appropriations from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations.

E. Authority to Over Expend

On June 27, 2013, the Town Council adopted a resolution authorizing expenditures to exceed the gross appropriation in an appropriated account so long as the amount was \$10,000 or less.

F. Deficit Fund Balance or Net Position

The following *fund balance deficits* exist at June 30, 2013:

Downtown Development TIF District Fund	\$(1,413,629)
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The Downtown Development TIF District Fund accounts for activities related to the "DEVELOPMENT PROGRAM FOR THE BRUNSWICK DOWNTOWN MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT" adopted on March 1, 2010 (the "Downtown Development Program"), which consists of five major components. Tax revenues generated by development within the District will be captured and used to fund the activities of the Downtown Development Program. The deficit balance in this account is the result of advances to fund land acquisition and construction activities. Those advances are expected to be repaid from tax increment financing (TIF) revenues generated within the District over the thirty-year life of the District. Should there not be sufficient revenues the advances will not be repaid.

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

Hawthorne School renovation	\$(225,430)
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This project was funded, in part, by an advance from the General Fund. It is anticipated that the deficit will be eliminated with future revenues or appropriations. Nine other projects within the Capital Improvements Fund have positive fund balances totaling \$1,916,798.

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

Solid Waste Facilities Fund	\$(3,973,139)
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The deficit balance in the Solid Waste Facilities Fund is primarily the result of insufficient assets to fund the liability that the Town has accumulated for the closure and post-closure of its landfills. The Town has implemented two strategies to reduce the deficit, annual subsidies from the General Fund, and its plan to use accumulated net revenue from its pay-as-you-throw residential solid waste collection program. Should a deficit remain at the time the operating landfill is closed, debt may be issued to finance the closure costs.

IV. DETAILED NOTES ON ACTIVITIES AND FUNDS

A. Deposits and Investments

Primary government:

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

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

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

Credit risk. The Town does not have a formal policy regarding credit risk. Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and certain corporate stocks and bonds. At June 30, 2013, the Town was not invested in corporate bonds.

Custodial credit risk – deposits. This is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At June 30, 2013, the bank balance of \$1,169,953 was covered by the FDIC and the tri-party collateral agreement among the Town of Brunswick, Bank of America, and Bank of New York. Although CDs have been classified as investments for financial reporting, they are considered deposits for the purposes of custodial credit risk disclosure. All CDs are fully insured by the FDIC.

Custodial credit risk – investments. This is the risk that in the event of failure of the counterparty, the Town will not be able to recover the value of its investments. The Town does not have an investment policy for custodial credit risk. None of the Town's investments are subject to custodial credit risk.

Concentration of credit risk. At June 30, 2013, the Town did not have a policy for concentration of credit risk.

Discretely presented component unit:

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

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

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

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

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

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

B. Receivables

Receivables at June 30, 2013 consist of the following:

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

Property taxes for the current year were committed September 10, 2012 on the assessed value listed as of April 1, 2012, for all taxable real and personal property located in the Town. Real property taxes were due in two installments, October 15, 2012 and April 16, 2013. Personal property taxes were due in one installment, October 15, 2012. Interest was charged at the rate of 7.00% on all taxes unpaid as of the due date(s).

Assessed values are periodically established by the Tax Assessor at 100% of assumed market. Each property must be reviewed no less than once every four years. The assessed values must be at least 70% of full valuation. The assessed value, net of value captured in tax increment financing districts, as of April 1, 2012, upon which the levy for the year ended June 30, 2013 was based, was \$1,315,896,090. This assessed value was 70% of the estimated market value and 64.88% of the 2012 State valuation of \$2,028,050,000.

Maine law permits the Town to levy taxes up to 105% of its net property tax requirement (budgeted expenditures less budgeted non-property tax revenues) for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$846,751 for the year ended June 30, 2013.

Tax liens are placed on real property of delinquent tax accounts within eight to twelve months following the date taxes are committed for collection. Provided the Town has followed the statutory provisions, the tax lien automatically forecloses if the tax lien and associated costs remain unpaid eighteen months from the date the lien is recorded in the Cumberland County Registry of Deeds.

Maine law authorizes municipalities to establish tax increment financing districts (TIFs). A TIF allows the municipality to capture the new, or incremental, tax revenue generated within a defined development district and use that captured tax revenue in accordance with a development plan for that district. The new, or incremental, assessed valuation and related tax revenue in the TIF district is not available to the Town’s General Fund. For the year ended June 30, 2013, the Town had a total of \$16,472,100 in

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

C. Long-term Receivables

Primary Government

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

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

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

Discretely presented component unit

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

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

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

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

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

D. Capital Assets

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

Primary Government

Governmental activities:

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

Business-type activities:

	Balance <u>June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2013</u>
Capital assets, not being depreciated:				
Land	\$ 115,000	\$ -	\$ -	\$ 115,000
Total capital assets not being depreciated	115,000	-	-	115,000
Capital assets being depreciated:				
Buildings	54,220	-	-	54,220
Improvements other than buildings	7,388,473	53,430	-	7,441,903
Machinery and equipment	593,386	-	-	593,386
Vehicles	88,632	-	-	88,632
Intangibles	6,470	-	-	6,470
Infrastructure	589,927	-	-	589,927
Total capital assets being depreciated	8,721,108	53,430	-	8,774,538
Less accumulated depreciation for:				
Buildings	(47,612)	(2,644)	-	(50,256)
Improvements other than buildings	(5,428,703)	(93,846)	-	(5,522,549)
Machinery and equipment	(294,170)	(25,330)	-	(319,500)
Vehicles	(88,632)	-	-	(88,632)
Intangibles	(3,990)	(1,294)	-	(5,284)
Infrastructure	(447,584)	(23,557)	-	(471,141)
Total accumulated depreciation	(6,310,691)	(146,671)	-	(6,457,362)
Total business-type capital assets being depreciated, net:	2,410,417	(93,241)	-	2,317,176
Business-type activities capital assets, net	<u>\$ 2,525,417</u>	<u>\$ (93,241)</u>	<u>\$ -</u>	<u>\$ 2,432,176</u>

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

Governmental activities:

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

Business-type activities:

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

Discretely presented component unit

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

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

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

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

E. Leases

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

Town as Lessee:

Municipal Meeting Facility

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

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

Train Station & Visitor’s Center

In June 2009, the Town executed a five-year agreement with JHR Development of Maine (JHR) to lease approximately 2,125 square feet of space at JHR’s Brunswick Station development (formerly Maine Street Station). The term of the lease began November 1, 2009. The Town uses the leased space as a train station and visitor’s center, subcontracting with the Brunswick Downtown Association (BDA) to manage the operation. During the year ended June 30, 2009, the Town received a \$220,000 grant from the Brunswick Development Corporation (BDC) which allowed the Town to pre-pay all five years of the rent. For the year ended June 30, 2013 the lease expense was \$44,000. For future years lease expenses will be recognized as follows:

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2014	\$ 44,000
2015	<u> 14,667</u>
	\$ 58,667

F. Long-term Liabilities

1. General obligation bonds

The Town issues general obligation debt to provide funds for acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Annual Principal Payments</u>	<u>Amount Outstanding</u>
<u>Governmental Activities</u>						
2003 High School Refunding	2003	\$ 9,595,000	1.50% to 4.50%	2014	\$ 785,000 to 1,060,000 200,000	\$ 785,000
2006 Fire Station & Truck	2006	3,125,000	4.00% 2.00%	2021	to 275,000	1,600,000
2010 Elementary School	2010	21,462,250	to 5.50% 2.00%	2030	1,073,113 270,000	19,316,025
2011 GO Bonds	2011	4,120,000	to 3.00% 2.00%	2021	to 555,000	3,010,000
2013 Police Station	2013	5,500,000	to 3.50%	2033	275,000	5,500,000
						<u>\$ 30,211,025</u>

All of the 2010 Elementary School Bonds were issued through the Maine Municipal Bond Bank (MMBB). A large percentage of those were issued as Build America Bonds (BABs). Interest on BABs is taxable. The issuer, in this case MMBB, files annually for an interest subsidy from the US Treasury. The subsidy lowers the effective interest rate. Further, 78% of the debt service on the High School Refunding Bonds and 87% of the debt service on the Elementary School Bonds are eligible for State subsidy. The State is in the process of reviewing the elementary school construction project costs so the percentage of the debt service subsidy on those bonds could change based on the results of the State review.

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

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

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

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

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

State reimbursement for debt service expenditures: The State of Maine currently subsidizes the Town for debt service costs for state approved school construction projects. The subsidy is based on formulas prescribed in Title 20-A M.R.S.A. Continuation of such subsidy is dependent upon the formulas and continued appropriations by the state legislature.

Legal debt limit: The amount of debt a Maine municipality may have is governed by Title 30-A M.R.S.A. section 5702. The law limits total debt and debt for specific categories. The Town's debt is within both the total and categorical limits prescribed in the law. A full presentation of the debt limit calculations can be found in the statistical section of this Comprehensive Annual Financial Report (CAFR).

2. Compensated absences

Recorded long-term compensated absences are as follows:

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

3. Other post-employment benefits

Maine Municipal Employees Health Trust

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

MMEHT contracts with an actuarial consultant to provide a biennial actuarial valuation of the Town's OPEB liability under GASB Statement 45. The most recent OPEB liability actuarial valuation was completed in October 2013 for the fiscal years ending June 30, 2013 and June 30, 2014. A copy of the financial report and the required supplementary information for the Health Trust may be obtained from the Maine Municipal Employees Health Trust, 60 Community Drive, Augusta, ME 04333.

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

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

Normal cost	\$ 69,411
Amortization of Unfunded	137,043
Interest	4,089
Annual Required Contribution	<u>210,543</u>
Interest on Net OPEB Obligation	-
Amortizing Adjustment to ARC	-
Annual OPEB Cost	<u>210,543</u>
Contributions made	<u>(73,021)</u>
Increase in Net OPEB Obligation	137,522
Net OPEB obligation - beginning of year	<u>480,280</u>
Net OPEB obligation - end of year	<u><u>\$ 617,802</u></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, 2013 and two preceding years:

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2011	186,331	41.33%	367,664
June 30, 2012	184,382	38.92%	480,280
June 30, 2013	210,543	34.68%	617,802

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

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, found in the required supplementary information (RSI) on page 79, provides multiyear trend information (only four years available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

Actuarial valuation date	1/1/2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar
Amortization period	Open, 30 years
Actuarial assumptions:	
Discount rate	4.00%
Rate of salary increases	3.00%
Ultimate rate of medical inflation	4.25%

4. Landfill closure and postclosure care cost

Statement No. 18 of the Government Accounting Standards Board (GASB) entitled "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs" requires the Town to record a liability for the estimated costs of landfill closure and postclosure care, as required by governmental authorities.

State and federal regulations require that the Town place a final cover on its current operating landfill when waste is no longer accepted and to perform certain maintenance and monitoring functions at the landfill for a period of thirty years after closure. In addition to operating expenditures related to current activities of the landfill, a related liability is recognized based on the future closure and postclosure care costs that will be paid near or after the date that the landfill stops accepting waste. The Town reports a portion of these closure and postclosure care costs as a liability in the statement of net position based on landfill capacity used as of June 30.

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

The Town has the following solid waste facilities:

Graham Road Landfill: This facility was designed with three cells, with construction and use of the individual cells to be phased in over the life of the facility. As of June 30, 2013, the Town estimates the facility has a remaining capacity of 22.68% and, at current disposal rates, will continue accepting waste for 16-22 more years. The Town estimates the final closure cost for the entire facility to be approximately \$6,300,000. The total post-closure care costs are estimated at \$2,135,000 which is an annual cost of \$71,167 for 30 years. Of the total estimated liability, \$8,435,000, the Town estimates that \$6,521,581 is applicable to this facility based on the estimated capacity used as of June 30, 2013.

The landfill operates under strict environmental regulations and its operation is dependent on continued compliance with existing and future regulations. The facility's wastewater discharge license was renewed in August 2011. For several years, the Town has worked with the Maine Department of Environmental Protection (DEP) to comply with, or seek waivers from, certain discharge parameters set by the United States Environmental Protection Agency (EPA). The Town believes that treatment options to meet those parameters will be costly and will not appreciably impact water quality. Initially, the Town believed it could obtain a waiver of those limits based upon Fundamentally Different Factors (FDF), the variance process described in its 2004 wastewater discharge license. The DEP has told the Town that such a variance is no longer an option. For over a year, the Town and the Maine Department of Environmental Protection (DEP) were negotiating an Administrative Consent Agreement (ACA) to resolve violations of certain wastewater discharge limits and other operational violations. In January 2012, the Town and DEP discontinued the ACA discussions. Instead, the parties agreed to pursue a collaborative approach. Late in 2012, the Town and DEP cooperated in the construction and operation of a small-scale experimental treatment facility. The Town and DEP have agreed to continue operating the facility through the upcoming winter months in order to obtain more reliable data about the facility's effectiveness in cold weather conditions. Depending on its collaboration with DEP, the cost of wastewater treatment options, and other factors, the Town may ultimately consider closing the landfill. While the Town faces potential fines for its failure to comply with wastewater discharge limits and other violations DEP has indicated that it would not pursue enforcement action so long as the Town and DEP were pursuing a collaborative solution. The Town cannot reasonably estimate the amount of any potential fines, should it once again be faced with enforcement action.

Wood & Masonry Landfill: This facility ceased operations on October 29, 2005. Work to close the facility in accordance with Maine Department of Environmental Protection guidelines was completed as of September 1, 2006. Of the total liability estimated for landfill closure and post-closure care as of June 30, 2013, the Town estimates that \$96,000 is applicable to this facility. This represents annual monitoring at \$4,000 per year for 24 years. The portion of the liability reported as due within one year is \$4,000.

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

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

G. Changes in Long-term Liabilities

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

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

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

H. Components of Fund Balances

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

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

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

The Town has a Fund Balance Policy for the General Fund. The policy lists criteria to be used in establishing a minimum fund balance target and sets the minimum *unassigned* fund balance at 16.67% of annual GAAP revenues. At June 30, 2013, the Town's unassigned fund balance was at 18.60% of revenues.

I. Interfund Balances

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

1. Due to/from other funds

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

2. Advances to/from other funds

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

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

J. Interfund transfers

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

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

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

K. Nonmonetary Exchange (special item)

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

L. Donor-restricted Endowments

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

V. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and other risks for which the Town and its School Department carry insurance. There have been no significant changes in insurance coverage during the past fiscal year. For the three fiscal years ended June 30, 2013, 2012 and 2011, there have been no settlements in excess of coverage.

The Town belongs to the Maine Municipal Association (MMA) Property and Casualty Pool, for most of its municipal property and liability exposures. The Town's School Department, which obtains coverage separately from the remainder of Town government, continues to insure most of its exposures with a commercial insurance underwriter.

For worker's compensation, both the Town and its School Department participate in the Maine Municipal Association (MMA) Worker's Compensation Pool.

If the assets of either the MMA Property and Casualty Pool or the Worker's Compensation Pool are at any time actuarially determined to be insufficient to enable either pool to discharge its legal liability and other obligations and to maintain actuarially sound reserves, either pool has the power to make up the deficiency by the levy of a prorated assessment upon its members for the amount needed to make up the deficiency. There has been no such deficiency in the past three years. Management believes that no such deficiency exists at June 30, 2013.

Further information including financial statements for the Maine Municipal Association Pools may be obtained from MMA Risk Management Services, 60 Community Drive, P.O. Box 9109, Augusta, ME 04332.

B. Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although, except for the items mentioned in the following paragraph, the Town expects such amounts, if any, to be immaterial.

There are various claims and suits pending against the Town that arise in the normal course of the Town's activities. In the opinion of counsel and Town management, the ultimate disposition of these various claims and suits will have no material effect on the financial position of the Town.

The Midcoast Regional Redevelopment Authority (MRRRA) 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 MRRRA prevail, the Town would be required to abate and refund \$114,114 in taxes for the year ended June 30, 2013. The Town has also taxed these properties for FY14 and the amount that would be due on an abatement would be 121,630.

C. Deferred Compensation Plan

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

D. Defined Benefit Pension Plans

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

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

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

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

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

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

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

E. Overlapping Debt

1. Cumberland County

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment. The Town's share is determined as the percentage of its equalized state valuation of the total equalized state valuation of all municipalities in the County. At June 30, 2013, the Town's equalized state valuation of \$1,983,450,000 was 5.13% of the County's equalized state valuation of \$38,690,850,000. The Town's share of Cumberland County's principal debt as of June 30, 2013 is \$1,892,925 or 5.13% of the total outstanding long-term County debt of \$36,925,000.

2. Maine Region 10 Technical High School

The Town of Brunswick is a participant along with the Regional School Unit 5 (RSU 5) and Regional School Unit 75 (RSU 75) in a joint venture to operate Maine Region 10 Technical High School (MR10). MR10 was established by a cooperative agreement pursuant to Maine law to deliver a program of vocational education to students of the member units. At June 30, 2013, MR10 had total principal debt outstanding of \$24,500. The Town of Brunswick's share of MR10's debt is 38.29%, or \$9,381. See the "Joint Venture" footnote for additional information.

F. Quasi-municipal Debt

Two districts, as quasi-municipal entities, provide certain services to their respective customers, most of whom are within the territorial boundaries of the Town of Brunswick. Although the indebtedness of these districts is not an obligation of the Town nor is it guaranteed by the Town, many of the ratepayers of the districts are also taxpayers of the Town.

The following disclosure as of June 30, 2013 is provided as an indication of the combined debt burden of the constituent ratepayer/taxpayer base.

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

G. Joint Venture

The Town of Brunswick is a participant along with Regional School Unit 5 (RSU 5) and Regional School Unit 75 (RSU 75) in a joint venture to operate Maine Region 10 Technical High School (MR10). MR10 was established by a cooperative agreement pursuant to Maine law to deliver a program of vocational education to students of the member units. MR10 is governed by a nine-member board of directors. The Town of Brunswick has four members, RSU 75 has three members, and RSU 5 has two members. However, the votes for each board member are weighted according to population determined by the most recent Federal Decennial Census. With the exception of direct federal and state revenues, balances, and other miscellaneous receipts, MR10 funds its operations, debt service requirements and other programs through an annual assessment to each of the member units. The assessments are also based on the population of the units as determined by the most recent Federal Decennial Census. Each member unit must also approve its assessment through its own budgetary process. The Town of Brunswick currently has an on-going financial responsibility to fund 38.29% of MR10's budget. For the year ended June 30, 2013, the total budget of MR10 was \$1,980,299. After MR10 deducted certain balances and miscellaneous revenues, the Town of Brunswick was assessed and paid \$708,809. At June 30, 2013, MR10 had total principal debt outstanding of \$24,500. The Town of Brunswick's share of MR10's debt is 38.29%, or \$9,381. A copy of MR10's audited financial statements may be obtained from Maine Region 10 Technical High School, 68 Church Road, Brunswick, Maine 04011.

H. Commitments

Primary government

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

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

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

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

Discretely presented component unit

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

I. Subsequent Events

Primary government

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

Discretely presented component unit

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

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

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

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

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

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

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

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

Required Supplementary Information

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

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Special revenue funds are established for the following purposes:

Recreation Programs

To account for all user-supported recreation programs.

Town Restricted Programs

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

CAPITAL PROJECTS FUNDS

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

Capital projects funds have been established for the following purposes:

Impact Fees

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

Industrial Park

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

Public Works Projects

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

Vehicle/Equipment Reserves

To account for vehicle and capital equipment purchases.

Downtown Improvement Projects

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

Capital Improvements Fund

To account for capital projects that are supported by appropriations and/or advances from the General Fund or donations from private or public sources.

Elementary School Building Fund

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

PERMANENT FUNDS

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

Nonexpendable permanent funds:

Education Funds:

Brunswick School Fund

This fund was established to be used by the school department.

Brunswick High Class of 1920 Fund

This fund was established for the purpose of purchasing books for the Brunswick High School Library.

Community Improvements Fund:

Joshua Chamberlain Fund

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

Recreation and Cultural Fund:

Nathaniel Davis Recreation Fund

This fund was established to provide funds each year for the pleasure of the inhabitants of the Town of Brunswick as the government of Brunswick shall decide.

Social Services Fund:

George H. and Josephine Runnels Underprivileged Children's Fund

This fund was established for the benefit of underprivileged children of the Town of Brunswick.

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
All Other Governmental Funds
June 30, 2013

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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PROPRIETARY FUNDS

Enterprise Funds:

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

Pay-per-bag Program

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

Mere Point Wastewater

Operation of a wastewater district serving 35 households.

Train Station

Operation of a downtown train station and visitors center.

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Nonmajor Proprietary Funds
Enterprise Funds
June 30, 2013

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

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
Enterprise Funds
For the year ended June 30, 2013

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

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

	<u>Pay-per-bag Program</u>	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 273,300	\$ 24,407	\$ 14,168	\$ 311,875
Payments to suppliers for goods and services	<u>(94,970)</u>	<u>(18,790)</u>	<u>(75,843)</u>	<u>(189,603)</u>
Net cash provided (used) by operating activities	<u>178,330</u>	<u>5,617</u>	<u>(61,675)</u>	<u>122,272</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	-	-	50,000	50,000
Unearned revenue	-	-	44,000	44,000
Increase (decrease) in due to other funds	<u>-</u>	<u>(634)</u>	<u>-</u>	<u>(634)</u>
Cash provided (used) by noncapital financing activities	<u>-</u>	<u>(634)</u>	<u>94,000</u>	<u>93,366</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Subsidy from component unit	-	-	53,430	53,430
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>(53,430)</u>	<u>(53,430)</u>
Cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	<u>135</u>	<u>4</u>	<u>3</u>	<u>142</u>
Cash provided by investing activities	<u>135</u>	<u>4</u>	<u>3</u>	<u>142</u>
Net increase in cash	178,465	4,987	32,328	215,780
Cash, beginning of year	<u>1,322,042</u>	<u>37,182</u>	<u>25,152</u>	<u>1,384,376</u>
Cash, end of year	<u>\$ 1,500,507</u>	<u>\$ 42,169</u>	<u>\$ 57,480</u>	<u>\$ 1,600,156</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	<u>\$ 218,900</u>	<u>\$ (20,444)</u>	<u>\$ (70,872)</u>	<u>\$ 127,584</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	23,557	11,246	34,803
(Increase) decrease in accounts receivable	(25,800)	2,737	(300)	(23,363)
(Increase) decrease in inventory	(14,690)	-	-	(14,690)
(Increase) decrease in prepaid rent	-	-	44,000	44,000
Increase (decrease) in accounts payable	(80)	(233)	(2,081)	(2,394)
Increase (decrease) in unearned revenue	<u>-</u>	<u>-</u>	<u>(43,668)</u>	<u>(43,668)</u>
Total adjustments	<u>(40,570)</u>	<u>26,061</u>	<u>9,197</u>	<u>(5,312)</u>
Net cash provided (used) by operating activities	<u>\$ 178,330</u>	<u>\$ 5,617</u>	<u>\$ (61,675)</u>	<u>\$ 122,272</u>

FIDUCIARY FUNDS

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

Private-purpose Trust Funds:

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

Scholarships and Education Funds:

Samuel G. Davis School Prize Fund

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

Solon E. and Lydia Skolfield Turner Scholarship Fund

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

Pearl H. Baker Scholarship Fund

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

Lewis P. Gallagher Scholarship Fund

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

Doris C. Bibber Memorial Fund

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

Elizabeth A. Nickerson Scholarship Fund

Provides a need-based scholarship to attend a four-year college or university to a graduating female student of Brunswick High School.

John Bibber Scholarship Fund

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

Lester Rogers Memorial Fund

Provides a memorial award for eighth grade technology students.

Brunswick Junior High School Personal Growth Award Fund

Provides an award to recognize Junior High School students who have shown growth in the face of adversity over the course of the school year.

Public Library Funds: For the benefit of Curtis Memorial Library

L. Augusta Curtis Library Fund

W. J. Curtis Library Fund

Letitia A. Curtis Library Fund

E. H. Pennel Village Improvement Fund

For the use of the Village Improvement Association.

Alex Labbe Recreation Fund

Provides summer vacation camp scholarships for children participating in the Brunswick Parks and Recreation Department program.

Agency Funds:

The Student Activities Agency Fund is used to report resources held by the Town in a purely custodial capacity.

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

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

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

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

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

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

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

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

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

	<u>L. Augusta Curtis Library Fund</u>	<u>W. J. Curtis Library Fund</u>	<u>Letitia A. Curtis Library Fund</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 566	\$ 468	\$ 126	\$ 1,160
Investments	<u>35,784</u>	<u>29,616</u>	<u>7,953</u>	<u>73,353</u>
Total assets	<u>36,350</u>	<u>30,084</u>	<u>8,079</u>	<u>74,513</u>
LIABILITIES				
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net position held in trust for other purposes	<u>\$ 36,350</u>	<u>\$ 30,084</u>	<u>\$ 8,079</u>	<u>\$ 74,513</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, 2013

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

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

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS				
Accounts receivable	\$ 20	\$ 38	\$ -	\$ 58
Due from other funds	<u>56,901</u>	<u>80,762</u>	<u>77,966</u>	<u>59,697</u>
Total assets	<u>56,921</u>	<u>80,800</u>	<u>77,966</u>	<u>59,755</u>
LIABILITIES				
Accounts payable	-	853	-	853
Amounts held for others - student activities	<u>56,921</u>	<u>79,947</u>	<u>77,966</u>	<u>58,902</u>
Total liabilities	<u>\$ 56,921</u>	<u>\$ 80,800</u>	<u>\$ 77,966</u>	<u>\$ 59,755</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Tables</u>
Financial Trends	1-7
<i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	
Revenue Capacity	8-11
<i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	
Debt Capacity	12-14
<i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	15-16
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	
Operating Information	17-19
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i>	

Table 1

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

	Fiscal Year									
	<u>2004(a)</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011(b)</u>	<u>2012</u>	<u>2013</u>
Governmental activities										
Net investment in capital assets	\$ 27,619,276	\$ 29,724,992	\$ 37,020,478	\$ 39,042,020	\$ 40,125,041	\$ 45,120,315	\$ 45,552,625	\$ 45,183,666	\$ 45,338,934	\$ 47,805,066
Restricted	5,316,054	5,718,868	6,304,457	6,833,786	8,134,803	9,851,093	10,935,859	12,444,106	9,412,416	9,100,700
Unrestricted	<u>5,328,090</u>	<u>9,223,614</u>	<u>6,807,250</u>	<u>7,171,177</u>	<u>8,437,332</u>	<u>6,460,505</u>	<u>7,423,485</u>	<u>7,612,316</u>	<u>11,150,181</u>	<u>10,836,336</u>
Total governmental activities net position	<u>\$ 38,263,420</u>	<u>\$ 44,667,474</u>	<u>\$ 50,132,185</u>	<u>\$ 53,046,983</u>	<u>\$ 56,697,176</u>	<u>\$ 61,431,913</u>	<u>\$ 63,911,969</u>	<u>\$ 65,240,088</u>	<u>\$ 65,901,531</u>	<u>\$ 67,742,102</u>
Business-type activities										
Net investment in capital assets	\$ 356,799	\$ 1,949,097	\$ 2,250,552	\$ 2,359,347	\$ 2,236,796	\$ 2,126,001	\$ 2,405,839	\$ 2,494,242	\$ 2,525,417	\$ 2,432,176
Unrestricted	<u>56,164</u>	<u>(3,502,424)</u>	<u>(4,810,323)</u>	<u>(4,360,674)</u>	<u>(4,576,316)</u>	<u>(4,376,319)</u>	<u>(4,573,897)</u>	<u>(4,650,533)</u>	<u>(4,797,321)</u>	<u>(4,522,385)</u>
Total business-type activities net position	<u>\$ 412,963</u>	<u>\$ (1,553,327)</u>	<u>\$ (2,559,771)</u>	<u>\$ (2,001,327)</u>	<u>\$ (2,339,520)</u>	<u>\$ (2,250,318)</u>	<u>\$ (2,168,058)</u>	<u>\$ (2,156,291)</u>	<u>\$ (2,271,904)</u>	<u>\$ (2,090,209)</u>
Primary government										
Net investment in capital assets	\$ 27,976,075	\$ 31,674,089	\$ 39,271,030	\$ 41,401,367	\$ 42,361,837	\$ 47,246,316	\$ 47,958,464	\$ 47,677,908	\$ 47,864,351	\$ 50,237,242
Restricted	5,316,054	5,718,868	6,304,457	6,833,786	8,134,803	9,851,093	10,935,859	12,444,106	9,412,416	9,100,700
Unrestricted	<u>5,384,254</u>	<u>5,721,190</u>	<u>1,996,927</u>	<u>2,810,503</u>	<u>3,861,016</u>	<u>2,084,186</u>	<u>2,849,588</u>	<u>2,961,783</u>	<u>6,352,860</u>	<u>6,313,951</u>
Total primary government net position	<u>\$ 38,676,383</u>	<u>\$ 43,114,147</u>	<u>\$ 47,572,414</u>	<u>\$ 51,045,656</u>	<u>\$ 54,357,656</u>	<u>\$ 59,181,595</u>	<u>\$ 61,743,911</u>	<u>\$ 63,083,797</u>	<u>\$ 63,629,627</u>	<u>\$ 65,651,893</u>

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

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

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

	Fiscal Year									
	<u>2004(a)</u>	<u>2005(b)</u>	<u>2006(c)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011(d)</u>	<u>2012</u>	<u>2013</u>
Expenses										
Governmental activities:										
General government	\$ 4,131,004	\$ 4,599,226	\$ 5,087,652	\$ 6,325,899	\$ 5,975,174	\$ 4,450,115	\$ 3,950,035	\$ 4,368,816	\$ 4,414,316	\$ 4,144,050
Public safety	4,691,368	4,738,304	5,594,034	5,973,835	7,246,419	7,390,601	7,493,862	7,656,381	7,650,053	8,095,189
Public works	5,146,384	4,183,545	3,956,725	4,212,477	4,877,097	4,720,393	5,099,104	4,809,787	4,991,362	5,740,333
Human services	1,105,185	189,035	194,494	169,445	183,258	146,580	134,805	150,279	168,829	154,429
Education	28,940,721	30,565,978	32,968,322	34,371,439	35,844,028	36,159,857	36,967,698	35,576,224	34,590,451	34,366,120
Recreation and culture	1,379,552	2,144,292	2,361,284	2,397,979	5,035,862	2,717,282	2,660,828	2,447,708	2,619,742	2,749,776
Intergovernmental	-	1,007,709	977,266	998,732	1,052,971	1,088,467	1,149,612	1,171,049	1,187,020	1,183,264
Unclassified	2,067,932	1,349,068	442,312	898,278	369,038	308,691	133,725	120,725	296,682	281,424
Interest on long term debt	678,703	508,766	412,216	379,004	317,925	307,106	251,625	644,723	785,569	698,508
Total governmental activities expenses	<u>48,140,849</u>	<u>49,285,923</u>	<u>51,994,305</u>	<u>55,727,088</u>	<u>60,901,772</u>	<u>57,289,092</u>	<u>57,841,294</u>	<u>56,945,692</u>	<u>56,704,024</u>	<u>57,413,093</u>
Business-type activities:										
Solid waste facilities	-	784,870	1,714,936	646,244	1,151,731	627,056	693,496	1,260,786	876,942	614,661
Other business-type activities	55,989	73,570	45,569	185,082	123,069	130,498	160,424	177,705	178,742	207,322
Total business-type activities	<u>55,989</u>	<u>858,440</u>	<u>1,760,505</u>	<u>831,326</u>	<u>1,274,800</u>	<u>757,554</u>	<u>853,920</u>	<u>1,438,491</u>	<u>1,055,684</u>	<u>821,983</u>
Total primary government expenses	<u>\$ 48,196,838</u>	<u>\$ 50,144,363</u>	<u>\$ 53,754,810</u>	<u>\$ 56,558,414</u>	<u>\$ 62,176,572</u>	<u>\$ 58,046,646</u>	<u>\$ 58,695,214</u>	<u>\$ 58,384,183</u>	<u>\$ 57,759,708</u>	<u>\$ 58,235,076</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Education	\$ 2,665,916	\$ 2,693,575	\$ 2,578,143	\$ 2,606,605	\$ 1,820,813	\$ 1,799,297	\$ 1,468,047	\$ 887,731	\$ 605,689	\$ 679,596
Other activities	2,102,037	2,175,842	2,358,152	2,228,401	2,449,894	2,451,870	2,328,099	2,518,376	1,961,989	2,080,643
Operating grants and contributions	14,031,039	15,513,125	17,956,023	20,074,892	23,027,043	22,273,609	21,959,665	19,758,529	18,275,484	15,249,827
Capital grants and contributions	950,915	1,145,143	2,025,501	1,131,548	3,202,015	1,226,969	897,073	1,069,654	247,704	2,487,876
Total governmental activities program revenues	<u>19,749,907</u>	<u>21,527,685</u>	<u>24,917,819</u>	<u>26,041,446</u>	<u>30,499,765</u>	<u>27,751,745</u>	<u>26,652,884</u>	<u>24,234,290</u>	<u>21,090,866</u>	<u>20,497,942</u>
Business-type activities:										
Charges for services:										
Solid waste facilities	-	671,995	698,097	558,208	427,487	434,935	411,035	380,115	351,918	321,153
Other business-type activities	22,026	21,692	21,685	231,252	362,209	342,733	330,783	362,105	339,069	334,906
Operating grants and contributions	-	-	-	-	-	-	29,333	44,000	44,000	44,000
Capital grants and contributions	-	-	-	-	-	-	25,000	-	-	53,430
Total business-type activities program revenues	<u>22,026</u>	<u>693,687</u>	<u>719,782</u>	<u>789,460</u>	<u>789,696</u>	<u>777,668</u>	<u>796,151</u>	<u>786,220</u>	<u>734,987</u>	<u>753,489</u>
Total primary government program revenues	<u>\$ 19,771,933</u>	<u>\$ 22,221,372</u>	<u>\$ 25,637,601</u>	<u>\$ 26,830,906</u>	<u>\$ 31,289,461</u>	<u>\$ 28,529,413</u>	<u>\$ 27,449,035</u>	<u>\$ 25,020,510</u>	<u>\$ 21,825,853</u>	<u>\$ 21,251,431</u>

Table 2 , continued

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

	Fiscal Year									
	<u>2004(a)</u>	<u>2005(b)</u>	<u>2006(c)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011(d)</u>	<u>2012</u>	<u>2013</u>
Net (expense) revenue										
Governmental activities	\$ (28,390,942)	\$ (27,758,238)	\$ (27,076,486)	\$ (29,685,642)	\$ (30,402,007)	\$ (29,537,347)	\$ (31,188,410)	\$ (32,711,402)	\$ (35,613,158)	\$ (36,915,151)
Business-type activities	(33,963)	(164,753)	(1,040,723)	(41,866)	(485,104)	20,114	(57,769)	(652,271)	(320,697)	(68,494)
Total primary government net expenses	<u>\$ (28,424,905)</u>	<u>\$ (27,922,991)</u>	<u>\$ (28,117,209)</u>	<u>\$ (29,727,508)</u>	<u>\$ (30,887,111)</u>	<u>\$ (29,517,233)</u>	<u>\$ (31,246,179)</u>	<u>\$ (33,363,673)</u>	<u>\$ (35,933,855)</u>	<u>\$ (36,983,645)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 25,526,287	\$ 26,805,912	\$ 27,036,692	\$ 27,391,240	\$ 28,230,949	\$ 29,205,064	\$ 29,348,586	\$ 30,047,418	\$ 31,373,355	\$ 34,120,685
Vehicle and watercraft excise taxes	2,542,492	2,600,796	2,628,484	2,595,301	2,576,634	2,475,618	2,496,579	2,549,546	2,653,928	2,904,995
Unrestricted grants and contributions	1,894,013	2,322,132	2,286,073	2,298,024	2,363,928	2,513,424	1,850,600	1,764,401	1,791,677	1,815,749
Investment earnings	190,259	253,783	525,312	892,719	699,275	112,774	83,101	387,470	27,287	55,750
Other	288,027	13,738	64,636	21,201	301,414	25,204	9,600	43,950	365,434	3,261
Special items	-	-	-	-	-	-	-	-	267,920	105,282
Transfers	-	(858,938)	-	(598,045)	(120,000)	(60,000)	(120,000)	(664,000)	(205,000)	(250,000)
Total governmental activities	<u>30,441,078</u>	<u>31,137,423</u>	<u>32,541,197</u>	<u>32,600,440</u>	<u>34,052,200</u>	<u>34,272,084</u>	<u>33,668,466</u>	<u>34,128,785</u>	<u>36,274,601</u>	<u>38,755,722</u>
Business type activities:										
Investment earnings	-	10,995	34,279	2,265	26,911	9,088	29	38	84	189
Other	-	-	-	-	-	-	20,000	-	-	-
Transfers	-	858,938	-	598,045	120,000	60,000	120,000	664,000	205,000	250,000
Total business-type activities	<u>-</u>	<u>869,933</u>	<u>34,279</u>	<u>600,310</u>	<u>146,911</u>	<u>69,088</u>	<u>140,029</u>	<u>664,038</u>	<u>205,084</u>	<u>250,189</u>
Total primary government	<u>\$ 30,441,078</u>	<u>\$ 32,007,356</u>	<u>\$ 32,575,476</u>	<u>\$ 33,200,750</u>	<u>\$ 34,199,111</u>	<u>\$ 34,341,172</u>	<u>\$ 33,808,495</u>	<u>\$ 34,792,823</u>	<u>\$ 36,479,685</u>	<u>\$ 39,005,911</u>
Change in Net Position										
Governmental activities	\$ 2,050,136	\$ 3,379,185	\$ 5,464,711	\$ 2,914,798	\$ 3,650,193	\$ 4,734,737	\$ 2,480,056	\$ 1,417,383	\$ 661,443	\$ 1,840,571
Business-type activities	(33,963)	705,180	(1,006,444)	558,444	(338,193)	89,202	82,260	11,767	(115,613)	181,695
Total primary government	<u>\$ 2,016,173</u>	<u>\$ 4,084,365</u>	<u>\$ 4,458,267</u>	<u>\$ 3,473,242</u>	<u>\$ 3,312,000</u>	<u>\$ 4,823,939</u>	<u>\$ 2,562,316</u>	<u>\$ 1,429,150</u>	<u>\$ 545,830</u>	<u>\$ 2,022,266</u>

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

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

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

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

Table 3

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

Function/Program	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:										
General government	\$ 793,109	\$ 1,840,485	\$ 1,570,761	\$ 2,122,317	\$ 2,823,207	\$ 1,497,628	\$ 1,411,158	\$ 1,666,819	\$ 1,029,607	\$ 726,191
Public safety	722,654	1,141,110	1,314,788	960,310	889,669	991,905	981,767	1,253,600	1,235,942	1,341,026
Public works	1,661,983	1,268,894	2,077,843	1,231,591	580,899	1,518,156	1,111,713	1,135,478	390,552	2,121,817
Human services	35,564	24,243	29,340	19,169	28,498	37,609	29,566	29,538	38,337	29,305
Education	16,120,324	16,848,572	19,485,503	21,258,944	22,902,105	23,341,642	22,784,394	19,780,838	18,005,614	15,309,950
Recreation and culture	409,661	404,381	439,584	449,115	3,275,387	364,805	334,286	368,017	390,814	969,653
Unclassified	6,612	-	-	-	-	-	-	-	-	-
Total governmental activities	19,749,907	21,527,685	24,917,819	26,041,446	30,499,765	27,751,745	26,652,884	24,234,290	21,090,866	20,497,942
Business-type activities:										
Solid waste facilities	-	671,995	698,097	558,208	427,487	434,935	411,035	380,115	351,918	321,153
Other business-type activities	22,026	21,692	21,685	231,252	362,209	342,733	385,116	406,105	383,069	432,336
Total business-type activities	22,026	693,687	719,782	789,460	789,696	777,668	796,151	786,220	734,987	753,489
Total primary government	<u>\$ 19,771,933</u>	<u>\$ 22,221,372</u>	<u>\$ 25,637,601</u>	<u>\$ 26,830,906</u>	<u>\$ 31,289,461</u>	<u>\$ 28,529,413</u>	<u>\$ 27,449,035</u>	<u>\$ 25,020,510</u>	<u>\$ 21,825,853</u>	<u>\$ 21,251,431</u>

Table 4

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

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

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

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

Table 5

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

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

Table 5, continued

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

	Fiscal Year									
	<u>2004 (b)</u>	<u>2005 (c)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Other financing sources (uses)										
Bond proceeds	-	-	-	3,125,000	-	-	-	25,582,250	-	5,500,000
Premium on bonds	-	-	-	29,408	-	-	-	110,265	-	99,880
Transfers from other funds	2,924,815	2,789,403	3,756,638	3,544,286	2,968,450	2,156,561	2,737,090	5,269,207	4,135,515	4,613,380
Transfers to other funds	(1,484,404)	(2,257,841)	(985,013)	(1,509,920)	(2,545,674)	(1,914,085)	(2,241,590)	(5,542,161)	(3,974,324)	(3,424,833)
Transfers to other funds - capital budg	-	-	-	-	-	-	-	-	-	(462,250)
Transfers to other funds - supplemental appropriations	(131,069)	(1,008,500)	(2,364,000)	(2,092,074)	(90,000)	(362,400)	(615,500)	(319,500)	(147,000)	(845,580)
Transfers to other funds - education	(1,295,846)	(375,000)	(399,779)	(540,337)	(452,776)	-	-	(71,546)	(219,191)	(130,717)
Transfers to other funds - recreation	(13,496)	(7,000)	(7,846)	-	-	-	-	-	-	-
Capital lease	-	175,000	-	-	-	-	-	-	-	-
Sale of assets	412,000	71,500	-	-	-	-	-	-	65,906	-
Total other financing sources (uses)	412,000	(612,438)	-	2,556,363	(120,000)	(119,924)	(120,000)	25,028,515	(139,094)	5,349,880
Net change in fund balance	<u>\$ 1,956,684</u>	<u>\$ (87,921)</u>	<u>\$ (2,423,592)</u>	<u>\$ 2,095,885</u>	<u>\$ 2,635,666</u>	<u>\$ (581,365)</u>	<u>\$ (11,437,760)</u>	<u>\$ 17,369,884</u>	<u>\$ (917,727)</u>	<u>\$ 997,939</u>
Debt service as a percentage of noncapital expenditures	8.99%	5.00%	6.43%	4.55%	3.65%	3.30%	3.19%	3.03%	6.66%	6.34%

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

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

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

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

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

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

Table 6

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Vehicle Taxes</u>	<u>Watercraft Taxes</u>	<u>Aircraft Taxes</u>	<u>Other</u>	<u>Subtotal</u>	<u>TIF Property Taxes</u>	<u>Total</u>
2004	\$ 25,195,572	\$ 2,516,999	\$ 25,493	\$ -	\$ 238,581	\$ 27,976,645	\$ 186,272	\$ 28,162,917
2005	26,340,153	2,575,808	24,988	-	232,435	29,173,384	238,710	29,412,094
2006	26,589,755	2,602,600	25,885	-	225,655	29,443,895	221,282	29,665,177
2007	26,966,009	2,570,099	25,202	-	223,180	29,784,490	178,976	29,963,466
2008	27,749,607	2,551,351	25,283	-	281,386	30,607,627	182,888	30,790,515
2009	28,667,329	2,446,611	29,006	-	323,416	31,466,362	189,295	31,655,657
2010	28,818,278	2,469,748	26,831	-	313,066	31,627,923	191,838	31,819,761
2011	29,197,918	2,524,770	24,776	-	317,778	32,065,242	504,158	32,569,400
2012	30,611,542	2,626,177	27,750	-	411,003	33,676,472	319,305	33,995,777
2013	33,278,146	2,746,331	25,477	133,187	393,279	36,576,420	410,155	36,986,575

Table 7

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Vehicle Taxes</u>	<u>Watercraft Taxes</u>	<u>Aircraft Taxes</u>	<u>Other</u>	<u>Subtotal</u>	<u>TIF Property Taxes</u>	<u>Total</u>
2004	\$ 25,112,255	\$ 2,516,999	\$ 25,493	\$ -	\$ 238,581	\$ 27,893,328	\$ 186,272	\$ 28,079,600
2005	26,478,465	2,575,808	24,988	-	232,435	29,311,696	238,710	29,550,406
2006	26,568,193	2,602,600	25,885	-	225,655	29,422,333	221,282	29,643,615
2007	26,803,018	2,570,099	25,202	-	223,180	29,621,499	178,976	29,800,475
2008	27,781,599	2,551,351	25,283	-	281,386	30,639,619	182,888	30,822,507
2009	28,649,218	2,446,611	29,006	-	310,914	31,435,749	189,295	31,625,044
2010	28,784,236	2,469,748	26,831	-	313,178	31,593,993	95,479	31,689,472
2011	29,147,629	2,524,770	24,776	-	317,778	32,014,953	473,479	32,488,432
2012	30,510,035	2,626,177	27,750	-	411,003	33,574,965	446,342	34,021,307
2013	33,331,645	2,746,331	25,477	133,187	393,279	36,629,919	410,155	37,040,074

Table 8

TOWN OF BRUNSWICK, MAINE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Taxable Real Property		Taxable Personal Property	Total Taxable Assessed Value	Less TIF Property Values	Total Taxable General	Total Direct Tax Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial							
2004	\$ 799,346,525	\$ 287,485,025	\$ 73,233,400	\$ 1,160,064,950	\$ 8,663,800	\$ 1,151,401,150	21.50	\$ 1,354,589,588	85.00%
2005	831,217,300	294,271,100	69,553,300	1,195,041,700	10,900,000	1,184,141,700	21.90	1,480,177,125	80.00%
2006	836,713,800	303,800,400	63,327,200	1,203,841,400	10,104,200	1,193,737,200	21.90	1,705,338,857	70.00%
2007	861,934,150	307,763,800	60,348,800	1,230,046,750	8,228,800	1,221,817,950	21.75	1,879,719,923	65.00%
2008	883,143,300	304,772,100	55,783,100	1,243,698,500	8,238,200	1,235,460,300	22.20	2,059,100,500	60.00%
2009	896,393,400	311,134,500	54,447,600	1,261,975,500	8,398,200	1,253,577,300	22.54	2,089,295,500	60.00%
2010	904,220,600	310,846,200	51,868,100	1,266,934,900	8,511,000	1,258,423,900	22.54	2,097,373,167	60.00%
2011	913,791,250	315,010,700	52,768,800	1,281,570,750	22,044,500	1,259,526,250	22.87	2,031,493,952	62.00%
2012	924,335,340	321,920,200	49,578,800	1,295,834,340	13,484,180	1,282,350,160	23.68	1,942,954,788	66.00%
2013	932,031,750	344,908,040	55,428,400	1,332,368,190	16,472,100	1,315,896,090	24.90	1,879,851,557	70.00%
	Homestead Assessed Values	Homestead Estimated Actual Values							
2004	\$ 21,397,900	\$ 25,174,000							
2005	18,868,000	23,585,000							
2006	19,260,350	27,514,786							
2007	17,831,800	27,433,538							
2008	16,842,700	28,071,167							
2009	16,939,950	28,233,250							
2010	17,028,100	28,380,167							
2011	13,500,700	21,775,323							
2012	14,319,950	21,696,894							
2013	15,359,950	21,942,786							

For qualifying taxpayers the Homestead Exemption exempts a portion of the assessed value of a residence from property taxation.

Table 9

TOWN OF BRUNSWICK, MAINE
Direct and Overlapping Property Tax Rates (Per \$1,000 of Assessed Value)
Direct and Overlapping Governments
Last Ten Fiscal Years

Direct Rates				
<u>Fiscal Year</u>	<u>General Municipal</u>	<u>Education (a)</u>	<u>County Tax (b)</u>	<u>Total</u>
2004	8.29	12.34	0.87	21.50
2005	8.27	12.79	0.84	21.90
2006	8.66	12.44	0.80	21.90
2007	8.97	11.97	0.81	21.75
2008	9.18	12.18	0.84	22.20
2009	9.48	12.20	0.86	22.54
2010	9.54	12.10	0.90	22.54
2011	9.95	12.00	0.92	22.87
2012	9.90	12.87	0.91	23.68
2013	9.72	14.30	0.88	24.90

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

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

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

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

Taxpayer	2013				2004			
	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
Bath Iron Works Corporation	\$ 24,891,300	1	1.87%	1.89%	\$ 33,335,900	1	2.87%	2.90%
FPL Energy Maine Hydro LLC	18,474,500	2	1.39%	1.40%	17,205,000	3	1.48%	1.49%
Midcoast Regional Redevelopment Authority	18,082,900	3	1.36%	1.37%	-			
Developers Diversified (Cooks Corner)	15,862,900	4	1.19%	1.21%	19,171,100	2	1.65%	1.67%
Affordable Midcoast Housing LLC	13,389,850	5	1.00%	1.02%	-		0.00%	0.00%
Wade, W.J. Trustee (Wal-Mart)	12,768,200	6	0.96%	0.97%	7,739,700	7	0.67%	0.67%
Thornton Oakes Homeowners Assn. Corp.	11,942,600	7	0.90%	0.91%	13,008,200	4	1.12%	1.13%
W/S Brunswick Properties LP	11,036,000	8	0.83%	0.84%	10,210,900	5	0.88%	0.89%
Central Maine Power Co.	9,023,200	9	0.68%	0.69%	7,398,800	8	0.64%	0.64%
Bowdoin College	8,425,200	10	0.63%	0.64%	6,500,000	10	0.56%	0.56%
Cooper Industries Inc. (Arrowhart Division)	-		0.00%	0.00%	10,067,800	6	0.87%	0.87%
LL Bean Inc.	-		0.00%	0.00%	7,055,100	9	0.61%	0.61%
	<u>\$ 143,896,650</u>		<u>10.80%</u>	<u>10.94%</u>	<u>\$ 131,692,500</u>		<u>9.88%</u>	<u>10.01%</u>
Total Assessed Valuation *	\$ 1,332,368,190				\$ 1,160,064,950			
* Includes:								
Municipal valuation	\$ 1,315,896,090				\$ 1,151,401,150			
TIF valuation	16,472,100				8,663,800			
	<u>\$ 1,332,368,190</u>				<u>\$ 1,160,064,950</u>			

Source: Office of the Tax Assessor, Brunswick, Maine

Table 11

TOWN OF BRUNSWICK, MAINE
Total Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Municipal Tax Levy	TIF Levy	Total Tax Levy	Supplemental Taxes	Abatements	Net Collectible	Amount Collected within the Fiscal Year
2004	\$24,755,143	\$186,272	\$24,941,415	\$33,044	(\$55,801)	\$24,918,658	\$24,519,278
2005	25,932,703	238,710	26,171,413	11,938	(21,047)	26,162,304	25,772,833
2006	26,142,845	221,282	26,364,127	58,755	(42,028)	26,380,854	25,921,847
2007	26,574,540	178,976	26,753,516	22,487	(20,350)	26,755,653	26,116,835
2008	27,427,219	182,888	27,610,107	17,300	(70,955)	27,556,452	26,935,530
2009	28,255,632	189,295	28,444,927	6,418	(31,967)	28,419,378	27,837,707
2010	28,364,875	191,838	28,556,713	10,225	(49,101)	28,517,837	27,698,194
2011	28,805,365	504,158	29,309,523	24,513	(68,842)	29,265,194	28,598,906
2012	30,366,052	319,305	30,685,357	30,110	(123,362)	30,592,105	29,777,364
2013	32,765,813	410,155	33,175,968	2,672	(24,686)	33,153,954	32,348,601

Collected within the Fiscal Year of the Levy

Total Collections to Date

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

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

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

- (a) The Total Net General Bonded Debt includes debt issued as General Obligation Tax Increment Financing Bonds. Although the debt has been issued as general obligations, it is anticipated that it will be fully paid from Tax Increment Financing (TIF) revenues.
- (b) Amounts available in the Debt Service Fund are restricted by the TIF program established with the State of Maine.
- (c) Beginning in 2005, the Town's solid waste facilities are accounted for in an enterprise fund. While the enterprise fund is expected to fund this debt, the obligation remains general obligations of the Town.
- (d) Per capita income and population can be found in Table 16.
- (e) For taxable property value data see Table 8.

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

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

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.

TOWN OF BRUNSWICK, MAINE
Legal Debt Margin Information
June 30, 2013

Debt Limit by Category

The amount of debt a Maine municipality may have is governed by Title 30-A M.R.S.A. section 5702. The law limits total debt and debt for specific categories. Total debt cannot exceed 15% of the Town's last full State Valuation. Debt for specific categories is limited to a percentage of State valuation. As the following table indicates, based on a 2013 State Valuation of \$1,983,450,000, the Town is in compliance with the total and categorical debt limits:

<u>Type of Debt</u>	<u>Maximum Percent Allowable</u>	<u>Maximum Allowable Amount</u>	<u>Principal Amount Outstanding</u>	<u>Legal Debt Margin</u>
School	10.00%	\$ 198,345,000	\$ 20,101,025	\$ 178,243,975
Storm or Sanitary Sewer	7.50%	148,758,750	-	148,758,750
Municipal Airport Special District	3.00%	59,503,500	-	59,503,500
Municipal	7.50%	148,758,750	<u>10,110,000</u>	138,648,750
Total Maximum Debt	15.00%	\$ 297,517,500	<u>\$ 30,211,025</u>	\$ 267,306,475

Legal Debt Margin Calculation for Fiscal Year 2013

State Valuation	\$ 1,983,450,000
Debt Limit - 15% of State Valuation	297,517,500
Less outstanding debt applicable to debt limit	<u>(30,211,025)</u>
Legal Debt Margin	<u>\$ 267,306,475</u>

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

Table 15

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

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

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

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

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

<u>Fiscal Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (a)</u>	<u>Median Age (a)</u>	<u>School Enrollment (c)</u>	<u>Unemployment Rate (d)</u>
2004	21,172	\$ 430,257,384	\$ 20,322	35.50	3,153	3.7%
2005	21,172	430,257,384	20,322	35.50	3,110	3.8%
2006	21,172	430,257,384	20,322	35.50	3,140	3.9%
2007	21,172	430,257,384	20,322	35.50	3,158	3.8%
2008	21,172	430,257,384	20,322	35.50	3,126	4.0%
2009	21,172	430,257,384	20,322	35.50	2,950	5.9%
2010	21,172	430,257,384	20,322	35.50	2,666	7.2%
2011	20,278	556,691,934	27,453	41.40	2,534	6.9%
2012	20,278	556,691,934	27,453	41.40	2,420	6.1%
2013	20,278	556,691,934	27,453	41.40	2,380	6.9%

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

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

(c) State of Maine Department of Education, April 1 Census

(d) State of Maine Department of Labor, Center for Workforce Research and Information as of 12/31 prior to fiscal year end.

Table 17

TOWN OF BRUNSWICK, MAINE
Full-time Employees by Function/Program
Last Ten Fiscal Years

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

Note: Neither the municipal nor the education departments have maintained their employment numbers on a full-time equivalents basis. The above represents the departments best estimates of full-time positions for the various fiscal years. Many seasonal and part-time positions have not been included or converted to full-time equivalents. Further, the determination of which positions have been counted as full-time may have varied from year to year. All of the positions may or may not have been filled as of June 30 of any given year.

Table 18

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Fire Department										
Fire calls	763	817	785	1,038	850	887	835	975	985	1,144
Medical calls	2,108	2,278	2,251	2,305	2,313	2,278	2,406	N/A	2,549	2,823
Inspections	608	401	326	712	327	189	249	N/A	300	342
Police										
Calls for service (a)	27,101	25,149	25,812	26,519	30,186	33,137	33,358	36,254	45,060	43,815
Crash reports (b)	N/A	N/A	N/A	926	921	829	713	679	767	713
Field interviews (b)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	508	464
Offense reports	1,501	1,392	1,407	1,334	1,150	1,207	1,243	1,133	1,230	1,304
Physical arrests	1,238	1,066	1,120	1,258	1,237	1,095	1,150	1,069	1,098	1,184
Public Works										
Street resurfacing (miles)	5	6	4	7	6	3	5	8	5	4
Recyclables collected (tons)	1,971	2,009	1,757	1,963	2,011	1,823	1,804	1,754	1,711	1,548
Codes Enforcement										
Residential permits issued	496	415	564	380	356	306	291	258	249	249
Commercial/Industrial permits issued	109	69	67	61	76	79	39	34	55	52

(a) Beginning in 2011, the police department calls for service include calls for the Town of Freeport which are handled by the Town of Brunswick dispatch center.

(b) Police department began tracking additional categories of service in later years.

Table 19

**TOWN OF BRUNSWICK, MAINE
Capital Assets Statistics by Function
Last Ten Fiscal Years**

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

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