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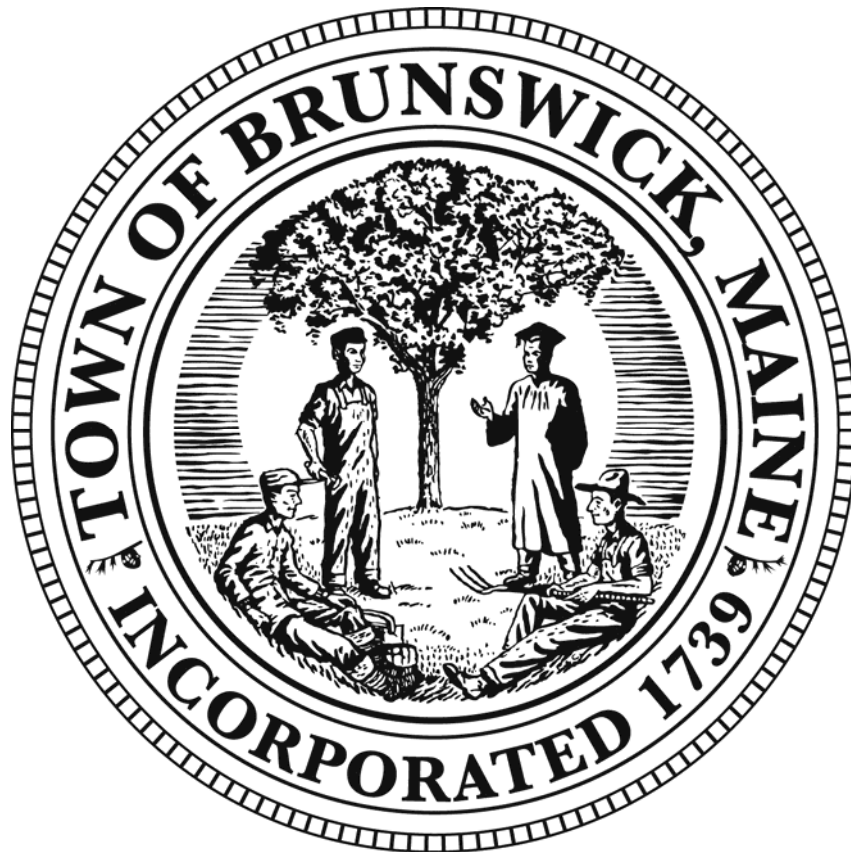
Town of Brunswick Maine Annual Financial Audit 2012

Brunswick, Me.

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TOWN OF BRUNSWICK, MAINE



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

TOWN OF BRUNSWICK, MAINE
Comprehensive Annual Financial Report
Year ended June 30, 2012

Prepared by:
Town of Brunswick
Department of Finance

Town of Brunswick, Maine
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2012

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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

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December 1, 2012

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, 2012. 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 unqualified or "clean" opinion on the Town of Brunswick's basic financial statements indicating that, in its opinion, the basic financial statements are fairly presented 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 in the education budget that exceed certain thresholds.

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. The 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 and cultural center for the southern section of mid-coast Maine. Bath Iron Works (BIW), along with Mid-Coast Health Service 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 U.S. Navy. The Navy's future procurement plans are always a concern for BIW and its employees. BIW was the lead contractor and has delivered ships of the Arleigh Burke class. Currently, BIW producing the first of three ships of the Zumwalt class. At one time, the Zumwalt class was expected to be the Navy's next generation surface combatant. However, cost concerns have limited the Navy's procurement to three ships, all of which are expected to be built at BIW. While the long-term future of the Zumwalt class is uncertain, the Navy has re-started the Arleigh Burke program and has awarded contracts to BIW and a competitor.

Given the award of ship contracts in the Zumwalt program and the restart of the Arleigh Burke program, BIW expects its employment levels to remain relatively stable for the next few years. However, the US Navy's procurement plans are always subject to change and any changes could affect employment levels at BIW. The looming "fiscal cliff" faced by the federal government, poses additional concerns for all federal contractors, including BIW. BIW continues to look for opportunities to diversify its work beyond Navy contracts.

Mid Coast Health Service. Mid Coast Health Services (MCHS) continues to be a strong influence in the local economy. In 2009, MCHS completed a major expansion of Mid Coast Hospital that added approximately 50,000 square feet to that facility, allowing for more inpatient beds, larger emergency facilities, and room for additional diagnostic examination facilities. In 2011, MCHS opened treatment facilities in leased space at Brunswick Station in downtown Brunswick.

Bowdoin College. Bowdoin is another major employer and driver of economic activity. Within the past few years, the college has completed the construction of new facilities as well as the renovation of several buildings. Bowdoin expects to receive several parcels of property located at the former naval air station. Many of those parcels directly about the College and could be used for future expansion. The College is also a major tenant at the Brunswick Station, leasing space for classrooms, offices, and a bookstore.

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 under construction. 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 Town Manager proposed a CIP to the Town Council on April 30, 2012. The Town Council funded a few of the projects listed in the first year of the CIP but did not adopt the CIP. Instead, it chose to have its subcommittee continue work on a revised CIP process. Essentially, the council has requested its committee, working with town staff, to change the definition of items eligible for inclusion in the CIP. The goal is to have the CIP focused on fewer items and items with significant cost and life expectancy. Another goal is to create more consistency in the consideration of vehicle replacement needs among the departments. The CIP subcommittee is also expected to recommend changes in the timing of the development and review of the CIP. The subcommittee's work is expected to be completed by the end of 2012. The Town continues to recognize that the pace of redevelopment at Brunswick Landing, the continued recovery of the state and local economy, the continued pressure on the operating budget, 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 and fund balance target are based on the Government Finance Officer Association's (GFOA's) recommended best practice. In developing the target, the Town considered a number of factors. Since the policy, adopted in 2010, significantly raised the target, the Town did not expect to reach its goal for at least three years. However, for the year ended June 30, 2012, the amount of unassigned fund balance was \$9,028,572 or 17.12% 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

School Construction and Facilities Projects. The Harriet Beecher Stowe Elementary School opened its doors to students in September 2011. Construction of the Harriett Beecher Stowe School allowed the school department to close Longfellow School and control of that property was transferred to the municipal officers as of July 1, 2011. Additionally, because of what it believed to be a temporary decline in student enrollment and in an effort to reduce its budget, the school department also closed the Jordan Acres Elementary School. This leaves the Harriet Beecher Stowe and the Robert P. T. Coffin schools as the only operating elementary schools.

With the sale of vacant housing, which once served families connected to the naval air station, the school department believes enrollment numbers that declined because of base closure, will reverse and begin to trend upwards as those housing units are occupied. Further, even during the planning phases for the Harriet Beecher Stowe School, the department identified the need for expanded facilities to accommodate program needs and to eliminate modular classrooms still in use at the elementary level. As a result of these concerns, the department, in the fall of 2011, undertook work on a master plan to deal with its future programming and facilities needs. During that process it became apparent that significant renovations would be required to reopen Jordan Acres School. As it moved forward, the department focused instead on an expansion of the Coffin school.

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.

Brunswick Station and Amtrak Downeaster Service. Work also continued on a \$38 million project to upgrade 28 miles of rail track between Brunswick and Portland and to make other rail-related improvements. In the spring of 2012, work was substantially completed on a 400 foot elevated passenger platform at Brunswick Station. With the completion of the platform and the rail improvements nearing completion, the Northern New England Passenger Rail Authority (NNEPRA) announced that Downeaster service between Brunswick and Boston would begin on November 1, 2012. NNEPRA announced that service would be limited until it could resolve issues related to the location and construction of a layover facility. In 2011 NNEPRA had announced its intention to build that facility in Brunswick because NNEPRA believed locating the facility at the terminus of the Downeaster line would allow for greater efficiencies and more service to Brunswick. NNEPRA's preferred location, known as Brunswick West, has been opposed by abutters and others who are worried about the facility's impact on their neighborhood. They have called for the layover facility to be constructed at another location. NNEPRA continued to pursue Brunswick West site. However, bids received to construct the facility were significantly higher than engineers estimated. NNEPRA is looking at other funding sources as well as modifications to the facility's design. Continued Downeaster service depends on operating subsidies from both the federal and state governments, both of which face significant budgetary challenges.

Brunswick Landing, Maine's Center for Innovation. During the year the Town engaged in several conversations with the Midcoast Regional Redevelopment Authority (MRRA) about the redevelopment of Naval Air Station Brunswick (NASB). MRRA does not have taxing authority so it suggested, and the Town agreed, to explore providing tax increment financing (TIF) opportunities 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 rebated to MRRA or others to assist in the redevelopment of the former naval air station.

In February 2012, the Town Council approved two TIF districts to support MRRA's redevelopment efforts. The Maine Department of Economic and Community Development (DECD) approved the district designations in March on the condition that the development programs for those districts receive approval from DECD. Taxes captured in a TIF cannot be spent without an approved development program. The Town and the MRRA engaged in negotiations 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. In the midst of those negotiations, state legislation was proposed that, among other provisions, would have required 80% of the TIF taxes to be used for activities at the former base. On September 4, 2012, the Town Council voted to terminate the two TIF districts. However, the Town indicated that it would entertain other proposals and engage in negotiations for future TIFs at Brunswick Landing.

MRRA and the Town worked together on opportunities to obtain Community Development Block Grants (CDBG) to assist businesses locating at Brunswick Landing. Typically, CDBG funds have job creation requirements. Failure of a business to meet those requirements could result in the Town being required

to repay the grant. For two of the three CDBG projects approved to date, MRRRA and the Town have executed an indemnification agreement that shifts the risk for job creation from the Town to MRRRA.

Municipal Facilities. On December 22, 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. Bowdoin will continue to occupy all of the McLellan Building until May 2014, and the third floor of the building until 2024. The Town currently intends to convert the McLellan Building to municipal offices and meeting spaces in the summer of 2014. This would allow the Town to consolidate functions currently being housed in multiple facilities.

Police Station Project. During the year the Town's Police Station Building Committee worked on locating and designing a new police station. Currently, the Brunswick Police Department is headquartered in the basement of Municipal Building at 28 Federal Street. Late in 2011, the committee recommended that a new station be sited at the corner of Stanwood and Pleasant streets on property owned by the Brunswick Development Corporation (BDC). Throughout the spring the committee worked to develop a concept design for the site and building. On July 9, 2012, the Town Council adopted a bond ordinance authorizing the issuance of up to \$5.5 million in bonds to finance construction of the new station. With the passage of the bond ordinance the committee proceeded with work on the final design. On October 15, 2012, the Town Council authorized a non-monetary exchange with BDC in which the Town would exchange the current Municipal Building and site at Federal Street for property owned by the BDC at the corner of Pleasant and Stanwood streets. Subsequently, the Town and BDC executed a property exchange agreement. The Town expects to receive title to the BDC property by the end of 2012.

Bond Issues and Debt Authorization. During the fiscal year ended June 30, 2012, the Town authorized the issuance of debt in the amount of \$187,000 for a new ambulance. Subsequent to June 30, 2012, the Town authorized the issuance of \$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.

Graham Road Landfill. The Graham Road Landfill has been in operation since 1984. In 2007, in an effort to extend the useful life of the facility, the Town instituted a per bag charge for trash collection and single stream recycling. As described in the notes to the financial statements, the landfill operates under strict environmental regulations and continued operation is dependent on continued compliance with existing and future regulations. Since 2004, the Town has known about environmental requirements related to the operation of the landfill. For several years, the Town worked with the Maine Department of Environmental Protection (DEP) to comply with, or seek waivers from, certain discharge parameters set by the United States Environmental Protection Agency (EPA). Late in 2010 the Town learned that one of the waivers it sought, as specifically identified in the 2004 license, was not available.

For over a year, the Town and the 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. At one time, the Town viewed the ACA as a potentially favorable means of continuing to operate the landfill until such time as a cost-effective solution became viable. In January 2012, the Town and DEP discontinued the ACA discussions. Instead, the parties agreed to pursue a cooperative approach and have been working to construct an experimental treatment facility. Depending on its collaboration with DEP, the cost of wastewater treatment options, and other factors, the Town may ultimately consider closing the facility. 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.

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, 2011. 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

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



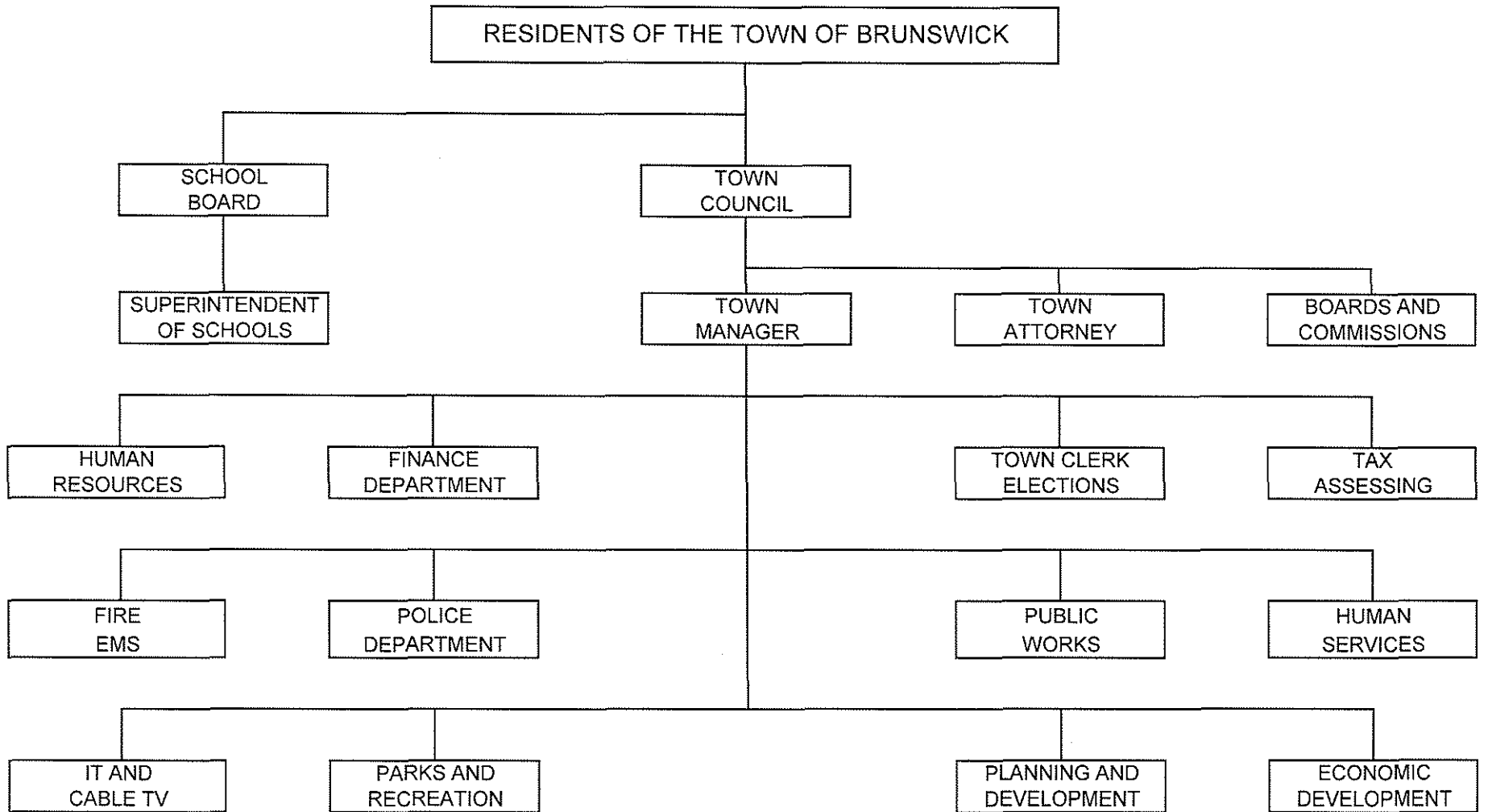
Linda C. Dandison

President

Jeffrey R. Emer

Executive Director

**TOWN OF BRUNSWICK, MAINE
ORGANIZATIONAL CHART**



TOWN OF BRUNSWICK, MAINE

LIST OF ELECTED AND APPOINTED OFFICIALS

June 30, 2012

Elected Officials

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

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

Report of Independent Auditors

Audit Committee
Town of Brunswick, Maine:

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, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Brunswick, Maine's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in the notes to the financial statements, the Town of Brunswick, Maine changed accounting policies related to deferred inflows and outflows of resources by adopting Statements of Governmental Accounting Standards (GASB Statements) No. 63 and 65 in 2012. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2012, on our consideration of the Town of Brunswick, Maine's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the 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.

Audit Committee
Town of Brunswick, Maine

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 regarding 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Brunswick, Maine's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. 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.



December 1, 2012
South Portland, Maine

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, 2012. 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 our 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, 2012 the Town of Brunswick's total net position increased by \$545,830, to total \$63,629,627. Of this amount, \$6,352,860 is classified as *unrestricted net position* that may be used to meet the Town's on-going obligations.
- Investment in capital assets net of related debt increased by \$186,443 while in total the other categories of net position increased by \$359,387.
- Outstanding long-term principal debt decreased by \$2,738,112, all attributable to debt retirement.
- Governmental funds reported combined ending fund balances of \$22,561,794, a decrease of \$917,727 from the previous fiscal year. The decrease is largely the result of using bond proceeds held at June 30, 2011 for capital outlay during the year.
- The unassigned fund balance for the General Fund was \$9,028,572. The Town's policy is to maintain the unassigned fund balance at 16.67% of revenues. At June 30, 2012, this portion of the fund balance is approximately 17.66% and 17.02% 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*). Financial information for the BDC is reported separately from the financial information reported for the Town of Brunswick. The government-wide financial statements can be found on pages 30 & 31 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 sixteen 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 Capital Improvements Fund, the Downtown Development TIF District Fund and the Elementary School Bond 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 are 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 40-42. 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, and resources available to the Village Improvement Association. 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 43 & 44 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 45-77 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 78 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. In the case of the Town of Brunswick, assets exceeded liabilities by \$63,629,627 at the close of the most recent fiscal year which is an increase of \$545,830 during the fiscal year. The Town is able to report positive balances in all three categories of net position, (invested in capital assets net of related debt, restricted and unrestricted) for the government as a whole.

Town of Brunswick's Net Position

	Governmental activities		Business-type activities		Total	
	2012	2011 (as restated)	2012	2011	2012	2011 (as restated)
Current and other assets	\$27,190,434	\$29,293,506	\$ 1,897,393	\$ 2,011,957	\$29,087,827	\$ 31,305,463
Capital assets	72,208,779	73,090,149	2,525,417	2,494,242	74,734,196	75,584,391
Total assets	<u>99,399,213</u>	<u>102,383,655</u>	<u>4,422,810</u>	<u>4,506,199</u>	<u>103,822,023</u>	<u>106,889,854</u>
Deferred outflow s of resources	34,376	60,157	-	-	34,376	60,157
Long-term liabilities outstanding	29,648,235	32,016,757	6,567,978	6,285,592	36,216,213	38,302,349
Other liabilities	3,883,823	5,186,967	126,736	376,898	4,010,559	5,563,865
Total liabilities	<u>33,532,058</u>	<u>37,203,724</u>	<u>6,694,714</u>	<u>6,662,490</u>	<u>40,226,772</u>	<u>43,866,214</u>
Net position						
Invested in capital assets						
net of related debt	45,338,934	45,183,666	2,525,417	2,494,242	47,864,351	47,677,908
Restricted	9,412,416	12,444,106	-	-	9,412,416	12,444,106
Unrestricted	11,150,181	7,612,316	(4,797,321)	(4,650,533)	6,352,860	2,961,783
Total net position	<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>

By far the largest portion of the Town's net position, \$47,864,351 or 75.22%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related

outstanding debt used to acquire those 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, \$9,412,416 or 14.79% 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, \$6,352,860 or 9.99%, may be used to meet the Town's obligations.

Town of Brunswick's Change in Net Position

	Governmental activities		Business-type activities		Total	
	2012	2011 (as restated)	2012	2011	2012	2011 (as restated)
Revenues:						
Program revenues						
Charges for services	\$ 2,567,678	\$ 3,406,107	\$ 690,987	\$ 742,220	\$ 3,258,665	\$ 4,148,327
Operating grants and contributions	18,275,484	19,758,529	44,000	44,000	18,319,484	19,802,529
Capital grants and contributions	247,704	1,069,654	-	-	247,704	1,069,654
General revenues						
Property taxes	31,373,355	30,047,418	-	-	31,373,355	30,047,418
Vehicle and watercraft excise taxes	2,653,928	2,549,546	-	-	2,653,928	2,549,546
Grants and contributions not restricted to specific programs	1,791,677	1,764,401	-	-	1,791,677	1,764,401
Unrestricted investment earnings	27,287	387,470	84	38	27,371	387,508
Other	365,434	43,950	-	-	365,434	43,950
Total revenues	<u>57,302,547</u>	<u>59,027,075</u>	<u>735,071</u>	<u>786,258</u>	<u>58,037,618</u>	<u>59,813,333</u>
Expenses:						
General government	4,414,316	4,368,816	-	-	4,414,316	4,368,816
Public safety	7,650,053	7,656,381	-	-	7,650,053	7,656,381
Public works	4,991,362	4,809,787	-	-	4,991,362	4,809,787
Human services	168,829	150,279	-	-	168,829	150,279
Education	34,590,451	35,576,224	-	-	34,590,451	35,576,224
Recreation & culture	2,619,742	2,447,708	-	-	2,619,742	2,447,708
Intergovernmental	1,187,020	1,171,049	-	-	1,187,020	1,171,049
Unclassified	296,682	120,725	-	-	296,682	120,725
Interest on long-term debt	785,569	644,723	-	-	785,569	644,723
Solid waste facilities	-	-	876,942	1,260,786	876,942	1,260,786
Pay-per-bag program	-	-	80,969	83,584	80,969	83,584
Wastewater treatment	-	-	39,636	40,956	39,636	40,956
Train station	-	-	58,137	53,165	58,137	53,165
Total expenses	<u>56,704,024</u>	<u>56,945,692</u>	<u>1,055,684</u>	<u>1,438,491</u>	<u>57,759,708</u>	<u>58,384,183</u>
Increase (decrease) in net position before special items and transfers	598,523	2,081,383	(320,613)	(652,233)	277,910	1,429,150
Special items	267,920	-	-	-	267,920	-
Transfers	(205,000)	(664,000)	205,000	664,000	-	-
Increase (decrease) in net position	661,443	1,417,383	(115,613)	11,767	545,830	1,429,150
Net position beginning of year	<u>65,240,088</u>	<u>63,822,705</u>	<u>(2,156,291)</u>	<u>(2,168,058)</u>	<u>63,083,797</u>	<u>61,654,647</u>
Net position end 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>

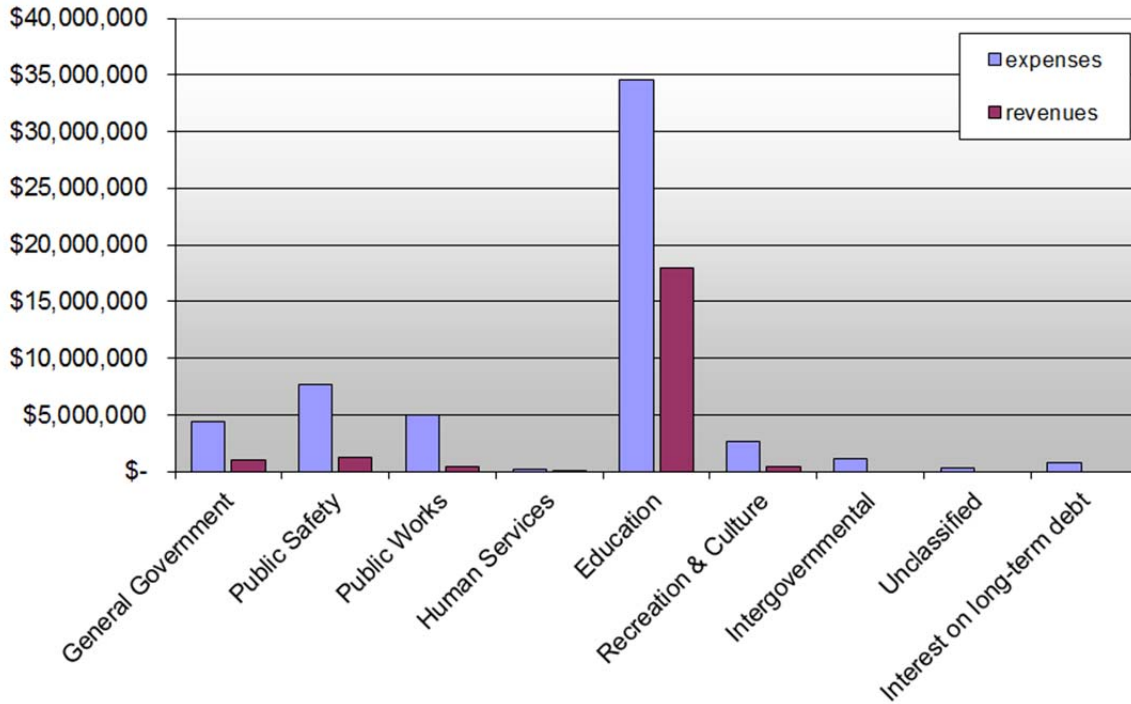
While in total the Town's net position is positive, results are very different for the governmental activities and the business-type activities. Readers should review the following analysis pertaining to those portions to fully understand the Town's financial reports.

Governmental activities. Governmental activities including transfers and special items increased the Town of Brunswick's total net position by \$661,443. This increase was \$755,940 lower 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:

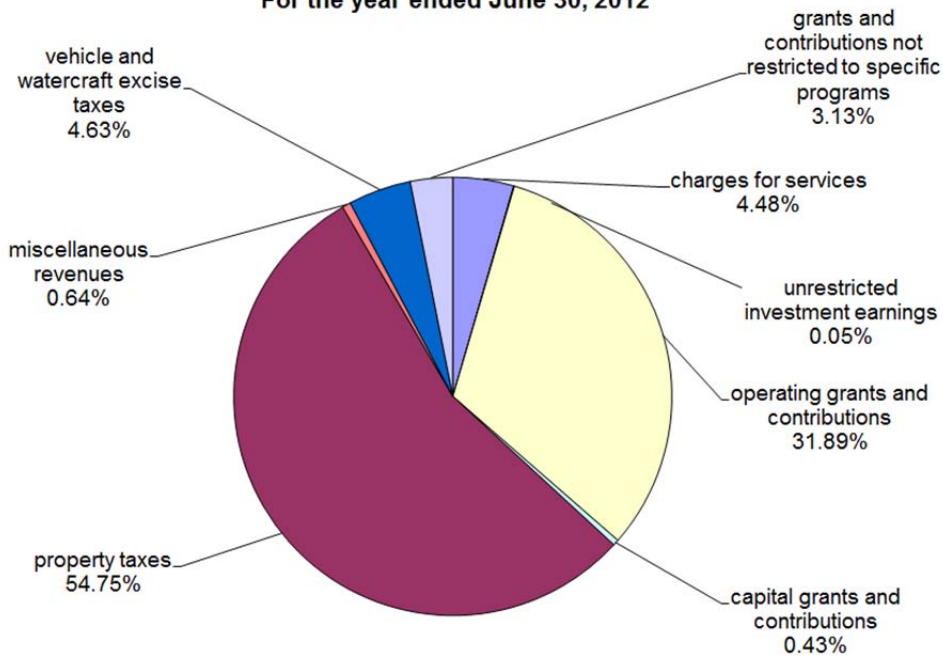
- Property tax revenue, the Town's largest revenue, increased by \$1,325,937 or approximately 4.40%. Property taxes made up 54.75% of the total revenue, up from 50.90% of the total in the previous year. This percentage change was largely the result of a decrease in the charges for services, and the operating grants and contributions revenue categories as described below.
- Charges for services revenue decreased by \$838,429. The largest part of this decrease was due to a reduction in housing services fees previously received in connection with housing for the now closed Naval Air Station Brunswick (NASB). There was also a reduction in tuition revenue. This was anticipated as a result of Maine's school consolidation law. Prior to consolidation, the vast majority of the town of Durham's students went to Brunswick High School as tuition students. Most Durham students now attend Freeport High School.
- Operating grants and contributions decreased by \$1,483,045. This resulted from reductions in State and Federal aid to education. Those decreases were anticipated. 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. At one time, approximately 20% of Brunswick's student enrollment was comprised of military dependents.
- Capital grants and contributions decreased by \$821,950. This decrease was anticipated. In the previous year, unearned impact fee revenue was recognized when the Town made road improvements for which the impact fees were levied and collected.
- Investment income revenues decreased by \$360,183. This decrease is largely due to the previous year's recognition of \$269,827 in interest revenue on unearned impact fees that were recognized as mentioned above. Further, the Town's cash and cash equivalents continued to be invested in conservative, low-yielding instruments.
- Total expenses decreased by \$241,668. The education function reported a decrease of \$985,773 in expenses, made necessary by the reductions in federal and state aid. Offsetting this decrease were increases in the general government, public works, and recreation and culture functions as well as interest on long-term debt. The increase in interest expense was attributable to the issuance of bonds in the previous year. An additional increase was seen in the unclassified section of expenses for costs related to a study of school department facilities.
- Three special items netting to \$267,920 were recognized. These were, 1) a loss of \$1,302,526 for the impairment of a large building, 2) a gain of \$1,496,571 resulting from a nonmonetary exchange of the former Longfellow School for an office building owned by Bowdoin College, and 3) a gain of \$73,875 related to the sale of land.
- Transfers out to business-type activities were \$459,000 less than the previous year. In the previous year, the Town transferred \$459,000 in impact fees to fund capacity expansion at the Graham Road Landfill, a solid waste facility.

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, 2012

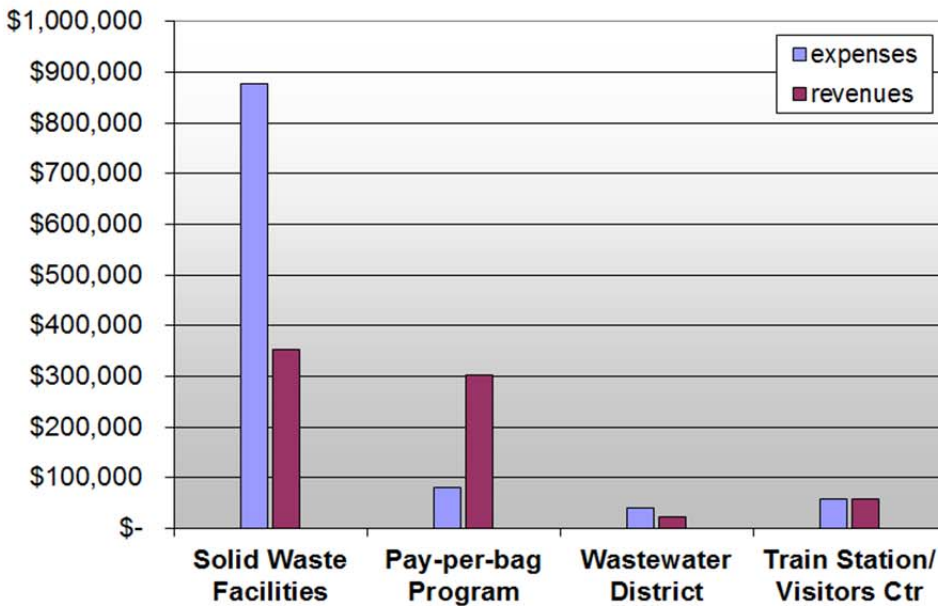


Revenues by Source - Governmental Activities
For the year ended June 30, 2012

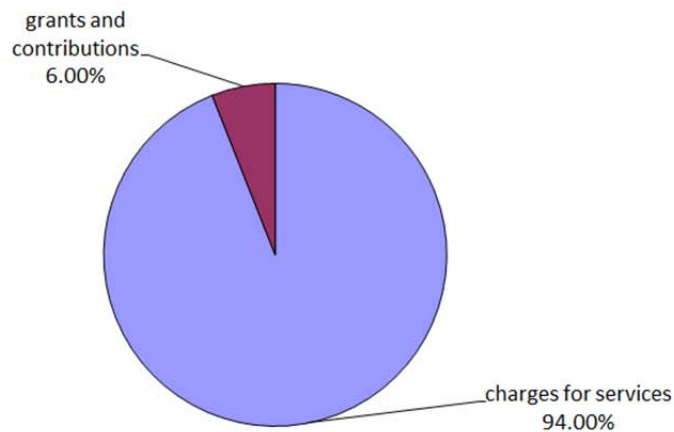


Business-type activities. The Town's business-type activities consist of four enterprise funds, one major fund accounting for its solid waste facilities, and three non-major funds, including the pay-per-bag program, a small wastewater district and the train station/visitors center. The following charts 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, 2012**



**Revenues by Source - Business-type Activities
For the year ended June 30, 2012**



The Town's business-type activities decreased the Town's total net position by \$115,613. This was a result of decreases in the Solid Waste Facilities Fund and Mere Point Wastewater District of \$324,992 and \$18,102 respectively, offset by increases in the Pay-per-bag Program Fund and the Train Station/Visitors Center Fund totaling \$227,481.

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, 2012, the landfill experienced a \$525,024 operating loss. This was largely due to costs associated with the negotiations with the Maine Department of Environmental Protection (DEP) to renew the facility's wastewater discharge license, and to resolve wastewater discharge violations. In addition, the Town recognized expenses in anticipation of estimated closure and post closure costs. For the year ended June 30, 2012, the Town had estimated eventual landfill closure costs of \$6,190,000 and post closure costs of \$2,235,000. For the fiscal year, the amount of expense related to closure and post closure was \$282,028.

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, in its 2012 budget included a \$200,000 General Fund subsidy for the Solid Waste Facilities Fund. The Town Council has also voted its intent that the net funds generated by the pay-per-bag program be used toward future landfill closure costs. By June 30, 2012 the Pay-per-bag Program Fund had net position of \$1,391,753.

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 \$5,454 less than revenues. User fees for this fund have not changed since it was created in 1993. They 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, 2012, the Town recognized revenues and rent expenditures of \$44,000, corresponding to twelve months of the lease. By June 30, 2012, the Train Station/Visitor's Center Fund had a net position totaling \$31,957, with \$9,617 of this recorded as investment in capital assets.

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 \$22,561,794. Of that amount, \$2,258,584 is classified as nonspendable. Another \$8,934,182 is restricted, \$2,344,254 is committed and \$1,987,354 is assigned.

The largest portion of the \$2,258,584 nonspendable fund balance consists of \$1,756,425 in advances; \$1,486,278 made by the General Fund and the Capital Improvements Fund to the Downtown TIF District Fund and \$270,147 made by the General Fund to school-related projects in the Capital Improvements Fund. Another \$455,125 is held in the permanent funds and \$47,034 is held in inventories and pre-paid items.

Of the \$8,934,182 in restricted fund balance, \$6,202,796, or approximately 69%, is restricted for education purposes. An additional \$1,498,535, or approximately 17%, is in bond proceeds and impact fees restricted for various capital projects.

The General Fund is the chief operating fund of the Town of Brunswick and, by definition, is the only fund that can have positive unassigned fund balance. Since unassigned fund balance represents resources not restricted, committed, or assigned to any particular use, this amount represents funds considered surplus. To provide for unforeseen circumstances and maintain liquidity, The Town's fund balance policy targets the unassigned General Fund balance at 16.67% of revenues. For the year ended June 30, 2012, the targeted unassigned fund balance for the General Fund was \$8,840,868. At \$9,028,572 the actual unassigned fund balance was 17.02% of revenues, and \$187,704 over the target. As a percentage of expenditures, the unassigned fund balance was 17.66%.

The net change in the Town of Brunswick's total General Fund balance was a decrease of \$1,685,939. Budget factors in this reduction include:

- A budgeted reduction of \$3,690,000 to balance the 2011-12 budget.
- Supplemental appropriations of \$447,000 for various purposes.
- Encumbrances of \$64,775 that were carried forward and re-appropriated for 2011-12.

Factors resulting from actual results include:

- Total actual revenues exceeded the budget by \$1,010,732. Most revenue categories exceeded the budget.
- Total actual expenditures were less than the budget by \$3,388,367. Most expenditure lines were less than the budget.
- Net transfers between the General Fund and other funds had a negative variance of \$1,883,263 when measured against the budget. This was the result of converting an advance to a transfer.

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

The Capital Improvement Fund is comprised of several projects and has a total fund balance of \$1,701,548. Two school-related capital projects and four municipal capital projects had deficit balances totaling \$498,142. Seven other projects had positive balances totaling \$2,199,690. Of this total, \$1,261,128 is categorized as nonspendable as it represents an advance to the Downtown TIF District

Fund. It is anticipated that the advance will be repaid with tax revenues generated by development within the District.

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, 2012 the fund had a deficit balance of \$1,490,853, 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 Elementary School Building Fund had a fund balance of \$674,476 as of June 30, 2012. To finance the project, the Town issued bonds for the project, totaling \$21,462,250. This school was opened in September 2011. The Maine Department of Education (DOE) has reviewed the project and the Town expects the project fund will be closed during the fiscal year ending June 30, 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 \$6,253,135. The Pay-per-bag Program Fund had unrestricted net position of \$1,391,753. The unrestricted net position of the Mere Point Wastewater District Fund amounted to \$41,721. The Train Station/Visitors Center Fund had unrestricted net position of \$22,340. 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 \$196,000 were made from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations. These adjustments were:

- \$87,000 for Administration. The largest portion of the amount transferred was for legal fees. The unanticipated legal fees were largely the result of work on tax increment financing arrangements and a large tax abatement appeal.
- \$36,000 for General Assistance. Funds were used to cover costs resulting from unanticipated client needs and reduced state revenue.
- \$25,000 for Municipal Building. The unanticipated costs related to the upgrade of a backup power generator and related wiring.
- \$48,000 for several smaller transfers for a variety of purposes.

The other difference between the original and final budgets results from supplemental appropriations made during the year. These differences total \$2,897,000. Of that amount, \$2,450,000 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 \$447,000 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.

- \$ 200,000 to fund a master plan for the School Department.
- \$ 100,000 to fund costs relating to hazardous material abatement and costs associated with maintaining the closed Longfellow Elementary School.
- \$ 25,000 to fund replacement of a culvert on Adams Road.
- \$ 75,000 to fund costs relating to planning and designing a new police station
- \$ 47,000 to fund the purchase of a replacement tractor for the Parks & Recreation Department.

Supplemental appropriations totaling \$325,000 were part of the assigned fund balance at June 30, 2011. These appropriations funded the school master plan, maintenance and remediation costs for a closed school building, and a culvert installation on Adams Road. The two remaining supplemental appropriations funded unanticipated expenditures totaling \$122,000 and were made from unassigned fund balance.

Revenues - actual vs. final budget

For the year, actual revenues exceeded budgeted revenues by \$1,010,732. The following paragraphs discuss the various components of this variance.

In total, actual tax revenues exceeded the budget by \$585,869. This is the result of several factors. The actual amount of property tax deferred was less than budgeted by \$116,337. Supplemental tax assessments were \$33,677 more than budgeted. Payments in lieu of taxes were approximately \$112,130 greater than budgeted. Interest on delinquent taxes was \$15,793 more than budgeted and excise tax collections were \$154,927 more than budgeted. In addition, 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 \$313,910 more property revenue than projected. The actual amount of tax abatements granted was \$207,388 greater than budgeted. On a net basis, the remaining revenues of this category were \$46,483 more than budgeted.

In total, actual license and permit revenues were \$19,171 less than the amount budgeted. The largest portion of this variance was in Codes Enforcement revenue where actual revenue was \$26,110 less than budgeted revenue because there was less new construction than anticipated. The Planning Department's revenues were also less than projected by \$6,368, reflecting less development activity than anticipated. The Town Clerk's revenue exceeded projections by \$12,031 because of better than anticipated fee revenue from the issuance of vital record copies and from business licenses. The remaining revenues of this category were a total of \$1,276 more than budgeted.

Actual intergovernmental revenues exceeded the budget by \$206,591. State aid to education was \$93,495 lower than the amount budgeted. This variance was due to a conservative estimate of the state debt service subsidy on bonds issued to finance the construction of the Harriet Beecher Stowe Elementary School. The bonds were issued later than anticipated and at lower interest rates. Since the state subsidy is based on the actual debt service schedules, the subsidy was lower than budgeted. Offsetting that revenue reduction was \$115,197 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. Although it is difficult to predict the federal funding rate, Brunswick's qualifying federal students continued to decline with the withdrawal of families stationed at Naval Air Station Brunswick (NASB). In preparing the 2011-12 budget, the school department conservatively estimated this revenue. The actual number of qualifying students and reimbursement rates produced an amount higher than anticipated. The Town also 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. State revenue sharing exceeded estimates by \$123,602. The Town is generally conservative when budgeting this source, as this revenue is primarily dependent on state income and sales tax collections. Further, in challenging budget times, the State has

often re-examined its commitment to the revenue sharing program. Additionally, the Town received approximately \$15,080 in unanticipated highway grand funds from the State. This 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. Finally, the Town received more than anticipated in in state tax exemption reimbursement and state general assistance reimbursement in the amounts of \$6,506 and \$14,670, respectively. The net of all other intergovernmental revenues was more than budgeted by \$25,031.

Actual charges for service exceeded the budget by \$192,031. The largest portion of this variance was \$124,150 in emergency medical service fees. Due to ongoing changes in Medicare/Medicaid reimbursements, the Town is conservative when budgeting this source. Greater than anticipated tuition and transportation revenues received by the school department resulted in a positive variance of \$34,103. 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. Due to volatility inherent in the market, recycling revenues were higher than anticipated by \$28,554. The remaining variances in this category result in a net positive variance of \$5,224.

Fines and penalties were less than budgeted by \$2,781. Fire department permits were \$3,850 more than anticipated, while unlicensed dog fines brought in \$4,300 less than budgeted. Parking tickets and other police department fines were less than budgeted by \$2,331.

Interest on investments fell short of the budget estimate by \$54,598. 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 \$102,791. The largest portion of that variance, \$63,486, is attributable to miscellaneous school department revenues. Non-school miscellaneous revenues were more than the budget by \$31,607. The net of the other revenues in this category was more than budgeted by \$7,698.

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

The largest unbudgeted transfer was \$1,951,782 to a capital projects fund. This was to recognize that the amount previously advanced to the capital projects fund will not be repaid to the General Fund and, therefore, has been converted to a transfer. Originally the amount was advanced to finance the acquisition of real estate which the Town had intended to finance with general obligation debt. The authorization to issue that debt has been rescinded.

During the year, the Town sold land on Thomas Point Road. To facilitate the sale, the Town took a note receivable from the purchaser and the fund statements recognize that portion of the note payments that are both earned and available, \$65,906, as an unbudgeted source of funds.

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, 2012 amounts to \$74,734,196, 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 decrease in the Town's investment in capital assets for the current fiscal year was just over 1%. A small increase in business-type capital activity was offset by a decrease in governmental capital asset activities. Major capital asset events during the current fiscal year are listed below.

- Land additions totaled \$1,059,473 during the year. The major component of this was \$969,473 in permanent improvements at the Harriet Beecher Stowe (HBS) Elementary School. An additional \$90,000 was recognized with the acquisition of the McLellan building.
- A variety of construction projects were in progress at the conclusion of the year. The cost of this construction in progress totaled \$144,635, with the major component being the Rossmore Road project at \$117,319. Two additional projects totaled \$27,316.
- Additions to building assets totaled \$19,634,284. The major addition was the Harriet Beecher Stowe Elementary School building, valued at \$17,724,284. The McLellan office building, acquired in an exchange with Bowdoin College, added \$1,910,000. Major retirements of buildings included the Longfellow school, with a book value of \$883,049, which was exchanged for the McLellan Building. The impairment of the former Times Record building reduced building assets by \$1,923,731, due to its value being declared fully impaired.
- Improvements other than buildings totaling \$1,435,528 were added during the year. The additions consisted of \$758,948 for a new sports playing field, \$520,180 for tennis courts and \$156,400 for a playground. All of these additions were associated with the construction of the Harriet Beecher Stowe Elementary School.
- Machinery and equipment additions totaled \$318,303. The School department had the largest portion of this, adding \$224,389 in machinery and equipment in the new HBS Elementary School. Other additions included \$46,104 for a Parks and Recreation department tractor and \$30,488 for computer network equipment in the Police department. Additional public safety equipment totaled \$17,322.
- Vehicles were replaced in the Police, Fire and School departments during the year. The cost of new vehicles totaled \$361,086, with the largest additions being \$182,255 for a new ambulance, \$94,728 for four new police cruisers and \$84,103 for a school bus.
- Governmental activities added infrastructure during the year totaling \$829,731. Two road reconstruction projects completed during the year were Arrowhead Drive for \$318,550 and Lincoln Street for \$168,166. Other projects included the parking area for access to the Water Street boat launch valued at \$53,866, a new sidewalk on Richards Drive totaling \$84,597, and reconstructed sidewalks around the HBS Elementary School and in other downtown locations.

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

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

	Governmental		Business-type		Total	
	<u>activities</u>		<u>activities</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Capital assets not being depreciated:						
Land	\$ 4,755,942	\$ 3,773,594	\$ 115,000	\$ 115,000	\$ 4,870,942	\$ 3,888,594
Construction in progress	144,635	19,172,010	-	223,984	144,635	19,395,994
Intangibles	200,000	200,000	-	-	200,000	200,000
Capital assets being depreciated:						
Buildings	39,270,499	23,147,470	6,608	9,250	39,277,107	23,156,720
Improvements other than buildings	2,196,267	981,499	1,959,770	1,651,788	4,156,037	2,633,287
Machinery and equipment	1,616,950	1,627,541	299,216	324,546	1,916,166	1,952,087
Vehicles	2,134,595	2,031,170	-	-	2,134,595	2,031,170
Intangibles	122,419	208,343	2,480	3,774	124,899	212,117
Infrastructure	<u>21,767,472</u>	<u>21,948,522</u>	<u>142,343</u>	<u>165,900</u>	<u>21,909,815</u>	<u>22,114,422</u>
Total	\$72,208,779	\$73,090,149	\$2,525,417	\$2,494,242	\$74,734,196	\$75,584,391

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 \$27,439,138, all of which is general obligation debt.

Town of Brunswick's Outstanding Long-term Debt

	Governmental		Business-type		Total	
	<u>activities</u>		<u>activities</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation bonds	<u>\$ 27,439,138</u>	<u>\$ 30,177,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,439,138</u>	<u>\$ 30,177,250</u>
Total	\$ 27,439,138	\$ 30,177,250	\$ -	\$ -	\$ 27,439,138	\$ 30,177,250

The amount of principal debt retired during the year totaled \$2,738,112. The Town's outstanding debt is rated "AA" by Standard and Poor's and "Aa2" by Moody's Investors Service.

Maine law limits the amount of general obligation debt a governmental entity may issue an amount equal to 15% of its total State assessed valuation. The current debt limitation for the Town is \$304,207,500, 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 July 9, 2012 debt totaling \$5,500,000 was authorized to fund the design, construction and equipping of a new police station.

Additional information on the Town's long-term debt can be found in note IV.F on pages 64-69 of this report.

Economic Factors and Next Year's Budgets and Rate

In reviewing the 2012-13 budget, attention was again focused on the Town's largest area of expenditure – education. In Maine, there is generally a significant reliance on state aid for education. In 2004, Maine voters enacted legislation that required the state to fund 55% of education expenditures, measured on a state-wide basis. While the state initially made progress toward meeting that mandate, the recession of 2008-09 and changes to the law defining 55% effectively ended any near-term possibility of meeting 2004 law's goal. For the 2012-13 budget year, as in recent years, the state legislature appropriated only a modest increase in general purpose aid to education, which is distributed to school units based on a model known as Essential Programs and Services (EPS). The aid each school unit receives under EPS is largely dependent on two factors – student enrollment and equalized property tax valuation. Generally, increases in enrollment increase aid while increases in equalized value decrease aid.

With the closure of Naval Air Station Brunswick (NASB) Brunswick has experienced a substantial reduction in student enrollment. Although EPS attempts to cushion losses in general purpose aid that result from reductions in student population, Brunswick's student population continued to decline and the cushion continued to erode. Because federal impact aid is directly linked to the decline in military student enrollment, it also was negatively impacted and the 2012-13 school budget projected that no federal impact aid would be received. Compounding the loss of aid resulting from the enrollment reductions linked to NASB, Brunswick's school budget also continued to feel the effects of school consolidation and the loss of tuition students and tuition revenues. The Town of Durham, which at one time had close to 200 tuition students attending Brunswick High School, now has a majority of its students attending Freeport High School. The state and federal aid, as well as tuition losses, combined to put continued pressure on Brunswick's education budget. As in previous years the school department continued to seek reductions in expenditures, primarily through program and staff reductions. Unlike the previous budget year, in which one elementary school was closed, the department had no additional facilities it could close. As a consequence, additional staff reductions were proposed for the 2012-13 budget. Further, as it had done in previous budgets, the school department utilized nearly all of its anticipated operating surplus to close the budget gap. In order to limit further reductions in the school budget and to mitigate against an even larger increase in the property tax rate, the Town Council also reached into the municipal reserves. Still, the tax rate increase attributable to the school department budget was substantial.

The closure of NASB, and the resultant loss of population as reflected in the 2010 census, also negatively impacted the Brunswick's anticipated share of distribution of state revenue sharing, since population is one of the primary factors in the formula that distributes aid from the state revenue sharing pool. Further, despite redevelopment efforts at Brunswick Landing, the former NASB, there was little anticipated growth in the local property tax base. Declining or stagnant education and municipal revenues combine with and minimal growth in the property tax base, put substantial pressure on the property tax rate. When finally adopted, the budget required a 5.45% increase in the tax rate, the largest rate increase in the last ten years.

For the fiscal year ended June 30, 2012, unrestricted fund balance in the General Fund was \$11,015,926 with the unassigned portion of the unrestricted balance at \$9,028,572. The Town's policy for its general fund targets the unassigned fund balance at 16.67% of its GAAP revenues. For the year ended June 30, 2012 the target was \$8,840,868. On a positive note, the Town reached its fund balance target earlier than it had anticipated when, in 2010, it adopted a new and higher target. Although the policy requires the Town to use funds in excess of the target on capital or one-time expenditures, the Town expects there will be continued pressure to use the balance to close gaps in future operating budgets.

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.

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BASIC FINANCIAL STATEMENTS

TOWN OF BRUNSWICK, MAINE
Statement of Net Position
June 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Brunswick Development Corporation
ASSETS				
Cash and cash equivalents	\$ 23,655,545	\$ 1,733,912	\$ 25,389,457	\$ 1,796,118
Receivables (net of allowance for uncollectibles):				
Accounts	483,372	44,545	527,917	-
Taxes receivable - current year	821,976	-	821,976	-
Taxes receivable - prior year	63,022	-	63,022	-
Tax liens	319,932	-	319,932	-
Intergovernmental	1,158,094	-	1,158,094	-
Notes	85,295	-	85,295	352,377
Internal balances	32,418	(32,418)	-	-
Deposits	50,000	-	50,000	-
Inventories	47,034	48,687	95,721	-
Other	-	102,667	102,667	-
Permanently restricted assets:				
Cash and cash equivalents	31,615	-	31,615	-
Investments	442,131	-	442,131	-
Capital assets not being depreciated:				
Land	4,755,942	115,000	4,870,942	97,460
Construction in progress	144,635	-	144,635	-
Property held for resale	-	-	-	230,562
Intangibles	200,000	-	200,000	-
Capital assets (net of accumulated depreciation):				
Buildings	39,270,499	6,608	39,277,107	-
Improvements other than buildings	2,196,267	1,959,770	4,156,037	-
Machinery and equipment	1,616,950	299,216	1,916,166	-
Vehicles	2,134,595	-	2,134,595	-
Intangibles	122,419	2,480	124,899	-
Infrastructure	21,767,472	142,343	21,909,815	-
Total assets	<u>99,399,213</u>	<u>4,422,810</u>	<u>103,822,023</u>	<u>2,476,517</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	34,376	-	34,376	-
Total deferred outflows of resources	<u>34,376</u>	<u>-</u>	<u>34,376</u>	<u>-</u>
LIABILITIES				
Accounts payable and other current liabilities	3,631,497	23,524	3,655,021	-
Interest payable	123,898	-	123,898	-
Payable to agency fund - student activities	56,901	-	56,901	-
Unearned revenues	71,527	103,212	174,739	-
Noncurrent liabilities:				
Due within one year	3,224,807	12,750	3,237,557	-
Due in more than one year	26,423,428	6,555,228	32,978,656	-
Total liabilities	<u>33,532,058</u>	<u>6,694,714</u>	<u>40,226,772</u>	<u>-</u>
NET POSITION				
Invested in capital assets, net of related debt	45,338,934	2,525,417	47,864,351	328,022
Restricted for:				
Education	6,442,048	-	6,442,048	-
Municipal	370,351	-	370,351	-
Special revenue programs and grants	625,579	-	625,579	-
Development projects - impact fees	576,631	-	576,631	-
Capital projects	921,904	-	921,904	-
Permanent funds:				
Expendable	20,778	-	20,778	-
Nonexpendable	455,125	-	455,125	-
Unrestricted	11,150,181	(4,797,321)	6,352,860	2,148,495
Total net position	<u>\$ 65,901,531</u>	<u>\$ (2,271,904)</u>	<u>\$ 63,629,627</u>	<u>\$ 2,476,517</u>

TOWN OF BRUNSWICK, MAINE
 Statement of Activities
 For the year ended June 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Brunswick Development Corporation
	Expenses	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	\$ 4,414,316	\$ 389,409	\$ 640,198	\$ -	\$ (3,384,709)	\$ -	\$ (3,384,709)	\$ -
Public safety	7,650,053	1,127,842	108,100	-	(6,414,111)	-	(6,414,111)	-
Public works	4,991,362	53,297	228,372	108,883	(4,600,810)	-	(4,600,810)	-
Human services	168,829	3,667	34,670	-	(130,492)	-	(130,492)	-
Education	34,590,451	605,689	17,261,104	138,821	(16,584,837)	-	(16,584,837)	-
Recreation and culture	2,619,742	387,774	3,040	-	(2,228,928)	-	(2,228,928)	-
Intergovernmental	1,187,020	-	-	-	(1,187,020)	-	(1,187,020)	-
Unclassified	296,682	-	-	-	(296,682)	-	(296,682)	-
Interest on long-term debt	785,569	-	-	-	(785,569)	-	(785,569)	-
Total governmental activities	<u>56,704,024</u>	<u>2,567,678</u>	<u>18,275,484</u>	<u>247,704</u>	<u>(35,613,158)</u>	<u>-</u>	<u>(35,613,158)</u>	<u>-</u>
Business-type activities:								
Solid Waste Facilities	876,942	351,918	-	-	-	(525,024)	(525,024)	-
Pay-per-bag Program	80,969	303,400	-	-	-	222,431	222,431	-
Mere Point Wastewater District	39,636	21,533	-	-	-	(18,103)	(18,103)	-
Train Station	58,137	14,136	44,000	-	-	(1)	(1)	-
Total business-type activities	<u>1,055,684</u>	<u>690,987</u>	<u>44,000</u>	<u>-</u>	<u>-</u>	<u>(320,697)</u>	<u>(320,697)</u>	<u>-</u>
Total primary government	<u>\$ 57,759,708</u>	<u>\$ 3,258,665</u>	<u>\$ 18,319,484</u>	<u>\$ 247,704</u>	<u>\$ (35,613,158)</u>	<u>\$ (320,697)</u>	<u>\$ (35,933,855)</u>	<u>\$ -</u>
Component unit:								
Brunswick Development Corporation	996,453	11,768	-	-	-	-	-	(984,685)
Total component unit	<u>\$ 996,453</u>	<u>\$ 11,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (984,685)</u>
General revenues:								
Property taxes					31,373,355	-	31,373,355	-
Vehicle and watercraft excise taxes					2,653,928	-	2,653,928	-
Grants and contributions not restricted to specific programs					1,791,677	-	1,791,677	-
Unrestricted investment earnings					27,287	84	27,371	-
Other					365,434	-	365,434	1,512
Special items					267,920	-	267,920	-
Transfers					(205,000)	205,000	-	-
Total general revenues, special items and transfers					<u>36,274,601</u>	<u>205,084</u>	<u>36,479,685</u>	<u>1,512</u>
Changes in net position					661,443	(115,613)	545,830	(983,173)
Net position - beginning, as restated					<u>65,240,088</u>	<u>(2,156,291)</u>	<u>63,083,797</u>	<u>3,459,690</u>
Net position - ending					<u>\$ 65,901,531</u>	<u>\$ (2,271,904)</u>	<u>\$ 63,629,627</u>	<u>\$ 2,476,517</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Capital Improvements Fund	Downtown TIF District Fund	Elementary School Bldg Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 21,193,010	\$ 87,786	\$ -	\$ 710,325	\$ 1,696,039	\$ 23,687,160
Investments	-	-	-	-	442,131	442,131
Receivables (net of allowance for uncollectibles):						
Accounts	408,512	-	-	295	74,565	483,372
Taxes - current	696,718	-	-	-	125,258	821,976
Taxes - prior years	10,148	-	-	-	52,874	63,022
Tax liens	245,769	-	-	-	74,163	319,932
Intergovernmental	129,640	-	-	-	1,028,454	1,158,094
Notes	85,295	-	-	-	-	85,295
Deposits	-	50,000	-	-	-	50,000
Inventory, at cost	23,925	-	-	-	23,109	47,034
Due from other funds	-	589,495	-	-	900,139	1,489,634
Advances to other funds	495,297	1,261,128	-	-	-	1,756,425
Total assets	<u>\$ 23,288,314</u>	<u>\$ 1,988,409</u>	<u>\$ -</u>	<u>\$ 710,620</u>	<u>\$ 4,416,732</u>	<u>\$ 30,404,075</u>
LIABILITIES						
Accounts payable	\$ 638,737	\$ 16,714	\$ -	\$ 823	\$ 75,170	\$ 731,444
Retainage payable	-	-	-	35,219	-	35,219
Accrued wages and benefits payable	2,580,995	-	-	-	78,526	2,659,521
Payable to agency fund - student activities	56,901	-	-	-	-	56,901
Other liabilities	34,404	-	-	-	5,444	39,848
Payments in escrow	165,340	-	-	-	-	165,340
Unearned revenue	-	-	-	-	71,527	71,527
Due to other funds	875,669	-	4,575	102	617,737	1,498,083
Advances from other funds	-	270,147	1,486,278	-	-	1,756,425
Total liabilities	<u>4,352,046</u>	<u>286,861</u>	<u>1,490,853</u>	<u>36,144</u>	<u>848,404</u>	<u>7,014,308</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	631,311	-	-	-	-	631,311
Unavailable revenue - miscellaneous	196,662	-	-	-	-	196,662
Total deferred inflows of resources	<u>827,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>827,973</u>
FUND BALANCES (DEFICITS)						
Nonspendable:						
Long-term loans and advances	495,297	1,261,128	-	-	-	1,756,425
Inventories and prepaids	23,925	-	-	-	23,109	47,034
Permanent funds	-	-	-	-	455,125	455,125
Restricted:						
Education	6,202,796	-	-	-	-	6,202,796
Municipal purposes	370,351	-	-	-	-	370,351
Capital projects funds	-	-	-	674,476	824,059	1,498,535
Special revenue funds	-	-	-	-	841,722	841,722
Permanent funds	-	-	-	-	20,778	20,778
Committed:						
Capital projects funds	-	938,562	-	-	1,238,270	2,176,832
Special revenue funds	-	-	-	-	167,422	167,422
Assigned:						
General fund	1,987,354	-	-	-	-	1,987,354
Unassigned:						
General fund	9,028,572	-	-	-	-	9,028,572
Downtown Development TIF fund	-	-	(1,490,853)	-	-	(1,490,853)
Capital improvements fund	-	(498,142)	-	-	-	(498,142)
Permanent funds	-	-	-	-	(2,157)	(2,157)
Total fund balances (deficits)	<u>18,108,295</u>	<u>1,701,548</u>	<u>(1,490,853)</u>	<u>674,476</u>	<u>3,568,328</u>	<u>22,561,794</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 23,288,314</u>	<u>\$ 1,988,409</u>	<u>\$ -</u>	<u>\$ 710,620</u>	<u>\$ 4,416,732</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.	72,208,779
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	827,973
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(29,737,757)
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.	40,742
Net position of governmental activities (see Statement 1)	<u>\$ 65,901,531</u>

TOWN OF BRUNSWICK, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2012

	General Fund	Capital Improvements Fund	Downtown TIF District Fund	Elementary School Bldg Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 33,574,965	\$ 31,054	\$ 146,851	\$ -	\$ 268,437	\$ 34,021,307
Licenses and permits	310,181	-	-	-	-	310,181
Intergovernmental	16,907,852	32,000	-	-	1,787,630	18,727,482
Investment income	-	-	-	-	(18,420)	(18,420)
Charges for services	1,606,492	-	-	-	1,302,246	2,908,738
Fines and penalties	20,019	-	-	-	-	20,019
Interest	45,402	3	-	39	263	45,707
Donations	-	-	-	138,526	178,545	317,071
Other	569,691	351,000	-	295	-	920,986
Total revenues	<u>53,034,602</u>	<u>414,057</u>	<u>146,851</u>	<u>138,860</u>	<u>3,518,701</u>	<u>57,253,071</u>
EXPENDITURES						
Current:						
General government	3,223,623	-	60,777	-	645,059	3,929,459
Public safety	7,258,896	111,829	-	-	84,358	7,455,083
Public works	3,040,274	-	-	-	11,509	3,051,783
Human services	168,813	-	-	-	-	168,813
Education	30,310,885	-	-	-	2,358,242	32,669,127
Recreation and culture	2,163,371	-	-	-	333,510	2,496,881
Intergovernmental	1,187,020	-	-	-	-	1,187,020
Unclassified	296,682	-	-	-	-	296,682
Debt service:						
Principal	2,667,112	-	71,000	-	-	2,738,112
Interest	799,263	-	19,649	-	-	818,912
Capital outlay	-	625,449	-	1,822,722	771,661	3,219,832
Total expenditures	<u>51,115,939</u>	<u>737,278</u>	<u>151,426</u>	<u>1,822,722</u>	<u>4,204,339</u>	<u>58,031,704</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,918,663</u>	<u>(323,221)</u>	<u>(4,575)</u>	<u>(1,683,862)</u>	<u>(685,638)</u>	<u>(778,633)</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	202,613	2,806,282	-	-	1,126,620	4,135,515
Transfers to other funds	(3,506,930)	(2,613)	-	-	(464,781)	(3,974,324)
Transfers to other funds - suppl. appropriations	(147,000)	-	-	-	-	(147,000)
Transfers to other funds - education	(219,191)	-	-	-	-	(219,191)
Sale of general capital assets	65,906	-	-	-	-	65,906
Total other financing sources (uses)	<u>(3,604,602)</u>	<u>2,803,669</u>	<u>-</u>	<u>-</u>	<u>661,839</u>	<u>(139,094)</u>
Net changes in fund balances	(1,685,939)	2,480,448	(4,575)	(1,683,862)	(23,799)	(917,727)
Fund balances (deficits), beginning of year	19,794,234	(778,900)	(1,486,278)	2,358,338	3,592,127	23,479,521
Fund balances (deficits), end of year	<u>\$ 18,108,295</u>	<u>\$ 1,701,548</u>	<u>\$ (1,490,853)</u>	<u>\$ 674,476</u>	<u>\$ 3,568,328</u>	<u>\$ 22,561,794</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, 2012

Net change in fund balances - total governmental funds (from Statement 4)	\$	(917,727)
<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>		1,053,596
<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>		(1,934,966)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		78,174
<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 issuance costs, 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>		2,738,112
<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>		(370,198)
<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>14,452</u>
Change in net position of governmental activities (see Statement 2)	\$	<u>661,443</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, 2012

	<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	\$ 30,210,096	\$ -	\$ 30,210,096	\$ 30,510,035	\$ 299,939
Interest on delinquent taxes	65,000	-	65,000	80,793	15,793
Tax lien costs	10,000	-	10,000	13,080	3,080
Payment in lieu of taxes	205,000	-	205,000	317,130	112,130
Vehicle excise taxes	2,475,000	-	2,475,000	2,626,177	151,177
Watercraft excise taxes	24,000	-	24,000	27,750	3,750
Total taxes	<u>32,989,096</u>	<u>-</u>	<u>32,989,096</u>	<u>33,574,965</u>	<u>585,869</u>
Licenses and permits:					
Finance department	9,700	-	9,700	9,847	147
Codes enforcement	184,000	-	184,000	157,890	(26,110)
Town clerk	118,652	-	118,652	130,683	12,031
Planning	15,000	-	15,000	8,632	(6,368)
Fire department	900	-	900	835	(65)
Police department	600	-	600	830	230
Public works	500	-	500	1,464	964
Total licenses and permits	<u>329,352</u>	<u>-</u>	<u>329,352</u>	<u>310,181</u>	<u>(19,171)</u>
Intergovernmental:					
State education subsidy	12,437,261	-	12,437,261	12,343,766	(93,495)
Federal education subsidy	97,500	-	97,500	212,697	115,197
MainePERS contribution	-	2,450,000	2,450,000	2,450,000	-
State revenue sharing	1,450,000	-	1,450,000	1,573,602	123,602
State highway grant	200,000	-	200,000	215,080	15,080
State snowmobile funds	1,500	-	1,500	1,682	182
State tax exemption reimbursement	25,000	-	25,000	31,506	6,506
State general assistance reimbursement	20,000	-	20,000	34,670	14,670
SAFER grant	20,000	-	20,000	24,921	4,921
EMPG grant	-	-	-	15,640	15,640
State civil emergency preparedness	-	-	-	4,288	4,288
Total intergovernmental	<u>14,251,261</u>	<u>2,450,000</u>	<u>16,701,261</u>	<u>16,907,852</u>	<u>206,591</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, 2012

	<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	37,500	-	37,500	46,721	9,221
Watercraft, ATV, snowmobile registration	1,500	-	1,500	1,597	97
Fire department	500	-	500	1,209	709
Emergency medical services	700,000	-	700,000	824,150	124,150
Police department	92,087	-	92,087	83,598	(8,489)
Dispatch services fees	131,274	-	131,274	132,561	1,287
Public works	-	-	-	2,399	2,399
Recycling	18,000	-	18,000	46,554	28,554
Education - tuition, transportation, etc.	433,600	-	433,600	467,703	34,103
Total charges for services	<u>1,414,461</u>	<u>-</u>	<u>1,414,461</u>	<u>1,606,492</u>	<u>192,031</u>
Fines and penalties:					
Town clerk	10,000	-	10,000	5,700	(4,300)
Fire department	2,000	-	2,000	5,850	3,850
Police department	10,800	-	10,800	8,469	(2,331)
Total fines and penalties	<u>22,800</u>	<u>-</u>	<u>22,800</u>	<u>20,019</u>	<u>(2,781)</u>
Interest earned	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>45,402</u>	<u>(54,598)</u>
Other revenue:					
Sale of miscellaneous assets	18,500	-	18,500	15,434	(3,066)
Cable TV franchise fees	205,000	-	205,000	212,105	7,105
General assistance recovery	-	-	-	3,667	3,667
BDC subsidy of Eco Dev position	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	15,000	-
Miscellaneous - municipal	28,900	-	28,900	60,507	31,607
Miscellaneous - school	74,500	-	74,500	137,986	63,486
Total other revenue	<u>466,900</u>	<u>-</u>	<u>466,900</u>	<u>569,691</u>	<u>102,791</u>
Total revenues	<u>\$ 49,573,870</u>	<u>\$ 2,450,000</u>	<u>\$ 52,023,870</u>	<u>\$ 53,034,602</u>	<u>\$ 1,010,732</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, 2012

	<u>Adopted Budget</u>	<u>2011 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>2012 Encumbered Balances</u>
EXPENDITURES									
Current:									
General government:									
Administration	\$ 392,515	\$ -	\$ 392,515	\$ -	\$ 87,000	\$ 479,515	\$ 462,864	\$ 16,651	\$ -
Finance department	650,894	-	650,894	-	-	650,894	614,931	35,963	-
Technology services	255,238	-	255,238	-	-	255,238	245,752	9,486	-
Municipal officers	115,415	-	115,415	-	12,000	127,415	114,457	12,958	-
Municipal building	177,939	6,943	184,882	-	25,000	209,882	190,402	19,480	-
Risk management	428,550	-	428,550	-	(21,000)	407,550	372,275	35,275	-
Cable TV	85,655	-	85,655	-	5,000	90,655	82,183	8,472	-
Assessing	247,033	-	247,033	-	-	247,033	238,724	8,309	-
Town clerk and elections	329,488	-	329,488	-	-	329,488	299,098	30,390	2,865
Planning	427,944	7,197	435,141	-	-	435,141	412,829	22,312	-
Economic development	162,775	27,800	190,575	-	6,000	196,575	190,108	6,467	-
Total general government	<u>3,273,446</u>	<u>41,940</u>	<u>3,315,386</u>	<u>-</u>	<u>114,000</u>	<u>3,429,386</u>	<u>3,223,623</u>	<u>205,763</u>	<u>2,865</u>
Public safety:									
Fire department	2,796,745	2,942	2,799,687	-	-	2,799,687	2,731,788	67,899	1,000
Police department	3,574,510	-	3,574,510	-	(50,000)	3,524,510	3,316,575	207,935	-
Emergency services dispatch	687,442	-	687,442	-	-	687,442	653,033	34,409	-
Streetlights	190,000	-	190,000	-	-	190,000	164,768	25,232	-
Traffic signals	27,600	-	27,600	-	-	27,600	25,773	1,827	-
Fire suppression (hydrants)	365,885	-	365,885	-	-	365,885	365,884	1	-
Civil emergency preparedness	2,000	-	2,000	-	-	2,000	1,075	925	-
Total public safety	<u>7,644,182</u>	<u>2,942</u>	<u>7,647,124</u>	<u>-</u>	<u>(50,000)</u>	<u>7,597,124</u>	<u>7,258,896</u>	<u>338,228</u>	<u>1,000</u>
Public works:									
Administration	389,222	-	389,222	-	2,000	391,222	385,173	6,049	-
General maintenance	735,295	12,500	747,795	-	(50,000)	697,795	647,934	49,861	-
Winter maintenance	821,853	-	821,853	-	(50,000)	771,853	625,431	146,422	-
Refuse collection	587,353	-	587,353	-	-	587,353	519,588	67,765	-

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, 2012

	Adopted Budget	2011 Encumbered Balances	Original Budget	Additional Appropriation	Adjustments	Final Budget	Actual	Variance Positive (Negative)	2012 Encumbered Balances
EXPENDITURES, CONTINUED									
Public works, continued									
Recycling	261,148	-	261,148	-	3,000	264,148	262,632	1,516	-
Central garage	621,748	-	621,748	-	10,000	631,748	599,516	32,232	-
Total public works	3,416,619	12,500	3,429,119	-	(85,000)	3,344,119	3,040,274	303,845	-
Human services:									
General assistance	148,848	-	148,848	-	36,000	184,848	166,094	18,754	-
Health and social services	2,701	-	2,701	-	-	2,701	2,719	(18)	-
Total human services	151,549	-	151,549	-	36,000	187,549	168,813	18,736	-
Education:									
Education	33,301,672	-	33,301,672	2,450,000	(3,126,923)	32,624,749	30,310,885	2,313,864	-
Recreation and culture:									
Recreation administration	408,643	-	408,643	-	-	408,643	396,397	12,246	-
Buildings and grounds	620,335	7,393	627,728	-	-	627,728	601,154	26,574	-
People Plus	75,000	-	75,000	-	-	75,000	75,000	-	-
Library	1,087,355	-	1,087,355	-	5,000	1,092,355	1,090,820	1,535	-
Total recreation and culture	2,191,333	7,393	2,198,726	-	5,000	2,203,726	2,163,371	40,355	-
Intergovernmental:									
County tax	1,187,020	-	1,187,020	-	-	1,187,020	1,187,020	-	-
Unclassified:									
Promotion and development	141,758	-	141,758	-	(5,500)	136,258	132,791	3,467	-
Additional school assistance	10,000	-	10,000	-	-	10,000	10,000	-	-
Cemetery care	3,000	-	3,000	-	-	3,000	1,500	1,500	-
Wage & benefits adjustment	40,000	-	40,000	-	(25,000)	15,000	-	15,000	-
Longfellow building	-	-	-	100,000	-	100,000	22,278	77,722	77,722
School master plan	-	-	-	200,000	-	200,000	130,113	69,887	-
Total unclassified	194,758	-	194,758	300,000	(30,500)	464,258	296,682	167,576	77,722

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, 2012

	<u>Adopted Budget</u>	<u>2011 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>2012 Encumbered Balances</u>
EXPENDITURES, CONTINUED									
Debt service:									
Long-term debt, principal	428,000	-	428,000	-	2,239,112	2,667,112	2,667,112	-	-
Long-term debt, interest	130,643	-	130,643	-	668,620	799,263	799,263	-	-
Total debt service	<u>558,643</u>	<u>-</u>	<u>558,643</u>	<u>-</u>	<u>2,907,732</u>	<u>3,466,375</u>	<u>3,466,375</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>51,919,222</u>	<u>64,775</u>	<u>51,983,997</u>	<u>2,750,000</u>	<u>(229,691)</u>	<u>54,504,306</u>	<u>51,115,939</u>	<u>3,388,367</u>	<u>81,587</u>
Excess (deficiency) of revenues over (under) expenditures	(2,345,352)	(64,775)	(2,410,127)	(300,000)	229,691	(2,480,436)	1,918,663	4,399,099	-
OTHER FINANCING SOURCES (USES)									
Transfers from other funds	200,000	-	200,000	-	-	200,000	202,613	2,613	-
Transfers to other funds	(1,544,648)	-	(1,544,648)	-	(10,500)	(1,555,148)	(3,506,930)	(1,951,782)	-
Transfers to other funds - supplemental appropriations	-	-	-	(147,000)	-	(147,000)	(147,000)	-	-
Transfers to other funds - education	-	-	-	-	(219,191)	(219,191)	(219,191)	-	-
Sales of general capital assets	-	-	-	-	-	-	65,906	65,906	-
Total other financing sources (uses)	<u>(1,344,648)</u>	<u>-</u>	<u>(1,344,648)</u>	<u>(147,000)</u>	<u>(229,691)</u>	<u>(1,721,339)</u>	<u>(3,604,602)</u>	<u>(1,883,263)</u>	<u>-</u>
Net changes in fund balances	<u>\$ (3,690,000)</u>	<u>\$ (64,775)</u>	<u>\$ (3,754,775)</u>	<u>\$ (447,000)</u>	<u>\$ -</u>	<u>\$ (4,201,775)</u>	<u>\$ (1,685,939)</u>	<u>\$ 2,515,836</u>	<u>\$ -</u>
Fund balance, beginning of year							19,794,234		
Fund balance, end of year							<u>\$ 18,108,295</u>		

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2012

	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	\$ 349,536	\$ 1,384,376	\$ 1,733,912	\$ -
Accounts receivable	16,187	28,358	44,545	-
Inventory	-	48,687	48,687	-
Prepaid rent	-	102,667	102,667	-
Due from other funds	-	-	-	40,742
Total current assets	<u>365,723</u>	<u>1,564,088</u>	<u>1,929,811</u>	<u>40,742</u>
Capital assets:				
Land	115,000	-	115,000	-
Buildings	54,220	-	54,220	-
Improvements other than buildings	7,367,865	20,608	7,388,473	-
Machinery and equipment	495,886	97,500	593,386	79,040
Vehicles	88,632	-	88,632	-
Intangibles	6,470	-	6,470	-
Infrastructure	-	589,927	589,927	-
Less accumulated depreciation	<u>(5,754,616)</u>	<u>(556,075)</u>	<u>(6,310,691)</u>	<u>(48,331)</u>
Net capital assets	<u>2,373,457</u>	<u>151,960</u>	<u>2,525,417</u>	<u>30,709</u>
Total assets	<u>2,739,180</u>	<u>1,716,048</u>	<u>4,455,228</u>	<u>71,451</u>
LIABILITIES				
Current liabilities:				
Accounts payable	16,107	5,062	21,169	-
Accrual of payroll	2,355	-	2,355	-
Landfill closure and postclosure	11,500	-	11,500	-
Compensated absences	1,250	-	1,250	-
Unearned revenue	-	103,212	103,212	-
Due to other funds	<u>32,418</u>	<u>-</u>	<u>32,418</u>	<u>-</u>
Total current liabilities	<u>63,630</u>	<u>108,274</u>	<u>171,904</u>	<u>-</u>
Noncurrent liabilities:				
Landfill closure and postclosure	6,549,960	-	6,549,960	-
Compensated absences	<u>5,268</u>	<u>-</u>	<u>5,268</u>	<u>-</u>
Total noncurrent liabilities	<u>6,555,228</u>	<u>-</u>	<u>6,555,228</u>	<u>-</u>
Total liabilities	<u>6,618,858</u>	<u>108,274</u>	<u>6,727,132</u>	<u>-</u>
NET POSITION				
Invested in capital assets	2,373,457	151,960	2,525,417	30,709
Unrestricted	<u>(6,253,135)</u>	<u>1,455,814</u>	<u>(4,797,321)</u>	<u>40,742</u>
Total net position	<u>\$ (3,879,678)</u>	<u>\$ 1,607,774</u>	<u>\$ (2,271,904)</u>	<u>\$ 71,451</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, 2012

	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>
OPERATING REVENUES				
Charge for services	\$ 13,013	\$ 339,069	\$ 352,082	\$ 38,528
Tipping fees	338,905	-	338,905	-
Total operating revenues	<u>351,918</u>	<u>339,069</u>	<u>690,987</u>	<u>38,528</u>
OPERATING EXPENSES				
Personnel services	162,695	-	162,695	-
Administrative expenses	7,242	-	7,242	-
Contractual services	226,345	68,849	295,194	19,136
Central garage costs	30,235	-	30,235	-
Materials and supplies	50,475	82,214	132,689	4,940
Closure and postclosure costs	282,028	-	282,028	-
Depreciation	117,922	27,679	145,601	15,907
Total operating expenses	<u>876,942</u>	<u>178,742</u>	<u>1,055,684</u>	<u>39,983</u>
Operating income (loss)	<u>(525,024)</u>	<u>160,327</u>	<u>(364,697)</u>	<u>(1,455)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	32	52	84	-
Contributions	-	44,000	44,000	-
Total nonoperating revenues (expenses)	<u>32</u>	<u>44,052</u>	<u>44,084</u>	<u>-</u>
Income (loss) before transfers	<u>(524,992)</u>	<u>204,379</u>	<u>(320,613)</u>	<u>(1,455)</u>
Transfers in	<u>200,000</u>	<u>5,000</u>	<u>205,000</u>	<u>-</u>
Change in net position	(324,992)	209,379	(115,613)	(1,455)
Net position, beginning of year	<u>(3,554,686)</u>	<u>1,398,395</u>	<u>(2,156,291)</u>	<u>72,906</u>
Net position, end of year	<u>\$ (3,879,678)</u>	<u>\$ 1,607,774</u>	<u>\$ (2,271,904)</u>	<u>\$ 71,451</u>

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2012

	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	\$ 355,416	\$ 348,493	\$ 703,909	\$ 38,528
Payments to employees	(164,557)	-	(164,557)	-
Payments to suppliers for goods and services	(512,900)	(166,709)	(679,609)	(25,276)
Net cash provided (used) by operating activities	(322,041)	181,784	(140,257)	13,252
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	200,000	5,000	205,000	-
Unearned revenue	-	44,000	44,000	-
Increase (decrease) in due to other funds	418,154	30,084	448,238	(13,252)
Cash provided (used) by noncapital financing activities	618,154	79,084	697,238	(13,252)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(185,938)	-	(185,938)	-
Cash provided (used) by capital and related financing activities	(185,938)	-	(185,938)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	32	52	84	-
Cash provided by investing activities	32	52	84	-
Net increase (decrease) in cash	110,207	260,920	371,127	-
Cash, beginning of year	239,329	1,123,456	1,362,785	-
Cash, end of year	\$ 349,536	\$ 1,384,376	\$ 1,733,912	\$ -
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (525,024)	\$ 160,327	\$ (364,697)	\$ (1,455)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	117,922	27,679	145,601	15,907
(Increase) decrease in accounts receivable	3,498	9,757	13,255	-
(Increase) decrease in inventory	-	(19,802)	(19,802)	-
(Increase) decrease in prepaid rent	-	44,000	44,000	-
Increase (decrease) in closure/postclosure costs	282,028	-	282,028	-
Increase (decrease) in accounts payable	(198,603)	4,156	(194,447)	(1,200)
Increase (decrease) in unearned revenue	-	(44,333)	(44,333)	-
Increase (decrease) in accrued payroll	(2,220)	-	(2,220)	-
Increase (decrease) in compensated absences	358	-	358	-
Total adjustments	202,983	21,457	224,440	14,707
Net cash provided (used) by operating activities	\$ (322,041)	\$ 181,784	\$ (140,257)	\$ 13,252

See accompanying notes to financial statements.

TOWN OF BRUNSWICK, MAINE
Statement of Net Position
Fiduciary Funds
June 30, 2012

	<u>Private- purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 52,078	\$ -
Investments	653,039	-
Accounts receivable	-	20
Due from other funds	125	56,901
Total assets	<u>705,242</u>	<u>56,921</u>
LIABILITIES		
Accounts payable	125	-
Amounts held for others - student activities	-	56,921
Total liabilities	<u>125</u>	<u>56,921</u>
NET POSITION		
Net position held in trust for other purposes	<u>\$ 705,117</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, 2012

	<u>Private- purpose Trust Funds</u>
ADDITIONS	
Investment earnings:	
Interest and dividends	\$ 15,292
Net increase (decrease) in the fair value of investments	<u>(27,879)</u>
Total investment earnings	(12,587)
Less investment expense	<u>(6,898)</u>
Total additions	<u>(19,485)</u>
DEDUCTIONS	
Payment to beneficiaries	<u>6,644</u>
Total deductions	<u>6,644</u>
Change in net position	(26,129)
Net position - beginning	<u>731,246</u>
Net position - ending	<u>\$ 705,117</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 *Capital Improvements Fund* is used to account for capital projects that are supported by appropriations and/or advances from the General Fund or donations from private or public sources.

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 *Elementary School Building Fund* accounts for a capital project which is funded by long-term debt obligations.

2. Major proprietary funds

The Town reports the following major enterprise 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 three nonmajor special revenue funds.

The *capital projects funds* account for the acquisition of capital assets or construction of major capital projects not financed by the Town's major capital improvement funds, proprietary funds or permanent funds. The Town reports four 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 and a Village Improvement 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 assets. 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

For the fiscal year ended June 30, 2012, the Town has elected to implement 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*

13. Accounting Changes

Change in Accounting Principles – As the result of implementing GASB Statements 63 and 65, the Town has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of July 1, 2011 by \$130,028. The decrease results from no longer deferring and amortizing bond issuance costs. Further, the Town of Brunswick has restated its long-term liabilities to reflect that a component of those liabilities as of June 30, 2011 – deferred charge on refunding – is now reported as a deferred outflow of resources on the government-wide Statement of Net Position. The

effect of this change, as of June 30, 2011, is an increase of \$60,157 in long-term liabilities and a corresponding increase in deferred outflows of resources.

Change in Estimate - For the year ended June 30, 2012, the Town changed the useful life estimate for certain fire vehicles. The change is being applied prospectively, beginning July 1, 2011. The effect of this change in the current period is \$472,342.

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 \$72,208,779 are as follows:

Capital assets	\$ 114,174,520
Accumulated depreciation	<u>(41,965,741)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 72,208,779

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 \$827,973 difference are as follows:

Deferred inflows - unavailable revenue - property tax	\$ 631,311
Deferred inflows - unavailable revenue - miscellaneous	<u>196,662</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 827,973

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(29,737,757) difference are as follows:

Bonds payable	\$ (27,439,138)
Plus: Deferred charge on refunding (to be amortized as interest expense)	34,376
Less: Premium on bonds (to be amortized as interest expense)	(139,559)
Accrued interest	(123,898)
School retirement incentive	(190,758)
Compensated absences	(1,398,500)
Other post employment benefits	<u>(480,280)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$ (29,737,757)

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 assets.” The details of this \$40,742 difference are as follows:

Net position of the internal service fund	\$ 71,451
Less: Capital assets net of accumulated depreciation	<u>(30,709)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 40,742

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

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

useful lives and reported as depreciation expense.” The details of this \$1,053,596 difference is as follows:

Capital outlay	\$ 4,611,030
Depreciation expense	<u>(3,557,434)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 1,053,596

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 \$(1,934,966) difference are as follows:

Cost of disposed capital assets	\$ (3,359,617)
Accumulated depreciation on disposed capital assets	<u>1,424,651</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (1,934,966)

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 \$78,174 difference are as follows:

Property taxes	\$ (25,530)
Charges for services	19,610
Sale of capital asset	<u>84,094</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 78,174

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 \$2,738,112 difference are as follows:

Principal repayments: General obligation debt	<u>\$ 2,738,112</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position in governmental activities	\$ 2,738,112

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 \$(370,198) difference are as follows:

Compensated absences	\$ (100,166)
School retirement incentive	(190,758)
Post employment benefits annual required contribution	(112,616)
Accrued interest	25,173
Amortization of premium on refunding and general obligation bonds	33,950
Amortization of deferred charge on refunding	<u>(25,781)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ (370,198)

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 \$14,452 difference are as follows:

Change in net position of the internal service funds	\$	(1,455)
Plus: costs related to capital assets		<u>15,907</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	14,452

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, 2012, the Town budgeted and utilized the following amounts:

	<u>As of June 30, 2011</u>			
	<u>Original Budget</u>	<u>Encumbered Balances</u>	<u>Additional Appropriations</u>	<u>Final Budget</u>
Restricted fund balance:				
Educational purposes	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000
Municipal purposes	50,000	-	-	50,000
Assigned fund balance:				
Municipal purposes	140,000	-	325,000	465,000
Encumbrances	-	64,775	-	64,775
Unassigned fund balance:				
Municipal purposes	-	-	122,000	122,000
Total utilization of fund balance	<u>\$ 3,690,000</u>	<u>\$ 64,775</u>	<u>\$ 447,000</u>	<u>\$ 4,201,775</u>

C. Additional Appropriations

1. Supplemental appropriations

The Town Council made several supplemental budgetary appropriations throughout the year totaling \$447,000.

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 2011-2012 were \$2,144,000 for retirement, and \$306,000 for other benefits.

income from that program intended to be used for closure costs. Should a deficit balance remain at the time the currently 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, 2012, the primary government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of Deposit	\$ 10,001,644	N/A
Money-market Mutual Funds	14,931,562	N/A
Equities	340,915	N/A
Other Mutual Funds	754,255	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, 2012, 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, 2012, the bank balance of \$1,202,146 was covered by the FDIC and the tri-party collateral agreement among the Town of Brunswick, Bank of America, and Bank of New York.

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, 2012, the Town did not have a policy for concentration of credit risk.

Discretely presented component unit:

As of June 30, 2012, 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	\$ 1,701,218	N/A
Money-market Mutual Funds	39,232	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 the 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, 2012, none of the BDC's \$55,669 bank balance was exposed to custodial credit risk.

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 mutual 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, 2012 consist of the following:

	General <u>Fund</u>	Elementary School Bldg <u>Fund</u>	Other Governmental <u>Funds</u>	Enterprise <u>Funds</u>	<u>Total</u>
Taxes	\$ 725,656	\$ -	\$ 178,132	\$ -	\$ 903,788
Tax liens	245,769	-	74,163	-	319,932
Accounts	428,277	295	74,565	44,545	547,682
Intergovernmental	129,640	-	1,028,454	-	1,158,094
Notes	85,295	-	-	-	85,295
Gross receivables	<u>1,614,637</u>	<u>295</u>	<u>1,355,314</u>	<u>44,545</u>	<u>3,014,791</u>
Less: Allowance for Uncollectibles	<u>(38,555)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,555)</u>
Net receivables	\$ 1,576,082	\$ 295	\$ 1,355,314	\$ 44,545	\$ 2,976,236

Property taxes for the current year were committed September 8, 2011 on the assessed value listed as of April 1, 2011, for all taxable real and personal property located in the Town. Real property taxes were due in two installments, October 17, 2011 and April 17, 2012. Personal property taxes were due in one installment, October 17, 2011. 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, 2011, upon which the levy for the year ended June 30, 2012 was based, was \$1,282,350,160. This assessed value was 66% of the estimated market value and 59.88% of the 2011 State valuation of \$2,141,500,000.

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 \$633,445 for the year ended June 30, 2012.

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, 2012, the Town had a total of \$13,484,180 in captured valuation for two TIF districts. The tax revenue captured in these districts totaled \$319,305 for the year. At June 30 the Town had designated two additional TIF districts. Those districts had no funds and were terminated on September 4, 2012.

C. Long-term Receivables

Primary Government

At June 30, 2012, 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>Final Maturity Date</u>	<u>Additions (Reductions)</u>	<u>Amount Outstanding</u>
Kelley & Kelley Development, LLC	2011	\$ 90,000	5.00%	04/10/14	\$ (4,705)	\$ 85,295

The Town sold a parcel of real estate to Kelley and Kelley Development, LLC, 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, 2012, 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>Final Maturity Date</u>	<u>Additions (Reductions)</u>	<u>Amount Outstanding</u>
Bibber Properties, LLC	2007	\$ 75,000	5.00%	07/25/12	\$ (24,741)	\$ 50,259
Harbor Holdings, Inc.	2008	135,000	6.25%	01/18/14	(29,966)	105,034
128 Maine St., LLC	2012	200,000	5.25%	06/01/17	(2,916)	197,084
						<u>\$ 352,377</u>

The amount outstanding at June 30, 2012 from the Bibber Properties LLC note was subsequently retired. Harbor Holdings, LLC was at June 30, 2012, and continues to be, in default on its note. BDC intends to pursue its remedies under the provisions of the note.

D. Capital Assets

Capital asset activity for the year ended June 30, 2012 follows.

Primary Government

Governmental activities:

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 3,773,594	\$ 1,059,473	\$ (77,125)	\$ 4,755,942
Construction in progress	19,172,010	141,096	(19,168,471)	144,635
Intangibles	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total capital assets not being depreciated	23,145,604	1,200,569	(19,245,596)	5,100,577
Capital assets being depreciated:				
Buildings	35,856,845	19,634,284	(2,806,780)	52,684,349
Improvements other than buildings	2,314,632	1,435,528	-	3,750,160
Machinery and equipment	4,085,984	318,303	(88,655)	4,315,632
Vehicles	6,767,121	361,086	(278,032)	6,850,175
Intangibles	428,618	-	-	428,618
Infrastructure	<u>40,324,303</u>	<u>829,731</u>	<u>(109,025)</u>	<u>41,045,009</u>
Total capital assets being depreciated	89,777,503	22,578,932	(3,282,492)	109,073,943
Less accumulated depreciation for:				
Buildings	(12,709,375)	(1,710,349)	1,005,874	(13,413,850)
Improvements other than buildings	(1,333,133)	(220,760)	-	(1,553,893)
Machinery and equipment	(2,458,443)	(321,102)	80,863	(2,698,682)
Vehicles	(4,735,951)	(240,885)	261,256	(4,715,580)
Intangibles	(220,275)	(85,924)	-	(306,199)
Infrastructure	<u>(18,375,781)</u>	<u>(978,414)</u>	<u>76,658</u>	<u>(19,277,537)</u>
Total accumulated depreciation	(39,832,958)	(3,557,434)	1,424,651	(41,965,741)
Total capital assets being depreciated, net	49,944,545	19,021,498	(1,857,841)	67,108,202
Governmental activities capital assets, net	<u>\$ 73,090,149</u>	<u>\$ 20,222,067</u>	<u>\$(21,103,437)</u>	<u>\$ 72,208,779</u>

Business-type activities:

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2012</u>
Capital assets, not being depreciated:				
Land	\$ 115,000	\$ -	\$ -	\$ 115,000
Construction in progress	<u>223,984</u>	<u>-</u>	<u>(223,984)</u>	<u>-</u>
Total capital assets not being depreciated	338,984	-	(223,984)	115,000
Capital assets being depreciated:				
Buildings	54,220	-	-	54,220
Improvements other than buildings	6,987,713	400,760	-	7,388,473
Machinery and equipment	593,386	-	-	593,386
Vehicles	88,632	-	-	88,632
Intangibles	6,470	-	-	6,470
Infrastructure	<u>589,927</u>	<u>-</u>	<u>-</u>	<u>589,927</u>
Total capital assets being depreciated	8,320,348	400,760	-	8,721,108
Less accumulated depreciation for:				
Buildings	(44,970)	(2,642)	-	(47,612)
Improvements other than buildings	(5,335,925)	(92,778)	-	(5,428,703)
Machinery and equipment	(268,840)	(25,330)	-	(294,170)
Vehicles	(88,632)	-	-	(88,632)
Intangibles	(2,696)	(1,294)	-	(3,990)
Infrastructure	<u>(424,027)</u>	<u>(23,557)</u>	<u>-</u>	<u>(447,584)</u>
Total accumulated depreciation	(6,165,090)	(145,601)	-	(6,310,691)
Total business-type capital assets being depreciated, net:	2,155,258	255,159	-	2,410,417
Business-type activities capital assets, net	<u>\$ 2,494,242</u>	<u>\$ 255,159</u>	<u>\$ (223,984)</u>	<u>\$ 2,525,417</u>

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

Governmental activities:

General government	\$ 402,442
Public safety	257,480
Public works, including depreciation of general infrastructure assets	1,108,906
Human services	134
Education	1,681,457
Recreation and culture	<u>107,015</u>
Total depreciation expense - governmental activities	\$ 3,557,434

Business-type activities:

Mere Point wastewater	\$ 117,922
Solid Waste facilities	23,557
Train Station/Visitors Center	<u>4,122</u>
Total depreciation expense - business-type activities	\$ 145,601

Change in Estimate - For the year ended June 30, 2012, the Town changed the useful life estimate for certain fire vehicles. The change is being applied prospectively, beginning July 1, 2011. The effect of this change in the current period is \$472,342.

Discretely presented component unit

Capital asset activity for Brunswick Development Corporation for the year ended June 30, 2012, was as follows:

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2012</u>
Capital assets, not being depreciated:				
Land	\$ 97,460	\$ -	\$ -	\$ 97,460
Property held for resale	<u>773,475</u>	<u>230,877</u>	<u>(773,790)</u>	<u>230,562</u>
	870,935	230,877	(773,790)	328,022
Capital assets being depreciated:	-	-	-	-
Brunswick Development Corporation capital assets, net	<u>\$ 870,935</u>	<u>\$ 230,877</u>	<u>\$ (773,790)</u>	<u>\$ 328,022</u>

On June 8, 2011 the BDC Board authorized the demolition of buildings BDC owns at 81 Pleasant Street, 85 Pleasant Street and 3 Stanwood Street. The value of the three buildings at June 30, 2011 was \$582,290. On July 14, 2011 BDC acquired land and building located at 1 Stanwood Street. The total cost of the property was \$230,877. This building, valued at \$191,500, was demolished in accordance with BDC's June 8, 2011 authorization. Demolition was completed in February, 2012. At June 30, 2012, the book value of the four parcels was \$230,562.

Subsequent to June 30, 2012, BDC approved an agreement that would exchange the Pleasant and Stanwood Street properties for land and buildings at 28 Federal Street owned by the Town of Brunswick and currently used for municipal offices and police headquarters. The real estate BDC would acquire in the exchange was appraised at \$360,000. BDC has stipulated that it would transfer the Pleasant and Stanwood Street properties in the near term to allow the Town of Brunswick to construct a police station at that site. BDC would not receive the property at 28 Federal Street until a future date when the Town vacates that property.

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, 2012 the lease expense was \$37,890. An estimate of the future lease payments is shown on the following page.

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

<u>Year Ending June 30,</u>	<u>Base Rent</u>	<u>Additional Rent</u>	<u>Total</u>
2013	15,016	25,000	40,016
2014	<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, 2012 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>
2013	44,000
2014	44,000
2015	<u>14,667</u>
	\$ 102,667

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>						
General Government:						
2003 High School Refunding	2003	\$ 9,595,000	2.00% to 4.5%	2014	\$ 785,000 to 1,060,000 200,000	\$ 1,685,000
2006 Fire Station & Truck	2006	3,125,000	4.00%	2021	to 250,000	1,800,000
2010 Elementary School	2010	21,462,250	2.00% to 5.5%	2030	1,073,113	20,389,138
2011 GO Bonds	2011	4,120,000	2.00% to 3.00%	2021	270,000 to 555,000	3,565,000
						<u>\$ 27,439,138</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 amounts required to amortize all bonds and notes outstanding as of June 30, 2012 are as follows:

Year Ending <u>June 30</u>	Governmental Activities			
	<u>Principal</u>	<u>Interest</u>	<u>BAB Subsidy</u>	<u>Total</u>
2013	2,728,113	937,213	(232,603)	3,432,723
2014	2,613,113	864,414	(232,602)	3,244,925
2015	1,828,112	810,114	(232,602)	2,405,624
2016	1,823,112	768,937	(228,895)	2,363,154
2017	1,543,113	725,638	(220,447)	2,048,304
2018-2022	7,245,563	2,870,404	(927,167)	9,188,800
2023-2027	5,365,562	1,704,897	(578,404)	6,492,055
2028-2031	4,292,450	439,890	(149,455)	4,582,885
Total	\$ 27,439,138	\$ 9,121,507	\$ (2,802,175)	\$ 33,758,470

For the year ended June 30, 2012, the Town paid \$2,738,112 in principal and \$818,912 in interest (net of \$232,603 BABs subsidy) for a total of \$3,557,024 in debt service payments. All long-term debt of the Town of Brunswick has been issued as general obligation.

Additional debt authorizations: On July 25, 2011 the Town Council adopted “An Ordinance Authorizing the Funding and Acquisition of a New Fire Rescue Vehicle.” The amount of debt authorized by that ordinance is \$187,000.

Additional debt was authorized after June 30, 2012. On July 9, 2012 the Town Council adopted “An Ordinance Authorizing the Design, Construction, and Equipping of a New Police Station and Related Improvements at the southeast corner of Pleasant and Stanwood Streets, Brunswick, Maine, with Total Project Costs Not to Exceed \$5,635,814 (plus any other costs authorized hereunder), and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$5,500,000 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder.” See note “V. ADDITIONAL INFORMATION - I. Subsequent Events” herein.

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 shown on the following page.

<u>Type of Leave</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Sick paid upon termination	\$ 344,822	\$ 2,045
Vacation	679,965	4,473
Compensatory time	52,123	-
School retirement stipend	321,590	-
Totals	<u>\$ 1,398,500</u>	<u>\$ 6,518</u>

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 2011 for the plan year that ended June 30, 2011. 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	\$ 66,455
Amortization of Unfunded	116,258
Interest	<u>3,618</u>
Annual Required Contribution	186,331
Interest on Net OPEB Obligation	4,373
Amortizing Adjustment to ARC	<u>(6,322)</u>
Annual OPEB Cost	184,382
Contributions made	<u>(71,766)</u>
Increase in Net OPEB Obligation	112,616
Net OPEB obligation - beginning of year	<u>367,664</u>
Net OPEB obligation - end of year	<u><u>\$ 480,280</u></u>

TOWN OF BRUNSWICK, MAINE Notes to Financial Statements

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, 2012 and two preceding years

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2010	198,138	37.45%	258,344
June 30, 2011	186,331	41.33%	367,664
June 30, 2012	184,382	38.92%	480,280

Funding Status and Funding Progress: The funded status of the plan as of June 30, 2012 was as follows:

Actuarial accrued liability	\$ 2,090,744
Plan assets	-
Unfunded actuarial accrued liability	<u>\$ 2,090,744</u>
Funded ratio	0%
Covered payroll	\$ 7,758,089
Unfunded actuarial accrued liability as a percentage of covered payroll	26.95%

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 78, 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	1/1/2011
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Amortization period	Open, 30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	N/A
Healthcare inflation rate	4.0% - 8.7%

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 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, 2012 the Town estimates the facility has a remaining capacity of 23.48% 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 \$6,190,000. The total post-closure care costs are estimated at \$2,235,000 which is an annual cost of \$74,500 for 30 years. Of the total estimated liability, \$8,425,000, the Town estimates that \$6,446,460 is applicable to this facility based on the estimated capacity used as of June 30, 2012.

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. At one time, the Town viewed the ACA as a potentially favorable means of continuing to operate the landfill until such time as a cost-effective solution became viable. In January 2012, the Town and DEP discontinued the ACA discussions. Instead, the parties agreed to pursue a cooperative approach and have been working to construct an experimental treatment facility. Depending on its collaboration with DEP, the cost of wastewater treatment options, and other factors, the Town may ultimately consider closing the facility. 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, 2012, the Town estimates that \$100,000 is applicable to this facility. This represents annual monitoring at \$4,000 per year for 25 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, 2012, the Town estimates that \$15,000 is applicable to this facility. This represents annual monitoring at \$7,500 per year for 2 more years. The portion of the liability reported as due within one year is \$7,500.

G. Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

	<u>Balance</u> <u>June 30, 2011</u> <small>(as restated)</small>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities</u>					
Bonds payable:					
General government	\$ 30,177,250	\$ -	\$ (2,738,112)	\$ 27,439,138	\$ 2,728,113
Plus premium on bonds	173,509	-	(33,950)	139,559	-
School retirement incentive	-	190,758	-	190,758	47,279
Compensated absences	1,298,334	835,008	(734,842)	1,398,500	449,415
Other post employment benefits	367,664	112,616	-	480,280	-
	<u>\$ 32,016,757</u>	<u>\$ 1,138,382</u>	<u>\$ (3,506,904)</u>	<u>\$ 29,648,235</u>	<u>\$ 3,224,807</u>
	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Due Within</u> <u>One Year</u>
<u>Business-type Activities</u>					
Compensated absences	\$ 6,160	\$ 10,163	\$ (9,805)	\$ 6,518	\$ 1,250
Landfill closure and postclosure care	6,279,432	293,528	(11,500)	6,561,460	11,500
	<u>\$ 6,285,592</u>	<u>\$ 303,691</u>	<u>\$ (21,305)</u>	<u>\$ 6,567,978</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.

As the result of implementing Governmental Accounting Standards Board (GASB) Statements 63 and 65, the Town of Brunswick has restated its long-term liabilities to reflect that a component of those liabilities as of June 30, 2011 – deferred charge on refunding – is now reported as a deferred outflow of resources on the government-wide Statement of Net Position. The effect of this change, as of June 30, 2011 is an increase of \$60,157 in long-term liabilities and a corresponding increase in deferred outflow of resources.

H. Components of Fund Balances

The components of the June 30, 2012 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	\$ 495,297	\$ -	\$ -	\$ -
Inventories and prepaids	23,925	-	-	-
Education purposes	-	6,202,796	-	-
URIP (road assistance) funds	-	182,369	-	-
State revenue sharing	-	187,982	-	-
Encumbrances	-	-	-	81,587
Budget appropriation	-	-	-	1,000,000
Supplemental appropriations	-	-	-	536,750
Compensated absences	-	-	-	369,017
Capital improvements fund	1,261,128	-	938,562	-
Elementary School Bond Fund	-	674,476	-	-
Capital projects funds	-	824,059	1,238,270	-
Special revenue funds:				
Inventories and prepaids	23,109	-	-	-
Restricted programs/purposes	-	841,722	-	-
Recreation programs	-	-	167,422	-
Permanent funds	455,125	20,778	-	-
Total	<u>\$ 2,258,584</u>	<u>\$ 8,934,182</u>	<u>\$ 2,344,254</u>	<u>\$ 1,987,354</u>

On October 18, 2010 the Town adopted 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, 2012 the Town's unassigned fund balance was at 17.02% 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	Downtown Development TIF District	\$ 4,575
General Fund	Elementary School Building Fund	102
General Fund	School Restricted Funds	617,737
General Fund	Enterprise Funds	32,418
		<u>\$ 654,832</u>
Capital Improvements Fund	General Fund	\$ 589,495
Recreation Program Funds	General Fund	7,229
Town Restricted Funds	General Fund	228,660
Industrial Park Fund	General Fund	220,986
Public Works Projects	General Fund	443,264
Private Purpose Trust Funds	General Fund	125
Internal Service Fund	General Fund	40,742
		<u>\$ 1,530,501</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	\$ 270,147
	Downtown Development TIF District	225,150
		<u>\$ 495,297</u>
Capital Improvements Fund	Downtown Development TIF District	\$ 1,261,128

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
	<u>General Fund</u>	<u>Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Enterprise Funds</u>	
<u>Transfers Out:</u>					
General Fund	\$ -	\$ 2,796,621	\$ 871,500	\$ 205,000	\$ 3,873,121
Capital Improvements Fund	2,613	-	-	-	2,613
Downtown Development TIF	-	-	-	-	-
Nonmajor Govt Funds	200,000	9,661	255,120	-	464,781
Total transfers in	<u>\$ 202,613</u>	<u>\$ 2,806,282</u>	<u>\$ 1,126,620</u>	<u>\$ 205,000</u>	<u>\$ 4,340,515</u>

Of the \$3,873,121 transferred out of the General Fund, \$3,576,621 was made for a variety of capital projects. The largest amount transferred was a transfer of \$1,951,782 to a capital projects fund to pay for the acquisition of real estate the Town had intended to ultimately finance with general obligation debt. The Town abandoned its original plan for the property and on June 20, 2011 rescinded the authority to finance the acquisition with debt. After failing to sell the property, the Town Council, on September 17, 2012, voted to raze the building located on the property. As the advance from the General Fund will not be repaid, it has been converted to a transfer. The \$205,000 transfer to Enterprise Funds represents General Fund subsidies of the Graham Road Landfill operations of \$200,000 and the Train Station/Visitors Center of \$5,000. 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 from the Industrial Park Fund of \$200,000, and \$2,613 in balances from completed projects and activities.

K. Nonmonetary Exchange (special item)

Pursuant to an agreement dated October 4, 2011, the Town and Bowdon College, on December 22, 2011, exchanged real estate. In the exchange, the Town acquired Bowdoin's McLellan Building at 85 Union Street. In return, Bowdoin College acquired Longfellow School on Longfellow Avenue. At the time of the exchange, Longfellow School had a net book value of \$503,429. In January 2010 it had been appraised at \$990,000. In January 2010, the McLellan Building had been appraised at \$4,620,000. The exchange agreement also allows Bowdoin College to occupy all three floors of the McLellan Building until May 31, 2014 and the third floor of that building until May 31, 2024. Rather than an exchange, Bowdoin College had offered to pay \$2,000,000 for Longfellow School. The Town has recorded the cost of the McLellan property at \$2,000,000, recognized a gain of \$1,496,571, and reported the gain as a special item in the government-wide statement of activities.

L. Asset Impairment (special item)

In 2004, the Town purchased real estate formerly owned by Brunswick Publishing, located at 6 Industry Road, and known as the Times Record property. At the time, the Town intended to convert the property to municipal uses. The Town made significant renovations to the property and leased a majority of it to Southern Maine Community College (SMCC). SMCC utilized the facility for three years as part of its composites training program. After SMCC vacated the building, the Town considered other options for its use. On June 4, 2012, the Town Council authorized the Town Manager to seek bids for the demolition of the building, with the intent to keep the land for future municipal uses. On September 17, 2012, the Town Council authorized the demolition of the property and work has begun to raze the building. Based on the actions taken by the Town Council, the building has been considered fully (100%) impaired as of June 30, 2012. The carrying value of the building prior to the impairment was \$1,302,526. The impairment loss is reported as a special item in the government-wide statement of activities.

M. Sale of Capital Assets (special item)

On October 14, 2011, the Town of Brunswick sold a parcel of real estate on Thomas Point Road. The sale price was \$150,000 and the carrying value was \$76,125. This resulted in a gain of \$73,875 which is reported as a special item in the government-wide statement of activities. Sales of other capital assets are considered immaterial.

N. 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, 2012, 2011, and 2010 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, 2012.

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. Contingent Liabilities

Primary government

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.

The Town of Brunswick has been the recipient of Community Development Block Grants (CDBG) to assist businesses locating at Brunswick Landing, the site of the former naval air station that is being redeveloped by the Midcoast Regional Redevelopment Authority (MRRA). These CDBG have certain job creation requirements, and if not met, require the Town to repay the CDBG funds. Two of the CDBG recipients may not meet the full job creation requirements specified in the grants. The most the Town could be required to repay under these grant agreements is \$500,000. The Town has an indemnification agreement from MRRA that requires MMRA to pay the Town any of the amounts the Town may be required to repay under the grants.

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.

Discretely presented component unit

On October 9, 2009, the Brunswick Development Corporation (BDC) issued an \$11,500 irrevocable stand-by letter of credit (LOC) on behalf of a restaurant in downtown Brunswick. The letter of credit has a term of ten years, with annual renewals. The beneficiary of the LOC failed to renew it in 2012.

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, 2012 varied from 4.4% to 10.2% 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, 2012, 2011 and 2010 were \$532,670, \$415,329 and \$326,029 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 asset from its previous plan. At June 30, 2011 the remaining balance is \$337,748. The Town has used credits of \$71,712, \$78,936 and \$94,872 for the years ended June 30, 2012, 2011 and 2010 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, 2012, 2011 and 2010 were \$2,144,000, \$2,900,000 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, 2012, 2011 and 2010 were \$116,602, \$201,150 and \$221,666 respectively, equal to the required contribution for each year. The actuarially determined rate for State and Town contributions to the Teacher Plan for the year ended June 30, 2012 was 14.32%.

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, 2012, the Town's equalized state valuation of \$2,028,050,000 was 5.13% of the County's equalized state valuation of \$39,497,000,000. The Town's share of Cumberland County's principal debt as of June 30, 2012 is \$1,911,133 or 5.13% of the total outstanding long-term County debt of \$37,220,000.

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, 2012, MR10 had total principal debt outstanding of \$36,681. The Town of Brunswick's share of MR10's debt is 38.29%, or \$14,045. 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, 2012 is provided as an indication of the combined debt burden of the constituent ratepayer/taxpayer base.

	<u>Total Principal Debt</u>	<u>Percent Applicable to Brunswick</u>	<u>Amount Applicable to Brunswick</u>
Brunswick & Topsham Water District	\$ 6,929,147	66.67%	\$ 4,619,662
Brunswick Sewer District	1,221,215	100.00%	1,221,215
Total	<u>\$ 8,150,362</u>		<u>\$ 5,840,877</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, 2012, the total budget of MR10 was \$1,951,261. After MR10 deducted certain balances and miscellaneous revenues, the Town of Brunswick was assessed and paid \$678,570. At June 30, 2012, MR10 had total principal debt outstanding of \$36,681. The Town of Brunswick's share of MR10's debt is 38.29%, or \$14,045. A copy of MR10's audited financial statements may be obtained from Maine Region 10 Technical High School, 68 Church Road, Brunswick, Maine 04011.

H. Commitments

As of June 30, 2012, the Town had various contractual commitments. The significant commitments are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Bath Road paving	\$ 18,711	\$ 651,222
Harriet Beecher Stowe Elementary School	<u>20,947,659</u>	<u>26,431</u>
Total	\$ 20,966,370	\$ 677,653

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.

College Street Reconstruction – As part of the October 4, 2011 agreement in which Bowdoin College and the Town agreed to exchange real estate, the Town also agreed to make certain improvements to College Street over a three-year period. College Street bisects the Bowdoin campus. The Town and the College have had discussions and the Town has engaged an engineering firm to complete a preliminary design of the improvements. Based on those discussions, the Town estimates the project cost at \$425,000.

I. Subsequent Events

Primary government

Brunswick Landing TIF Districts – On February 6, 2012, the Town Council approved two tax increment financing (TIF) districts to support redevelopment of the former naval air station, now known as Brunswick Landing and managed by the Midcoast Regional Redevelopment Authority (MRRA). The Maine Department of Economic and Community Development (DECD) approved the district designations on March 28, 2012 with approval of the development program for those districts conditioned on subsequent approval from DECD. The Town and the MRRA engaged in negotiations 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. On September 4, 2012, the Town Council voted to terminate the two TIF districts.

Police Headquarters – The Town continued to make progress towards the design, siting, and construction of a new police station. Since June 30, 2012, the Town has made additional progress on the project. Ground-breaking for the project occurred in the fall.

Bond Ordinance – On July 9, 2012 the Town Council adopted an ordinance authorizing the issuance of up to \$5,500,000 in general obligation bonds to finance the construction of a new police station at the corner of Pleasant and Stanwood Streets.

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. In November, the Town and BDC executed a property exchange agreement. The Municipal Building real estate was appraised at \$360,000. The Town expects it will receive title to BDC’s properties by the end of 2012. However, the Town does not expect to transfer the title to 28 Federal Street to BDC until late in 2014 or early in 2015.

Discretely presented component unit

Property Exchange with the Town of Brunswick (significant transaction with primary government) – At June 30, 2012 the Brunswick Development Corporation (BDC) owned properties at the corner of Pleasant and Stanwood streets. On October 10, 2012, the BDC authorized a non-monetary exchange of these properties with the Town of Brunswick. In return, the BDC will receive land and buildings located at 28 Federal Street, the current site of the Town's municipal offices. BDC is expected to transfer its properties to the Town by the end of 2012. However, BDC will not take title to the Town's properties until the Town vacates the municipal offices, which the Town anticipates will occur in the summer of 2014.

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%

COMBINING AND INDIVIDUAL FUND STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Special revenue funds are established for the following purposes:

Recreation Programs

To account for all user supported recreation programs.

Town Restricted Programs

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

School Restricted Programs

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

CAPITAL PROJECTS FUNDS

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

Capital projects funds have been established for the following purposes:

Impact Fees

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

Industrial Park

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

Public Works Projects

To account for public works projects related to street resurfacing, sidewalk repair and capital equipment purchases.

2000 Bond Projects

To account for the following projects funded by the 2000 bond:

Library Construction - Construction of an expansion and major renovations to the Curtis Memorial Library.

Landfill Expansion - Capital expenditures related to expansion of the Graham Road Landfill funded by proceeds from the issuance of general obligation debt.

1999 Projects - Various municipal and school projects financed with the issuance of general obligation bonds.

2000 Bridge and Roads Bonds - Various street, road and bridge projects financed with the issuance of general obligation bonds.

Downtown Improvement Bonds - Certain capital improvements in the downtown master development plan financed with the issuance of general obligation bonds.

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, 2012

	<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	\$ 264,345	\$ 1,400,079	\$ 31,615	\$ 1,696,039
Investments	-	-	442,131	442,131
Receivables:				
Accounts	74,565	-	-	74,565
Taxes - current	125,258	-	-	125,258
Taxes - prior years	52,874	-	-	52,874
Tax liens	74,163	-	-	74,163
Intergovernmental	1,028,454	-	-	1,028,454
Inventory	23,109	-	-	23,109
Due from other funds	235,889	664,250	-	900,139
Total assets	<u>\$ 1,878,657</u>	<u>\$ 2,064,329</u>	<u>\$ 473,746</u>	<u>\$ 4,416,732</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 73,170	\$ 2,000	\$ -	\$ 75,170
Accrued payroll	78,526	-	-	78,526
Other liabilities	5,444	-	-	5,444
Unearned revenue	71,527	-	-	71,527
Due to other funds	617,737	-	-	617,737
Total liabilities	<u>846,404</u>	<u>2,000</u>	<u>-</u>	<u>848,404</u>
Fund balances:				
Nonspendable	23,109	-	455,125	478,234
Restricted	841,722	824,059	20,778	1,686,559
Committed	167,422	1,238,270	-	1,405,692
Unassigned	-	-	(2,157)	(2,157)
Total fund balances	<u>1,032,253</u>	<u>2,062,329</u>	<u>473,746</u>	<u>3,568,328</u>
Total liabilities and fund balances	<u>\$ 1,878,657</u>	<u>\$ 2,064,329</u>	<u>\$ 473,746</u>	<u>\$ 4,416,732</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, 2012

	<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	\$ 268,437	\$ -	\$ -	\$ 268,437
Intergovernmental	1,787,630	-	-	1,787,630
Investment income	-	-	(18,420)	(18,420)
Charges for services	1,302,246	-	-	1,302,246
Interest	6	257	-	263
Donations	154,572	23,973	-	178,545
Total revenues	<u>3,512,891</u>	<u>24,230</u>	<u>(18,420)</u>	<u>3,518,701</u>
EXPENDITURES				
Current:				
General government	645,059	-	-	645,059
Public safety	84,358	-	-	84,358
Public works	11,509	-	-	11,509
Education	2,358,242	-	-	2,358,242
Recreation and culture	328,510	-	5,000	333,510
Capital outlay	-	771,661	-	771,661
Total expenditures	<u>3,427,678</u>	<u>771,661</u>	<u>5,000</u>	<u>4,204,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>85,213</u>	<u>(747,431)</u>	<u>(23,420)</u>	<u>(685,638)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	91,500	1,035,120	-	1,126,620
Transfer to other funds	(260,120)	(204,661)	-	(464,781)
Total other financing sources (uses)	<u>(168,620)</u>	<u>830,459</u>	<u>-</u>	<u>661,839</u>
Net changes in fund balances	(83,407)	83,028	(23,420)	(23,799)
Fund balances, beginning of year	<u>1,115,660</u>	<u>1,979,301</u>	<u>497,166</u>	<u>3,592,127</u>
Fund balances, end of year	<u>\$ 1,032,253</u>	<u>\$ 2,062,329</u>	<u>\$ 473,746</u>	<u>\$ 3,568,328</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	<u>Recreation Programs</u>	<u>Town Restricted Programs</u>	<u>School Restricted Programs</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 252,567	\$ 11,778	\$ -	\$ 264,345
Receivables:				
Accounts	-	45,966	28,599	74,565
Taxes - current	-	125,258	-	125,258
Taxes - prior years	-	52,874	-	52,874
Tax liens	-	74,163	-	74,163
Intergovernmental	-	135,110	893,344	1,028,454
Inventory	-	-	23,109	23,109
Due from other funds	7,229	228,660	-	235,889
Total assets	<u>\$ 259,796</u>	<u>\$ 673,809</u>	<u>\$ 945,052</u>	<u>\$ 1,878,657</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 22,736	\$ 47,870	\$ 2,564	\$ 73,170
Accrued payroll	9,410	360	68,756	78,526
Other liabilities	-	-	5,444	5,444
Unearned revenue	60,228	-	11,299	71,527
Due to other funds	-	-	617,737	617,737
Total liabilities	<u>92,374</u>	<u>48,230</u>	<u>705,800</u>	<u>846,404</u>
Fund balances:				
Nonspendable	-	-	23,109	23,109
Restricted	-	625,579	216,143	841,722
Committed	167,422	-	-	167,422
Total fund balances	<u>167,422</u>	<u>625,579</u>	<u>239,252</u>	<u>1,032,253</u>
Total liabilities and fund balances	<u>\$ 259,796</u>	<u>\$ 673,809</u>	<u>\$ 945,052</u>	<u>\$ 1,878,657</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, 2012

	<u>Recreation Programs</u>	<u>Town Restricted Programs</u>	<u>School Restricted Programs</u>	<u>Totals</u>
REVENUES				
Property taxes	\$ -	\$ 268,437	\$ -	\$ 268,437
Intergovernmental	-	476,489	1,311,141	1,787,630
Charges for services	387,571	30,493	884,182	1,302,246
Interest	6	-	-	6
Donations	-	95,255	59,317	154,572
Total revenues	<u>387,577</u>	<u>870,674</u>	<u>2,254,640</u>	<u>3,512,891</u>
EXPENDITURES				
Current:				
General government	-	645,059	-	645,059
Public safety	-	84,358	-	84,358
Public works	-	11,509	-	11,509
Education	-	-	2,358,242	2,358,242
Recreation and culture	328,510	-	-	328,510
Total expenditures	<u>328,510</u>	<u>740,926</u>	<u>2,358,242</u>	<u>3,427,678</u>
Excess (deficiency) of revenues over (under) expenditures	59,067	129,748	(103,602)	85,213
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	-	5,500	86,000	91,500
Transfer to other funds	-	(260,120)	-	(260,120)
Total other financing sources (uses)	<u>-</u>	<u>(254,620)</u>	<u>86,000</u>	<u>(168,620)</u>
Net changes in fund balances	59,067	(124,872)	(17,602)	(83,407)
Fund balances, beginning of year	<u>108,355</u>	<u>750,451</u>	<u>256,854</u>	<u>1,115,660</u>
Fund balances, end of year	<u>\$ 167,422</u>	<u>\$ 625,579</u>	<u>\$ 239,252</u>	<u>\$ 1,032,253</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2012

	<u>Impact Fees</u>	<u>Industrial Park</u>	<u>Public Works Projects</u>	<u>2000 Bond Projects</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 576,631	\$ 576,020	\$ -	\$ 247,428	\$ 1,400,079
Due from other funds	-	220,986	443,264	-	664,250
Total assets	<u>\$ 576,631</u>	<u>\$ 797,006</u>	<u>\$ 443,264</u>	<u>\$ 247,428</u>	<u>\$ 2,064,329</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 2,000	\$ -	\$ 2,000
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Fund balances:					
Restricted	576,631	-	-	247,428	824,059
Committed	-	797,006	441,264	-	1,238,270
Total fund balances	<u>576,631</u>	<u>797,006</u>	<u>441,264</u>	<u>247,428</u>	<u>2,062,329</u>
Total liabilities and fund balances	<u>\$ 576,631</u>	<u>\$ 797,006</u>	<u>\$ 443,264</u>	<u>\$ 247,428</u>	<u>\$ 2,064,329</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, 2012

	<u>Impact Fees</u>	<u>Industrial Park</u>	<u>Public Works Projects</u>	<u>2000 Bond Projects</u>	<u>Totals</u>
REVENUES					
Interest	\$ 23	\$ 22	\$ -	\$ 212	\$ 257
Donations	5,626	-	-	18,347	23,973
Total revenues	<u>5,649</u>	<u>22</u>	<u>-</u>	<u>18,559</u>	<u>24,230</u>
EXPENDITURES					
Capital outlay	60,863	-	542,632	168,166	771,661
Total expenditures	<u>60,863</u>	<u>-</u>	<u>542,632</u>	<u>168,166</u>	<u>771,661</u>
Excess (deficiency) of revenues over (under) expenditures	(55,214)	22	(542,632)	(149,607)	(747,431)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	255,120	780,000	-	1,035,120
Transfers to other funds	-	(200,000)	(4,661)	-	(204,661)
Total other financing sources (uses)	<u>-</u>	<u>55,120</u>	<u>775,339</u>	<u>-</u>	<u>830,459</u>
Net changes in fund balances	(55,214)	55,142	232,707	(149,607)	83,028
Fund balances, beginning of year	631,845	741,864	208,557	397,035	1,979,301
Fund balances, end of year	<u>\$ 576,631</u>	<u>\$ 797,006</u>	<u>\$ 441,264</u>	<u>\$ 247,428</u>	<u>\$ 2,062,329</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2012

	<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	\$ 1,009	\$ 2,443	\$ 25,514	\$ 2,649	\$ 31,615
Investments	14,111	34,170	356,808	37,042	442,131
Total assets	<u>\$ 15,120</u>	<u>\$ 36,613</u>	<u>\$ 382,322</u>	<u>\$ 39,691</u>	<u>\$ 473,746</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	11,375	33,781	384,479	25,490	455,125
Restricted	3,745	2,832	-	14,201	20,778
Unassigned	-	-	(2,157)	-	(2,157)
Total fund balances	<u>15,120</u>	<u>36,613</u>	<u>382,322</u>	<u>39,691</u>	<u>473,746</u>
Total liabilities and fund balances	<u>\$ 15,120</u>	<u>\$ 36,613</u>	<u>\$ 382,322</u>	<u>\$ 39,691</u>	<u>\$ 473,746</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Permanent Funds
For the year ended June 30, 2012

	<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	\$ 295	\$ 717	\$ 7,568	\$ 775	\$ 9,355
Net increase(decrease) in the fair value of investments	(735)	(1,788)	(18,852)	(1,929)	(23,304)
Total investment earnings	(440)	(1,071)	(11,284)	(1,154)	(13,949)
Less investment expense	(141)	(343)	(3,617)	(370)	(4,471)
Total revenues	(581)	(1,414)	(14,901)	(1,524)	(18,420)
EXPENDITURES					
Payment to beneficiaries	-	-	5,000	-	5,000
Total expenditures	-	-	5,000	-	5,000
Net changes in fund balances	(581)	(1,414)	(19,901)	(1,524)	(23,420)
Fund balances, beginning of year	15,701	38,027	402,223	41,215	497,166
Fund balances, end of year	<u>\$ 15,120</u>	<u>\$ 36,613</u>	<u>\$ 382,322</u>	<u>\$ 39,691</u>	<u>\$ 473,746</u>

TOWN OF BRUNSWICK, MAINE
Combining Balance Sheet
Nonmajor Permanent Funds
Education Funds
June 30, 2012

	<u>Brunswick School Fund</u>	<u>Brunswick High Class of 1920 Fund</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 771	\$ 238	\$ 1,009
Investments	10,784	3,327	14,111
Total assets	<u>\$ 11,555</u>	<u>\$ 3,565</u>	<u>\$ 15,120</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	8,376	2,999	11,375
Restricted	3,179	566	3,745
Total fund balances	<u>11,555</u>	<u>3,565</u>	<u>15,120</u>
Total liabilities and fund balances	<u>\$ 11,555</u>	<u>\$ 3,565</u>	<u>\$ 15,120</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, 2012

	<u>Brunswick School Fund</u>	<u>Brunswick High Class of 1920 Fund</u>	<u>Totals</u>
REVENUES			
Investment earnings:			
Interest and dividends	\$ 226	\$ 69	\$ 295
Net increase(decrease) in the fair value of investments	(562)	(173)	(735)
Total investment earnings	(336)	(104)	(440)
Less investment expense	(108)	(33)	(141)
Total revenues	(444)	(137)	(581)
EXPENDITURES			
Payment to beneficiaries	-	-	-
Total expenditures	-	-	-
Net changes in fund balances	(444)	(137)	(581)
Fund balances, beginning of year	11,999	3,702	15,701
Fund balances, end of year	<u>\$ 11,555</u>	<u>\$ 3,565</u>	<u>\$ 15,120</u>

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PROPRIETARY FUNDS

Enterprise Funds:

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

Pay-per-bag Program

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

Mere Point Wastewater

Operation of a wastewater district serving 35 households.

Train Station

Operation of a downtown train station and visitors center.

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Nonmajor Proprietary Funds
Enterprise Funds
June 30, 2012

	<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	\$ 1,322,042	\$ 37,182	\$ 25,152	\$ 1,384,376
Accounts receivable	22,700	5,658	-	28,358
Inventory	48,687	-	-	48,687
Prepaid rent	-	-	102,667	102,667
Total current assets	<u>1,393,429</u>	<u>42,840</u>	<u>127,819</u>	<u>1,564,088</u>
Capital assets:				
Improvements other than buildings	-	-	20,608	20,608
Machinery and equipment	-	97,500	-	97,500
Infrastructure	-	589,927	-	589,927
Less accumulated depreciation	-	(545,084)	(10,991)	(556,075)
Net capital assets	<u>-</u>	<u>142,343</u>	<u>9,617</u>	<u>151,960</u>
Total assets	<u>1,393,429</u>	<u>185,183</u>	<u>137,436</u>	<u>1,716,048</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,676	1,119	2,267	5,062
Unearned revenue	-	-	103,212	103,212
Total liabilities	<u>1,676</u>	<u>1,119</u>	<u>105,479</u>	<u>108,274</u>
NET POSITION				
Invested in capital assets	-	142,343	9,617	151,960
Unrestricted	<u>1,391,753</u>	<u>41,721</u>	<u>22,340</u>	<u>1,455,814</u>
Total net position	<u>\$ 1,391,753</u>	<u>\$ 184,064</u>	<u>\$ 31,957</u>	<u>\$ 1,607,774</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, 2012

	<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	\$ 303,400	\$ 21,533	\$ 14,136	\$ 339,069
Total operating revenues	<u>303,400</u>	<u>21,533</u>	<u>14,136</u>	<u>339,069</u>
OPERATING EXPENSES				
Contractual services	-	16,079	52,770	68,849
Materials and supplies	80,969	-	1,245	82,214
Depreciation	-	23,557	4,122	27,679
Total operating expenses	<u>80,969</u>	<u>39,636</u>	<u>58,137</u>	<u>178,742</u>
Operating income (loss)	<u>222,431</u>	<u>(18,103)</u>	<u>(44,001)</u>	<u>160,327</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	50	1	1	52
Contributions	-	-	44,000	44,000
Total nonoperating revenues (expenses)	<u>50</u>	<u>1</u>	<u>44,001</u>	<u>44,052</u>
Income (loss) before transfers	222,481	(18,102)	-	204,379
Transfers in	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Change in net position	222,481	(18,102)	5,000	209,379
Net position, beginning of year	1,169,272	202,166	26,957	1,398,395
Net position, end of year	<u>\$ 1,391,753</u>	<u>\$ 184,064</u>	<u>\$ 31,957</u>	<u>\$ 1,607,774</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Enterprise Funds
For the year ended June 30, 2012

	<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	\$ 313,900	\$ 20,790	\$ 13,803	\$ 348,493
Payments to suppliers for goods and services	(99,095)	(15,697)	(51,917)	(166,709)
Net cash provided (used) by operating activities	<u>214,805</u>	<u>5,093</u>	<u>(38,114)</u>	<u>181,784</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	-	-	5,000	5,000
Unearned revenue reduction	-	-	44,000	44,000
Increase (decrease) in due to other funds	<u>30,815</u>	<u>(3,270)</u>	<u>2,539</u>	<u>30,084</u>
Cash provided (used) by noncapital financing activities	<u>30,815</u>	<u>(3,270)</u>	<u>51,539</u>	<u>79,084</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	<u>50</u>	<u>1</u>	<u>1</u>	<u>52</u>
Cash provided by investing activities	<u>50</u>	<u>1</u>	<u>1</u>	<u>52</u>
Net increase (decrease) in cash	245,670	1,824	13,426	260,920
Cash, beginning of year	<u>1,076,372</u>	<u>35,358</u>	<u>11,726</u>	<u>1,123,456</u>
Cash, end of year	<u>\$ 1,322,042</u>	<u>\$ 37,182</u>	<u>\$ 25,152</u>	<u>\$ 1,384,376</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	<u>\$ 222,431</u>	<u>\$ (18,103)</u>	<u>\$ (44,001)</u>	<u>\$ 160,327</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	23,557	4,122	27,679
(Increase) decrease in accounts receivable	10,500	(743)	-	9,757
(Increase) decrease in inventory	(19,802)	-	-	(19,802)
(Increase) decrease in prepaid rent	-	-	44,000	44,000
Increase (decrease) in unearned revenue	-	-	(44,333)	(44,333)
Increase (decrease) in accounts payable	<u>1,676</u>	<u>382</u>	<u>2,098</u>	<u>4,156</u>
Total adjustments	<u>(7,626)</u>	<u>23,196</u>	<u>5,887</u>	<u>21,457</u>
Net cash provided (used) by operating activities	<u>\$ 214,805</u>	<u>\$ 5,093</u>	<u>\$ (38,114)</u>	<u>\$ 181,784</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 colleges, universities and technical or vocational schools.

Pearl H. Baker Scholarship Fund

Provides a scholarship 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:

L. Augusta Curtis Library Fund

For the benefit of Curtis Memorial Library.

W. J. Curtis Library Fund

For the benefit of Curtis Memorial Library.

Letitia A. Curtis Library Fund

For the benefit of Curtis Memorial Library.

E. H. Pennel Village Improvement Fund

For the use of the Village Improvement Association.

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, 2012

	<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>	
ASSETS				
Cash and cash equivalents	\$ 45,956	\$ 4,641	\$ 1,481	\$ 52,078
Investments	567,421	64,907	20,711	653,039
Due from other funds	125	-	-	125
Total assets	<u>613,502</u>	<u>69,548</u>	<u>22,192</u>	<u>705,242</u>
LIABILITIES				
Accounts payable	125	-	-	125
Total liabilities	<u>125</u>	<u>-</u>	<u>-</u>	<u>125</u>
NET POSITION				
Net position held in trust for other purposes	<u>\$ 613,377</u>	<u>\$ 69,548</u>	<u>\$ 22,192</u>	<u>\$ 705,117</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Changes in Net Position
Fiduciary Funds
Private-purpose Trust Funds
For the year ended June 30, 2012

	<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>	
ADDITIONS				
Investment earnings:				
Interest and dividends	\$ 13,480	\$ 1,375	\$ 437	\$ 15,292
Net increase(decrease) in the fair value of investments	<u>(23,366)</u>	<u>(3,424)</u>	<u>(1,089)</u>	<u>(27,879)</u>
Total investment earnings	(9,886)	(2,049)	(652)	(12,587)
Less investment expense	<u>(6,031)</u>	<u>(658)</u>	<u>(209)</u>	<u>(6,898)</u>
Total additions	<u>(15,917)</u>	<u>(2,707)</u>	<u>(861)</u>	<u>(19,485)</u>
DEDUCTIONS				
Payment to beneficiaries	<u>5,625</u>	<u>830</u>	<u>189</u>	<u>6,644</u>
Total deductions	<u>5,625</u>	<u>830</u>	<u>189</u>	<u>6,644</u>
Changes in net position	(21,542)	(3,537)	(1,050)	(26,129)
Net position - beginning of year	<u>634,919</u>	<u>73,085</u>	<u>23,242</u>	<u>731,246</u>
Net position - end of year	<u>\$ 613,377</u>	<u>\$ 69,548</u>	<u>\$ 22,192</u>	<u>\$ 705,117</u>

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Fiduciary Funds
Private-purpose Trust Funds
Scholarship and Education Funds
June 30, 2012

	Samuel Davis School Prize Fund	Skolfield Turner Scholarship Fund	Pearl Baker Scholarship Fund	Lewis Gallagher Scholarship Fund	Doris Bibber Memorial Fund	Elizabeth Nickerson Scholarship Fund	John Bibber Scholarship Fund	Lester Rogers Memorial Fund	Brunswick JHS Personal Growth Award Fund	Totals
ASSETS										
Cash and cash equivalents	\$ 2,338	\$ 17,923	\$ 242	\$ 17,929	\$ 85	\$ 5,606	\$ 1,395	\$ 294	\$ 144	\$ 45,956
Investments	32,703	250,651	3,376	175,480	1,197	78,393	19,503	4,106	2,012	567,421
Due from other funds	-	-	-	-	-	-	-	50	75	125
Total assets	<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>4,450</u>	<u>2,231</u>	<u>613,502</u>
LIABILITIES										
Accounts payable	-	-	-	-	-	-	-	50	75	125
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>75</u>	<u>125</u>
NET POSITION										
Net position held in trust for other purposes	<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>

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, 2012

	Samuel Davis School Prize Fund	Skofield Turner Scholarship Fund	Pearl Baker Scholarship Fund	Lewis Gallagher Scholarship Fund	Doris Bibber Memorial Fund	Elizabeth Nickerson Scholarship Fund	John Bibber Scholarship Fund	Lester Rogers Memorial Fund	Brunswick JHS Personal Growth Award Fund	Totals
ADDITIONS										
Investment earnings:										
Interest and dividends	\$ 694	\$ 5,243	\$ 71	\$ 5,263	\$ 25	\$ 1,645	\$ 408	\$ 87	\$ 44	\$ 13,480
Net incr(decr) in the fair value of investments	(1,730)	(13,055)	(176)	(2,900)	(63)	(4,102)	(1,016)	(216)	(108)	(23,366)
Total investment earnings	(1,036)	(7,812)	(105)	2,363	(38)	(2,457)	(608)	(129)	(64)	(9,886)
Less investment expense	(332)	(2,505)	(34)	(2,105)	(12)	(786)	(195)	(41)	(21)	(6,031)
Total additions	(1,368)	(10,317)	(139)	258	(50)	(3,243)	(803)	(170)	(85)	(15,917)
DEDUCTIONS										
Payment to beneficiaries	500	-	-	5,000	-	-	-	50	75	5,625
Total deductions	500	-	-	5,000	-	-	-	50	75	5,625
Changes in net position	(1,868)	(10,317)	(139)	(4,742)	(50)	(3,243)	(803)	(220)	(160)	(21,542)
Net position - beginning of year	36,909	278,891	3,757	198,151	1,332	87,242	21,701	4,620	2,316	634,919
Net position - end of year	\$ 35,041	\$ 268,574	\$ 3,618	\$ 193,409	\$ 1,282	\$ 83,999	\$ 20,898	\$ 4,400	\$ 2,156	\$ 613,377

TOWN OF BRUNSWICK, MAINE
Combining Statement of Net Position
Fiduciary Funds
Private-purpose Trust Funds
Public Library Funds
June 30, 2012

	L. Augusta Curtis Library Fund	W. J. Curtis Library Fund	Letitia A. Curtis Library Fund	Totals
ASSETS				
Cash and cash equivalents	\$ 2,264	\$ 1,874	\$ 503	\$ 4,641
Investments	31,664	26,206	7,037	64,907
Total assets	<u>33,928</u>	<u>28,080</u>	<u>7,540</u>	<u>69,548</u>
LIABILITIES				
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net position held in trust for other purposes	<u>\$ 33,928</u>	<u>\$ 28,080</u>	<u>\$ 7,540</u>	<u>\$ 69,548</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, 2012

	<u>L. Augusta Curtis Library Fund</u>	<u>W. J. Curtis Library Fund</u>	<u>Letitia A. Curtis Library Fund</u>	<u>Totals</u>
ADDITIONS				
Investment earnings:				
Interest and dividends	\$ 671	\$ 555	\$ 149	\$ 1,375
Net increase(decrease) in the fair value of investments	(1,670)	(1,383)	(371)	(3,424)
Total investment earnings	(999)	(828)	(222)	(2,049)
Less investment expense	(321)	(265)	(72)	(658)
Total additions	(1,320)	(1,093)	(294)	(2,707)
DEDUCTIONS				
Payment to beneficiaries	405	335	90	830
Total deductions	405	335	90	830
Changes in net position	(1,725)	(1,428)	(384)	(3,537)
Net position - beginning of year	35,653	29,508	7,924	73,085
Net position - end of year	<u>\$ 33,928</u>	<u>\$ 28,080</u>	<u>\$ 7,540</u>	<u>\$ 69,548</u>

TOWN OF BRUNSWICK, MAINE
Statement of Changes in Assets and Liabilities
Fiduciary Funds
Agency Fund
For the year ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS				
Accounts receivable	\$ -	\$ 20	\$ -	\$ 20
Due from other funds	59,738	68,421	71,258	56,901
Total assets	<u>59,738</u>	<u>68,441</u>	<u>71,258</u>	<u>56,921</u>
LIABILITIES				
Accounts payable	915	-	915	-
Amounts held for others - student activities	58,823	68,441	70,343	56,921
Total liabilities	<u>\$ 59,738</u>	<u>\$ 68,441</u>	<u>\$ 71,258</u>	<u>\$ 56,921</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 <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>	1-7
Revenue Capacity <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	8-11
Debt Capacity <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>	12-14
Demographic and Economic Information <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>	15-16
Operating Information <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>	17-19

Table 1

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

	Fiscal Year									
	<u>2003</u>	<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>
Governmental activities										
Invested in capital assets, net of related debt	\$ 27,096,804	\$ 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
Restricted	5,369,280	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
Unrestricted	<u>3,747,200</u>	<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>
Total governmental activities net position	<u>\$ 36,213,284</u>	<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>
Business-type activities										
Invested in capital assets, net of related debt	\$ 386,856	\$ 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
Unrestricted	<u>60,070</u>	<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>
Total business-type activities net position	<u>\$ 446,926</u>	<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>
Primary government										
Invested in capital assets, net of related debt	\$ 27,483,660	\$ 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
Restricted	5,369,280	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
Unrestricted	<u>3,807,270</u>	<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>
Total primary government net position	<u>\$ 36,660,210</u>	<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>

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

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

Table 2

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

	Fiscal Year									
	2003(a)	2004(a)	2005(b)	2006(c)	2007	2008	2009	2010	2011(d)	2012
Expenses										
Governmental activities:										
General government	\$ 3,625,008	\$ 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
Public safety	4,468,653	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
Public works	4,011,049	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
Human services	1,048,351	1,105,185	189,035	194,494	169,445	183,258	146,580	134,805	150,279	168,829
Education	27,465,040	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
Recreation and culture	1,249,361	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
Intergovernmental	-	-	1,007,709	977,266	998,732	1,052,971	1,088,467	1,149,612	1,171,049	1,187,020
Unclassified	2,038,869	2,067,932	1,349,068	442,312	898,278	369,038	308,691	133,725	120,725	296,682
Interest on long term debt	907,110	678,703	508,766	412,216	379,004	317,925	307,106	251,625	644,723	785,569
Total governmental activities expenses	44,813,441	48,140,849	49,285,923	51,994,305	55,727,088	60,901,772	57,289,092	57,841,294	56,945,692	56,704,024
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
Other business-type activities	45,560	55,989	73,570	45,569	185,082	123,069	130,498	160,424	177,705	178,742
Total business-type activities	45,560	55,989	858,440	1,760,505	831,326	1,274,800	757,554	853,920	1,438,491	1,055,684
Total primary government expenses	\$ 44,859,001	\$ 48,196,838	\$ 50,144,363	\$ 53,754,810	\$ 56,558,414	\$ 62,176,572	\$ 58,046,646	\$ 58,695,214	\$ 58,384,183	\$ 57,759,708
Program Revenues										
Governmental activities:										
Charges for services:										
Education	\$ 2,493,166	\$ 2,665,916	\$ 2,693,575	\$ 2,578,143	\$ 2,606,605	\$ 1,820,813	\$ 1,799,297	\$ 1,466,047	\$ 887,731	\$ 605,689
Other activities	1,661,068	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
Operating grants and contributions	13,701,549	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
Capital grants and contributions	709,034	950,915	1,145,143	2,025,501	1,131,548	3,202,015	1,226,969	897,073	1,069,654	247,704
Total governmental activities program revenues	18,564,817	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
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
Other business-type activities	22,243	22,026	21,692	21,685	231,252	362,209	342,733	330,783	362,105	339,099
Operating grants and contributions	-	-	-	-	-	-	-	29,333	44,000	44,000
Capital grants and contributions	-	-	-	-	-	-	-	25,000	-	-
Total business-type activities program revenues	22,243	22,026	693,687	719,782	789,460	789,696	777,668	796,151	786,220	734,987
Total primary government program revenues	\$ 18,587,060	\$ 19,771,933	\$ 22,221,372	\$ 25,637,601	\$ 26,830,906	\$ 31,289,461	\$ 28,529,413	\$ 27,449,035	\$ 25,020,510	\$ 21,825,853

Table 2 , continued

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

	Fiscal Year									
	2003(a)	2004(a)	2005(b)	2006(c)	2007	2008	2009	2010	2011(d)	2012
Net (expense) revenue										
Governmental activities	\$ (26,248,624)	\$ (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)
Business-type activities	(23,317)	(33,963)	(164,753)	(1,040,723)	(41,866)	(485,104)	20,114	(57,769)	(652,271)	(320,697)
Total primary government net expenses	\$ (26,271,941)	\$ (28,424,905)	\$ (27,922,991)	\$ (28,117,209)	\$ (29,727,508)	\$ (30,887,111)	\$ (29,517,233)	\$ (31,246,179)	\$ (33,363,673)	\$ (35,933,855)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 24,473,468	\$ 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
Vehicle and watercraft excise taxes	2,418,022	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
Unrestricted grants and contributions	1,805,269	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
Investment earnings	208,037	190,259	253,783	525,312	892,719	699,275	112,774	83,101	387,470	27,287
Other	347,236	288,027	13,738	64,636	21,201	301,414	25,204	9,600	43,950	365,434
Special items	-	-	-	-	-	-	-	-	-	267,920
Transfers	-	-	(858,938)	-	(598,045)	(120,000)	(60,000)	(120,000)	(664,000)	(205,000)
Total governmental activities	29,252,032	30,441,078	31,137,423	32,541,197	32,600,440	34,052,200	34,272,084	33,668,466	34,128,785	36,274,601
Business type activities:										
Investment earnings	-	-	10,995	34,279	2,265	26,911	9,088	29	38	84
Other	-	-	-	-	-	-	-	20,000	-	-
Transfers	-	-	858,938	-	598,045	120,000	60,000	120,000	664,000	205,000
Total business-type activities	-	-	869,933	34,279	600,310	146,911	69,088	140,029	664,038	205,084
Total primary government	\$ 29,252,032	\$ 30,441,078	\$ 32,007,356	\$ 32,575,476	\$ 33,200,750	\$ 34,199,111	\$ 34,341,172	\$ 33,808,495	\$ 34,792,823	\$ 36,479,685
Change in Net Position										
Governmental activities	\$ 3,003,408	\$ 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
Business-type activities	(23,317)	(33,963)	705,180	(1,006,444)	558,444	(338,193)	89,202	82,260	11,767	(115,613)
Total primary government	\$ 2,980,091	\$ 2,016,173	\$ 4,084,365	\$ 4,458,267	\$ 3,473,242	\$ 3,312,000	\$ 4,823,939	\$ 2,562,316	\$ 1,429,150	\$ 545,830

(a) The amounts shown above for 2003 and 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>2003</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>
Governmental activities:										
General government	\$ 482,801	\$ 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
Public safety	631,586	722,654	1,141,110	1,314,788	960,310	889,669	991,905	981,767	1,253,600	1,235,942
Public works	1,092,435	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
Human services	19,333	35,564	24,243	29,340	19,169	28,498	37,609	29,566	29,538	38,337
Education	15,618,415	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
Recreation and culture	587,084	409,661	404,381	439,584	449,115	3,275,387	364,805	334,286	368,017	390,814
Unclassified	<u>133,163</u>	<u>6,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	18,564,817	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
Business-type activities:										
Solid waste facilities	-	-	671,995	698,097	558,208	427,487	434,935	411,035	380,115	351,918
Other business-type activities	<u>22,243</u>	<u>22,026</u>	<u>21,692</u>	<u>21,685</u>	<u>231,252</u>	<u>362,209</u>	<u>342,733</u>	<u>385,116</u>	<u>406,105</u>	<u>383,069</u>
Total business-type activities	22,243	22,026	693,687	719,782	789,460	789,696	777,668	796,151	786,220	734,987
Total primary government	<u>\$ 18,587,060</u>	<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>

Table 4

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Nonspendable										
Long-term loans and advances	\$ 736,376	\$ -	\$ -	\$ -	\$ 1,162,313	\$ 1,953,201	\$ 2,653,201	\$ 2,053,201	\$ 2,685,795	\$ 495,297
Inventories and prepaids	-	-	-	-	50,509	62,772	16,101	30,054	34,266	23,925
Restricted										
Education	2,823,756	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
Municipal purposes	97,768	95,420	252,625	409,516	351,058	416,890	326,784	129,721	281,669	370,351
Assigned	1,141,191	1,264,828	958,378	1,241,798	749,070	625,002	608,524	1,626,364	1,014,339	1,987,354
Unassigned	4,946,085	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
Total general fund	<u>\$ 9,745,176</u>	<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>
All other governmental funds										
Nonspendable										
Special revenues funds	\$ -	\$ -	\$ 400,000	\$ 400,000	\$ 441,382	\$ 21,336	\$ 22,479	\$ 27,896	\$ 13,640	\$ 23,109
Debt service funds	1,250,000	1,175,000	1,095,000	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	1,261,128	1,261,128
Permanent funds	336,774	402,287	417,998	444,594	501,530	482,545	389,919	414,534	478,429	455,125
Restricted										
Impact fee fund	-	658,786	824,742	882,169	979,592	1,044,245	1,081,920	1,103,566	631,845	824,059
Special revenues funds	701,340	652,506	509,911	630,587	471,712	1,027,052	806,966	996,936	993,665	841,722
Debt service funds	52,898	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	2,756,373	674,476
Permanent funds	18,348	18,675	18,421	18,561	17,586	20,375	22,375	21,826	19,845	20,778
Committed										
Capital improvements fund	-	511,893	-	-	-	-	-	1,942,117	413,677	938,562
Special revenues funds	28,930	23,227	10,134	27,555	42,489	57,731	94,554	98,440	108,355	167,422
Debt service funds	-	-	78,378	-	-	-	-	-	-	-
Capital projects funds	2,412,783	1,446,154	628,215	578,643	866,584	1,406,068	1,429,981	1,355,914	950,421	1,238,270
Unassigned										
Capital improvements fund	(286,627)	-	(891,522)	(2,281,840)	(188,553)	(785,477)	(1,190,875)	(7,780,477)	(2,453,705)	(498,142)
Downtown TIF District fund	-	-	-	-	-	-	-	-	(1,486,278)	(1,490,853)
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)
Total all other governmental funds	<u>\$ 4,514,446</u>	<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>

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									
	2003	2004 (b)	2005 (c)	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 27,108,463	\$ 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
Licenses and permits	293,215	476,640	387,418	359,681	373,905	278,999	259,430	267,450	337,927	310,181
Intergovernmental	15,439,545	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
Investment income	-	-	24,011	33,736	65,961	(7,996)	(83,626)	29,066	67,955	(18,420)
Charges for services	3,477,014	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
Fines and penalties	-	-	-	-	-	26,731	31,190	22,148	29,063	20,019
Interest	254,332	172,858	364,701	590,931	1,012,869	707,270	196,400	54,036	319,515	45,707
Donations	486,712	360,473	416,229	247,025	252,686	319,463	893,074	582,786	989,051	317,071
Other	1,014,090	735,883	1,011,512	1,245,772	1,084,613	1,015,958	951,563	828,785	583,613	920,986
Total revenues	48,073,371	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
Expenditures										
General government	3,537,848	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
Public safety	4,343,672	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
Public works	2,814,828	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
Human services (a)	162,838	186,134	189,035	194,494	169,445	183,258	146,587	134,829	150,281	168,813
Education	23,642,729	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
Recreation and culture (a)	1,968,567	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
Intergovernmental	-	-	1,007,709	977,266	998,732	1,052,971	1,088,467	1,149,612	1,171,049	1,187,020
Unclassified (d)	1,396,323	1,382,772	376,752	442,312	448,278	319,038	308,691	133,725	120,725	296,682
Miscellaneous - municipal (e)	517,096	600,958	972,316	-	-	-	-	-	-	-
Miscellaneous - school (f)	1,866,888	2,200,691	2,387,117	-	-	-	-	-	-	-
Debt service										
Principal	3,020,000	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
Interest	1,453,002	1,023,116	511,771	318,749	423,235	369,063	311,245	256,465	533,417	818,911
Other charges	101,860	-	300	20,500	-	-	-	-	-	-
Capital outlay	1,306,742	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
Total expenditures	46,132,393	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
Excess (deficiencies) of revenues over (under) expenditures	1,940,978	1,544,684	524,517	(2,423,592)	(460,478)	2,755,666	(461,441)	(11,317,760)	(7,658,631)	(778,633)

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									
	2003	2004 (b)	2005 (c)	2006	2007	2008	2009	2010	2011	2012
Other financing sources (uses)										
Bond proceeds	-	-	-	-	3,125,000	-	-	-	25,582,250	-
Premium on bonds	-	-	-	-	29,408	-	-	-	110,265	-
Transfers from other funds	955,455	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
Transfers to other funds	(606,763)	(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)
Transfers to other funds - supplemental appropriations	(80,000)	(131,069)	(1,008,500)	(2,364,000)	(2,092,074)	(90,000)	(362,400)	(615,500)	(319,500)	(147,000)
Transfers to other funds - education	(255,144)	(1,295,846)	(375,000)	(399,779)	(540,337)	(452,776)	-	-	(71,546)	(219,191)
Transfers to other funds - recreation	(13,548)	(13,496)	(7,000)	(7,846)	-	-	-	-	-	-
Refunding bonds issued	9,595,000	-	-	-	-	-	-	-	-	-
Premium on refunding bonds	218,455	-	-	-	-	-	-	-	-	-
Payment to refunded escrow agent	(9,685,844)	-	-	-	-	-	-	-	-	-
Capital lease	-	-	175,000	-	-	-	-	-	-	-
Sale of assets	40,000	412,000	71,500	-	-	-	-	-	-	65,906
Total other financing sources (uses)	167,611	412,000	(612,438)	-	2,556,363	(120,000)	(119,924)	(120,000)	25,028,515	(139,094)
Net change in fund balance	<u>\$ 2,108,589</u>	<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>
Debt service as a percentage of noncapital expenditures	10.21%	9.10%	5.01%	6.13%	4.72%	3.66%	3.20%	3.20%	3.03%	6.49%

(a) The Library and The 55+ Center (now People Plus) are 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>Other</u>	<u>Subtotal</u>	<u>TIF Property Taxes</u>	<u>Total</u>
2003	\$20,992,457	\$ 2,164,610	\$ 24,399	\$ 223,859	\$23,405,325	\$ 224,530	\$23,629,855
2004	23,023,470	2,314,489	24,487	272,539	25,634,985	294,136	25,929,121
2005	23,908,394	2,392,878	25,144	282,003	26,608,419	243,598	26,852,017
2006	25,195,572	2,516,999	25,493	238,581	27,976,645	186,272	28,162,917
2007	26,340,153	2,570,099	25,202	232,435	29,167,889	238,710	29,406,599
2008	26,589,755	2,551,351	25,283	281,386	29,447,775	182,888	29,630,663
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

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>Other</u>	<u>Subtotal</u>	<u>TIF Property Taxes</u>	<u>Total</u>
2003	\$24,164,840	\$ 2,392,878	\$ 25,144	\$ 282,003	\$ 26,864,865	\$ 243,598	\$27,108,463
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

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							
2003	\$ 764,786,400	\$ 283,424,400	\$ 74,650,400	\$ 1,122,861,200	\$ 11,599,900	\$ 1,111,261,300	\$ 21.00	\$ 1,307,366,235	85.00%
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%
	Homestead Assessed Values	Homestead Estimated Actual Values							
2003	\$ 27,449,600	\$ 32,293,647							
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							

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

<u>Direct Rates</u>				
<u>Fiscal Year</u>	<u>General Municipal</u>	<u>Education (a)</u>	<u>County Tax (b)</u>	<u>Total</u>
2003	8.09	12.04	0.87	21.00
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

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 Vocational Region #10. The Region does not have taxing authority. However the Region does assess the Town for participation in the Region. That assessment becomes part of the Town's education budget. The amount of the direct tax rate attributable to education expenditures is shown above.

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

Table 10

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

Taxpayer	2012				2003			
	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	\$ 24,486,900	1	1.89%	1.91%	\$ 33,905,500	1	3.02%	3.05%
Developers Diversified (Cooks Corner)	18,945,900	2	1.46%	1.48%	19,171,400	2	1.71%	1.73%
FPL Energy Maine Hydro LLC	17,205,000	3	1.33%	1.34%	17,205,000	3	1.53%	1.55%
Wade, W.J. Trustee (Wal-Mart)	12,930,400	4	1.00%	1.01%	7,845,200	7	0.70%	0.71%
W/S Brunswick Properties LP	12,195,600	5	0.94%	0.95%	10,210,900	5	0.91%	0.92%
Thornton Oakes Homeowners Assn. Corp.	11,988,340	6	0.93%	0.93%	13,025,000	4	1.16%	1.17%
Affordable Midcoast Housing LLC	11,496,900	7	0.89%	0.90%	-		0.00%	0.00%
LHC Brunswick ME LLC (Lowe's)	7,771,100	8	0.60%	0.61%	-		0.00%	0.00%
Bowdoin College	7,719,300	9	0.60%	0.60%	6,641,200	10	0.59%	0.60%
Central Maine Power Co.	7,560,700	10	0.58%	0.59%	7,321,100	9	0.65%	0.66%
Cooper Industries Inc. (Arrowhart Division)	-		0.00%	0.00%	9,833,500	6	0.88%	0.88%
LL Bean Inc.	-		0.00%	0.00%	7,574,300	8	0.67%	0.68%
	<u>\$ 132,300,140</u>		<u>10.21%</u>	<u>10.32%</u>	<u>\$ 132,733,100</u>		<u>10.24%</u>	<u>10.35%</u>
Total Assessed Valuation *	\$ 1,295,834,340				\$ 1,122,861,200			
* Includes:								
Municipal valuation	\$ 1,282,350,160				\$ 1,111,261,300			
TIF valuation	13,484,180				11,599,900			
	<u>\$ 1,295,834,340</u>				<u>\$ 1,122,861,200</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

<u>Fiscal Year</u>	<u>Municipal Tax Levy</u>	<u>TIF Levy</u>	<u>Total Tax Levy</u>	<u>Supplemental Taxes</u>	<u>Abatements</u>	<u>Net Collectible</u>	<u>Amount Collected within the Fiscal Year</u>
2003	\$ 23,336,487	\$ 243,598	\$ 23,580,085	\$ 25,742	\$ (24,812)	\$ 23,581,015	\$ 23,175,957
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	(70,931)	27,556,476	26,935,530
2009	28,255,632	189,295	28,444,927	6,418	(30,330)	28,421,015	27,837,707
2010	28,364,875	191,838	28,556,713	10,225	(48,146)	28,518,792	27,698,194
2011	28,805,365	504,158	29,309,523	24,513	(66,804)	29,267,232	28,598,906
2012	30,366,052	319,305	30,685,357	30,110	(116,128)	30,599,339	29,777,364

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

Total Collections to Date

<u>Fiscal Year</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Percentage of Net Collectible</u>	<u>Collected in Subsequent Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Percentage of Net Collectible</u>
2003	\$ 23,175,957	98.29%	98.28%	\$ 404,155	\$ 23,580,112	100.00%	100.00%
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%	388,783	26,161,616	99.96%	100.00%
2006	25,921,847	98.32%	98.26%	457,401	26,379,248	100.06%	99.99%
2007	26,116,835	97.62%	97.61%	636,853	26,753,688	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%	569,178	28,406,885	99.87%	99.95%
2010	27,698,194	96.99%	97.12%	793,840	28,492,034	99.77%	99.91%
2011	28,598,906	97.58%	97.72%	340,032	28,938,938	98.74%	98.88%
2012	29,777,364	97.04%	97.31%	-	29,777,364	97.04%	97.31%

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)
2003	\$ 17,230,000	\$ 52,898	\$ -	\$ 17,177,102	3.99%	\$ 811.31	1.31%	\$ -	\$ 17,177,102	3.99%	\$ 811.31	1.31%
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	7.01%	1,425.34	1.49%	-	30,177,250	7.01%	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%

(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, 2012

<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	\$ 27,439,138	100.00%	\$ 27,439,138
Total direct debt	27,439,138		27,439,138
Overlapping:			
Cumberland County	37,220,000	5.13%	1,911,133
Maine Region 10 Technical High School	36,681	38.29%	14,045
Total overlapping debt	37,256,681		1,925,178
Total direct and overlapping debt	\$ 64,695,819		\$ 29,364,316

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, 2012

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 2012 State Valuation of \$2,028,050,000, 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%	\$ 202,805,000	\$ 22,074,138	\$ 180,730,862
Storm or Sanitary Sewer	7.50%	152,103,750	-	152,103,750
Municipal Airport Special District	3.00%	60,841,500	-	60,841,500
Municipal	7.50%	152,103,750	<u>5,365,000</u>	146,738,750
Total Maximum Debt	15.00%	\$ 304,207,500	<u>\$ 27,439,138</u>	\$ 276,768,362

Legal Debt Margin Calculation for Fiscal Year 2012

State Valuation	\$ 2,028,050,000
Debt Limit - 15% of State Valuation	304,207,500
Less outstanding debt applicable to debt limit	<u>(27,439,138)</u>
Legal Debt Margin	<u>\$ 276,768,362</u>

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	<u>2003</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>
Debt limit	\$ 196,897,500	\$ 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
Total debt applicable to limit	<u>17,230,000</u>	<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>
Legal debt margin	\$ 179,667,500	\$ 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
Total debt applicable to the limit as a percentage of debt limit	8.75%	7.02%	5.49%	3.65%	3.55%	2.80%	2.22%	1.73%	9.39%	9.02%

Table 15

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

<u>Employer</u>	<u>2012</u>		<u>2003</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	1500	2	1100	1
Bowdoin College	873	3	750	3
Town of Brunswick	600	4	655	5
L.L. Bean Inc., Manufacturing Div.	319	5	258	8
Wal-Mart Stores, Inc.	304	6	297	7
Parkview Memorial Hospital	178	7	350	6
Hannaford Brothers	160	8	191	10
Bank of America, formerly MBNA	130	9	207	9
Lowe's	121	10		
Shaw's	118	11	150	11
Downeast Energy	110	12	150	11
Sears Roebuck & Co	83	13	110	15
Brunswick Publishing Co	63	14	123	13
Naval Air Station, Brunswick (civilian employment only)			657	4
Cooper Industries (Arrowhart Div.)			115	14

(a) Telephone Survey of Employers, January 2003 and April 2012. 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>
2003	21,172	\$ 430,257,384	\$ 20,322	35.50	3,145	3.6%
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	21,172	430,257,384	20,322	35.50	2,534	6.9%
2012	20,278	556,691,934	27,453	41.40	2,420	6.1%

(a) U.S. Department of Commerce, Bureau of Census. Years 2002 through 2011 from the 2000 Census; Fiscal year 2012 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

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Administration	4	4	4	4	4	4	4	4	4	4
Finance	9.5	10	10	10	10	9	9	8	8	8
Technology	1	1	1	0	0	0	0	0	1	1
Assessing	4	4	4	4	4	4	4	3	3	3
Town Clerk	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4	4	4
Planning and Codes	6	6	6	6	6	6	6	5	5	5
Natural Resources	1	1	1	1	1	1	1	0	0	0
Economic development	0	1	1	1	2	2	3	3	2	2
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	29	32	36	36	36	36	36	36	36
Police department	50	50	51	51	51	51	51	51	48	50
Public works										
Administration	5	5	6	6	6	6	6	5	5	5
General maintenance	18	18	17	17	17	17	17	17	17	15.5
Refuse collection	2	2	0	0	0	0	0	0	0	0
Landfill	4.5	4.5	4.5	3.5	3.5	3.5	2.5	2.5	2.5	2.5
Recycling	4	4	4	5	4	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	2	1.5	1.5	1.5	1.5
Education	398	398	407	411	413	415	410	402	396	390
Recreation										
Administration	6	6	6	6	6	6	6	5	5	5
Buildings and grounds	7	7	7	7	7	7	7	6	5	5
Cable TV	1	1	1	1	1	1	1	1	1	1
High School Spring Street	1	1	1	1	1	1	0	0	0	0
Totals	562.5	564	575	582	584	581	574.5	559	549	543.5

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>2003</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>
Fire Department										
Fire calls	843	763	817	785	1,038	850	887	835	975	985
Medical calls	2,124	2,108	2,278	2,251	2,305	2,313	2,278	2,406	1,826	1,880
inspections	661	608	401	326	712	327	189	249	N/A	300
Police										
Calls for service (a)	24,601	27,101	25,149	25,812	26,519	30,186	33,137	33,358	36,254	45,060
Crash reports	N/A	N/A	N/A	N/A	926	921	829	713	679	767
Offense reports	1,335	1,501	1,392	1,407	1,334	1,150	1,207	1,243	1,133	1,230
Physical arrests	1,261	1,238	1,066	1,120	1,258	1,237	1,095	1,150	1,069	1,098
Public Works										
Street resurfacing (miles)	7	5	6	4	7	6	3	5	8	5
Recyclables collected (tons)	1,825	1,971	2,009	1,757	1,963	2,011	1,823	1,804	1,754	1,711
Codes Enforcement										
Residential permits issued	571	496	415	564	380	356	306	291	258	249
Commercial/Industrial permits issued	102	109	69	67	61	76	79	39	34	55

(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.

Table 19

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

Function	Fiscal Year									
	<u>2003</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>
Police Department										
Patrol units	18	18	18	18	18	18	18	18	18	16
Fire Department										
Stations	1	1	1	2	2	2	2	2	2	2
Emergency vehicles	13	14	14	13	14	14	15	14	14	12
Public Works Department										
Streets (miles)	134	136	137	140	141	141	152	152	152	152
Recycling trucks	2	2	2	2	2	0	0	0	0	0
School Department										
Schools	7	7	7	7	7	7	7	6	6	4
School buses	26	26	26	26	26	26	26	26	26	26

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