



In the opinion of Bernstein Shur Sawyer & Nelson, P.A., Bond Counsel, ("Bond Counsel") and assuming compliance with certain tax covenants, under existing statutes, regulations and court decisions, interest on the Bonds (as defined below) is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, such interest is not an item of tax preference for purposes of calculating the alternative minimum tax under the Code. Bond Counsel is also of the opinion that pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes, as amended, the interest paid on the Bonds is exempt from income tax within the State of Maine (the "State") under existing statutes, regulations and judicial decisions. **The Town *will not* designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.** See "THE BONDS—TAX MATTERS" and "APPENDIX B" herein.

NEW ISSUE

Moody's: Aa2

S&amp;P: AA+

**TOWN OF BRUNSWICK, MAINE**  
**\$13,231,000**

**2022 GENERAL OBLIGATION BONDS**

Dated: Date of Delivery

Year of Maturity	Amount	Interest Rate	Yield or Price	Due: November 1, as shown below			
				Year of Maturity	Amount	Interest Rate	Yield or Price
2022	\$556,000	5.00%	0.76	2035	\$515,000	2.00%	2.00
2023	550,000	5.00	0.80	2036	515,000	2.00	2.10
2024	550,000	5.00	1.00	2037	515,000	2.125	2.20
2025	550,000	5.00	1.11	2038	515,000	2.25	2.30
2026	550,000	3.00	1.18	2039	515,000	2.375	2.40
2027	550,000	3.00	1.26	2040	515,000	2.375	2.45
2028	550,000	2.50	1.32	2041	515,000	2.50	100
2029	550,000	2.50	1.36	2042	515,000	2.50	2.55
2030	550,000	5.00	1.42	2043	515,000	2.50	2.60
2031	550,000	5.00	1.47	2044	515,000	2.625	2.65
2032	515,000	4.00	1.50 <sup>(f)</sup>	2045	515,000	2.625	2.70
2033	515,000	3.00	1.75 <sup>(f)</sup>	2046	515,000	2.75	100
2034	515,000	3.00	1.90 <sup>(f)</sup>				

The Town of Brunswick, Maine 2022 General Obligation Bonds (the "Bonds") will be issued as fully-registered certificates without coupons and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000 or any integral multiple thereof and with one denomination of \$1,000 that will mature on November 1, 2022. Purchasers will not receive certificates representing their interest in Bonds purchased. See "THE BONDS—BOOK-ENTRY-ONLY SYSTEM" herein. Principal and interest on the Bonds will be paid to DTC by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as Paying Agent. Interest on the Bonds will be payable on May 1, 2022 and semi-annually on each November 1 and May 1 thereafter until maturity, or redemption prior to maturity.

The legal opinion of Bond Counsel will be provided to the original purchaser and will indicate that the Bonds are valid general obligations of the Town of Brunswick, Maine (the "Town") and, unless paid from other sources are payable as to both principal and interest from ad valorem taxes, the levy of which is limited as to rate and amount unless certain procedural requirements set forth in Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, in which case the Town has the power to levy such ad valorem taxes may then be levied without limit as to rate or amount upon all the taxable property within its territorial limits (see "THE BONDS—SOURCE OF PAYMENT AND REMEDIES - Limitation on Municipal Property Tax Levy" herein), except to the extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter 5 of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality and except to the extent that the Town establishes or has established development districts as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapters 206 and former 207 (now repealed) of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds (see "TOWN FINANCES—TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS" herein). Bonds issued for school improvements that will be included in the school budget, governed by and appropriated in accordance with Title 20-A, Chapter 606-B of the Maine Revised Statutes, as amended, such as the School Project, are not subject to the property tax limit set forth in Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended. The Town's Treasurer has certified that the Town has no agreements under Title 30-A, Chapter 223, Subchapter 5 of the Maine Revised Statutes, as amended, to share assessed valuation with another municipality. The Town has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in these districts to pay costs of the economic development projects and programs described in the development programs for the districts. Within the limits established by statute, the Town has the right to designate additional development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. Bond Counsel's opinion will indicate that it is qualified to the extent that the validity and binding nature of any of the terms of the Bonds may be limited or otherwise affected by limitations on the availability of equitable remedies, including specific performance, and by bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws, now or hereafter in effect, generally affecting creditors' rights and may also be subject to general principles of equity and the exercise of judicial discretion in appropriate cases. The opinion will be dated and given on and will speak as of the date of original delivery of the Bonds to the original purchasers.

Bonds maturing on and before November 1, 2031 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after November 1, 2032 are subject to redemption prior to their stated dates of maturity, at the option of the Town, on and after November 1, 2031 as more fully set forth herein (see "THE BONDS—OPTIONAL REDEMPTION PRIOR TO MATURITY" herein.). The Bonds are offered when, as and if issued, subject to the approval of legality by Bernstein Shur Sawyer & Nelson, P.A. of Portland, Maine, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery to DTC on or about February 24, 2022.

**Baird**

NOTE: <sup>(f)</sup> Priced at stated yield to the November 1, 2031 optional redemption date at a redemption price of 100% (see "THE BONDS—OPTIONAL REDEMPTION PRIOR TO MATURITY").

No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Town and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, any party other than the Town. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition or affairs of the Town since the date hereof.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The CUSIP numbers set forth in this Official Statement have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town does not make any representation with respect to the accuracy of such CUSIP numbers set forth in this Official Statement or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future. The Town is not responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Bonds or as set forth in this Official Statement. The CUSIP number for a specific maturity of the Bonds is subject to change after the issuance of the Bonds and as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of certain maturities of the Bonds.

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**CERTIFICATE  
CONCERNING OFFICIAL STATEMENT**

The information contained herein has been prepared by the Town of Brunswick, Maine with the assistance of Moors & Cabot, Inc., its Municipal Advisor, from the records of the Town and from various other public documents and sources which are believed to be reliable. There has been no independent investigation of such information by the Municipal Advisor, by Bernstein Shur Sawyer & Nelson, P.A., Bond Counsel, and such information is not guaranteed as to accuracy or completeness and is not intended to be a representation by the Municipal Advisor or Bond Counsel.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town or its agencies and authorities, since the date hereof.

To the best of the knowledge and belief of the Treasurer of the Town this Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, the Treasurer has no reason to believe that such information is materially inaccurate or misleading. A certificate to this effect, with such if any corrections, changes and additions as may be necessary, will be signed by the Treasurer and furnished at the closing.

This Official Statement is in a form "deemed final" by the Town for purposes of Securities and Exchange Commission's Rule 15c2-12(b) [17 C.F.R. §240.15c2-12(b)] except for the omission from the Preliminary Official Statement of such information as is permitted by such Rule.

Julia A.C. Henze  
Treasurer  
Town of Brunswick, Maine

**OFFICIAL STATEMENT  
TOWN OF BRUNSWICK, MAINE  
\$13,231,000  
2022 GENERAL OBLIGATION BONDS**

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Brunswick, Maine (the “Town” or “Brunswick”) in connection with the sale of its 2022 General Obligation Bonds (the “Bonds”).

**THE BONDS**

**DESCRIPTION OF THE BONDS**

The Bonds will be issued only as fully-registered bonds without coupons, one certificate per maturity, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York City, New York (“DTC” or the “Securities Depository”). DTC will act as the securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000, or any integral multiple thereof and with one denomination of \$1,000 that will mature on November 1, 2022. The Bonds will be dated on the date of delivery and will bear interest (accrued on the basis of a 360-day year with twelve 30-day months) payable on May 1, 2022, and semi-annually thereafter on November 1 and May 1 of each year until maturity, or redemption prior to maturity. It is expected that the Bonds will be available for delivery at DTC on or about February 24, 2022. The Bonds will mature as follows:

<b>Amount</b>	<b>November 1,</b>	<b>CUSIP</b>	<b>Amount</b>	<b>November 1,</b>	<b>CUSIP</b>
\$556,000	2022	117205NW0	\$515,000	2035	117205PK4
550,000	2023	117205NX8	515,000	2036	117205PL2
550,000	2024	117205NY6	515,000	2037	117205PM0
550,000	2025	117205NZ3	515,000	2038	117205PN8
550,000	2026	117205PA6	515,000	2039	117205PP3
550,000	2027	117205PB4	515,000	2040	117205PQ1
550,000	2028	117205PC2	515,000	2041	117205PR9
550,000	2029	117205PD0	515,000	2042	117205PS7
550,000	2030	117205PE8	515,000	2043	117205PT5
550,000	2031	117205PF5	515,000	2044	117205PU2
515,000	2032	117205PG3	515,000	2045	117205PV0
515,000	2033	117205PH1	515,000	2046	117205PW8
515,000	2034	117205PJ7			

Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC, or its nominee, as registered owner of the Bonds by U.S. Bank Trust Company, National Association (“USBTCNA”), Boston, Massachusetts, as paying agent (the “Paying Agent”). Transfer of principal and interest payments to Participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. See “THE BONDS - BOOK-ENTRY-ONLY SYSTEM” herein.

**OPTIONAL REDEMPTION PRIOR TO MATURITY**

Bonds maturing on and before November 1, 2031 are not subject to optional redemption prior to their stated dates of maturity. Bonds maturing on or after November 1, 2032 are subject to redemption prior to their stated dates of maturity, at the option of the Town, on and after November 1, 2031, as a whole or in part at any time, in such order of maturity as the Town, in its discretion, may determine at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

## **GENERAL PROVISIONS REGARDING REDEMPTION**

### **Notice of Redemption**

In the case of every redemption of the Bonds, the Town shall cause notice of such redemption to be given to the registered owner of any Bonds designated for redemption in whole or in part, at his or her address as the same shall last appear upon the registration books kept by the Paying Agent by mailing a copy of the redemption notice by first class mail not less than thirty (30) days prior to the redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Bondholder actually receives notice. The failure of the Town to give notice to a Bondholder or any defect in such notice shall not affect the validity of the redemption of any Bond of any other owner. Each notice of redemption shall specify the date fixed for redemption, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Bonds outstanding are to be redeemed, the notice of redemption shall specify the numbers of the Bonds or portions thereof (in denominations of \$5,000 or any integral multiple thereof) to be redeemed.

The Town shall notify the Securities Depository (see "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" herein) in the same manner as the Bondholders, with a request that the Securities Depository notify its Participants who in turn notify the beneficial owners of such Bonds. Any failure on the part of the Securities Depository, or failure on the part of a nominee of a Beneficial Owner (having received notice from the Town, a Participant or otherwise) to notify the Beneficial Owner so affected, shall not affect the validity of the redemption of such Bond.

### **Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue**

On any redemption date, the principal amount of each Bond to be redeemed, together with the premium, if any, and accrued interest thereon to such date, shall become due and payable. Funds shall be deposited with the Paying Agent to pay, and the Paying Agent is authorized and directed to apply such funds to the payment of the Bonds called for redemption, together with accrued interest thereon to the redemption date and redemption premium, if any. After such redemption date, notice having been given and funds deposited in the manner described above, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds. From and after such date of redemption (such notice having been given and funds deposited), the Bonds to be redeemed shall not be deemed to be outstanding.

### **Cancellation**

All Bonds that have been redeemed shall be canceled by the Paying Agent and either destroyed by the Paying Agent with counterparts of a certificate of destruction evidencing such destruction furnished by the Paying Agent to the Town or returned to the Town at its request.

### **Partial Redemption of Bonds**

Bonds or portions of Bonds to be redeemed in part shall be selected when held by a Securities Depository by lot and when not held by a Securities Depository, by the Town by lot or in such other manner as the Town in its discretion may deem appropriate.

## **RECORD DATE; PAYMENT**

The principal of the Bonds is payable upon surrender thereof at the designated Corporate Trust Office of the Paying Agent. Payment of the interest on the Bonds will be made to the person appearing on the registration books of the Paying Agent as the registered owner thereof at the close of business on the 15<sup>th</sup> day of the month preceding each interest payment date for the Bonds, and if such day is not a regular business day of the Paying Agent the next day preceding which is a regular business day of the Paying Agent, by check, wire or draft mailed to each registered owner at such person's address as it appears on the registration books, or at another address as is furnished to the Paying Agent in writing by the owner. Interest that is not timely paid or provided for shall cease to be payable to the registered owner as of the regular record date and shall be payable to the registered owner at the close of business on a special record date to be fixed by the Paying Agent.

## **AUTHORIZATION AND PURPOSE**

The Bonds are being issued to provide funds to finance the purchase of property for and construction of a new Central Fire Station; and to provide funds to finance the purchase of a Fire Truck. 0 (the "Projects") pursuant to bond ordinances adopted by the Town Council at its meetings held April 1, 2019 (item 37) and October 19, 2020 (item 144). The bond ordinance adopted to authorize bonds for the Central Fire Station provided that bonds could be issued in an amount not to exceed \$13,500,000 and the bond ordinance adopted to authorize bonds for the Fire Truck provided that bonds could be issued in an amount not to exceed \$425,000. This authority is granted to the Town by Title 30-A, Section 5772 of the Maine Revised Statutes, as amended; and by Section 512 of the Town's Charter (as defined herein).

The current fire station is 102 years old and was not designed for current apparatus and much needed storage and administrative space whose small vehicle bays also limit accessibility. The new Central Fire Station is a 26,000-square-foot, seven-bay facility at 119 Pleasant Street, on the corner of Pleasant and Webster streets, and comprises eight former lots covering 2.4 acres. The fire station will accommodate five on-duty responders, administrative staff of the 41-member department with bunk rooms, kitchenettes, offices, meeting rooms, 60 parking spaces and a museum for Brunswick's firefighting service, which was established in 1810.

The Fire Truck is replacing the Brunswick Fire Department's Tank Truck #2, a 1994 Central States tanker which has reached the end of its useful life. The replacement truck will be an E-One/International Pumper-Tanker for \$356,000.

The Town reasonably expects that the Projects will cost what is being borrowed to fund it. However, in the unlikely event unforeseen circumstances result in unspent bond proceeds upon completion of the Projects, or the Town abandons the Projects, the Town reserves the right to reallocate unspent proceeds to the costs of other qualified projects approved, or to be approved, by the Town Council, or to apply unspent proceeds to the payment of debt service on the Bonds.

## Amortization of the Bonds

<b>Due Nov. 1,</b>	<b>Fire Truck</b>	<b>Fire Station<sup>(*)</sup></b>	<b>The Bonds</b>
2022	\$41,000	\$515,000	\$556,000
2023	35,000	515,000	550,000
2024	35,000	515,000	550,000
2025	35,000	515,000	550,000
2026	35,000	515,000	550,000
2027	35,000	515,000	550,000
2028	35,000	515,000	550,000
2029	35,000	515,000	550,000
2030	35,000	515,000	550,000
2031	35,000	515,000	550,000
2032		515,000	515,000
2033		515,000	515,000
2034		515,000	515,000
2035		515,000	515,000
2036		515,000	515,000
2037		515,000	515,000
2038		515,000	515,000
2039		515,000	515,000
2040		515,000	515,000
2041		515,000	515,000
2042		515,000	515,000
2043		515,000	515,000
2044		515,000	515,000
2045		515,000	515,000
2046		<u>515,000</u>	<u>515,000</u>
	<hr/> <u>\$356,000</u>	<hr/> <u>\$12,875,000</u>	<hr/> <u>\$13,231,000</u>

NOTE: <sup>(\*)</sup> Par amount of Bonds, plus allocable net Original Issue Premium in the amount of \$625,000, provided Issue Proceeds to finance the Fire Truck Station Project.

## SOURCE OF PAYMENT AND REMEDIES

### General

The Bonds are general obligations of the Town and their payment is not limited to a particular fund or revenue source. Municipalities in the State of Maine (the “State”) have the right to tax their inhabitants to pay municipal indebtedness. The Bonds are payable as to both principal and interest from ad valorem taxes that are subject to limitation unless the Town follows certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, in which case the Town has the power to levy such ad valorem taxes may then be levied without limit as to rate or amount upon all the taxable property within its territorial limits (see “THE BONDS – SOURCE OF PAYMENT AND REMEDIES – Limitation on Municipal Property Tax Levy” herein), except to the extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality, and except to the extent that the Town establishes or has established development districts as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds (see “TOWN FINANCES - TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS” herein). The Town’s Treasurer has certified that the Town has no agreements under Title 30-A, Chapter 223, Subchapter 5 of the Maine Revised Statutes, as amended, to share assessed valuation with another municipality. The Town has established

certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in these districts to pay costs of the economic development projects and programs described in the development programs for the districts. Within the limits established by statute, the Town has the right to designate additional development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. There is no statutory provision for a lien on any portion of the tax levy to secure bonds or notes, or judgments thereon, in priority to other claims.

The Town is subject to suit on the Bonds. Title 14, Section 4951 of the Maine Revised Statutes, as amended, provides that executions against a town shall be issued against the personal property of the residents of that town and real estate within its boundaries, whether or not owned by the town. Only town real estate not used for public purposes, however, is subject to such execution. In addition, Title 30-A, Section 5701 of the Maine Revised Statutes, as amended, provides that the personal property of the residents and the real estate within the boundaries of a municipality may be taken to pay any debt due from the municipality. There has been no judicial determination as to whether the statutory remedy of taking property of residents to satisfy debts of or judgments against, a municipality is constitutional under current due process and equal protection standards and Bond Counsel expresses no opinion thereon. There has been no judicial determination as to whether statutory remedies available against towns are applicable to cities and Bond Counsel expresses no opinion thereon.

Funds to meet Town expenses, including debt service, are not included in the tax levy to the extent they are expected to be met with other non-tax revenues. Amounts necessary to repay sums borrowed temporarily in anticipation of bonds or grants are similarly excluded because they would normally be expected to be paid from the anticipated bond proceeds or grants. Enforcement of a claim for payment of principal of or interest on bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress or the State Legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. The Bonds are not guaranteed by the State.

### **Limitation on Municipal Property Tax Levy**

Effective July 1, 2005, the Legislature enacted LD 1, codified in part as Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, which, subject to certain procedural overrides, establishes a limit on municipal property tax levies. This limit is referred to as the "Property Tax Levy Limit". With certain exceptions, a municipality may not adopt a property tax levy that exceeds its Property Tax Levy Limit from one year to the next by more than a specified growth limitation factor. Therefore, in cases where the amount of the prior year's Property Tax Levy Limit exceeds the amount of the Town's actual property tax levy, the Town may carry-forward that difference in establishing its future years' property tax levy. See "TOWN FINANCES - Property Tax Levy Limit" herein.

The growth limitation factor is the average personal income growth as defined by Title 5, Section 1531 of the Maine Revised Statutes, as amended, plus the property growth factor. The property growth factor is a percentage equivalent to a fraction established by a municipality whose denominator is the total valuation of the municipality, and whose numerator is the amount of increase in the assessed value of any real or personal property in the municipality that becomes subject to taxation for the first time, or taxed as a separate parcel for the first time for the most recent property tax year for which information is available, or that has had an increase in its assessed valuation over the prior year's valuation as a result of improvements to or expansion of the property. For municipalities that qualify as a result of a relatively larger percentage of personal property, personal property can be incorporated into the property growth factor calculation. In addition, a municipality is required to lower its Property Tax Levy Limit in any year by an amount equal to net new funds provided by the State for existing services funded in whole or in part by the property tax levy.

The Town may increase the Property Tax Levy Limit by a majority vote of the entire Town Council on a separate article that specifically identifies the intent to exceed the Property Tax Levy Limit. Pursuant to Title 30-A, Section 5721-A(7)(B) of the Maine Revised Statutes, as amended, this action, however, is subject to override by initiative upon a petition signed by at least 10% of the number of voters voting in the last gubernatorial election in the municipality submitted within 30 days of the Town Meeting or referendum vote. The opportunity for the voters to petition for a referendum vote on the council's decision is not provided if the municipal charter "prohibits a petition and referendum process.

In lieu of increasing the Property Tax Levy Limit, the Town Council may vote to exceed the Property Tax Levy Limit for extraordinary circumstances. Exceeding the Property Tax Levy Limit permits the property tax levy to exceed the Property Tax Levy Limit only for the year in which the extraordinary circumstance occurs and does not increase the base for purposes of calculating the Property Tax Levy Limit for future years. Extraordinary circumstances are circumstances outside the control of the Town Council and include:

- (1) Catastrophic events such as natural disaster, terrorism, fire, war or riot;
- (2) Unfunded or underfunded State or federal mandates;
- (3) Citizens' initiatives or other referenda;
- (4) Court orders or decrees; or
- (5) Loss of State or federal funding.

Extraordinary circumstances do not include changes in economic conditions, revenue shortfalls, increases in salaries or benefits, new programs or program expansions that go beyond existing program criteria and operation.

Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, does not limit the amount of taxes which may be raised by a municipality to pay items included in the school budget, governed by and appropriated in accordance with Title 20-A, Chapter 606-B of the Maine Revised Statutes, as amended. Debt service on school improvements, such as the School Project financed by the Bonds, is includable in the school budget and the Town is therefore able to levy ad valorem property taxes without limit as to rate or amount to pay the debt service on that portion of the Bonds.

The Town does not expect that the Property Tax Levy Limit will have a material adverse effect on the Town's financial condition or on the ability of the Town to pay the principal of, and premiums, if any, and interest on the Bonds when due.

## **TAX MATTERS**

### **The Bonds**

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use, investment and expenditure of bond proceeds and the requirement that certain earnings be rebated to the federal government. Failure of the Town to comply with such requirements may cause interest on the Bonds to be included in the gross income of the holders thereof for purposes of federal income taxation retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs or is ascertained.

The Town will make certain representations with respect to the use of the proceeds of the Bonds and the projects and improvements financed by the Bonds and will covenant (i) to comply with the provisions and procedures of the Code applicable to the Bonds and (ii) not to take any action or permit any action that

would cause the interest paid on the Bonds to be included in gross income for purposes of federal income taxation pursuant to Section 103 of the Code.

In the opinion of Bond Counsel, under existing statutes, regulations and court decisions interest on the Bonds is excludable from the gross income of the owners of the Bonds for purposes of federal income taxation pursuant to Section 103 of the Code. In addition, such interest is not an item of tax preference under the Code. In rendering its opinion, Bond Counsel will rely upon the Town's representations made with respect to the use of the proceeds of the Bonds, and the projects financed with the Bonds, and the Town's covenant that it will comply with the Code. See "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B herein.

### **Exemption of Interest on the Bonds from Taxation Within the State of Maine**

In the opinion of Bond Counsel, interest paid on the Bonds is exempt from income taxation within the State pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes, as amended. See "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B herein.

### **Not Designated as Qualified Tax-Exempt Obligations**

The Town will not designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

### **Original Issue Discount**

Certain maturities of the Bonds may be sold at an issue price that is less than the stated redemption price of such Bonds at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) (the "Discount Bonds"). The difference between the issue price at which each of the Discount Bonds is sold and the stated redemption price at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) of each of the Discount Bonds constitutes original issue discount ("OID"). Pursuant to Section 1288 of the Code, OID on the Discount Bonds accrues on the basis of economic accrual under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on the Discount Bonds, as applicable. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bond will be increased by the amount of such accrued OID for purposes of determining gain or loss on the sale, exchange, or other disposition of such Bond. Bond Counsel is of the opinion that the appropriate portion of the OID properly allocable to the original and each subsequent owner of the Discount Bonds will be treated as interest excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code to the same extent as stated interest on the Discount Bonds.

Prospective purchasers of the Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the OID properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

### **Original Issue Premium**

Certain maturities of the Bonds may be sold at a purchase price in excess of the amount payable on such Bonds after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) (the "Premium Bonds"). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock

in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner’s tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner’s original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the “constant yield method” described in regulations interpreting Section 1272 of the Code.

Prospective purchasers of the Premium Bonds should consult their tax advisors with respect to the calculation of the amount of bond premium which will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

### **Additional Federal Income Tax Consequences**

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should consult their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The Internal Revenue Service (the “IRS”) has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Bonds will be audited. If an audit is commenced, under current IRS procedures holders of the Bonds may not be permitted to participate in the audit process and the value and liquidity of the Bonds may be adversely affected.

### **Changes in Federal Tax Law**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax exempt status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their tax and financial advisors regarding such matters.

### **Opinion of Bond Counsel**

The legal opinion of Bond Counsel (see APPENDIX B) will be furnished to the original purchaser of the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the original purchaser of the Bonds.

## **Extent of Opinion**

Bond Counsel expresses no opinion regarding any tax consequences of holding the Bonds other than its opinion with regard to (a) the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code, (b) interest on the Bonds not constituting an item of tax preference pursuant to Section 57 of the Code and (c) the exemption of interest on the Bonds from taxation within the State pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes, as amended. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including but not limited to those described above) of holding the Bonds.

## **BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and each such certificate will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated securities. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC’s records. The ownership interest of each actual purchaser of each security deposited with DTC (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

## RATINGS

The Bonds are rated “Aa2” by Moody’s Investors Service (“Moody’s”) and “AA+” by S&P Global Ratings (“S&P”). The Town has furnished the rating agencies certain information and materials, some of which may not have been included in this Official Statement. The ratings, if obtained, will reflect only the view of Moody’s or S&P at the time such rating is assigned and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Moody’s or S&P should be contacted directly for its rating on the Bonds and its explanation of such rating. A rating is not a recommendation to buy, sell or hold the Bonds, and such rating should be evaluated independently.

Except as set forth in the Continuing Disclosure Agreement set forth in APPENDIX C and referred to under “THE BONDS – CONTINUING DISCLOSURE” herein, the Town has not undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed change in, or withdrawal of, any rating of the Bonds or to oppose any such change or withdrawal.

## CONTINUING DISCLOSURE

### Continuing Disclosure Agreement

In order to assist the underwriter of the Bonds in complying with the Securities and Exchange Commission’s (“SEC”) Rule 15c2-12 (the “Rule”), the Town will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the Town by not later than 270 days after the end of each fiscal year (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events, if material, provided that the 270 days will be extended with respect to the Town’s audited financial statements if such financial statements are not available prior to the expiration of that 270 day period. Pursuant to the Rule, such filings will be made with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (“EMMA”). The covenants will be contained in a “Continuing Disclosure Agreement” (the “Agreement”), the proposed form of which is provided in APPENDIX C. The Agreement will be executed by the Treasurer of the Town, and incorporated by reference in the Bonds. Except for a late filing in 2004, the Town has never failed to comply in all material respects with any previous undertakings to provide financial information or notices of material events in accordance with the Rule.

In years where an Official Statement is produced for Bond issues, and if the Official Statement is available within 270 days of the end of the respective prior fiscal year, the Town files its financial statements separately from its annual operating data filing to comply with its *Financial Statements and Operating Data* obligation(s) for that period. If the preceding is not the case, the Town produces, and files, a comprehensive Continuing Disclosure Statement in lieu of an Official Statement. The following are the dates of recent filings to EMMA

<b><u>FY ended</u></b> <b><u>June 30.</u></b>	<b><u>Financial Statements</u></b>	<b><u>Operating Data</u></b>	<b><u>Days after Fiscal Period end</u></b>
2021	December 10, 2021	February __, 2022	163/____
2020	December 18, 2020	March 25, 2021	171/268
2019	December 3, 2019	January 22, 2020	156/206
2018	December 31, 2018	March 19, 2019	184/262
2017	December 27, 2017	December 27, 2017	180/180
2016	January 24, 2017	March 24, 2017	208/267

## **Assurances of Future Compliance**

The Town adopted a post-issuance compliance policy on July 29, 2013 that, among other things, provides for timely filings with EMMA or its successor repository, if any, with respect to its existing and future continuing disclosure undertakings and establishes written procedures and assigned specific responsibilities that it believes will provide prompt compliance with its continuing disclosure undertakings on a going forward basis. On August 16, 2018, the Town adopted a Debt Disclosure and Public Statements Policy and Procedures Manual, which establishes a detailed framework for compliance with the Town's disclosure and/or contractual obligations pursuant to the requirements of the Securities Exchange Acts of 1933 and 1934, as amended, including, in particular, Rule 15c2-12, as amended, and other applicable rules, regulations and orders. Further, the Town has registered with the EMMA reminder system to receive e-mail reminders to help ensure timely annual filing of required financial and operating data.

## **STATEMENT REGARDING COVID-19**

In 2020, the outbreak of COVID-19, a new strain of coronavirus, spread throughout the world, including the State of Maine (the "State"), and was declared a pandemic by the World Health Organization. On March 15, 2020, the Governor of the State declared a state of emergency and issued a variety of Executive Orders closing non-essential businesses and requiring residents of the State to stay at home or at their residences except for the purpose of engaging in essential activities.

The COVID-19 outbreak had affected the overall economy of the nation as well as the State and its various governmental units, including the Town. On June 11, 2021, the Governor lifted the state of civil emergency effective June 30, 2021. The State also ended its mask mandate for public schools and child care facilities, although face coverings are still recommended for those who are unvaccinated from the virus, including those under age 12 who are not yet eligible to receive the vaccine. This announcement effectively ended all governmentally mandated restrictions that have been in place since COVID-19 first reached Maine in March of 2020. However, although the State is no longer mandating masks or other COVID-19 mitigation restrictions, with the recent upsurge in the delta and omicron variants of COVID-19, the State is following the United States CDC recommendations on face coverings. This includes the recommendation (i) that everyone, including fully vaccinated people, wear a mask in public indoor settings in areas of substantial or high transmission, and (ii) that universal indoor masking be implemented for all teachers, staff, students, and visitors to schools, regardless of vaccination status. Currently, all 16 of Maine's Counties are areas of substantial or high transmission.

## **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the Town provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

## **MUNICIPAL ADVISOR**

Moors & Cabot, Inc. is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board and has acted as Municipal Advisor to the Town with respect to the issuance of the Bonds pursuant to MSRB Rule G-23. Moors & Cabot, Inc. does not intend to submit its bid on, or participate in an underwriting syndicate for the public distribution of, the Bonds.

## **STATUTORY REFERENCES**

All quotations from and summaries and explanations of laws herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

## **CONDITIONS PRECEDENT TO DELIVERY**

The following, among other things, are conditions precedent to the delivery of the Bonds to the original purchasers thereof.

### **No Litigation**

Upon delivery of the Bonds, the Town shall deliver or cause to be delivered a certificate of the Treasurer, and attested to by the Town Clerk, dated the date of delivery of the Bonds, to the effect that there is no litigation pending or, to the knowledge of such official, threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them, and that neither the corporate existence nor boundaries of the Town, nor the title of any of said officers to their respective offices, is being contested.

### **Approval of Legality**

The legality of the Bonds will be approved by Bernstein Shur Sawyer & Nelson, Bond Counsel. The approving opinion of such counsel with respect to the Bonds in substantially the form attached to this Official Statement as APPENDIX B will be delivered at the time of original delivery of the Bonds and a copy of the opinion will be provided to the original purchasers. Bond Counsel are not passing upon, and do not assume responsibility for, the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and make no representations that they have independently verified the same. See also "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B herein.

### **Certification of the Bonds**

The Bonds will be certified as to their genuineness by USBTCNA, Boston, Massachusetts, which certificate will appear on the Bonds.

### **Certificate With Respect to Official Statement**

At the time of the original delivery of, and payment for, the Bonds, the Town will deliver a certificate of the Treasurer to the effect that she has examined this Official Statement and the financial and other data contained therein and that, to the best of her knowledge and belief, both as of its date and as of the date of delivery of the Bonds, the Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, she has no reason to believe that such information is materially inaccurate or misleading.

### **Certificate With Respect to Debt Limits**

At the time of the original delivery of and payment for the Bonds, the Town will deliver a certificate of the Treasurer of the Town which certifies that the Town has not exceeded its debt limitations and that issuance of the Bonds will not cause the Town to exceed the debt limit.

## TOWN OF BRUNSWICK

### GENERAL

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



**CUMBERLAND  
COUNTY**

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

Today, Brunswick is an industrial, commercial and cultural center for a large spread of coastal villages and resort regions in its area. Bowdoin College is located in the town, as is Mid Coast – Parkview Health, with a June 2015 consolidation of Mid Coast Hospital and Parkview Hospital. Brunswick Landing and Brunswick Executive Airport (both at the former Brunswick Naval Air Station which was closed in 2011 as part of a Base Realignment and Closure) are home to a growing number of businesses and manufacturing facilities including Wayfair and Molnlycke, as well as a campus of Southern Maine Community College and TechPlace, a business incubator. Bath Iron Works, and L.L. Bean, one of the nation's most successful mail-order enterprises headquartered in Freeport, all have facilities in Brunswick.

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

## **GOVERNMENT**

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

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

## **MUNICIPAL SERVICES**

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

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

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

General government and administrative services are located at 85 Union Street. Offices in the Town Hall building include the Town Manager’s office, the Assessing, Clerks, Economic Development, Engineering, Finance/Tax, Human Resources, Human Services, IT & Cable TV and Planning & Codes Departments. Centrally located, the Town Hall also serves as a meeting facility, housing the Town Council Chambers and other conference rooms for Town boards and committees. As part of the Town’s building acquisition agreement in 2014, Bowdoin College continues to occupy the top floor of the building for up to ten years.

### **Public Safety**

The Police Department is staffed by a Police Chief, two Commanders, three Patrol Lieutenants and one Detective Lieutenant, one Detective Sergeant, three patrol Sergeants, and 21 Patrol Officers. The roster also includes three Detectives, two School Resource Officers, a Marine Patrol Officer, an Animal Control Officer, a Parking Enforcement Officer, ten Communications Officers and a Communications Officer Supervisor. There is an Executive Secretary, one Bookkeeper, one custodian, and three School Crossing Guards. Brunswick’s K-9 unit is comprised of two dogs: Dutch Shepherd, ‘Jack’, and Black Lab, ‘Desi’, who is assigned to the Brunswick Junior High School Resource Officer. Beginning in 2021, Brunswick entered into a one-year agreement with the Town of Freeport to share the services of the Animal Control Officer for a pro-rated share of that employee’s wages. Brunswick is a designated public safety answering point (“PSAP”), meaning that 911 calls from Brunswick and certain surrounding communities are directed to the Brunswick dispatch center. Under an agreement reached in July, 2016, Brunswick provides emergency services dispatch and communications for the Town of Freeport. Brunswick is currently negotiating a replacement contract with Freeport to be effective beginning July, 2021.

The Department maintains 25 vehicles, a motorcycle, a rescue vehicle, an electric vehicle for parking enforcement, an airboat, a 20 ft. fiberglass boat with outboard, a jet-ski, four equipment trailers, two electronic sign boards, and an unmanned aerial vehicle (“UAV”) all of which are in good repair. The Police Department is currently headquartered at 85 Pleasant St in a building constructed in 2013. The police station building project was funded with the issuance of bonds on June 27, 2013. See “INDEBTEDNESS – DEBT SUMMARY” herein.

The Fire Department is staffed by a Fire Chief, two Deputy Chiefs, four Captains, four Lieutenants, 30 Firefighters, an Inspector, and one Administrative Assistant. The captains, lieutenants and firefighters also serve as Emergency Medical Technicians and Paramedics for the Department’s rescue services. The Fire Department is currently housed in two fire stations, with Central station located in downtown Brunswick, and Emerson Station, located in the Cook’s Corner area. The Department maintains one aerial platform truck, three pumper vehicles, one tank truck, two brush trucks, four ambulance/rescue units, a special operations unit for Haz Mat, confined space and high angle rescue, two utility pickup trucks, three command SUVs, Inspector’s vehicle and one boat.

The Fire Department’s Central Station is 102 years old, and studies in 2000 and 2002 identified numerous deficiencies in the structure and functionality of the facility. In 2006 the Town acquired land near Central Station, and considered the possibility of a major renovation and expansion of the station. More recently, significant repair requirements brought the building issues to the forefront once again, and based on changes in traffic flow downtown, the Town recognized the need to consider other locations for a central station. In 2017 the Town Council established a Fire Station Task Force composed of citizens, Councilors and staff, and appropriated \$100,000 to fund programming analysis, site investigations and preliminary building design. Based upon the work of the Task Force, on April 1, 2019, the Town Council adopted *“An Ordinance Authorizing The Purchase of Property For And Construction Of A New Central Fire Station With Total Project Costs Of Up To \$13,500,000, And the Issuance of Bonds of Up To \$13,500,000.”* During 2020, the Town acquired the property for the future fire station, completed the final design, and bid out construction. Construction started in March 2021 on the new 26,000 square foot Central Fire Station located at 119 Pleasant Street. The station is expected to be complete and placed in service in the summer of 2022. Funding is through this financing. See “THE BONDS - AUTHORIZATION AND PURPOSE” herein.

## **Public Works**

The Public Works Department is responsible for repair and maintenance of the Town’s roads, sidewalks, and storm drainage system, and the oversight of residential trash collection and recycling collection. The department was responsible for operation of the solid waste landfill until its closure, and currently the department operates a processing facility for certain materials. The department is staffed by one Public Works Director, one Deputy Director, one Operations Manager, one administrative assistant, and 20 full-time staff. The Public Works Department maintains 40 vehicles and various pieces of equipment. The Town Engineer and Assistant Town Engineer, formerly part of the Public Works Department, now have offices in Town Hall under the supervision of the Town Manager, where the engineers interface with several municipal departments in addition to Public Works.

The Town is responsible for maintenance and routine environmental testing at the Graham Road Landfill that was closed in April 2021. Operations at the Town’s wood and masonry landfill were discontinued in 2005 and the Town closed that facility in accordance with applicable laws and regulations. In January 2007, the Town initiated pay-as-you-throw trash bag and single sort recycling programs. The Town has funded closure and plans to fund post-closure costs from net proceeds from its pay-as-you-throw program. Based on available reserves and projected revenues, the Town estimates that it will not be necessary to issue debt to fund the landfill closure and post-closure costs. See “ENVIRONMENTAL MATTERS” section herein.

## **Parks and Recreation**

The Town's Department of Parks and Recreation offers a full calendar of recreational programs and maintains a number of parks as well as active and passive recreational facilities throughout the Town. The Department is staffed by a Director and Deputy Director, one Program Assistant, a Parks & Facilities Manager, a Parks Foreman, six maintenance workers, two office support staff, and a number of part-time and seasonal personnel. In November 2013, the Parks and Recreation Department moved from its downtown location to a large multi-purpose recreation facility at the former Naval Air Station ("NASB"), now called Brunswick Landing. The building was transferred to the Town from the Navy through the public conveyance process associated with the NASB closure. Also conveyed was a 591-acre parcel designated as passive recreation/conservation land, now named the Kate Furbish Preserve, and the former 66-acre Navy radio transmitter site, now called the Capt. William A. Fitzgerald Recreation and Conservation Area. The Parks division currently is responsible for 50 parks, facilities and public spaces, constituting over 1,500 acres.

## **Train Station/Visitors Center**

The Town leases approximately 2,125 square feet of space in a building located at Brunswick Station. The space serves as the Town's train station/visitors center and is managed under an agreement with the Brunswick Downtown Association ("BDA"). The Maine Department of Transportation ("MDOT") constructed a permanent station platform, located behind the train station/visitors center. The Town was not required to contribute to the construction of the platform but is responsible to maintain it at Town expense.

Following the 2010 approval of \$35 million in federal stimulus money, and \$3 million in State funds, approximately 28 miles of rail track between Brunswick and Portland were rehabilitated and Amtrak was able to extend train service to Brunswick. In November 2012, the Amtrak Downeaster train began operating from the station. In 2011, the Northern New England Rail Passenger Authority ("NNEPRA") announced its plan to construct a layover facility in Brunswick to service the Amtrak Downeaster trains. Construction on the 650 foot by 70 foot layover facility, large enough to hold three full trains, was completed late summer, 2016. The facility allows for late-night trains arriving in Brunswick to remain overnight and head south again the following morning, rather than returning to Portland overnight. Prior to construction, daily service consisted of two round trips between Brunswick and Boston. With the opening of the layover facility in November 2016, service increased to three round trips per day.

Passenger rail service between Boston and Brunswick expanded again in November 2018 with the completion of a critical rail project south of Brunswick. The \$9.4 million construction of a secondary passing rail line in Falmouth and Cumberland enabled Amtrak's Downeaster to operate five round trips per day on its entire line. This was adjusted temporarily during 2020 due to the Covid-19 pandemic, but has resumed since. Beginning in 2017, NNEPRA engaged with MDOT and the Central Maine and Quebec Railway to extend Downeaster service to Bath, Wiscasset, Newcastle and Rockland on weekends during the summer. This seasonal service would follow the route operated by Maine Eastern Railroad until the end of 2015. According to NNEPRA, the expansion plans are currently on hold.

The Visitors Center also serves as a bus stop for both local, regional and long distance service. In 2010, the Brunswick Explorer began providing local bus service throughout Brunswick. In December, 2021, the name was changed to Brunswick Link, and service was expanded, increasing hours of operation and coverage of Brunswick Landing. In August 2017, the MetroBreez extended its regional express bus service between Brunswick and Portland, with stops in Freeport and Yarmouth. In 2020, the Town joined Greater Portland Metro, to continue the MetroBreez service, and the schedule currently includes 13-14 round-trips every weekday, and 5-6 round-trips on Saturday. Concord Coach Lines has used the station since it opened for the Brunswick stop on its Midcoast Maine route from Orono, Maine to Boston, Massachusetts and Logan Airport, in Boston.

## Curtis Memorial Library

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

A 12-member Board of Directors manages the Association with a staff comprised of approximately 20 full-time equivalent personnel including nine professional librarians. At June 30, 2021, the Library’s collections included approximately 142,000 items. The Library is operated by funds generated from endowments, restricted book funds, fund raising activities and funds provided by the towns of Brunswick and Harpswell, at their pleasure.

## Retail Sales

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

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

Personal Consumption								
Year	Building Supply	Food Stores/ Gen. Mdse.	Other Retail	Auto/ Transp.	Restaurant/ Lodging	Personal Consumption	Business/ Operating	Personal & Business
2020	\$103,337	\$137,115	\$28,174	\$91,611	\$45,659	\$405,896	\$19,975	\$425,871
2019	91,025	142,406	29,541	81,777	67,429	412,178	19,708	431,886
2018	94,769	138,935	30,041	84,082	66,235	414,062	19,790	433,852
2017	88,239	136,748	29,880	85,342	65,768	405,977	17,738	423,715
2016	83,931	133,647	27,620	79,409	64,412	389,019	17,880	406,899
2015	74,869	116,215	25,511	77,064	60,196	353,855	16,972	370,827
2014	71,350	115,569	26,367	68,585	57,661	339,532	18,172	357,704
2013	66,785	115,077	26,639	65,575	55,659	329,735	17,564	347,299
2012	60,363	115,662	26,930	56,529	52,712	312,196	15,854	328,050
2011	65,998	114,602	28,832	51,959	50,523	311,914	13,783	325,697

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

Retail sales table is updated in its entirety each year with the most up-to-date information available from the State of Maine.

## PUBLIC EDUCATION

### Supervision of Educational Programs

The Town operates an educational program for grades K through 12 under its Individual Supervision (a School Administrative Unit or “SAU”). Beginning in the 2019/2020 school year, one classroom of pre-K was added in a pilot program, and with the opening of the new Kate Furbish Elementary School, the department was able to increase to four pre-school classrooms in 2020/2021. Article IX of the Town’s Charter, provides that the Department of Education (“BDOE”) for the Town be administered by a School Board comprised of nine members, each serving three-year staggered terms. Seven School Board members

are elected by district and two are elected at large. The School Board performs all duties and functions related to the care and management of the public schools of the Town. The School Board prepares and submits its budget to the Town Manager, who includes it in the budget process. See also “TOWN FINANCES – BUDGETARY PROCESS” section herein.

The School Department’s staff consists of a Superintendent, one Assistant Superintendent, one Director of Special Education, one Assistant Director of Special Education, one Director of Finance, one Chief Academic Officer, one Director of Technology, one Director of Transportation, one Director of Facilities, Grounds, & Food Service, and an Athletic Director. Staffing also includes four full-time principals, four assistant principals, the equivalent of approximately 250 full-time teaching positions, and various other professional and non-professional staff. Brunswick’s school population is shown in the following table:

<b>School</b>	<b>Grade</b>	<b>October 1, 2021 Population<sup>(1)</sup></b>
Kate Furbish School (formerly Coffin School)	Pre-K – 1	419
Harriet Beecher Stowe	2 – 5	718
Brunswick Junior High <sup>(2)</sup>	6 – 8	493
Brunswick High	9 – 12	758

SOURCE: Town of Brunswick School Department.

NOTE: <sup>(1)</sup> As of *October 1, 2021 Enrollment Reports*. This includes Brunswick residents and non-resident students attending Brunswick schools.

<sup>(2)</sup> Modular classrooms in use. Other projects to address space needs are being contemplated. See also “CAPITAL IMPROVEMENT PROGRAM” section.

With the closure of Brunswick Naval Air Station in 2011, Brunswick experienced a loss of student population. At one time, nearly 200 Durham students attended Brunswick High School. With the creation of Regional School Unit 5 (an “RSU”), high school students from the Town of Durham now attend Freeport High School. The reduction in enrollment and the loss of federal and state aid, plus the loss of tuition revenue has caused the Department to adjust its budgets accordingly. However, given certain fixed costs, budget adjustments have been difficult. The following table illustrates the ten-year enrollment trends for Brunswick’s schools:

<b>October 1,</b>	<b>Brunswick Residents</b>					
	<b>Grades</b>	<b>Grades</b>	<b>Grades</b>	<b>Resident Enrollment</b>	<b>Non-Resident Enrollment</b>	<b>Total Enrollment</b>
	<b>PreK-5</b>	<b>6-8</b>	<b>9-12</b>			
2021	1,120	481	719	2,320	68	2,388
2020	1,078	501	709	2,288	78	2,366
2019 <sup>(1)</sup>	1,114	528	701	2,343	72	2,415
2018	1,034	537	672	2,243	84	2,327
2017	1,059	544	676	2,279	70	2,349
2016	1,048	517	681	2,246	67	2,313
2015	1,075	685	541	2,301	35	2,336
2014	1,076	471	778	2,325	33	2,358
2013	1,038	502	813	2,353	37	2,390
2012	973	523	807	2,303	60	2,363

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

NOTE: <sup>(1)</sup> Beginning with the *October 1, 2019 Enrollment Reports*, Brunswick began offering Pre-K education services. All enrollment report figures for years before 2019 do not include amounts for Pre-K enrollments.

In August, 2011, the Town opened the Harriet Beecher Stowe School for grades 2 through 5, replacing the former Longfellow and Jordan Acres Schools (both educating grades K through 5), and reconfigured the grades at the Coffin School (formerly grades K through 5 and now serving grades K through 1). Construction of Harriet Beecher Stowe School was funded by the issuance of \$21,462,250 in school construction bonds. The Town elected to issue these bonds through the Maine Municipal Bond Bank (“MMBB”) which were issued on October 28, 2010. Based on the funding approval received from the State Department of Education (“MDOE”), approximately 87% of the annual net debt service cost on these bonds has been included in the State education subsidy formula. The formula is used to determine the total annual State education subsidy provided to Brunswick. While the percentage of debt service included in the calculation is expected to remain constant throughout the 20-year amortization of the bonds, other factors in the formula will change annually and the education subsidy formula could be changed by the Maine Legislature. See “REVENUES FROM THE STATE” for an explanation about funding of State approved school construction projects.

Over approximately six years, the School Department engaged in the development of a comprehensive facilities master plan, with the goal of identifying the facilities required to support the department’s programs as well as the costs associated with constructing and operating the required facilities. The planning and certain options were included in the Capital Improvement Program (“CIP”) for several years.

In November, 2016, responding to the aging Junior High and Coffin Schools, the school department proposed a course of action involving major repairs to the Junior High School and construction of a new elementary school. Based on the status and timing of the of MDOE’s Major Capital School Construction program, the projects did not qualify for State participation, therefore the new elementary school was funded locally through the issuance of debt. In September 2020, the Town opened the Kate Furbish Elementary School at the site of the former Jordan Acres School on Jordan Avenue. With a capacity of 660 students in grades pre-K through 2, the school replaced the aging Coffin School, and moves one grade out of the Harriet Beecher Stowe School. Construction of the school was funded through the issuance of \$24,450,000 in bonds on January 14, 2020. Debt service is entirely locally funded, and scheduled with level payments, for 15 years beginning in the 2020/2021 fiscal year, followed by 10 years of declining payments. For the 2022/2023 fiscal year, the school department is budgeting \$1,464,894 in debt service on the bonds.

The school department submitted an application for a Junior High School project to the MDOE’s Major Capital School Construction program in March, 2017. With the release of MDOE’s program priority listing, it became evident that the project could not expect state funding assistance, and attention was turned to addressing the repair needs over time, along with planning for the future of the Coffin School building. In 2016, 2017, and 2020, the school department applied for and received eligibility certificates for school repair projects under the MDOE School Revolving Renovation Fund. This project qualified the Town to borrow funds through the MMBB at 0% interest, with a percentage of the total “forgiven” by MDOE as a grant. With this funding, the School Department is continuing to make repairs and access improvements to the Coffin School and the Brunswick Junior High School, expected to total \$1,620,919.

Beginning with the 2016/2017 school year, the School Department assumed management of the REAL School program from RSU 14. The REAL School’s name stands for “Relevant, Experiential, Authentic, Learning”, and the school provides two programs. These are an alternative school program serves students who have not been successful in a traditional setting, and a special education program, which serves students who require specialized instruction and mental health treatment though their school days. Funding is through tuition from the school districts sending the students. The REAL School continued to operate in its Falmouth location for the 2016/2017 school year, and moved to leased space on Brunswick Landing for the school year beginning in September 2017. The lease will expire in August 2022, therefore the School Department is exploring options to re-locate the REAL School to Town-owned property beginning with the 2022/2023 school year.

## Maine Region 10 Technical High School

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

Each SAU is responsible for its proportionate share of the Region’s operating expenses, including debt repayment, which is included in the respective unit’s annual assessment. On December 16, 2019 the Region 10 Board authorized \$3,580,664 through a 15-year lease/purchase with Androscoggin Bank for air quality and energy conservation equipment at the school facility at 68 Church Road in Brunswick. The Region 10 Board is investigating the possibility of converting Region 10 into a Comprehensive High School, seeking the advantage of a four-year, all-day comprehensive high school offering academics as well as career and technical education programming for the students. Plans are being formed for a new school at the Brunswick Landing where future workers could be trained for technical, in-demand jobs.

On October 1, 2021, 302 students were enrolled in Region 10, of which 99 were residents of Brunswick. The Town is responsible for its proportionate share of Region 10’s operating expenses which is assessed to the Town annually. See “INDEBTEDNESS – OVERLAPPING DEBT – Maine Region 10” herein.

Public Law Chapter 171, “*An Act To Enable Earlier Introduction of Career and Technical Education in Maine Schools*,” was enacted in June 2017 to expand career and technical education opportunities by requiring Maine schools to provide access to developmentally-appropriate career and technical education for middle school students (grades 6-8). MDOE is developing a funding plan to present to the Legislature designed to ensure adequate resources for this expansion. Beginning with the 2018/2019 budget, the State adopted a new State funding model for Career and Technical Education (“CTE”), such that CTE Centers are funded through a CTE allocation paid by the State and paid directly to the CTE Region or an SAU that has a CTE Center. The CTE funding statute still allows CTEs to assess members if their budget needs exceed the State CTE allocation; and to have cost sharing agreements.

## EMPLOYEE RELATIONS

The Town employs approximately 600 full and part-time employees. Approximately 400 of those are employed by the School Department. The status of various contracts for employees are:

<u>Union<sup>(1)</sup></u>	<u>Covered Positions</u>	<u>Bargaining Unit</u>	<u>Date of Contract</u>	
			<u>Effective</u>	<u>Expiration</u>
Teamsters (Local #340)	20	Public Works Employees	7/01/19	6/30/22
Teamsters (Local #340)	8	Parks & Recreation	7/01/19	6/30/22
Brunswick Police Benevolent Assoc.	35	Police Officers	7/01/21	6/30/24
Brunswick Professional Firefighters.	39	Firefighters/EMS	7/01/21	6/30/22
Brunswick Emerg. Comm. Off. Assoc.	11	Police Dispatchers	7/01/21	6/30/23
AFSCME, Town departments	23	Clerical workers & other	7/01/19	6/30/22
BEA/MEA - Teachers	264	School Teachers	9/01/19	8/31/22
BEA/MEA – Educational Technicians	75	Educational Technicians	8/01/21	7/31/24
AFSCME, School department	51	Bus Drivers & Custodians	7/01/19	6/30/22

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

## BUILDING PERMITS

<b>Fiscal Yr. End</b> <b>June 30,</b>	<b>Residential</b>		<b>Commercial &amp; Industrial</b>	
	<b># Permits</b>	<b>Est. Cost Const.</b>	<b># Permits</b>	<b>Est. Cost Const.</b>
2021	271	\$40,758,492	59	\$ 62,065,166 <sup>(1)</sup>
2020	297	31,916,144	47	7,303,811 <sup>(2)</sup>
2019	344	25,699,942	49	85,219,400 <sup>(3)</sup>
2018	351	20,874,350	73	21,895,845 <sup>(4)</sup>
2017	310	17,715,313	70	28,725,779 <sup>(5)</sup>
2016	288	12,191,609	51	18,578,907 <sup>(6)</sup>
2015	265	10,485,364	59	22,441,015 <sup>(7)</sup>
2014	291	16,370,912	59	20,672,370 <sup>(8)</sup>
2013	247	12,938,533	54	9,918,226 <sup>(9)</sup>
2012	247	11,345,444	55	17,227,286 <sup>(10)</sup>

NOTES: Estimated construction costs are included for both taxable and tax-exempt properties.

<sup>(1)</sup> Includes \$27,275,000 for Bowdoin College's Center for Arctic Studies as well as Mills Hall academic building and \$13,500,000 for construction of the Town of Brunswick's Pleasant Street Fire Station.

<sup>(2)</sup> Includes \$2,162,537 for Wild Oats Bakery/Restaurant facility developed on Brunswick Landing and \$1,440,000 for Priority Management Group LLC's construction of a two story bank building.

<sup>(3)</sup> Includes \$24,850,000 for Bowdoin College's Harpswell Apartments which includes three residence halls, \$20,000,000 for the construction of the Kate Furbish elementary school, \$16,127,000 for construction of Bowdoin College's Park Row Apartments comprised of four residence halls, \$7,500,000 for expansion of the Village Green waste-to-energy plant, and \$4,200,000 for a 7,000 square foot addition to Mid Coast Senior Health.

<sup>(4)</sup> Includes \$3,750,000 for construction of the Roman Catholic Bishop of Portland's All Saints multi-purpose facility, \$3,700,000 for construction of Bath Iron Works' replacement blast & paint facility, \$2,500,000 for a 79,970 square foot ground-mounted solar array constructed by MRRA, \$1,549,768 for an office & maintenance structure at SaviLinx, \$1,160,000 for construction of the Center for Diagnostic Imaging, and \$1,100,000 for a new Cumberland Farms facility in Cooks Corner.

<sup>(5)</sup> Includes \$12,900,000 for construction of Bowdoin College's Roux Center for the Environment, \$2,200,000 for the Rusty Lantern Irving Station, \$2,200,000 for construction of two apartment buildings, and \$1,220,000 for office renovations to Nature Conservancy.

<sup>(6)</sup> Includes \$8,168,011 for a 60-unit senior housing facility, \$1,350,000 for a snow removal equipment building, both at Brunswick Landing, and \$1,200,000 for renovations to a retail unit in Merrymeeting Plaza.

<sup>(7)</sup> Includes \$4,225,000 for construction of CEI headquarters, \$6,250,000 for an anaerobic digester at Brunswick Landing, and \$2,500,000 for two 4,950 square foot maintenance garages for Brunswick Sewer District.

<sup>(8)</sup> Includes \$6,000,000 for commercial development at Brunswick Landing, \$2,500,000 for an administration building for Bowdoin College, \$1,800,000 for a church on Middle Street, \$1,306,000 for a solar array for Bowdoin College and \$1,100,000 for a retail building at Cooks Corner.

<sup>(9)</sup> Includes \$4,800,000 for the Police Station, \$1,992,441 for renovation of the former Longfellow School by Bowdoin College and \$1,200,000 for a manufacturing facility at Brunswick Landing.

<sup>(10)</sup> Includes \$12,000,000 for construction of a manufacturing facility at Brunswick Landing.

## ECONOMIC CHARACTERISTICS

<u>Population</u>		<u>Town of Brunswick</u>	<u>% Change</u>		
<u>Year</u>		<u>Town</u>	<u>State</u>	<u>USA</u>	
2020	21,756	7.3%	2.6%	7.4%	
2010	20,278	(4.2)	4.2	9.7	
2000	21,172	1.3	3.8	13.2	
1990	20,906	20.4	9.2	9.8	
1980	17,366	7.2	13.4	11.4	
1970	16,195	2.5	2.4	13.4	
1960	15,797				

<u>Population Characteristics</u>		<u>Town of Brunswick</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
Median age (years)		44.4	42.2	44.7	38.1
% Under 5 years		5.3%	4.7%	4.7%	6.0%
% Under 18 years		16.6%	18.3%	18.5%	22.3%
% 65 years and over		21.4%	19.0%	21.2%	16.5%
Avg. household size		2.23	2.35	2.32	2.62

<u>Housing</u>					
	<u>% Owner-occupied</u>	<u>\$ Owner-occupied median value</u>	<u>\$ Median gross rent</u>	<u>Households</u>	<u>\$ Households</u>
% Owner-occupied	68.2%	\$243,500	\$1,002	8,455	\$190,400
Owner-occupied median value					\$278,100
Median gross rent					\$1,131
Households					559,921
					\$217,500
					\$853
					\$1,062
					139,684,244

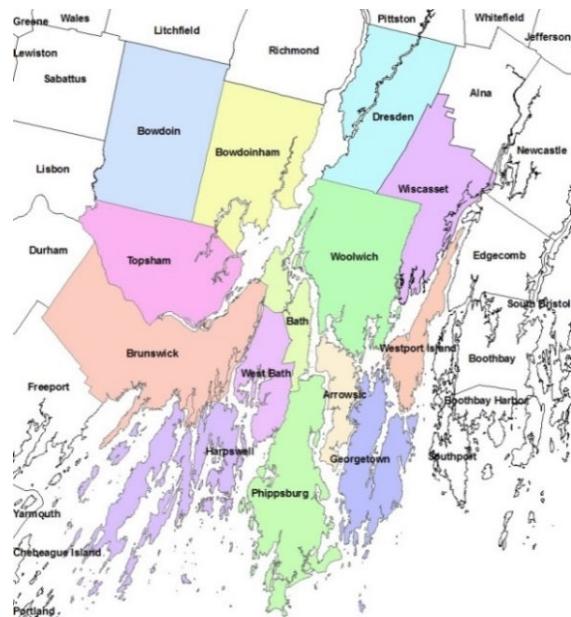
<u>Income</u>					
	<u>Median household income</u>	<u>Per capita income</u>	<u>% Below poverty level (individuals)</u>	<u>\$ Median household income</u>	<u>\$ Per capita income</u>
Median household income	\$59,922	\$37,197	8.9%	\$73,072	\$40,527
Per capita income					
% Below poverty level (individuals)					
				\$57,918	\$32,637
				10.6%	11.4%

SOURCE: 2020 Census; U.S. Department of Commerce, Bureau of the Census.

## BRUNSWICK LABOR MARKET AREA

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

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



### Unemployment

<u>Calendar Year</u>	<u>Town of Brunswick</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
2020	4.9%	5.3%	5.4%	8.1%
2019	2.2	2.2	2.7	3.7
2018	2.7	2.6	3.2	3.9
2017	2.7	2.5	3.3	4.4
2016	3.0	2.9	3.8	4.9
2015	3.5	3.4	4.4	5.3
2014	4.9	4.4	5.6	6.2
2013	6.0	5.4	6.8	7.4
2012	6.9	5.8	7.3	8.1
2011	6.7	6.0	7.5	8.9

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

### Representative Employers

<u>Name</u>	<u>Business</u>	<u>Approximate # of Employees</u>
Mid Coast-Parkview Health	Hospital, Health Care, Retirement	2,100
Bath Iron Works	Ship Building	1,800
Bowdoin College	College	984
Town of Brunswick	Municipality	607
Wayfair	Online Retail	355
LL Bean Inc., Mfg. Div.	Outdoor Equip/Sporting Goods	342
Wal-Mart Stores, Inc.	Retail	298
Savilinx	Business Process & Marketing	165
Hannaford Bros.	Groceries/Pharmacy	160
Pathways (formerly Providence Service Corp)	Social Services	128

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

## Commuter Patterns

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

<b>Work in Brunswick, but live in:</b>	<b>Number of Workers</b>	<b>% Town's Workforce</b>	<b>Live in Brunswick, but work in:</b>	<b>Number of Workers</b>	<b>% Town's Workers</b>
Brunswick	4,996	37.69%	Brunswick	4,996	49.74%
Topsham	1,046	7.89	Bath	966	9.62
Bath	686	5.18	Portland	741	7.38
Lisbon	458	3.46	Freeport	512	5.10
Harpswell	419	3.16	Topsham	475	4.73
Portland	350	2.64	South Portland	230	2.29
Bowdoin	349	2.63	Lewiston	218	2.17
Bowdoinham	269	2.03	Yarmouth	178	1.77
Durham	242	1.83	Augusta	144	1.43
Yarmouth	220	1.66	Falmouth	139	1.38
Richmond	216	1.63	Auburn	134	1.33
West Bath	215	1.62	Scarborough	123	1.22
Gorham	212	1.60	Harpswell	122	1.21
All Other	<u>3,576</u>	<u>26.98</u>	All Other	<u>1,067</u>	<u>10.63</u>
	13,254	100.00%		10,045	100.00%

SOURCE: State of Maine, Department of Labor, Labor Market Information Services; U.S. Department of Commerce, Bureau of Census, 2020 Census.

## Mid Coast –Parkview Health

Part of MaineHealth, Mid Coast – Parkview Health is a dynamic healthcare system addressing a full continuum of community health, wellness, and prevention needs in the Midcoast region. Formed in 2015 by the Mid Coast Health Services merger with Parkview Adventist Medical Center, Mid Coast – Parkview Health is the largest employer in Brunswick, with more than 2,100 employees. Mid Coast – Parkview Health's service area includes Bath, Brunswick, Topsham, Harpswell and the Islands, Phippsburg, Georgetown, Wiscasset, Bowdoinham, Lisbon, Freeport, and many other surrounding towns.

Mid Coast–Parkview Health affiliates include:

- **Mid Coast Hospital**, a full-service, 93-bed, Joint Commission accredited hospital with an active medical staff of more than 200 physicians and advanced practice professionals.
- **Mid Coast Medical Group**, community-based, multi-specialty physician group with primary care and specialty practices located in Bath, Brunswick, and Topsham.
- **Mid Coast Senior Health**, a senior healthcare provider offering assisted living at Thornton Hall Assisted Living, memory care at The Garden, long-term care and skilled nursing at Mere Point, and nursing and rehabilitation at Bodwell.
- **CHANS Home Health & Hospice**, a home health care agency providing in-home nursing, rehabilitation, palliative, hospice, and private duty care. As the community leader in home health care and hospice, CHANS has provided licensed non-profit nursing services to Midcoast area residents since 1947.

Mid Coast Hospital, with its adjoining medical offices, includes a complete diagnostics suite offering state-of-the-art MRI, CT, ultrasound, mammography, bone densitometry, x-ray, and angiography cardiac catheterization services. The hospital also has a level 2 trauma facility, 24-hour emergency department, in-house pharmacy, physical, occupational, and speech therapy, an accredited diagnostic imaging center, and a certified stroke center. The hospital offers a full range of care including in- and outpatient surgery, cardiac and pulmonary rehabilitation, sleep lab, and wound care center. The Mid Coast Hospital Laboratory offers high-quality lab services at several convenient locations in our community and serves the hospital in addition to healthcare facilities and doctors' offices in the area.

Mid Coast Hospital and CHANS Home Health & Hospice are accredited by the Joint Commission. Additionally, Mid Coast Hospital's Primary Stroke Center has been Joint Commission accredited, as one of only five in the State of Maine. In 2009, Mid Coast Hospital became the first community hospital in Maine to be recognized as a Magnet hospital for excellence in nursing and patient care by the American Nurses Credentialing Center. Mid Coast Hospital has achieved this Magnet designation three times in 10 years, an achievement only three percent of U.S. hospitals have made. The National Committee for Quality Assurance ("NCQA") recognizes the Mid Coast Medical Group practices as NCQA Level 3 designation of Certified Patient-Centered Medical Homes, and Mid Coast Senior Health has been recognized multiple times by U.S. News & World Report as "Best Nursing Home".

As well as providing support within the hospital, Mid Coast Hospital provides urgent care at the Walk-In Clinic in downtown Brunswick and recovery support at the Addiction Resource Center. Advanced care is provided through several integrated, interdisciplinary centers including The Center for Sleep Medicine, Women's Imaging Center, Center for Joint Replacement, and Digestive Health Center. The Mid Coast Center for Community Health & Wellness, located at the Parkview Campus, is home to Cardiac and Pulmonary Rehabilitation, as well as a variety of health education and learning opportunities.

In March 2020, Mid Coast – Parkview Health joined MaineHealth and finalized the merger on January 1, 2021. MaineHealth, a regional not-for-profit family of leading high-quality providers and other healthcare organizations is consistently ranked among the Top 100 Integrated Healthcare Networks in the United States. This affiliation provides a strong connection for tertiary care with Maine Medical Center in Portland making transfer to that facility seamless when necessary. The relationship also helps the organization work collaboratively in improving quality of care, while at the same time making healthcare more efficient and cost effective. More information about Mid Coast–Parkview Health and MaineHealth is available at [www.midcoastparkviewhealth.com](http://www.midcoastparkviewhealth.com) and [www.mainehealth.org](http://www.mainehealth.org).

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SOURCE: Mid Coast-Parkview Health, Dept of Marketing Communications. While the Town believes these sources to be reliable the Town has not made any independent evaluation as to the accuracy or completeness of the above information.

### **Bath Iron Works**

Bath Iron Works ("BIW") was founded on the banks of the Kennebec River in Bath, Maine in 1884. Founder, Thomas W. Hyde, leased a small iron foundry on the site of the current day shipyard. When Hyde took over the business, he patented a revolutionary windlass known as the Hyde Windlass. On November 28, 1884, Hyde incorporated Bath Iron Works, Ltd. In 1890, a passenger steamer for the Maine Steamship Co., Cottage City, was the first ship launched from the facility. Later, in 1893, BIW delivered Machias, its first US Navy vessel. It was also the first steel-hulled ship built in Maine. Since 1884, BIW has delivered more than 425 ships to the world's naval and commercial fleets, including more than 200 surface combatants for the United States Navy ("US Navy").

BIW is owned by General Dynamics, headquartered in Reston, Virginia (NYSE: GD). It is part of part of General Dynamics' Marine Systems Group business. BIW is one of the largest private employers in the State of Maine with more than 7,000 employees in the state. There are two principal manufacturing facilities: (1) the main shipyard plant in Bath and (2) the Structural Fabrication Facility and the Outfit Fabrication Facility/Consolidated Warehouse in Brunswick. Additionally, BIW has a facility in Brunswick for design and for fleet support. Approximately 5,000 employees work at the main facility in Bath; approximately 1,800 are employed across the Brunswick facilities.

BIW is heavily dependent on contracts to build surface combatants for the US Navy. In 1985 the US Navy awarded to BIW the Lead Ship Design and Construction contract for the Arleigh Burke ("DDG 51") class, and 34 ships were delivered under that program, the last being the USS Michael Murphy (DDG-112) in 2012. In 2011, the Navy restarted procurement in the Arleigh Burke program. BIW and a competitor are each building ships in the restarted program. BIW delivered the first three of these ships to the Navy in 2017, 2018 and 2021 respectively, and has seven ships in production. In the fall of 2018 the Navy awarded BIW a \$3.9 billion contract to build four additional ships. In December 2018 BIW was awarded the contract for a fifth ship. As the lead designer of the DDG 51 class, BIW is considered the "planning yard" as the ships already delivered to the Navy are upgraded and modernized. Currently supporting 69 Arleigh Burke-class ships, BIW was recently awarded a modernization contract extension, as well as continuation of its Lead Yard Services and design upgrade contract.

The Zumwalt ("DDG 1000") class had been planned as the US Navy's next generation surface combatant. Originally, a competitor was designated as the lead designer and builder of the DDG 1000, with that competitor and BIW each building one of the first two ships in this class. Cost has always been a concern regarding the DDG 1000 and the Navy decided to limit production to three ships, re-assigning responsibility for the design and construction of the DDG 1000 to BIW. In October 2016, the USS Zumwalt (DDG 1000), the first of the class was commissioned, and in January 2019, the USS Michael Monsoor (DDG 1001) was commissioned. BIW completed its work on the remaining ship of the DDG 1000 class, the USS Lyndon B. Johnson (DDG 1002) at the end of 2021. In December 2018, BIW was awarded an \$85 million Planning Yard Services contract for the DDG 1000 class ships. BIW currently also has the maintenance and modernization contract for the class, provided by the Brunswick design/support facility.

The US Navy's procurement plans are always subject to change and any changes could affect employment levels at BIW. BIW continues to look for opportunities to diversify its work beyond Navy contracts.

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SOURCE: Bath Iron Works as of January 2022. While the Town believes these sources to be reliable, the Town has not made any independent evaluation as to the accuracy or completeness of the above information.

### **Bowdoin College**

Bowdoin College ("Bowdoin" or the "College") is a private, undergraduate liberal arts college located in Brunswick. Founded in 1794, the College was named to honor James Bowdoin II, a distinguished past governor of the Commonwealth of Massachusetts, at the request of his son James Bowdoin III, the College's first patron. The College is a residential, nonsectarian institution and has been coeducational since 1970. Bowdoin College offers Bachelor of Arts degree programs in more than forty defined majors including interdisciplinary programs. Bowdoin's admissions standards are among the most selective in the nation and its enrollment trend is stable. Bowdoin employs approximately 984 FTE employees, including 213 FTE faculty members with payroll totaling \$8.3 million for the fiscal year ending on June 30, 2021, with approximately sixty-seven percent (64%) of that amount paid to Brunswick labor market area residents. In addition to taxes and fees, the College also makes annual financial contributions to the Town. In FY 2021, voluntary unrestricted payments totaled \$321,000 and voluntary restricted payments for capital totaled \$150,000.

Over the past several years, Bowdoin has expanded its student housing with three new housing projects. These include a set of new apartments on Park Row and a renovation of Boody Johnson House on Maine Street, both of which were finished in August of 2019 and ready for students in the fall of 2019. Construction on the new Harpswell apartments started in June 2019 and was completed in late summer 2020. The three residential projects provided more on-campus housing for students at an estimated cost of \$45 million.

Also completed in late summer 2020 were new facilities at the Schiller Coastal Studies Center in Harpswell, which offers opportunities for students and researchers studying the ocean and the environment. The project included a single story, 4,200 square foot, Dry Lab with teaching, research and preparation lab and support spaces, as well as a single story 4,950 square foot Living & Learning building, which provides spaces for classes, conferences and dining. The residential component consists of three 1,800 square foot, six-bedroom cabins, and a 950 square foot apartment cabin.

Two new buildings, Barry Mills Hall and a Center for Arctic Studies, are planned for completion in December 2022. The 45,900 square foot project will provide state-of-the-art academic facilities, a new home for Bowdoin's Peary-MacMillan Arctic Museum, and new event space. Mills Hall will honor Bowdoin's fourteenth president, Barry Mills. Mills Hall and the Center for Arctic Studies will be constructed adjacent to each other on a portion of the former Dayton Arena site and across from the new Roux Center for the Environment. Once the new buildings are completed, the nearby Dudley Coe Infirmary building will be taken down, opening up a new quadrangle and vistas toward Bowdoin's main quadrangle.

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SOURCE: <https://www.bowdoin.edu> and from Bowdoin College. The Town has not made any independent evaluation as to the accuracy or completeness of the above information.

### **Brunswick Landing and Brunswick Executive Airport (BXM)**

Brunswick Landing – Maine's Center for Innovation (“Brunswick Landing”) and Brunswick Executive Airport (“BXM”) are the products of the redevelopment of Naval Air Station, Brunswick (“NASB” a.k.a. “Brunswick Naval Air Station” or the “Base”). NASB was a military facility, which closed in May 2011 as the result of the 2005 Base Realignment and Closure (“BRAC”) process. Covering approximately 3,300 acres and located near the geographic center of Brunswick, NASB officials claimed the Base was Maine's second largest single-site employer in 2006, employing 4,710 full-time military and civilian personnel, of which 713 were civilians. Redevelopment is occurring under the direction of the Midcoast Regional Redevelopment Authority (“MRRA”), a public municipal corporation established by the Maine Legislature to implement the NASB Reuse Master Plan as set forth by the Brunswick Local Redevelopment Authority (“BLRA”).

Soon after the 2005 BRAC closure announcement, the Defense Employment and Transitions Steering (“DETS”) Committee, a subcommittee of the Coastal Counties Workforce Board, Inc., commissioned a study that resulted in the report entitled, *The Impact of the BRAC Ordered Closure of the Brunswick Naval Air Station: A Regional Community Audit and Strategic Implications for the Coastal Economy, Business and Workers*, and dated March 31, 2006 (the “CCW Report”). The CCW Report, projected the loss of 3,435 direct jobs and 1,441 indirect jobs with the closure of the Base.

Northeast Family Housing LLC, a private developer contracted by the US Navy, owned 573 Navy family housing units in Brunswick. In 2010 these units were sold to Affordable Midcoast Housing (“AMH”) and on May 3, 2011, MRRA sold the underlying land to AMH. AMH has sold all of the 231 housing units in the McKeen Street neighborhood to individual homeowners, and in June 2017 sold the Brunswick Landing housing of 332 units to Brunswick Landing Ventures, LLC with the majority of these units being sold to individual homeowners. In addition, 108 new apartment units have been constructed on Admiral Fitch Ave, and 85 single family homes are currently under construction on Brunswick Landing.

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

The United States government transfers properties to MRRA through Public Benefit Conveyances (“PBC”) and Economic Development Conveyances (“EDC”). Only properties that are determined to be “clean” through a Finding of Suitability to Transfer (“FOST”) are eligible to be transferred. The covenants of the Economic Development Conveyance from the United States government require all sales and leases of property be at market rate. MRRA is also required to pay the United States government 25% of its sales and lease revenues after receipt of the first \$7 million.

Since the first PBC for the airfield on March 28, 2011 and the EDC Purchase and Sale Agreement on September 28, 2011, the US Navy transferred approximately 1,950 of the approximately 2,257 acres MRRA is slated to receive. Of the non-airport property received, MRRA has sold 53 buildings and over 520 acres of land to 19 private sector developers and several individual businesses. At Brunswick Landing, MRRA currently has 12 direct tenants leasing 162,126 square feet in 13 EDC-acquired buildings, and 2 buildings built by MRRA. At Brunswick Executive Airport, MRRA currently has 41 direct tenants leasing 371,989 square feet in 12 PBC-acquired buildings, and 2 buildings built by MRRA.

Eighteen commercial and industrial buildings comprising 276,235 square feet have been constructed at Brunswick Landing. In 2020, Bar Harbor Bank and Trust, Dunkin Donuts, and Wild Oats opened new buildings. In the fall of 2021, Martin’s Point Healthcare opened a new 55,000 square foot medical office building. As of April 1, 2021, within the three TIF districts (as defined herein) on the former Base in Brunswick, nearly \$103.5 million in taxable real property value had been created from the previously tax-exempt Navy facilities, and new construction on Brunswick Landing.

The Navy has also conveyed properties to the Maine Community College System (“MCCS”). MCCS and its partner, the University of Maine System (“UMS”), have established associate, baccalaureate, certificate and training programs at Brunswick Landing. The renovated campus buildings include state-of-the-art classrooms and laboratories that support studies in pre-engineering, composites, business, health care, liberal arts and sciences and more. In addition, the Navy has conveyed properties to Bowdoin College and the Town, with approximately 1,100 acres reserved for conservation and recreation purposes.

According to MRRA, there are now over 150 public and private entities, with approximately 2,500 jobs, at Brunswick Landing and the Topsham Commerce Park, well exceeding the statutory short-term economic development goal of replacing the 713 civilian employees at Naval Air Station Brunswick. In addition, there are 120 Maine Army National Guard members and 124 Marine Corps Reservists assigned to their units at Brunswick Landing, and an LL Bean project at Brunswick Landing has resulted in the creation of approximately 75 new jobs at the existing manufacturing facility on Church Road in Brunswick.

MRRA, in partnership with the Maine Manufacturing Extension Partnership (“MMEP”) and Coastal Counties Workforce, Inc. (“CCWI”), received a \$2,425,000 grant from the Economic Development Administration, Department of Labor and National Institute of Standards and Technology to establish and fit-up a portion of the 95,000 square foot *TechPlace*, an Advanced Manufacturing, Science and Technology Business Accelerator on the campus of Brunswick Landing. The BDC and DECD/Town of Brunswick contributed \$250,000 each. Completed in 2015, and expanded by an additional 25,000 square feet in 2016,

*TechPlace* currently supports 35 early stage businesses, with over 100 employees, in the sectors of aviation/aerospace, biotech, composites and advanced materials, information technology, and clean technology. Since its inception, *TechPlace* has ‘graduated’ 16 companies, and several of these have located on Brunswick Landing.

Since it opened over eight years ago, Brunswick Executive Airport has seen significant increases in air traffic, with an estimated 27,000 takeoffs and landings in 2021, a 10% growth over 2020. Flight Level Aviation, the Fixed Base Operator, will exceed 400,000 gallons of fuel sold in 2021, up from 330,000 the previous year. The increase is the result of several factors, including the Great State of Maine Airshow, increased use of private aviation over commercial aviation due to the pandemic, three flight schools located at BXM, increased training exercises from military units. BXM participates in the FAA’s Military Airport Program (MAP), which provides special funding to assist airport authorities to convert former military airfields into civilian airports.

The airport is currently in the midst of a 10-year, \$40 million investment program of safety upgrades and improvements. To date, MRRA, the FAA (Federal Aviation Administration) and MDOT have invested \$14.5 million in the transition of a former military airfield into a general aviation airport, and over \$20.2 million in upgrading airport buildings. This includes construction of a new ten-unity T-Hangar building and a 15,867 square foot box hangar constructed in 2019 to help draw more businesses to the airport.

In September 2019, in cooperation with MRRA and local property owners and developers, the Town completed Landing Drive, a new road connecting Admiral Fitch Avenue, Brunswick Landing’s main artery, to Gurnet Road in Cooks Corner. Currently, the Town and MRRA are co-applicants for funding to complete another entry into Brunswick Landing by extending Katahdin Drive to connect with Bath Road. Both of these connections will facilitate better traffic flow and development in and around Brunswick Landing and Cook’s Corner. MRRA, the Town and Bowdoin College are also working on a plan for access to the west side of the Brunswick Executive Airport, which will facilitate development of a former traffic control tower. The Town will continue to utilize funding through its TIF districts to upgrade infrastructure as allowed. See also “INDEBTEDNESS – FUTURE FINANCING” and “PROPERTY TAXATION – TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS”.

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SOURCE: *Information contained herein was obtained from:*

- *BRAC Preparedness Strategy, Town of Brunswick, Maine, RKG Associates Inc. dated May 12, 2005;*
- *The Impact of the BRAC Ordered Closure of the Brunswick Naval Air Station: A Regional Community Audit* by Planning Decisions, Inc., and Career Prospects, Inc.;
- *Strategic Implications for the Coastal Economy, Business and Workers*, Coastal Counties Workforce, Inc., 3/31/06;
- <http://www.mrra.us>; and <http://mrra.us/mrra-annual-report-2021/>.

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

## **TOWN FINANCES**

### **BUDGETARY PROCESS**

Article V of the Town’s Charter provides for a budget process. The fiscal year (or “budget year”) of the Town begins on the first day of July and ends on the thirtieth day of June of the following year. The charter provides that the Town Manager submit a budget to the council by May 1st of each budget year. The proposed budget is made available to the general public not later than two weeks after its submission to the council, which then orders a public hearing. The charter further directs the council to adopt a budget not later than June 15th. If the appropriation resolve establishes a property tax levy that exceeds the property tax levy limit, as defined in Maine law, then the excess of the appropriation must be approved in a separate

article by a majority of the entire Town Council. The property tax levy limit of one year may not exceed the property tax levy limit from the prior year by more than a specified growth limitation factor (see "TOWN FINANCES – PROPERTY TAX LEVY LIMIT" herein). State law also requires that the education portion of the budget, approved by the Town Council, is subject to a budget validation ratification referendum of the voters. Upon adoption of the budget, a property tax levy is then established and filed with the town assessor.

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>REVENUES</b>					
Property Taxes	\$ 41,347	\$ 42,783	\$ 44,727	\$ 46,659	\$ 50,357
Vehicle Excise Taxes	3,240	3,300	3,490	3,275	3,500
Other Taxes	354	379	503	525	531
Licenses, Fees, & Permits	443	467	584	570	585
Intergovernmental	11,924	11,279	13,155	14,867	15,147
Charges for Service	1,277	1,361	1,497	1,616	1,718
Interest on Investments	150	215	220	100	50
Other	930	991	1,031	1,149	1,171
Transfers and Use of Balances	3,161	3,211	2,723	2,461	2,701
<b>TOTAL REVENUES</b>	<b>\$ 62,826</b>	<b>\$ 63,986</b>	<b>\$ 67,930</b>	<b>\$ 71,222</b>	<b>\$ 75,760</b>
<b>EXPENDITURES</b>					
General Government	\$ 4,001	\$ 4,005	\$ 4,454	\$ 4,635	\$ 5,034
Public Safety	9,232	9,566	10,306	10,649	11,233
Public Works	4,027	4,165	4,121	4,056	4,613
Human Services	181	184	198	834	651
Education	36,138	36,897	38,566	39,760	40,602
Recreation & Culture	3,013	3,198	3,393	3,267	3,620
Debt Service	2,613	2,227	2,559	3,937	3,986
County Tax	1,518	1,565	1,590	1,675	1,664
Unclassified	415	478	550	521	766
Transfers Out	1,688	1,701	2,193	1,888	3,591
<b>TOTAL EXPENDITURES</b>	<b>\$ 62,826</b>	<b>\$ 63,986</b>	<b>\$ 67,930</b>	<b>\$ 71,222</b>	<b>\$ 75,760</b>

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

**Budget Commentary**

The 2021/2022 budget was adopted on May 13, 2021 and amended on August 13, 2021. The Town budget is supported by aid from the State, and is affected by changes in State Aid. During development of the budget in the spring of 2021, the Town used the currently available estimates of revenues from the State. When the State's 2022/2023 biennial budget was subsequently finalized, both Revenue Sharing and State Aid to Education estimates were increased, by \$689,000 and \$1,510,784 respectively. Additionally, in July 2021, the Town Assessor projected an increase in the Town's taxable property valuation. The Town Council decided to amend the 2021/2022 budget to incorporate the increases in valuation and in estimated Revenue Sharing. Because amending the school department budget would require a second referendum

vote, the Council chose to take no action, and the additional education aid will flow to the fund balance restricted for education. The amended 2021/2022 municipal budget estimated a property tax rate of \$20.86/\$1,000, an increase of 2.41%, which was less than the previous year's increase of 3.3%.

The Town's 2022/2023 budget, in the second year of the State's biennial budget, will also be affected by revenues from the State, and the Town is watching the projections for State Aid to Education, State Revenue Sharing, and the Homestead Exemption. State Aid to Education is based on the Essential Programs and Services ("EPS") model, which is subject to change annually, and no assurances can be made that the State's subsidy program will continue in its present form.

Revenue Sharing is a program by which, since 1972, the State has shared a portion of its income and sales tax revenues with municipalities in order to provide a measure of property tax reduction. The percentage transferred into the pool for distribution to municipalities has been reduced from an original 5% since 2006, and is currently proposed to return to that level over several years. The portion transferred to the pool was set at 2% for FY 2016 to FY 2019, increasing to 3% for FY 2020, 3.75% for FY 2021 and 4.5% for FY 2022. For FY 2023, the State budget proposes a return to the full 5% transfer to the Revenue Sharing pool. For Brunswick, assuming level State income and sales tax revenues, the increase from 4.5% to 5% could result in an increase in State Revenue Sharing revenue of nearly \$350,000 in FY 2023. However, when budgeting this source, the Town is aware of the ongoing uncertainties about the COVID-19 pandemic, continuing fluctuations in the economy affecting the revenues available, and that the State's budget is subject to change.

The Homestead Exemption is a property tax exemption established by the State to benefit property tax payers. Previously, the law provided for a homestead exemption in the amount of \$10,000 with the State reimbursing municipalities at a rate of 50% of the lost revenue. Beginning in (FY 2017), the homestead exemption increased to \$15,000 with the State reimbursement continuing at 50%. In FY 2018, the homestead exemption increased to \$20,000, but the State reimbursement rate, which was originally projected to increase to 62.5% that year, was maintained at 50% in FY 2018, and only increased to 62.5% in FY 2019. The exemption amount and reimbursement rate were maintained for FY 2020, but for FY 2021 and FY 2022 the homestead exemption to taxpayers was increased to \$25,000, and the State reimbursement to municipalities was increased to 70%. The exemption increase benefits the property taxpayer, and with the increased reimbursement rate, is estimated to have a net neutral effect for the Town. In FY 2023 the State reimbursement rate is set to increase to 73%, and in following years to increase by 3% each year until the reimbursement rate reaches 100%. A 3% increase in State reimbursement could result in an estimated \$70K to Brunswick.

For a more complete discussion on these three sources of State Aid, see also "REVENUES FROM THE STATE" herein, and APPENDIX A – TOWN OF BRUNSWICK, MAINE, COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021.

Budgets over the past several years have been developed with the awareness that the Town had made significant use of reserves and one-time revenues in previous budgets. The Town Council has decided to continue allocating some fund balance to the budget, and since FY 2019 had maintained the amount used at \$500,000. With this level of fund balance used in the budget each year, the Town was able to restore its unassigned fund balance to the target level established in the Town's Fund Balance Policy, and budget surpluses have enabled the Town to use unassigned fund balance for capital projects through the Capital Improvement Program. With the COVID-19 related adjustments made when adopting the FY 2021 budget, the Council chose to increase the amount of fund balance used to \$650,000. For the FY 2022 budget, the Council reduced the use of fund balance back to \$547,000.

To anticipate future service requirements and develop sustainable budgets, the Town Finance Committee regularly works with five-year operating revenue and expenditure forecasts, and coordinates these with the Capital Improvement Program. The Town expected to encounter significant pressure on its property tax rates, beginning in FY 2021 when debt service payments on the new elementary school began and the debt service on the new central fire station, to begin in FY 2023. In developing the budgets for FY 2021 and FY 2022 the Town Council deliberately limited other expenditure lines to cover the required debt service, thereby controlling the tax rate.

The COVID-19 pandemic has introduced significant uncertainty into the forecasting process. Since the spring of 2020, the Town has made numerous adjustments to its facilities and operations, and has utilized available grant funding to the greatest extent possible. Federal aid was particularly important for the School Department. With the first two rounds of Coronavirus Relief Funds (“CRF”) through the US Department of Education, and the Elementary and Secondary School Emergency Relief (“ESSER”) Fund, established as part of the Education Stabilization Fund in the CARES Act, the school department has expended nearly \$6 million to continue delivering education services through a variety of new technologies and curriculum methodologies, used funding targeted to school nutrition to make meals available to all school families, and through CRF provided funding for child care to assist families with day programming outside of school.

COVID-19 related funding for municipal department operations has totaled \$330,812 to date, from a variety of public and private sources, including Disaster Assistance through the Federal Emergency Management Association (“FEMA”), which has helped to offset certain public safety costs, a grant through the non-profit Center for Tech and Civic Life, to conduct safe elections in Brunswick, and a *Keep Maine Healthy* awareness grant through the Maine Department of Health and Human Services (“DHHS”), with which Brunswick provided public outreach/education and local business support. In the spring of 2020, the Town contributed to Brunswick Development Corporation’s Pandemic Emergency Loan Fund, providing 0% interest loans for small businesses in the Town. From January to June of 2021 the Recreation Center was used as a vaccination site by Mid Coast Hospital, and recreation activities were moved to other locations. Since August 2021, the Town has also served as pass-through grantee for a CDBG (Community Development Block Grant) CV-19 Urgent Food Need Security Program grant of \$2.2 million to the Good Shepherd Food Bank. The funds have been used to distribute low-cost food supplies to food pantries and kitchens throughout the State.

In October 2021, the Town received \$1,085,052 as the first half of its State and Local Fiscal Recovery Fund (“SLFRF”) grant from the American Rescue Plan Act of 2021. With the release of the Final Rule in early January, and the standard allowance for revenue loss of \$10 million, the restrictions on eligible uses were eased, and Brunswick may now use some of the funds for ongoing governmental operations. The deadline to encumber funds is December of 2024, so the Town is taking time to research the eligibility rules and determine the best application.

Throughout the past year, the Finance Committee and Town Council have monitored revenues and potential savings in budgeted expenditures and capital outlays. With the development of the 2022/2023 budget during ongoing economic uncertainties, it is expected that the Town will continue to forecast revenues conservatively. The Town currently anticipates increased expenditures in certain areas of the budget. Personnel costs are expected to rise, due to the challenges of attracting employees in the current job market. The costs of fuel, electricity and solid waste collection and disposal are also increasing, as the Town is entering new contracts in the current economic environment. The Town Council and staff are committed to avoiding using one-time funds for ongoing costs, and plan to be restrained in use of fund balance in the operating budget. See also “TOWN FINANCES - FUND BALANCE – GENERAL FUND” herein.

## PROPERTY TAX LEVY LIMIT

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

Fiscal Year End	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
State Personal Income Factor	2.84%	2.61%	2.77%	2.89%	3.30%
Town Property Growth Factor	2.10%	1.42%	1.22%	2.10%	3.07%
Growth Limitation Factor	4.94%	4.03%	3.99%	4.99%	6.37%
Property Tax Levy Limit	\$ 16,815,402	\$ 17,493,063	\$ 18,191,036	\$ 19,057,267	\$ 19,669,913
Property Tax Levy	<u>13,862,157</u>	<u>13,979,744</u>	<u>14,443,227</u>	<u>14,123,472</u>	<u>15,939,732</u>
Over/(below) Prop Tax Levy Limit	\$ (2,953,245)	\$ (3,513,319)	\$ (3,747,809)	\$ (4,933,795)	\$ (3,730,181)

## FUND BALANCE – GENERAL FUND

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

### Fund Balance as % Revenues – General Fund

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Unrestricted General Fund Balance	\$ 13,493,551	\$ 14,812,789	\$ 15,875,333	\$ 16,599,749	\$ 19,770,996
Total Revenues	61,517,380	62,944,607	65,228,364	69,477,394	75,394,600
<b>As a % of Revenues</b>	<b>21.93%</b>	<b>23.53%</b>	<b>24.34%</b>	<b>23.89%</b>	<b>26.22%</b>
Unassigned General Fund Balance	\$ 11,792,687	\$ 11,488,110	\$ 12,430,139	\$ 12,002,583	\$ 17,115,570
Total Revenues	61,517,380	62,944,607	65,228,364	69,477,394	75,394,600
<b>As a % of Revenues</b>	<b>19.17%</b>	<b>18.25%</b>	<b>19.06%</b>	<b>17.28%</b>	<b>22.70%</b>

For the year ended June 30, 2021 the target unassigned fund balance was \$12,586,280. The actual balance, at 22.7% of GAAP revenues, is \$4,547,290 above the target. This was anticipated, as the Town had experienced balances below the target in FY 2013 and FY 2014, and has followed its plan to maintain the balance above the target level. The Town has continued its effort to limit the use of fund balance to offset operating expenditures, though in response to the COVID-19 pandemic, and lower revenue expectations, the Town increased the use of fund balance in the 2020-21 municipal budget from \$500,000 to \$650,000. Unanticipated surplus revenues, as well as controls on expenditures resulted in a larger unassigned balance than expected as of the end of the 2020/2021 fiscal year. In accordance with the Fund Balance Policy, amounts in excess of the targeted unassigned fund balance as of June 30, 2021 may be used for one-time expenditures or capital improvements, with additional expenditures recommended through the Town's Capital Improvement Program, currently in development. See the TOWN FINANCES – CAPITAL IMPROVEMENT PROGRAM" following.

## **CAPITAL IMPROVEMENT PROGRAM**

Article VI, Section 601 of the Town's Charter requires that the Town Manager prepare and submit a five-year Capital Improvement Program ("CIP") at the same time as the annual budget is submitted. The CIP includes a list of all capital improvements proposed over the next five fiscal years, methods of financing, time schedules and annual cost to support the proposed program. The CIP is a plan; it does not fund any projects. Project funding can be authorized in a variety of formats, all of which involve a separate action by the Town Council. The Town's Charter requires any project over \$1,000,000 or to be financed with debt be approved by ordinance, the process for which includes a public hearing.

The Town's current CIP policy, procedures and format were adopted by the Council in February 2013, and updated in December 2018. The annual CIP is now developed in the fall each year, and finalized in early spring for submittal to the Council. The policy establishes the content and format of the Town's capital improvement planning and provides guidelines for funding methods. For clarity in planning, the policy specifies that projects be grouped in one of four classifications:

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

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

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

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

The CIP Policy also recommends certain principles with regard to financing methods:

*Debt Financing* - Projects or acquisitions to be funded wholly or partially with debt issued by the Town should have a cost to the Town of at least of \$325,000 and a life expectancy of five years or greater. However, the Town Council may authorize the issuance of debt for projects and acquisitions that have a cost to the Town of at least \$100,000. Debt shall never be issued for a term longer than the life expectancy of the project or acquisition.

*General Revenues* - Projects or acquisitions funded from general revenues or property taxation. Annual funding from this source should represent 4% - 7% of the total operating budget.

*Fund Balances* - Projects to be funded with fund balances shall be those that meet the purpose and intent of the fund. Funding from the unassigned general fund balance should be consistent with the Town's General Fund Policy.

*Reserves* - Projects to be funded from reserves should be those that meet the purpose and intent of the reserve.

*Non-Town Sources* - Projects to be funded from non-town sources should meet the restrictions requirements of the funding provider.

Beginning with its establishment in August 2014, the Finance Committee assumed the duties of the CIP Committee, and has followed the new CIP policy and procedures in the development of the CIP. On May 13, 2021, the Town Council adopted a CIP for fiscal years ending 2022 through 2026. This document, previous CIPs, and current drafts are available on the Town's website: <https://me-brunswick.civicplus.com/161/Capital-Improvement-Program>

On November 8, 2021, the Town Manager submitted the first draft of the CIP for fiscal years ending 2023 through 2027 in a public workshop to the Finance Committee and other Town Councilors for consideration. The Finance Committee held several additional workshops in November and December 2021, and plans to continue work in January and February 2022. The Town Manager is scheduled to present a recommended CIP to the Town Council on February 21, 2022. The Town Council will review the CIP in conjunction with its development of the 2022/2023 budget, and it is anticipated that the 2023 through 2027 CIP will be adopted by the Town Council at the same time as the 2022/2023 budget scheduled for May 2022. Adoption of the CIP does not constitute funding of capital projects. Appropriation of funds, or authorization of the issuance of bonds, will happen in a separate action of the Town Council.

Information from the Manager's DRAFT 2023 through 2027 CIP is on the following page.

## CIP Projects Recommended for Funding (Manager's Draft #2, December 2021)

### DRAFT -- For Fiscal Years Ending 2023-2027 -- DRAFT

PROJECTS	2022-23	2023-24	2024-25	2025-26	2026-27	TOTALS
Facilities - Improvements	\$ 482,000	\$ -	\$ -	\$ -	\$ -	\$ 482,000
Infrastructure	4,097,000	5,742,000	5,742,000	2,596,000	1,750,000	19,927,000
Capital Acquisitions	400,000	110,000	-	1,500,000	300,000	2,310,000
Municipal vehicle/equip/facilities	1,191,500	1,231,160	1,272,406	1,315,303	1,359,915	6,370,284
Municipal annual work programs	2,200,000	2,300,000	2,425,000	2,550,000	2,650,000	12,125,000
School vehicle replacement	400,000	450,000	500,000	550,000	600,000	2,500,000
School annual work programs	1,186,150	796,450	863,350	377,600	254,300	3,477,850
<b>TOTALS</b>	<b>\$ 9,956,650</b>	<b>\$ 10,629,610</b>	<b>\$ 10,802,756</b>	<b>\$ 8,888,903</b>	<b>\$ 6,914,215</b>	<b>\$ 47,192,134</b>

### FUNDING SOURCES

General Obligation Bonds	\$ -	\$ -	\$ -	\$ 2,100,000	\$ -	\$ 2,100,000
GO Bonds - TIF funded	200,000	570,000	800,000	-	-	1,570,000
General Fund Balance	820,000	110,000	-	-	300,000	1,230,000
Municipal Revenues	3,391,500	3,531,160	3,697,406	3,865,303	4,009,915	18,495,284
School Revenues	1,586,150	1,246,450	1,363,350	927,600	854,300	5,977,850
State of Maine	1,867,000	2,226,000	3,828,500	755,500	685,000	9,362,000
Donations/Grants	902,000	1,880,000	-	-	-	2,782,000
TIF Revenues	1,190,000	1,066,000	1,113,500	1,240,500	1,065,000	5,675,000
<b>TOTALS</b>	<b>\$ 9,956,650</b>	<b>\$ 10,629,610</b>	<b>\$ 10,802,756</b>	<b>\$ 8,888,903</b>	<b>\$ 6,914,215</b>	<b>\$ 47,192,134</b>

Within the *Projects Recommended for Funding*, the following projects, if pursued, are proposed to be funded with long-term debt, some of which would be serviced with TIF revenues:

### 2022-26 CIP - Recommended for Funding with General Obligation Bonds -- DRAFT December 2021

PROJECTS	2022-23	2023-24	2024-25	2025-26	2026-27	TOTALS
Pleasant Street Corridor	\$ 100,000	\$ 150,000	\$ 800,000	\$ -	\$ -	\$ 1,050,000
Bike Path Paving	-	-	-	600,000	-	600,000
Perryman Drive Extension	100,000	420,000	-	-	-	520,000
Fire Dept Ladder Truck	-	-	-	1,500,000	-	1,500,000
<b>RECOMMENDED TOTALS</b>	<b>\$ 200,000</b>	<b>\$ 570,000</b>	<b>\$ 800,000</b>	<b>\$ 2,100,000</b>	<b>\$ -</b>	<b>\$ 3,670,000</b>

**Pleasant Street Corridor** - In September 2019, the Town and MDOT entered into an agreement through the Planning Partnership Initiative ("PPI") to complete the Pleasant Street Corridor Study, which reviewed and made recommendations on access management, frontage roads, changes to lane configuration, additions to the roadway grid, traffic demand management, traffic signal modifications and bicycle and pedestrian access. Based on the study, three intersections on Pleasant Street were identified as priorities: at Mill Street, River Road and Church Road. The CIP project is for a total of \$5,250,000 over three years, with 80% funded by MDOT, and the 20% local match funded through the issuance of bonds. Pleasant Street is a Transit Corridor in the Downtown Transit Oriented TIF District, and the debt service is expected to be paid with TIF revenues.

**Bike Path Paving** - The Bike Path is a 2.6-mile 14-foot wide paved bicycle/pedestrian path along the Androscoggin River which was completed in 2000. The Town is beginning to plan for the repaving of the path, and the currently proposed funding source is expected to be from the issuance of bonds.

**Perryman Drive Extension** - Currently, Perryman Drive connects from Gurnet Road, at the Landing Drive intersection, to Brunswick Housing Authority's Perryman Village. This project would enhance/replace the existing Perryman Drive, and construct a 870 foot section of road to extend Perryman Drive through to Thomas Point Road. This work would provide the existing and future businesses on Thomas Point Road access to the Cooks Corner area through a signalized intersection, reducing the need for motorists to utilize the Bath Road/Thomas Point Road intersection, which MDOT has classified as a high crash location. The Town is preparing an application to the US Economic Development Administration ("EDA") for grant funding, and the CIP projects a match of 20% to come from bonds, with debt service expected to be paid with Cook's Corner TIF District revenues.

**Fire Dept Tower 1 Replacement (Ladder Truck)** - Tower 1 is a 2006 Pierce, and is the only aerial truck owned by the Fire Department. Based on the vehicle replacement schedule, the truck is scheduled for retirement in 2026. The Fire Department estimates the cost of replacement at \$1,500,000.

### CIP Projects in Development

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

#### CIP - In Development for Funding with General Obligation Bonds -- DRAFT December 2021

PROJECTS	2022-23	2023-24	2024-25	2025-26	2026-27	TOTAL
Downtown Streetscape	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
Public Works Facility	-	-	12,000,000	-	-	12,000,000
Turner Street Extension	-	-	2,313,333	-	-	2,313,333
Pleasant Street Sidewalks	-	-	-	1,200,000	-	1,200,000
Bike Path-Bath Rd Connection	-	-	-	5,330,000	-	5,330,000
Downtown Parking Facility	-	-	-	-	5,000,000	5,000,000
Thomas Point Road Improvements	-	-	-	-	4,000,000	4,000,000
Quiet Zones-Church & Stanwood	-	-	-	-	1,250,000	1,250,000
<b>IN DEVELOPMENT TOTALS</b>	<b>\$ -</b>	<b>\$ 5,000,000</b>	<b>\$ 14,313,333</b>	<b>\$ 6,530,000</b>	<b>\$ 10,250,000</b>	<b>\$ 36,093,333</b>

**Downtown Improvements** - Brunswick's downtown area consists primarily of Maine Street from the Frank Wood Bridge to the First Parish Church, and the adjoining side streets. Sidewalks on Maine Street are pavers, the majority of which were installed between 1990 and 2001, and are now aging significantly. Ornamental light poles along Maine Street were also installed in the 1990's and are in need of upgrade. The Town is currently putting together a plan to upgrade the sidewalks and lighting, along with addressing the health and location of trees along Maine Street. The project will be consistent with the Downtown Master Plan, and revenues from the Downtown and Transit-Oriented TIF District may be used to fund the project. The draft CIP indicates funding through the issuance of debt, with associated debt service paid with TIF revenues.

**Public Works Facility** - This project proposes a new 40,000 sf facility on Industry Road, which would include offices, locker rooms, vehicle repair bays and covered parking for vehicles and equipment. Intended to replace the existing 16,972 sf facility, which was constructed in 1956 and is undersized for the current needs of the public works operations. The proposal is in the early phases of consideration, and the CIP recommends the appropriation of \$120,000 from general fund balance to conduct a needs assessment and preliminary design of the facility. Currently estimated at \$12,000,000, the cost of construction is expected to be funded through the issuance of bonds.

**Turner Street Extension** - This project was identified during the MDOT's study of the Mill and Stanwood Street intersection. Extending Turner Street through to Stanwood Street would help alleviate the concern with the left-turning traffic off Stanwood Street and the right-turning traffic off Pleasant Street. The CIP anticipates partial funding through MDOT, with the Town share to come from long-term debt.

**Pleasant Street Sidewalks** - The work on the three intersections in the Pleasant Street Corridor project would greatly improve the Pleasant Street corridor, but funding is not available to improve the existing sidewalks on Pleasant Street. This project would replace the existing granite curb and improve the sidewalks to current standards.

**Bike Path – Bath Road Connection** - This project is to connect the Bike Path to Cook's Corner. The proposed scope of work would include Phase 1: a 6-foot wide sidewalk on Grover Lane from the terminus of the bike path to Old Bath Road, and a 10-foot wide multi-use path on Old Bath Road from Maplewood Manor to Old Bath Road Bridge; and Phase 2: a pedestrian bridge over Route 1 adjacent to the Old Bath Road bridge, and a 10-foot wide multi-use path on Old Bath Road from Maplewood Manor to the Old Bath Road bridge. The Town is looking into coordination with and possible funding from MDOT for a portion of this project, but the CIP currently lists bonds as the funding source.

**Downtown Parking Facility** - Over the past several years, the Town has looked at a number of options to relieve the parking issues in its downtown area. With the understanding that a parking garage/structure would require an external funding source such as a grant, the project was included in the CIP as partially funded through debt. In July 2018, in order to have a parking structure option 'shovel ready' for potential federal funding resources, the Town Council approved the use of up to \$75,000 in Downtown TIF revenues to fund a site selection/feasibility study for a parking structure in downtown Brunswick. Becker Structural Engineers were selected to conduct a study, a report to include a site, proposed design, and estimated cost. Any long-term debt issued for this project is expected to be paid with the use of Downtown TIF revenues.

**Thomas Point Road Improvements** - The Perryman Drive Extension project would provide better connectivity, allowing for development of several currently undeveloped parcels, and an anticipated increase in activity on Thomas Point Road. With this project, Thomas Point Road would be expanded to include wider shoulders and a sidewalk to help make the area more pedestrian friendly. The CIP proposes funding through the issuance of bonds, with debt service to be paid with Cook's Corner TIF revenues.

**Quiet Zones – Church & Stanwood Streets** - In 2018, the Town implemented a Quiet Zone extending from the Freeport town line to the Train Station. A requirement of a quiet zone is that the crossings be analyzed regularly to determine if the safety rating falls below the national average. With increasing traffic in Brunswick and the possibility of increased rail traffic in the future it may be necessary to add additional safety measures to the crossings to maintain the quiet zones. This would likely require the installation of quad gates at the crossings on Stanwood Street and Church Road.

**Other Debt Supported Projects** - The Town has a number of other plans and reports that call for projects that, if undertaken, would most likely be funded with bonds. Departments have submitted a variety of projects, including infrastructure improvements, building improvements, vehicle acquisitions, equipment acquisitions, and other items to be assessed in the CIP process. The total of the other debt-funded projects proposed to be included in the CIP process, but not currently being pursued, is estimated at \$2.33 million. While it is the Town's intent to bring all capital requests through the CIP process, no assurances can be given that projects not included in the CIP will ultimately be funded.

## **INVESTMENT POLICY**

In October, 2016, the Town adopted a revised Investment Policy, replacing a 1985 policy. Pursuant to its policy and applicable Maine law (Title 30-A, Section 5706 *et seq.* of the Maine Revised Statutes, as amended (the “Act”) all investments of the Town must be made with the judgment and care that persons of prudence, discretion and intelligence, exercise in the management of their own affairs, not for speculation but for investment considering (i) safety of principal and preservation of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements that may be reasonably anticipated, and (iii) return of income commensurate with avoidance of unreasonable risk. In September 2021, the Town amended the Investment Policy to incorporate environmental, social and corporate governance (“ESG”) considerations.

The Town’s investment practice is to maintain a cash and investment pool that is available for use by all funds and consists of short-term investments. The Town invests principally in bank certificates of deposit, repurchase agreements, money market mutual funds, and direct obligations of the United States government and its agencies. The Town does not invest in any obligations typically referred to as derivatives, meaning obligations created from, or whose value depends on or is derived from, the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest.

## **FINANCIAL STATEMENTS**

Title 30-A, Chapter 223, Subchapter VIII of the Maine Revised Statutes, as amended, and Article II Section 213 of the Town’s Charter provide for independent annual audits of the Town’s accounts and establishes procedures for such audits. The Town, in conformance with this statute and its Charter at present engages the services of Runyon Kersteen Ouellette, Certified Public Accountants. The audited basic financial statements, as included in the Town’s Annual Comprehensive Financial Report (“ACFR”), for the fiscal year ended June 30, 2021 are presented as APPENDIX A to this Continuing Disclosure Statement. Runyon Kersteen and Ouellette has not reviewed this Continuing Disclosure Statement nor taken any part in its preparation.

Beginning with the 2016-2017 fiscal year, the Town has also produced a Popular Annual Financial Report (“PAFR”) under a Government Finance Officers Association (“GFOA”) program. With this report, the Town has extracted information from the ACFR to produce a financial report specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. Along with other financial reports, the PAFR is made available on the Town’s website at <https://me-brunswick.civicplus.com/163/Financial-Reports> and in printed form in Town Hall and the Town’s library. The report intends to provide transparency, and promote interest, questions and further understanding of the Town’s finances.

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

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

- The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes (not including permanent funds or major capital projects).
- **Debt Service Funds** account for resources accumulated and payments made for principal and interest on general obligation debt of governmental funds.
- **Capital Projects Funds** account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or permanent funds.
- **Permanent Funds** account for resources where principal is legally restricted by a formal trust agreement and only earnings may be used for purposes that benefit the government or its citizenry.

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

- **Enterprise Funds** are used to account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.
- **Internal Service Funds** are used are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component units.

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

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

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>ASSETS</b>					
Cash & Investments	\$ 23,560,748	\$ 23,966,484	\$ 16,170,103	\$ 24,174,102	\$ 24,410,240
Taxes Receivable	838,933	968,616	863,629	1,415,815	986,649
Tax Liens & Acq. Property	327,212	299,537	294,929	300,001	206,757
Accounts Receivable	725,531	812,679	873,255	970,715	1,220,899
Prepaid items	1,236	-	1,236	1,236	1,236
Due from Other Funds	-	-	6,360,945	-	3,465,252
Advances to Other Funds	272,448	181,632	727,778	1,582,610	586,606
Other	25,287	28,015	38,156	20,159	34,811
<b>TOTAL ASSETS</b>	<b><u>\$ 25,751,395</u></b>	<b><u>\$ 26,256,963</u></b>	<b><u>\$ 25,330,031</u></b>	<b><u>\$ 28,464,638</u></b>	<b><u>\$ 30,912,450</u></b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 544,066	\$ 612,151	\$ 841,707	\$ 1,096,646	\$ 1,063,024
Accrued Payroll	3,550,909	3,731,016	3,820,607	4,035,079	4,061,265
Due to Other Funds	2,342,999	1,452,771	-	1,211,257	-
Other	362,191	597,833	309,791	389,052	176,682
<b>TOTAL LIABILITIES</b>	<b><u>6,800,165</u></b>	<b><u>6,393,771</u></b>	<b><u>4,972,105</u></b>	<b><u>6,732,034</u></b>	<b><u>5,300,971</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Property Taxes	779,093	821,353	716,262	764,028	444,809
Unavailable Revenues	240,892	236,583	264,348	346,738	496,261
<b>TOTAL DEFERRED INFLOWS</b>	<b><u>1,019,985</u></b>	<b><u>1,057,936</u></b>	<b><u>980,610</u></b>	<b><u>1,110,766</u></b>	<b><u>941,070</u></b>
<b>FUND BALANCES</b>					
Nonspendable	298,971	209,647	767,170	1,604,005	622,653
Restricted	4,138,723	3,782,820	2,734,813	2,418,083	4,276,760
Assigned	1,700,864	3,324,678	3,445,194	4,597,167	2,655,425
Unassigned	11,792,687	11,488,111	12,430,139	12,002,583	17,115,571
<b>TOTAL FUND BALANCES</b>	<b><u>17,931,245</u></b>	<b><u>18,805,256</u></b>	<b><u>19,377,316</u></b>	<b><u>20,621,838</u></b>	<b><u>24,670,409</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b><u>\$ 25,751,395</u></b>	<b><u>\$ 26,256,963</u></b>	<b><u>\$ 25,330,031</u></b>	<b><u>\$ 28,464,638</u></b>	<b><u>\$ 30,912,450</u></b>

NOTES: Prepared from Audited Financial Statements. Items may have been restated for comparative purposes. The Town has a fund balance policy. See "TOWN FINANCES – FUND BALANCE – GENERAL FUND" herein.

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

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>REVENUES</b>					
Taxes	\$ 44,215,165	\$ 45,343,860	\$ 47,471,712	\$ 49,424,031	\$ 53,382,098
Licenses, Fees & Permits	497,091	542,223	722,963	535,870	793,475
Intergovernmental	14,612,707	14,507,450	14,466,298	17,038,818	18,869,314
Charges for Services	1,470,469	1,569,433	1,617,504	1,727,133	1,757,173
Interest on Investments	146,700	339,454	425,712	300,692	89,306
Other	575,248	642,187	524,175	450,850	503,234
<b>TOTAL REVENUES</b>	<b>61,517,380</b>	<b>62,944,607</b>	<b>65,228,364</b>	<b>69,477,394</b>	<b>75,394,600</b>
<b>EXPENDITURES</b>					
General Government	3,724,978	3,646,187	3,797,725	4,184,097	4,453,697
Public Safety	8,560,448	8,811,980	9,160,603	9,952,658	10,418,384
Public Works	3,693,270	3,833,995	3,732,136	3,771,060	3,673,995
Human Services	139,921	163,348	202,823	374,486	326,105
Education	36,034,705	36,445,089	37,779,553	39,756,590	40,752,499
Recreation & Culture	2,771,480	3,017,995	3,083,440	3,230,972	3,178,169
Debt Service	2,373,601	2,536,928	2,628,705	2,556,331	3,934,013
County Tax	1,410,855	1,517,700	1,565,279	1,590,123	1,674,551
Unclassified	29,868	130,537	199,922	103,265	70,742
<b>TOTAL EXPENDITURES</b>	<b>58,739,126</b>	<b>60,103,759</b>	<b>62,150,186</b>	<b>65,519,582</b>	<b>68,482,155</b>
<b>OTHER SOURCES (USES)</b>					
Transfers In	514,000	506,389	600,000	678,946	763,000
Transfers Out	(1,679,144)	(2,473,226)	(3,106,118)	(3,392,236)	(3,626,874)
<b>TOTAL OTHER SOURCES (USES)</b>	<b>(1,165,144)</b>	<b>(1,966,837)</b>	<b>(2,506,118)</b>	<b>(2,713,290)</b>	<b>(2,863,874)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>1,613,110</b>	<b>874,011</b>	<b>572,060</b>	<b>1,244,522</b>	<b>4,048,571</b>
<b>BEGINNING FUND BALANCE</b>	<b>16,318,135</b>	<b>17,931,245</b>	<b>18,805,256</b>	<b>19,377,316</b>	<b>20,621,838</b>
<b>ENDING FUND BALANCE</b>	<b><u>\$ 17,931,245</u></b>	<b><u>\$ 18,805,256</u></b>	<b><u>\$ 19,377,316</u></b>	<b><u>\$ 20,621,838</u></b>	<b><u>\$ 24,670,409</u></b>

NOTES: Prepared from Audited Financial Statements.

This statement is produced using (GAAP Basis). To reconcile the GAAP basis to the basis used for budget purposes (Budget Basis), it is necessary to subtract from the GAAP basis the amount the State of Maine contributes to the Maine Public Employees Retirement System (“MainePERS”) for employees enrolled in the MainePERS Teacher Retirement Plan. The amounts to be subtracted for the fiscal years ended June 30, 2021, 2020, 2019, 2018 and 2017 are \$3,687,452, \$3,592,142, \$2,821,269, \$2,507,000, and \$2,213,000, respectively.

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

## **PROPERTY TAXATION**

### **GENERAL**

The principal revenue source of the Town is the tax on real and personal property. A single tax applies for each fiscal year to the assessed value of the taxable real or personal property. The Town's tax collector receives the tax commitment from the town assessor, with assessed values as of April 1 of each year, after which time the tax bills are mailed. For fiscal 2021/2022 personal property taxes were due by October 15, 2021. Real estate taxes are due in two installments with one-half due October 15, 2021 and one-half due April 15, 2022. All taxes paid after the due dates will be subject to interest at a rate established by the Town. The rate for fiscal year ended June 30, 2022 is 6.0% per annum.

Maine law permits towns 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 \$226,622 for the year ending June 30, 2022.

### **Real Estate Tax**

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

### **Business Personal Property Tax**

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

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

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

reimbursement plus 50% of their tax base percentage that is made up of personal property. For example, if a town's tax base is 20% personal property, it would be eligible for a reimbursement rate of 60%, which is a combination of the minimum 50% reimbursement *plus* one-half of that municipality's 20% "personal property factor".

3. Municipal Retention TIF Districts – Certain TIF districts that were enacted prior to April 1, 2008 entitle a municipality to receive reimbursement at a rate of up to 100% for exempt business equipment that is TIF exempt business equipment as defined in Title 36, Section 691(1)(G) of the Maine Revised Statutes, as amended. The increased reimbursement percentage is based on the tax increment percentage allocated to the municipality, as provided in Title 36, Section 694(2)(C) of the Maine Revised Statutes, as amended.

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

## TAX COLLECTIONS

Fiscal Yr. End	Equalized		Collections					
	State Valuation	Assessed Valuation <sup>(1,2,3)</sup>	Tax Rate	Tax Levy <sup>(1&amp;2)</sup>	(after Supplements / Abatements)		% of Levy	% of Levy a/o 6/30/21
<u>June 30,</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>Levy</u>	<u>a/o 6/30/21</u>
2022	\$2,595,900	\$2,424,887	\$20.86	\$50,583	-----	-----	In Process	-----
2021	2,509,500	2,374,234	20.37	48,363	\$47,401	98.01%	98.01%	
2020	2,319,900	2,304,034	19.72	45,436	44,010	96.86	99.58	
2019	2,252,400	2,276,234	18.92	43,066	42,238	98.08	99.94	
2018	2,184,050	2,266,215	18.37	41,630	40,475	97.23	99.96	
2017	2,082,600	1,382,600	29.35	40,579	39,573	97.52	99.98	
2016	2,000,400	1,374,997	28.36	38,995	38,157	97.85	99.99	
2015	2,026,250	1,359,621	27.40	37,254	36,270	97.36	100.00	
2014	1,983,450	1,335,461	26.54	35,443	34,612	97.65	100.00	
2013	2,028,050	1,337,807	24.90	33,311	32,484	97.52	100.00	
2012	2,141,500	1,302,514	23.68	30,844	29,935	97.05	100.00	

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

<sup>(2)</sup> Prior to 2018-19 the State reimbursed the Town for 50% of Homestead Exemptions provided to resident property taxpayers of the Town. Beginning in the 2018-19 fiscal year, the State reimbursed the Town for 62.5% of the taxes exempted through the Homestead Exemption program, and increased the reimbursement percentage to 70% beginning in the 2020-21 fiscal year. The percentage is scheduled to increase to 73% for the 2022-23 fiscal year, and 100% beginning in the 2023-24 fiscal year. The Town budgets the reimbursement as property tax revenue. The Assessed Valuation has been adjusted to add back a corresponding percentage of the Homestead Exemption value. The Gross Levy has also been adjusted to include the amount of tax reimbursement.

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

## LARGEST TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	As of April 1, 2021				
		<u>Real Estate</u>	<u>Personal Property</u>	<u>Assessed Total</u>	<u>Property Tax</u>	<u>% of Levy</u>
Bath Iron Works Corp	Shipbuilding	\$ 27,621,600	\$ 10,951,300	\$ 38,572,900	\$ 804,631	1.58%
MRRA	Development	33,576,296	3,400	33,579,696	700,472	1.38%
Brookfield White Pine Hydro LLC	Utility	33,154,600	-	33,154,600	691,605	1.36%
Central Maine Power	Utility	26,383,500	1,426,200	27,809,700	580,110	1.14%
Brunswick Landing Venture LLC	Housing	24,282,500	35,800	24,318,300	507,280	1.00%
Brunswick MZL LLC	Shopping Ctr	23,683,900	-	23,683,900	494,046	0.97%
Walmart RE Business Trust	Retail	16,250,000	2,438,100	18,688,100	389,834	0.77%
Maine Natural Gas	Utility	16,214,100	568,100	16,782,200	350,077	0.69%
Thornton Oakes Homeowners	Housing	14,844,750	214,500	15,059,250	314,136	0.62%
W/S Brunswick Properties	Shopping Ctr	13,640,200	-	13,640,200	284,535	0.56%
						10.06%

NOTE: Per the tax commitment on September 1, 2021 the total taxable assessed value of the Town was \$2,437,166,780, which includes \$146,316,633 of total taxable valuation in the Town's TIF Districts and excludes all exemptions.

## TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS

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

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

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

- (1) The development program contains project costs, authorized by section 5225, subsection 1, paragraph A, that exceed \$10,000,000;
- (2) The geographic area consists entirely of contiguous property owned by a single taxpayer;
- (3) The assessed value exceeds 10% of the total value of taxable property within the municipality or plantation; and
- (4) The development program does not contain project costs authorized by section 5225, subsection 1, paragraph C.

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

The Seahawk TIF District (formerly named the Molnlycke TIF District), the Brunswick Landing TIF District and the Brunswick Executive Airport TIF District are all exempt from the foregoing limitations because the entire military redevelopment zone was designated to be considered a Pine Tree Development Zone pursuant to Title 30-A, Section 5250-J(3-A) of Maine Revised Statutes, as amended. The Downtown Transit-Oriented TIF District is also exempt from the limitations, under the transit district qualification.

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

For the year ended June 30, 2022, the Town has a total of \$146,316,633 in captured valuation within five TIF districts. Three of the TIF districts are on the site of the former Brunswick Naval Air Station, and one is nearby, in the Cook's Corner area. The last is the Downtown Development and Transit-Oriented TIF District. The tax revenue captured in these districts totals \$3,052,165 for the 2021-22 fiscal year. The Town has entered into several Credit Enhancement Agreements (CEAs) with individual organizations for economic development purposes, as permitted within its five TIF districts. The TIF revenues distributed under CEAs in the 2021-22 fiscal year totaled \$890,920.

As described above, the Town's districts do not exceed the statutory limitation of total area and aggregate equalized value within all districts, determined as of their date of designation. The Town has not designated and is not currently considering any affordable housing districts.

## **REVENUES FROM THE STATE**

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

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

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

<b><u>Yr. End June 30,</u></b>	<b><u>School Subsidy</u></b>	<b><u>Revenue Sharing</u></b>	<b><u>Homestead Reimbursement</u></b>	<b><u>Other State Aid</u></b>	<b><u>Total State Aid</u></b>
2021	\$12,257,024	\$2,526,422	\$1,561,742	\$5,183,937	\$21,529,125
2020	11,058,375	1,939,959	1,112,441	4,819,632	18,930,407
2019	9,973,197	1,258,491	1,052,581	3,154,278	15,438,547
2018	10,542,828	1,159,148	792,753	2,805,474	15,300,203
2017	10,976,255	1,122,790	670,521	2,494,494	15,264,060

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

*School Subsidy* provides the bulk of Brunswick's State Aid, and there have been many changes to the appropriation formulas over the past several years. The changes have included adjustments to the calculation of municipal valuations and pupil counts, and the exclusion of certain administrative costs from the EPS formula. Beginning with the FY 2014 budget, school units are now required to fund the normal cost of MainePERS Teacher Plan retirement. Beginning with the FY 2019 budget, the State funding for CTE was made directly to the CTE Centers, rather than through the sending schools. This reduced the amount of State Aid allocated to Brunswick, but also reduced the amount Brunswick is responsible to pay to Region 10 correspondingly.

The 2020/2021 State biennial budget included additional funding for education resulting in an increase of nearly \$1.1 million, or 10.9%, in State education aid to Brunswick in the first year (FY 2020), and an estimated increase of \$1.3 million or 12.1% in the second year (FY 2021). This increase includes grant funds approved by the State Legislature to provide start-up funding for new or expanded preschool classrooms. For the 2019/2020 school year, the Brunswick School Department provided pre-school for the first time, adding one pre-school classroom, and funding for this was included in the EPS formula. With the opening of the new elementary school in September 2020, the School Department increased its preschool capacity to four classrooms, but with the COVID-19 pandemic, did not experience full enrollment.

With the State's adoption of the 2022/2023 biennial budget, the FY 2022 State education aid to Brunswick, which originally was projected to decline by \$870,705 from FY 2021, is currently projected to increase by \$732,957 from FY 2021. As previously discussed, the EPS formula is subject to legislative change, but even with no changes to the formula, school enrollment and valuation changes in Brunswick will affect the calculation of State Subsidy to Brunswick schools in FY 2023.

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

Additionally, since 2010, the State has ordered transfers from the pool to the State's General Fund, thus reducing the amount to be distributed to municipalities. Beginning in FY 2016 the State changed the annual transfer into the revenue sharing pool to 2% of State sales and income taxes, with the 5% allocation to resume in FY 2020. With each budget, the State re-adjusted the timeline, and the allocation to revenue sharing was increased, to 3% for FY 2020, 3.75% for FY 2021 and 4.5% for FY 2022. With the State's 2022/2023 biennial budget, the allocation to the pool is set to return to 5% for FY 2023. As of July 2021, the State's revenue sharing distribution for FY 2022 was projected to be \$182 million, with \$3,139,900

projected for the Town. The State's Revenue Forecasting Committee report from December 2021, projects that the FY 2022 transfer could be 10 - 12% higher than previously estimated, and that the revenue sharing distribution for FY 2023 could be \$230 million. The revenues transferred to the pool are based on actual income and sales tax revenues collected by the State, which is dependent on multiple factors in the economy.

The Maine *Homestead Exemption* program is established through statute, but is administered locally. Eligible homeowners file the homestead application with the Town Assessor, and the taxable value of their property may be reduced by the State-determined homestead exemption benefit amount. Since the beginning of the program, the State has frequently modified both the exemption amount and the amount it reimburses municipalities. Originally, the exemption amount was \$10,000 and the State reimbursed municipalities for 100% of the property tax lost because of the exemption. Beginning in 2005, and through the 2015/2016 fiscal year, the State changed the reimbursement to 50% of the property tax reduction; the 2016/2017 maximum exemption increased to \$15,000; effective with 2017/2018, the exemption increased to \$20,000, with the reimbursement rate continuing at 50% for both years; the 2018/2019, the exemption remained at \$20,000, and the reimbursement rate increased to 62.5%; 2020/2021 biennial budget increased the homestead exemption to property taxpayers to \$25,000, and the reimbursement to municipalities increased to 70%; In 2021, State tax legislation established homestead reimbursements rates of 73% for 2022/2023 and an additional 3% each year until the percentage of reimbursement reaches 100%.

Though the Homestead exemption amounts increased beginning in 2016/2017, the Town estimates that the increases in exemption with no increase in reimbursement rates resulted in an annual reduction of over \$350,000 in net revenue received by the Town for two years. For 2018/2019, with the State homestead exemption reimbursement rate increase to 62.5%, Brunswick received \$259,828 more reimbursement than in the 2017/2018 fiscal year. Changes effective in the 2020/2021 fiscal year there was no change in net revenue for the Town. While the current State administration supports increasing reimbursement rates, which would benefit municipalities, these rates continue to be subject to legislative change.

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

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

In Maine, subsidized school construction projects must receive both local and State approval. To be eligible for State assistance (sometimes referred to as State subsidy or "State Qualified") SAUs submit projects for evaluation by the MDOE through the Major Capital School Construction program. MDOE ranks the projects and determines those that will be eligible for State subsidy based upon MDOE's capacity to subsidize them. Projects approved for State subsidy then move to Concept Approval stage, establishing an initial project budget. The total budget is broken out into a "Local Only" portion, not eligible for State subsidy, and a portion "eligible for State assistance." A local referendum is then required where voters are asked to approve both the project and the bonds proposed to be issued to fund the project. The project then proceeds through Final Design. At the conclusion of this phase, the MDOE issues a Design and Funding Approval, after which the project is bid. Once bids are received, the MDOE and the SAU establish a final project budget and DOE issues its final funding approval.

School construction bonds are obligations of the SAU and the State does not guarantee their repayment. The annual debt service on bonds issued to fund the State Qualified portion of the project is included in the State's EPS model. The debt service on bonds issued to fund the portion of project categorized as Local Only is not eligible for State subsidy and is not included in the debt service allocation of the EPS model. Under the current EPS model, eligible debt service is only one component of a SAU's annual education subsidy. In order to receive full State subsidy, an SAU must raise its required Local Share as determined

by the EPS model. The required Local Share is a calculation that uses a State-mandated education mil rate and the SAU's equalized property tax valuation.

The MDOE determined that approximately 87% of the debt service on Brunswick's 2010 Harriet Beecher Stowe School was eligible for subsidy and is included in the Town's debt service allocation in the EPS model. Based on the current EPS model, and the current variables included in the EPS funding formula, Brunswick has received State subsidy equal to the entire amount deemed eligible for subsidy. The EPS funding model is, itself, subject to change by the State. Finally, the State level of funding for EPS is subject to the State budget process. Therefore, while the Town continues to budget the 87% level of subsidy on the elementary school project debt service, no guarantee is given regarding the actual amount of future debt service subsidy it will receive.

In January 2020, the Town issued bonds for \$24,450,000 for the design and construction of a new elementary school at the site of the former Jordan Acres School. This project is entirely locally funded. The School Department submitted an application to the MDOE Major Capital School Construction program for major renovations or replacement of the Brunswick Junior High School, but when the results of the 2017/2018 Rating Cycle were issued in August 2018, Brunswick's project was ranked 44<sup>th</sup> on the DOE'S final priority list of projects. The School Department is currently planning repairs to the Junior High School, to be scheduled through the CIP.

In 2016, 2017 and 2020 the School Department applied for and received eligibility certificates from the MDOE for the School Revolving Renovation Fund ("SRRF") program. The SRRF provides funding assistance to SAUs for needs in the areas of health and safety, building systems, energy and water conservation, and learning space upgrades. The fund provides loans to SAUs to finance project expenditures, and a portion of each loan is considered a grant that portion of which is forgiven. The forgiveness rate ranges from 30% to 70%, based on the percentage of State subsidy paid to the SAU. The remaining balance of the loan is repaid over either five or 10 years at a 0% interest rate. The loan repayments revolve back into the SRRF and are then used to fund other approved projects. The maximum loan provided is capped at \$1 million per priority, per school building within any five-year period.

The School Department was awarded SRRF eligibility certificates for the Coffin Elementary School and for the Brunswick Junior High School. The projects for Coffin School totaled \$664,244, and included ADA and fire safety improvements, roof renovations, and indoor air quality upgrades. The projects for the Junior High School totaled \$956,675, and included ADA and fire safety improvements and roof renovations. Of the total \$1,620,919, \$621,692 was forgiven in the form of grants, and \$999,227 was issued as zero percent interest rate loans. See "INDEBTEDNESS – DEBT SUMMARY" herein.

## **INDEBTEDNESS**

### **LIMITATIONS AND EXCLUSIONS**

In accordance with Title 30-A, Section 5702 of the Maine Revised Statutes, as amended, "No municipality shall incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7.5% of its last full State valuation, or any lower percentage or amount that a municipality may set. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full State valuation, or any lower percentage or amount that a municipality may set, for storm and sewer purposes to an amount outstanding at any time not exceeding 7.5% of its last full State valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full State valuation, or any lower percentage or amount that a municipality may set; provided,

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

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

The Town of Brunswick’s 2021 equalized State valuation (“Equalized State Valuation”) for use in the fiscal year ended June 30, 2021 was \$2,595,900,000, making the 15% debt limit \$389,385,000. The preliminary 2022 Equalized State Valuation for use in the year ending June 30, 2022 is \$2,740,850,000, making the 15% debt limit \$411,127,500.

## DEBT SUMMARY

General obligation debt payable at fiscal year-end June 30, 2021 (audited) and projected for fiscal year-end June 30, 2022 (projected), are comprised of the following individual issues:

<u>Year Issued</u>	<u>Purpose</u>	<u>Authorized and Issued</u>	<u>Final Maturity</u>	<u>Balance as of June 30, 2021</u>		<u>2022</u>
2010	Elementary School (BABs)	<sup>(1)</sup> \$ 21,462,250	11/01/30	\$ 10,731,125	\$ 9,658,012	
2013	Police Station	5,500,000	11/01/32	3,300,000	3,025,000	
2016	School Renovation (SRRF)	<sup>(2)</sup> 655,781	09/01/26	375,906	313,255	
2017	School Renovation (SRRF)	<sup>(2)</sup> 64,086	09/01/21	9,757	-	
2017	Various CIP	1,781,000	11/01/32	1,125,000	925,000	
2020	Elementary School	24,450,000	11/01/45	24,030,000	23,340,000	
2020	School Renovation (SRRF)	<sup>(2)</sup> 279,360	09/01/25	279,360	223,488	
<b>Sub-total June 30, 2021</b>				<b>\$ 39,851,148</b>	<b>\$ 37,484,755</b>	
2022	Fire Station & Fire Truck	13,231,000	11/01/46	-	<u>13,231,000</u>	
<b>Projected Total June 30, 2022</b>				<b>\$ 39,851,148</b>	<b>\$ 50,715,755</b>	

NOTES: <sup>(1)</sup> A portion of the Town’s \$21,462,250 school construction bonds were issued in 2010 with MMBB’s, federally taxable Build America Bonds (“BABs”). See “INDEBTEDNESS – PROJECTED DEBT SERVICE” herein.

<sup>(2)</sup> The SRRF is administered jointly by the MMBB and the State, acting by and through its Department of Education. The 2016 SRRF and 2017 SRRF agreements were amended in November 2018 to a total of \$1,171,136, of which \$451,269 was forgiven and \$719,867 was recorded as loans at 0% interest. The 2020 SRRF was issued on September 18, 2020 for a total of \$449,783, of which \$170,423 was forgiven and \$279,360 was recorded as a loan at 0% interest.

## PROJECTED ANNUAL PRINCIPAL PAYMENTS BY ISSUE

Yr. End <u>June 30,</u>	<u>Issued prior to June 30, 2021</u>					<u>As of 6/30/21</u>	<u>2022 Bonds</u>	<u>Total Debt</u>
	<u>2010</u>	<u>2013</u>	<u>SRRF</u>	<u>2017</u>	<u>2020</u>			
2022	\$ 1,073,113	\$ 275,000	\$ 128,280	\$ 200,000	\$ 690,000	\$ 2,366,393	\$ -	\$ 2,366,393
2023	1,073,112	275,000	118,523	200,000	725,000	2,391,635	556,000	2,947,635
2024	1,073,113	275,000	118,523	120,000	765,000	2,351,636	550,000	2,901,636
2025	1,073,112	275,000	118,523	120,000	805,000	2,391,635	550,000	2,941,635
2026	1,073,113	275,000	118,523	120,000	845,000	2,431,636	550,000	2,981,636
2027	1,073,112	275,000	62,651	120,000	890,000	2,420,763	550,000	2,970,763
2028	1,073,113	275,000	-	65,000	935,000	2,348,113	550,000	2,898,113
2029	1,073,112	275,000	-	35,000	980,000	2,363,112	550,000	2,913,112
2030	1,073,113	275,000	-	35,000	1,030,000	2,413,113	550,000	2,963,113
2031	1,073,112	275,000	-	35,000	1,085,000	2,468,112	550,000	3,018,112
2032	-	275,000	-	35,000	1,120,000	1,430,000	550,000	1,980,000
2033	-	275,000	-	40,000	1,145,000	1,460,000	515,000	1,975,000
2034	-	-	-	-	1,170,000	1,170,000	515,000	1,685,000
2035	-	-	-	-	1,195,000	1,195,000	515,000	1,710,000
2036	-	-	-	-	1,065,000	1,065,000	515,000	1,580,000
2037	-	-	-	-	1,065,000	1,065,000	515,000	1,580,000
2038	-	-	-	-	1,065,000	1,065,000	515,000	1,580,000
2039	-	-	-	-	1,065,000	1,065,000	515,000	1,580,000
2040	-	-	-	-	1,065,000	1,065,000	515,000	1,580,000
2041	-	-	-	-	1,065,000	1,065,000	515,000	1,580,000
2042	-	-	-	-	1,065,000	1,065,000	515,000	1,580,000
2043	-	-	-	-	1,065,000	1,065,000	515,000	1,580,000
2044	-	-	-	-	1,065,000	1,065,000	515,000	1,580,000
2045	-	-	-	-	1,065,000	1,065,000	515,000	1,580,000
2046	-	-	-	-	-	-	515,000	515,000
2047	-	-	-	-	-	-	515,000	515,000
6/30/21	\$ 10,731,125	\$ 3,300,000	\$ 665,023	\$ 1,125,000	\$ 24,030,000	\$ 39,851,148	\$ 13,231,000	\$ 53,082,148
Payments	(1,073,113)	(275,000)	(128,280)	(200,000)	(690,000)	(2,366,393)	-	(2,366,393)
6/30/22	\$ 9,658,012	\$ 3,025,000	\$ 536,743	\$ 925,000	\$ 23,340,000	\$ 37,484,755	\$ 13,231,000	\$ 50,715,755

## DEBT SERVICE COMPONENT OF BUDGETED EXPENDITURES

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Budgeted Debt Service	\$2,613,101	\$2,704,655	\$2,630,751	\$3,994,193	\$3,986,228
(less TIF Paid Debt)	(76,245)	(74,175)	(72,105)	(70,035)	-
(less School Debt Service Subsidy) <sup>(1)</sup>	(1,305,329)	(1,283,224)	(1,262,480)	(1,239,203)	(1,215,295)
Net Tax-backed Debt Service	\$1,231,527	\$1,347,256	\$1,296,166	\$2,684,955	\$2,770,933
Budgeted Operating Expenditure	\$62,425,885	\$63,986,336	\$67,929,606	\$71,222,246	\$75,759,912
Debt Service as % of Expenditures	4.19%	4.23%	3.87%	5.61%	5.26%
Net Debt Service as % of Expenditures	1.97%	2.11%	1.91%	3.77%	3.66%

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

## DEBT RATIOS

Fiscal Yr. End June 30,	Population	Equalized State Val. <sup>(2)</sup>	Assessed Valuation <sup>(1)</sup>	Total Debt <sup>(2)</sup>	Debt as % Eq. Val	Per Capita <sup>(2)</sup> Debt
		(000)	(000)	(000)	1.87%	\$ 2,531.86
2022	20,278	\$ 2,740,850	\$ 2,424,887	\$ 51,341	1.87%	\$ 2,531.86
2021	20,278	2,595,000	2,374,234	39,851	1.54%	1,965.23
2020	20,278	2,509,500	2,304,034	42,082	1.68%	2,075.25
2019	20,278	2,319,900	2,276,234	19,723	0.85%	972.63
2018	20,278	2,252,400	2,266,215	21,976	0.98%	1,083.74
2017	20,278	2,184,050	1,382,600	23,944	1.10%	1,180.79
2016	20,278	2,082,600	1,374,997	23,122	1.11%	1,140.25
2015	20,278	2,000,400	1,359,621	25,220	1.26%	1,243.71
2014	20,278	2,026,250	1,335,461	27,323	1.35%	1,347.42
2013	20,278	1,983,450	1,337,807	30,211	1.52%	1,489.84
2012	20,278	2,028,050	1,302,514	27,439	1.35%	1,353.14

NOTES: <sup>(1)</sup> Information is for the General Fund and does not include TIF valuation. Valuation has been adjusted to add back a percentage of Homestead Exemption values. These percentages were: 2011 to 2018 @ 50%; 2019 to 2020 @ 62.5%; 2021 to 2022 @ 70%. Beginning in 2009, valuation has been adjusted to include the State reimbursement percentage (approx. 50%) of BETE values.

<sup>(2)</sup> Total Debt, Debt as % of Equalized Valuation, and Per Capita Debt as of June 30, 2022 is projected.

## PROJECTED DEBT SERVICE

Fiscal Yr End June 30,	Prior Debt					Projected Debt (The Bonds)			Projected Total Debt Service	
	Annual Principal	Annual Interest	Annual Total	BABs Subsidy <sup>(1)</sup>	Sub-total Debt Service	Principal	Interest	Total	Debt Service	
2022	\$2,366,393	\$1,365,260	\$3,731,653	(\$150,426)	\$3,581,227	\$ -	\$ 79,045	\$ 79,045	\$3,660,272	
2023	2,391,635	1,278,044	3,669,679	(137,261)	3,532,418	556,000	410,819	966,819	4,499,237	
2024	2,351,636	1,187,920	3,539,556	(123,742)	3,415,814	550,000	383,169	933,169	4,348,983	
2025	2,391,635	1,094,518	3,486,153	(109,780)	3,376,373	550,000	355,669	905,669	4,282,042	
2026	2,431,636	997,109	3,428,745	(95,376)	3,333,369	550,000	328,169	878,169	4,211,538	
2027	2,420,763	892,036	3,312,799	(79,276)	3,233,523	550,000	306,169	856,169	4,089,692	
2028	2,348,113	780,558	3,128,671	(61,659)	3,067,012	550,000	289,669	839,669	3,906,681	
2029	2,363,112	667,822	3,030,934	(44,042)	2,986,892	550,000	274,544	824,544	3,811,436	
2030	2,413,113	553,198	2,966,311	(26,425)	2,939,886	550,000	260,794	810,794	3,750,680	
2031	2,468,112	435,734	2,903,846	(8,809)	2,895,037	550,000	240,169	790,169	3,685,206	
2032	1,430,000	359,925	1,789,925	-	1,789,925	550,000	212,669	762,669	2,552,594	
2033	1,460,000	326,681	1,786,681	-	1,786,681	515,000	188,619	703,619	2,490,300	
2034	1,170,000	298,019	1,468,019	-	1,468,019	515,000	170,594	685,594	2,153,613	
2035	1,195,000	273,622	1,468,622	-	1,468,622	515,000	155,144	670,144	2,138,766	
2036	1,065,000	248,944	1,313,944	-	1,313,944	515,000	142,269	657,269	1,971,213	
2037	1,065,000	224,316	1,289,316	-	1,289,316	515,000	131,969	646,969	1,936,285	
2038	1,065,000	199,022	1,264,022	-	1,264,022	515,000	121,347	636,347	1,900,369	
2039	1,065,000	173,062	1,238,062	-	1,238,062	515,000	110,081	625,081	1,863,143	
2040	1,065,000	146,437	1,211,437	-	1,211,437	515,000	98,172	613,172	1,824,609	
2041	1,065,000	120,478	1,185,478	-	1,185,478	515,000	85,941	600,941	1,786,419	
2042	1,065,000	94,519	1,159,519	-	1,159,519	515,000	73,388	588,388	1,747,907	
2043	1,065,000	67,894	1,132,894	-	1,132,894	515,000	60,513	575,513	1,708,407	
2044	1,065,000	41,269	1,106,269	-	1,106,269	515,000	47,638	562,638	1,668,907	
2045	1,065,000	13,978	1,078,978	-	1,078,978	515,000	34,441	549,441	1,628,419	
2046	-	-	-	-	-	515,000	20,922	535,922	535,922	
2047	-	-	-	-	-	515,000	7,081	522,081	522,081	
	<u>\$ 39,851,148</u>	<u>\$ 11,840,365</u>	<u>\$ 51,691,513</u>	<u>\$ (836,796)</u>	<u>\$ 50,854,717</u>	<u>\$13,231,000</u>	<u>\$4,588,998</u>	<u>\$17,819,998</u>	<u>\$68,674,715</u>	

NOTES: <sup>(1)</sup> A portion of the Town's \$21,462,250 school construction bonds, issued in 2010 with the MMBB, are taxable Build America Bonds ("BABs"). "Net Debt Service" is net of the BABs subsidy the Town anticipates MMBB will file for and receive. The Town is responsible for the full payment whether the subsidy is received in full, or a lesser amount. Federal sequestration reduced the BABs subsidy by approximately 5.7% in the fiscal year ended June 30, 2021, and assumed for future years.

## **OVERLAPPING DEBT**

### **County of Cumberland**

The Town is subject to an annual assessment of its proportional share of the County of Cumberland's expenses, including debt repayment, as determined by the percentage of the Town's equalized State Valuation to the County's equalized State Valuation. At June 30, 2021 the Town's equalized State Valuation of \$2,595,900,000 was 4.89% of the County's equalized State Valuation of \$53,139,300,000. The Town's share was 4.89%, or \$1,630,162, of the County's \$33,370,194 debt obligations outstanding as of June 30, 2021.

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

The Town is a participant with (RSU 5 RSU 75 in a joint venture to operate (Region 10). Region 10 was established by a cooperative agreement pursuant to Maine law to deliver a program of vocational education to students of the member units. As of June 30, 2021, Region 10 had total principal debt outstanding of \$3,619,269. The Town of Brunswick's share of Region 10's debt is 38.29% or \$1,385,818. See "TOWN OF BRUNSWICK - PUBLIC EDUCATION – Maine Region 10 Technical High School" for additional information.

## **CONTINGENT DEBT**

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

## **FUTURE FINANCING**

Readers are encouraged to read the section of this document entitled "TOWN FINANCES – CAPITAL IMPROVEMENT PROGRAM." The CIP of the Town contemplates a number of projects which, if undertaken, are planned to be funded with long-term debt. However, the CIP does not authorize the issuance of debt. Debt issuance is subject to the prior review and approval of a Bond Ordinance by the Town Council. Debt related to State subsidized school construction projects requires the approval of the voters in a local referendum. The Town Council may choose to send bond approval to voters in a local referendum even when not required to do so by State statute.

## **RETIREMENT**

### **DEFINED BENEFIT PENSION PLANS**

*Plan descriptions:* For its participating municipal employees and certain participating School Department employees, the Town contributes to the Consolidated Plan for Participating Local Districts (the "PLD Plan") a cost-sharing multiple-employer, defined benefit pension plan administered by the MainePERS. Teachers and certain other School Department employees also participate in MainePERS through the State Employee and Teacher Plan (the "SET Plan"), a cost-sharing multiple-employer, defined benefit pension plan with a special funding situation established by the Maine Legislature.

The MainePERS is established and administered under Maine law, and the authority to establish and amend benefit provisions rests with the State Legislature. The MainePERS issues a publicly available financial report which may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046 or at [www.mainepers.org](http://www.mainepers.org).

The Town reports on the benefits provided and the contributions to the pension plans, associated pension liabilities, pension expense, deferred outflows and deferred inflows of resources related to pensions, as well as the actuarial methodology and assumptions in its ACFR. Please see “APPENDIX A – TOWN OF BRUNSWICK, MAINE, ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021”, pages 68-71 herein.

## **DEFERRED COMPENSATION PLAN**

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

## **OTHER RETIREMENT**

Most municipal and some school employees participate in the Social Security Retirement Program (“FICA”). The Town and the School department contribute to FICA. The School Department also offers its employees a variety of tax-sheltered annuity plans. The School Department does not make contributions to these plans.

## **OTHER POST-EMPLOYMENT BENEFITS**

*Plan Descriptions:* The Town sponsors two post-retirement benefit plans providing group term life insurance to retiring employees. For municipal employees and certain School Department employees the Town contributes to the Group Life Insurance Plan for the PLD. Teachers also participate in the Group Term Life Insurance SET Plan. Both plans are a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MainePERS). The MainePERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for each plan. MainePERS issues a publicly available financial report, available at [www.mainepers.org](http://www.mainepers.org).

Additionally, the Town offers two post-retirement benefit plans providing health insurance to retiring employees. For municipal employees, the Town sponsors a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (the “MMEHT Health Plan”). The Town Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

The State sponsors a post-retirement benefit plan for school department personnel, providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (as the “MEABT Health Plan”). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

The Town reports on the benefits provided and the contributions to the OPEB plans, associated OPEB liabilities, OPEB expense, deferred outflows and deferred inflows of resources related to OPEB, as well as the actuarial methodology and assumptions in its ACFR. Please see “APPENDIX A – TOWN OF BRUNSWICK, MAINE, ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021”, pages 71-78 herein.

## **LITIGATION**

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

## **ENVIRONMENTAL MATTERS**

### **VARIOUS ENVIRONMENTAL DISCLOSURE**

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

The Town's landfill, which opened in 1984, was closed beginning in April, 2021. The landfill operated under strict environmental regulations and its operation was dependent on continued compliance with existing and future regulations. For several years, the Town worked with the Maine Department of Environmental Protection ("MDEP") to comply with, or seek waivers from, certain discharge parameters set by the United States Environmental Protection Agency ("EPA") to comply with the landfill's wastewater license. Based on an experimental treatment program constructed in late 2012, the Town concluded that treatment options to meet the discharge parameters would be cost prohibitive.

In 2014, while the Town was working on resolving issues with its wastewater license, the MDEP Bureau of Remediation and Waste Management notified the Town of concerns about groundwater contamination trends at the landfill. The recorded trends make the Town eligible for landfill closure funding from the State's Landfill Closure and Remediation Program. In October 2016, MDEP indicated that provided the Town complies with the requirements for closure to be outlined in a Schedule of Closure ("SOC"), the Town is eligible for a 75% cost share of closure costs. Based on its collaboration with MDEP, the cost of wastewater and groundwater treatment options, and other factors, the Town moved forward with plans to close the landfill. The Town finalized an SOC with MDEP in June 2017, and in December 2020 awarded the contract for closure. The landfill was closed to additional waste at the end of March 2021, and closure construction was completed in the fall of 2021. Final closure documents are being prepared for filing with MDEP.

Between 2011 and 2019, the Town faced potential fines related to wastewater discharge limits and other violations, and while the Town and MDEP were pursuing a collaborative solution, MDEP chose not to pursue enforcement action. In August 2020, the Town and MDEP entered into an Administrative Consent Agreement ("ACA") to resolve the past violations. The ACA included a \$17,000 penalty to the Town, with all but \$10,000 suspended. Even after closure, the landfill is subject to strict environmental regulations. Regular monitoring, including testing of groundwater and wastewater for a variety of contaminants, is scheduled to continue for a minimum of 30 years. Recently passed legislation requires testing landfill leachate for per- and polyfluoroalkyl substances ("PFAS") for the next two years.

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

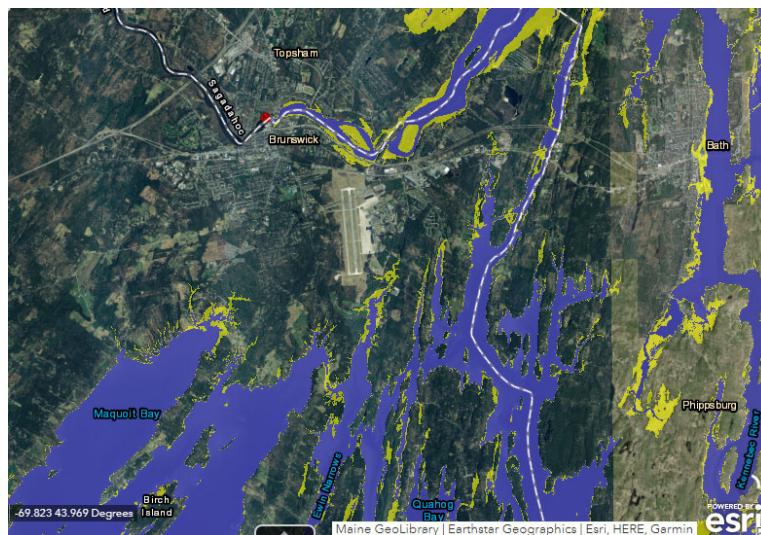
Over the past several years, the Town has focused on issues related to environmental, social and governance (“ESG”) risk factors, and the Town Council has initiated several actions to raise awareness and address ESG concerns. For example, in 2021, the Finance Committee recommended an update to the Town’s Investment Policy to incorporate ESG investment principles, and the Trust Fund Advisory Committee updated its Investment Policy Statement to implement an ESG framework for the Trust Fund investment portfolio. The Town also recently acquired four electric vehicles, entered into a solar power purchase agreement for the bulk of its electricity needs, and is planning for rooftop solar units on two school buildings.

Significant work on environmental planning is currently underway in the update of the Town’s Comprehensive Plan (“Comp Plan”). The Comp Plan Steering Committee has identified the main concerns as improving sustainability policies and regulations, addressing climate change, and balancing the increasing demand for affordable housing while protecting the Town’s natural resources and scenic beauty. In collaboration with Bowdoin College, local conservation organizations, and surrounding communities, the Town has identified climate-related challenges such as sea level rise and extreme weather events, and is working on a coordinated response to both infrastructure vulnerabilities and challenges to the marine resource economy.

The Town has over 61 miles of coastline on Northern Casco Bay, as well as approximately 20 miles of frontage along the Androscoggin River. Brunswick has jurisdiction over approximately 3,900 acres of waters, of which 41% is intertidal, 37% is shallow water, and 22% is deep water. Since the 1970’s the Town has maintained a Marine Resources Committee to manage the Town’s shellfish resources. The Committee is responsible to administer the shellfish conservation program, which requires active involvement of shellfish harvesters in surveys, monitoring, re-seeding and environmental remediation. Over the past decade, there have been several studies of the

Casco Bay ecosystem, and potential impacts of climate change. In 2014, the Town developed a Harbor Management Plan and established the Rivers and Coastal Waters Commission to oversee the Plan and make recommendations to the Town Council.

In 2019, the Town Council approved a Rural Protection Stormwater Management Overlay District in its Zoning Ordinance, identifying sensitive coastal and inland stream areas and establishing requirements for disturbance mitigation measures. On December 2, 2019, the Town Council approved a Climate Change Resolution that reflects the Town’s commitment to safeguard against the current and potential consequences of climate change, including adopting, and funding, specific policy goals. The Town is also committed to educating its residents about the consequences of climate change, including the need for financial resources, and regulatory oversight to eliminate greenhouse gasses.



Maine Geological Survey - Highest Astronomical Tide plus 10.9 feet  
<https://www.maine.gov/dacf/mgs/hazards/slris/index.shtml>

The Town recently created a new Environmental Planner position its Department of Planning and Development. This position will focus on ensuring all development applications comply with local, state, and federal environmental programs and standards; making recommendations for improvements to the Zoning Ordinance pertaining to climate change, sustainable development, and natural resource and wildlife protection; and creating educational materials for the Town website and social media pertaining to climate change, sustainable development, and resource protection.

As the home of Bowdoin College and the former Brunswick Naval Air Station, Brunswick has historically been one of the more diverse communities in Maine, and even before the widespread social equity concerns of 2020, the Town has engaged in community dialogue to pro-actively address questions of bias and discrimination. In 2018, the Town adopted an income-determined Property Tax Assistance Program to provide support for longtime senior residents of Brunswick. In 2019, Brunswick welcomed a number of asylum-seeking families, and the Town hired staff to assist with language, bureaucratic/legal processes and integration into the community. The Town is currently working to address the question of affordable housing, both through its Comp Plan as mentioned above, and in its Cooks Corner Revitalization project.

Many aspects of the Town's governance are addressed in other sections of this statement, but it should be noted that awareness and consideration of ESG risk factors have reinforced the Town's goals of transparency and communication, fiscal responsibility and conservative budgeting, regional collaboration, and advocacy for its most vulnerable citizens. With its CIP, long-term financial planning, strategic utilization of TIF, strong financial policies and regular analysis of funding mechanisms, the Town continues to focus on sustainable budgets and adequate reserves.

/ss/ Julia A.C. Henze  
Treasurer  
Town of Brunswick, Maine

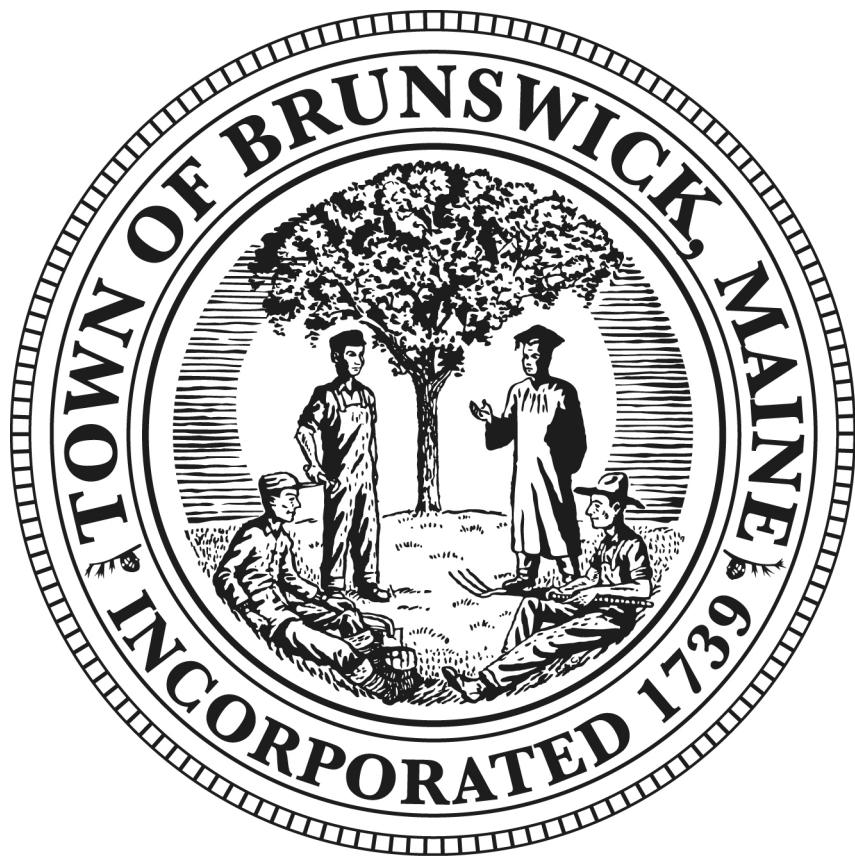
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## **APPENDIX A**

**TOWN OF BRUNSWICK, MAINE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021**

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# **TOWN OF BRUNSWICK, MAINE**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2021**

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**TOWN OF BRUNSWICK, MAINE**  
**Annual Comprehensive Financial Report**  
**Year ended June 30, 2021**



Prepared by:  
Town of Brunswick  
Department of Finance

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Town of Brunswick, Maine  
Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

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## INTRODUCTORY SECTION



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# Town of Brunswick, Maine

INCORPORATED 1739

## OFFICE OF THE FINANCE DIRECTOR

85 UNION STREET

BRUNSWICK, MAINE 04011-2418

TELEPHONE 207-725-6652

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November 22, 2021

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 annual comprehensive financial report (ACFR), are intended to meet those requirements. The Town of Brunswick chooses to go beyond the minimum reporting requirements and prepare this ACFR in an effort to provide greater detail regarding the financial condition of the Town and its financial operations.

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

Runyon Kersteen Ouellette, a licensed firm of certified public accountants, has audited the Town of Brunswick's basic financial statements for the year ended June 30, 2021. The goal of an independent audit is to provide reasonable assurance that the basic financial statements are free of material misstatement. Runyon Kersteen Ouellette has issued an unmodified opinion on the Town of Brunswick's basic financial statements indicating that, in its opinion, the basic financial statements are fairly presented in all material respects, in conformity with accounting principles generally accepted in the United States. The independent auditor's report is located at the front of the financial section of this report.

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

### ***Profile of the Government***

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

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

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

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

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

### ***Local economy***

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

*Mid Coast – Parkview Health.* Mid Coast – Parkview Health (MCPH) is a community, non-profit, health care organization providing a continuum of care through its affiliated organizations, which include Mid Coast Hospital, Mid Coast Medical Group, Mid Coast Senior Health Center and CHANS Home Health & Hospice. With more than 2,000 employees throughout all its operations, MCPH is the largest employer in Brunswick. Previously named Mid Coast Health Services (MCHS), the organization operated Mid Coast Hospital. The hospital moved into a new facility within Brunswick in 2001, and completed a major expansion that added approximately 50,000 square feet to the hospital in 2009. In 2011, MCHS opened a primary care and walk-in clinic facility in leased space at Brunswick Station in downtown Brunswick.

Beginning in August 2015, Mid Coast Health Services integrated with another hospital in Brunswick, Parkview Adventist Medical Center. The consolidated entity is called Mid Coast – Parkview Health, and has moved inpatient and emergency services to Mid Coast Hospital, while utilizing the Parkview campus for community health and wellness programs, physician practices and outpatient services. In 2019, MCPH became a clinical affiliate of MaineHealth, a regional network of healthcare organizations which includes Maine Medical Center and several midcoast Maine hospitals. From January through May, 2021, Mid Coast Hospital operated a large-scale vaccination clinic in the Town's Recreation Center on Brunswick Landing, administering over 57,000 COVID-19 vaccines. More information can be found on Mid Coast – Parkview's website at [www.midcoastparkviewhealth.com](http://www.midcoastparkviewhealth.com).

*Bath Iron Works.* Bath Iron Works (BIW) is a shipbuilder headquartered in Bath, Maine, which is heavily dependent on contracts to build surface combatants for the US Navy. As a consequence, the Navy's procurement plans are always a concern for BIW and its employees. Since 1985, BIW has been the lead contractor and has delivered ships of the Arleigh Burke (DDG 51) class. As BIW was nearing the completion of the ships it had contracted to deliver, the Navy decided to restart procurement of the DDG 51s. BIW has built two ships in the restarted program, currently has six of these ships under construction with four more in the backlog. Further, as the lead designer of the DDG 51, BIW is considered the "planning yard" as ships already delivered to the Navy are upgraded and modernized.

The Zumwalt (DDG 1000) class had been planned as the US Navy's next generation surface combatant. Originally, a competitor was designated as the lead designer and builder of the DDG 1000, with that competitor and BIW each building one of the first two ships in this class. Cost concerns for this class caused the Navy to limit production to three ships, and BIW has assumed responsibility for the ships' design and construction. The US Navy accepted delivery of the USS Zumwalt (DDG 1000) in May 2016, and the USS Michael Monsoor (DDG-1001) in April, 2018. The USS Lyndon B. Johnson, the third ship of the DDG 1000 class is nearing completion at BIW.

Given the restart of the DDG-51 program and changes related to the DDG-1000 program, BIW had increased its hiring of new employees in 2015, mainly in trades including electrical, machinist, shipfitters, tinsmiths, welders, pipefitters and more, as well as supervisory positions. Regarding employment levels, it should be noted that the US Navy's procurement plans are always subject to change and those changes could adversely impact BIW and its employees. Though BIW is continually seeking to diversify its production capabilities, the Navy's procurement decisions may result in workforce layoffs.

*Bowdoin College.* Bowdoin College (Bowdoin or College) is an undergraduate liberal arts college located in Brunswick. As of fall 2020, Bowdoin had 1,777 students enrolled, and employed approximately 961 full-time equivalent (FTE) employees, including 209 FTE faculty members. Over the past few years, Bowdoin has completed a number of building and facilities improvements, including construction of four 11,000 square foot, 22-bed upperclass residence halls along Park Row, completed in August 2019, and three 44-bed residence halls on Harpswell Road, each approximately 17,700 square feet and with 21 apartments, completed in August, 2020. Also in 2020, the college completed work on the Schiller Coastal Studies Center, a 118 acre research and teaching lab located on a former farm on Orr's Island, Harpswell. Beginning with the initial gift of the farm in 1981, the Center is now home to a marine laboratory, a research pier, a sailing center, and most recently a 'dry' laboratory building and residential housing/meeting space. Currently under construction are the Barry Mills Hall, an academic building, and the John and Lile Gibbons Center for Arctic Studies. Located on the corner of College Street and Sills Drive, this 45,900 square foot project is projected for completion in December, 2022. Additional information can be found on Bowdoin's website at [www.bowdoin.edu](http://www.bowdoin.edu).

*Brunswick Landing, Maine's Center for Innovation.* Brunswick Landing is the name given to the former Naval Air Station Brunswick (NASB) 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 (BXM) was established on the airport portion of the property. Other components of the plan envisioned educational uses by the University of Maine system and Southern Maine Community College. The Navy has conveyed parcels to the Maine Community College System (MCCS), facilities have been renovated or constructed and many programs and classes are now being offered by the community college and university system. Other properties were identified for manufacturing and commercial uses and have been conveyed to MRRA for development. MRRA reports that it is ahead of schedule with the Master Plan, and that over 150 business entities are now on Brunswick Landing and Topsham campuses, collectively employing over 2,500 people. More information and MRRA's redevelopment statistics can be found on MRRA's website at [www.mrra.us](http://www.mrra.us).

### ***Long-term financial planning***

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

The Town's CIP policy requires that items included in the CIP have a value greater than \$100,000. Those recommended to be funded with debt are required to have a value greater than \$325,000. All items require a minimum life of five years. Further, the policy established a mechanism for the annual funding of reserves for routine but substantial repairs and replacements, such as the replacement of vehicles and equipment, certain facilities maintenance projects, and certain information technology upgrades. Finally, the policy requires that the CIP be developed and completed ahead of the development of the annual municipal budget. When adopting the current policy, in 2013, the Town understood that many of its goals, including funding of the reserves, will need to be accomplished over a period of time in a phased approach.

The CIP for fiscal years ending 2022-26 was adopted on May 13, 2021, and recommended funding projects over five years totaling \$48,228,970. Total debt financing on recommended projects is estimated at \$5,770,500, with \$3,770,500 of that to be repaid from Tax Increment Financing (TIF) revenues. Infrastructure improvements estimated at \$12,028,500 are recommended, with an estimated \$6,920,000 in funding through Maine Department of Transportation grants. Projects in development (those that may eventually be considered for funding) totaled \$38,534,770. Two large projects, a public works facility for \$12,000,000, and a downtown parking structure for \$15,700,000, are in year five of the plan, and will require further analysis and development to move forward. The Town continues to recognize that the health and diversity of Brunswick's property tax base, the continued pressure on annual operating budgets, and the continued desire to minimize property tax increases, will impact the Town's capacity to finance capital projects and the related operating costs outlined in the CIP.

Beginning in 2015, the Town Council's Finance Committee began looking at five-year projections of the operating budget in conjunction with work on the Capital Improvement Program. While not a formal long-term financial plan, the projection model provides a vehicle to explore the major drivers of the Town's budget, and the effects of capital projects in future years. It is expected that this process will continue to be used to inform the development of the annual budget.

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

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

For the year ended June 30, 2021, the amount of unassigned fund balance was \$17,115,571 or 22.7% of general fund revenues, a total of \$4,547,291 above the policy target. The balance above the target was higher than anticipated at the end of the year, with the economic uncertainties resulting from the COVID-19 pandemic, and with the Town's increase of the amount of fund balance used in the budget by \$150,000 to \$650,000. However, as the Town budgeted revenues conservatively and restrained spending, and taxable property valuation increased, strong revenue collections and savings in expenditures resulted in an increase in total general fund balance of over \$4M. Considering the capital needs outlined in the Capital Improvement Program, the Town reduced its use of fund balance in the annual budget back to \$500,000 for FY 2022. In the past four years, balances above the target have enabled the Town to use unassigned fund balance for capital projects through the Capital Improvement Program. The Town plans to maintain its unassigned fund balance at, or above, the target level established in the policy.

The Finance Committee, which was established in 2014, consists of three Town Councilors and meets at least monthly. In addition to its work on the CIP and financial policies and long-term financial planning, the Committee's activities include reviewing and updating Town fees, review of the annual disclosure for bonds, and review of the annual financial reports and the work of the independent auditors.

### ***Major initiatives***

***School Construction Project – Kate Furbish Elementary School.*** In the fall of 2018, construction began on the new school on the site of the former Jordan Acres Elementary School. The Kate Furbish Elementary School, built to serve 660 pre-K to grade 2 students, was completed in time for the 2020-21 school year. In January, 2020, the Town issued \$24,450,000 in general obligation bonds, with \$2,014,000 in premium, to be repaid over 25 years. Additional funding for this project was provided by Bowdoin College, which contributed \$450,000 for the construction of a Discovery Classroom adjacent to the school.

***Downtown Streetscape Enhancement Project.*** For several years the Town has recognized the deterioration of the sidewalk pavers downtown, specifically on Maine Street from Station Avenue to Mill Street. A project

has been, and continues to be included in the CIP. In May, 2019, the Town Council appropriated TIF revenues to fund the planning and design of a solution. Beginning with a condition survey, which was completed in December, 2019, the Town has engaged in a public process to understand needs, issues and preferences for Brunswick's downtown. The COVID-19 pandemic slowed progress on the process for a number of months. While it has been a challenge to find consensus among stakeholders, it is expected that the development of the project will continue along with the CIP workshops during the fall and winter of 2021. More information is available at: <https://www.planmainestreet.com/overview>.

*Brunswick Station – Metro Breeze regional bus service.* Beginning in August 2017, Portland METRO regional bus service from Portland was expanded to Brunswick in year two of a three-year pilot program. The pilot program concluded in June 2019, and the Town Council authorized the continuance of bus service through December 2019, when the Council voted to become a member municipality of Portland METRO and maintain the bus service. Bus service included approximately fourteen roundtrip runs between Portland and Brunswick on weekdays, and five or six runs on Saturdays.

*Cook's Corner Revitalization.* The Town is continuing collaborative approaches for the redevelopment of Cook's Corner, the commercial district adjacent to the former Naval Air Station Brunswick (NASB), now called Brunswick Landing. Following the construction of Landing Drive, the new road connecting Admiral Fitch Avenue on Brunswick Landing to Gurnet Road in Cook's Corner, the Town has initiated a comprehensive planning effort funded through TIF revenues. A large advisory committee comprised of individuals and groups associated with the area has been formed to gather input and develop a vision for Cooks Corner. The Town has contracted with a consultant to conduct market and traffic studies, and to assist in the participatory process. Several projects in the Capital Improvement Plan are evolving with the revitalization effort.

*Central Fire Station.* The Town's downtown fire station was built in 1919, and has been included in the CIP for many years, as it was recognized that the station was undersized and no longer suitable for the demands of the Town's fire protection service. In 2017, the Town Council created a task force, and appropriated funds for programming, site evaluation and preliminary design services. On April 1, 2019, the Town Council adopted an ordinance authorizing the purchase of property for, and construction of, a new central fire station, and the issuance of up to \$13,500,000 in bonds. The Town has since acquired property at the selected site on Pleasant and Webster Streets, construction began in spring 2021, and the station is expected to be put in service in fall 2022. Costs to date have been covered with an advance from the general fund, and bonds will likely be issued early in 2022.

*Graham Road Landfill.* As described in the notes to the financial statements, operation of the Graham Road Landfill was discontinued at the end of March, 2021. Closure of the landfill came at the end of several years of work and cooperation between the Town and 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). In August, 2020, the DEP approved an Administrative Consent Agreement (ACA), which, along with a fine to the Town of \$10,000, resolved the discharge violations that have occurred at the landfill.

In April 2014, the Town learned that DEP's Remediation and Waste Bureau had concerns about groundwater trends at the landfill. While not a situation requiring immediate remediation, the groundwater questions presented an opportunity for the Town to be eligible for closure funding from the State through the Maine Municipal Landfill Closure and Remediation Program (Closure Program). Established in 1988 with 38 MRSA §1310-C, the program provides cost sharing for the closure of municipal landfills, and remediation of hazards posed by the closed landfills. Reimbursement from the state will be 75% of eligible closure costs, with the payments dependent on the availability of funding in the program.

Participation in the Closure Program is based on written agreements with DEP, including a Schedule of Compliance (SOC), which was finalized in June 2017, and outlined the tasks for the projected closure of the landfill in 2021. The Town has contracted with Woodard & Curran to manage the closure process, including design, bidding, construction monitoring, and final closure documents. The closure project includes site preparation, grading of municipal solid waste, installing a geosynthetic final cover system

including gas collection, and establishing vegetation. A construction contract was finalized in late 2020, and construction began in April, 2021 with the majority of the construction to occur in the 2021-22 fiscal year. The cost of closure is expected to be funded through reserves in the Landfill and Pay-per-bag Program funds. While the closure qualifies for 75% reimbursement through the State's Closure Program at some point in the future, the Town is not able to estimate timing or amounts.

The Town has signed a three-year contract with Pine Tree Waste for both collection and disposal of household waste and recycling. The Town's Solid Waste and Recycling Committee is continuing to explore alternatives for future solid waste management. For certain materials, including brush and leaves, clean wood, metal recycling, metals, electronics and universal waste, the Town continues to operate a processing facility adjacent to the former landfill site.

*Bond Issues and Debt Authorization.* During the fiscal year ended June 30, 2021, the Town issued School Revolving Renovation Fund (SRRF) bonds of \$95,511 for improvements to the Brunswick Junior High School and \$183,849 for improvements to the Coffin School. The SRRF bonds have a term of five years at zero percent interest. Authorized but not yet issued are up to \$13,500,000 for the new central fire station. The Town continues to enjoy an Aa2 rating with Moody's Investors Service, and AA+ with Standard's & Poor's.

#### ***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 annual comprehensive financial report for the year ended June 30, 2020. The certificate recognizes that Brunswick published an easily readable and efficiently organized comprehensive annual financial report that satisfied both generally accepted accounting principles and applicable legal requirements. The Town of Brunswick has received this prestigious award every year since 1999. A Certificate of Achievement is valid for a period of one year. We believe this year's comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for a certificate.

Finally, this report could not have been completed without the cooperation and assistance of all the Town departments. Especially appreciated are the efficient and dedicated services of the entire Finance Department, with special recognition due to Branden Perreault, Deputy Finance Director, for his effort and skills in preparing this report. Also greatly appreciated is the assistance of Hank Farrah and his team from Runyon Kersteen Ouellette, in their review of this report.

Respectfully submitted,

*Julia Henze*

Julia Henze, CPFO  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Brunswick  
Maine**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

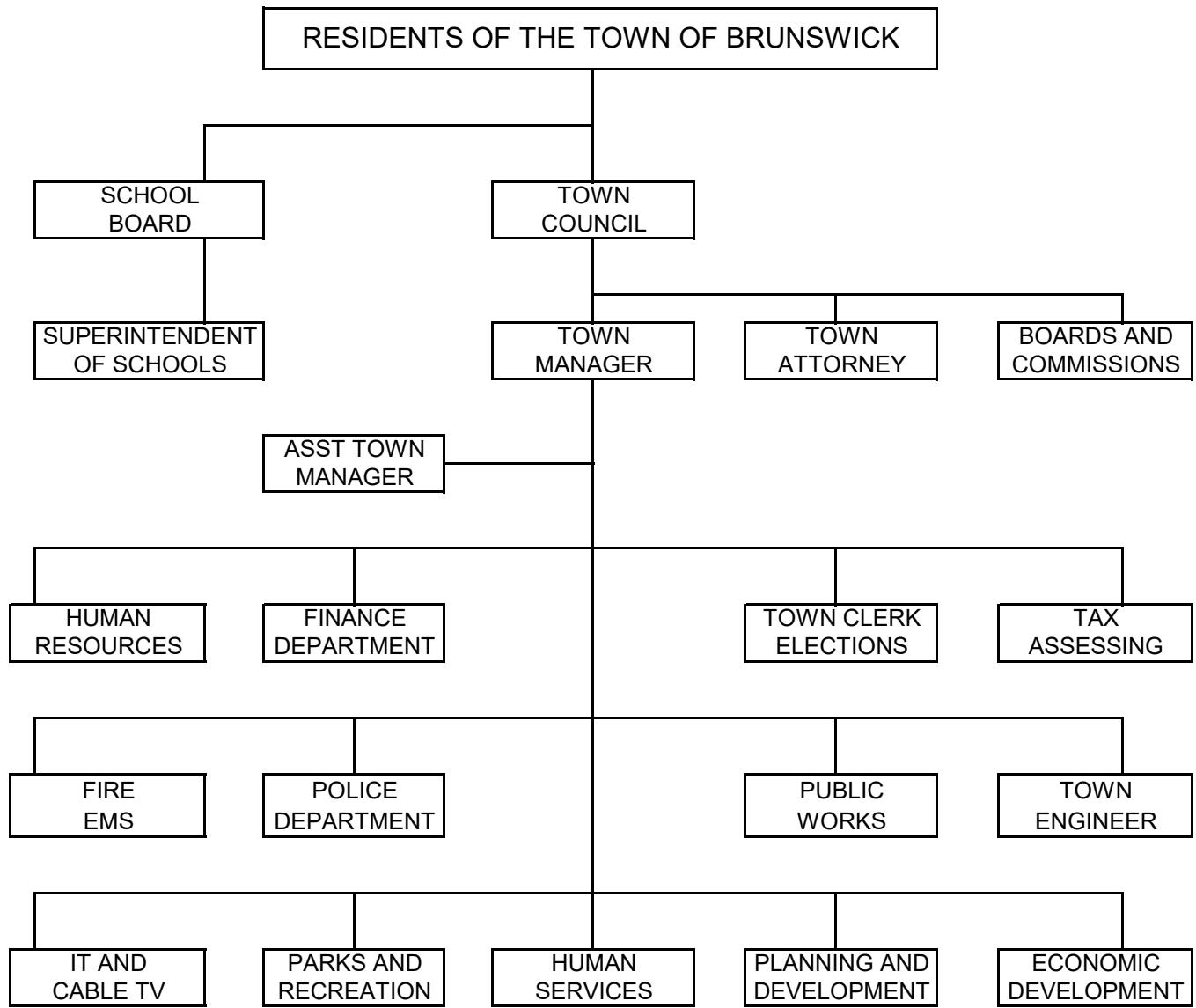
June 30, 2020

*Christopher P. Monell*

Executive Director/CEO

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## Town of Brunswick, Maine Organizational Chart



TOWN OF BRUNSWICK, MAINE

ELECTED AND APPOINTED OFFICIALS

June 30, 2021

Elected Officials

Council Member - District 4	Chair	John M. Perreault
Council Member - District 7	Vice Chair	James Mason
Council Member - District 1		W. David Watson
Council Member - District 2		Stephen S. Walker
Council Member - District 3		Daniel Jenkins
Council Member - District 5		Christopher Watkinson
Council Member - District 6		Kate Foye
Council Member - At large		Daniel Ankeles
Council Member - At large		Kathy Wilson

Appointed Officials

Town Manager	John S. Eldridge
Town Attorney	Stephen E. F. Langsdorf
Director of Finance	Julia A.C. Henze
Assessor	Taylor Burns
Town Clerk	Frances M. Smith
Director of Planning and Development	Matthew Panfil
Fire Chief	Kenneth A. Brillant
Police Chief	Scott Stewart
Director of Public Works	Jay Astle
Director of Parks and Recreation	Thomas M. Farrell
Superintendent of Schools	Dr. Phillip Potenziano

## FINANCIAL SECTION



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## Independent Auditors' Report

Finance Committee  
Town of Brunswick, Maine

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brunswick, Maine, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brunswick, Maine as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in the notes to the financial statements, in 2021, the Town of Brunswick, Maine adopted new accounting guidance, GASBS No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

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

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

Finance Committee  
Town of Brunswick, Maine

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021, on our consideration of the Town of Brunswick, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Town of Brunswick, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Brunswick, Maine's internal control over financial reporting and compliance.



November 22, 2021  
South Portland, Maine

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## Management's Discussion and Analysis

As the Town of Brunswick's management, we offer readers of the Town of Brunswick's financial statements this narrative overview and analysis of the financial activities of the Town of Brunswick for the fiscal year ended June 30, 2021. This overview and analysis is referred to as Management's Discussion and Analysis (MD&A). We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found in the introductory section of this annual comprehensive financial report (ACFR).

### Financial Highlights

- For the fiscal year ended June 30, 2021, the Town of Brunswick's total net position increased by \$9,945,119 from the previous year's net position, to total \$75,810,936. Of this amount, \$7,125,479 is classified as *restricted net position*, of which the largest portion, \$4,208,457 is restricted for education purposes. Unrestricted net position increased from the previous year's deficit balance to a balance of \$2,601,025 as of June 30, 2021.
- Net investment in capital assets increased by \$3,452,363, while restricted net position increased by \$1,954,911 and unrestricted net position increased by \$4,537,845 from the previous year. The increase in net investment in capital assets reflects additions of governmental assets, offset by associated debt, and retirement of business-type assets at the landfill. The increase in the amount restricted for education purposes is primarily a result of School Department budget surpluses. The increase in unrestricted net position resulted partly from surpluses in the municipal departments, but also was the result of the updated estimate for the cost of closing the landfill.
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$27,392,240, an increase of \$1,821,212 in comparison with the prior fiscal year.
- The unassigned fund balance for the General Fund at June 30, 2021 was \$17,115,571. The Town's policy is to maintain the unassigned fund balance at 16.67% of revenues. At June 30, 2021, this portion of the fund balance is approximately 22.70% and 24.99% of the total General Fund expenditures and revenues, respectively.
- The Town's total outstanding long-term principal debt decreased by \$2,231,160 during the current fiscal year. Of this, \$279,360 was the issuance of debt through the State Revolving Renovation Fund for Coffin School and the Junior High School, offset by \$2,510,520 in debt retirement.

### 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 ACFR also contains other supplementary information.

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, human services, education, recreation/culture, and county tax. The business-type activities of the Town include the Town's solid waste facilities, the pay-per-bag program, the Mere Point Wastewater District, the train station/visitors center and the processing facility. The government-wide financial statements can be found on pages 34 and 35 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 nineteen 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, Tax Increment Financing Fund, School Coronavirus Relief Fund and New Central Fire Station 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 36-38 of this report. Individual fund data for each of the non-major governmental funds is provided in *combining statements* found on pages 94-107 of this ACFR.

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, on pages 39-43 of this report, to demonstrate compliance with the General Fund budget. A full discussion of the General Fund budget and highlights for the year is contained later in this MD&A.

**Proprietary funds.** The Town reports two types of proprietary funds, enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Brunswick uses enterprise funds to account for its solid waste landfill facility, materials processing facility, 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 44-46. The combining statements can be found on pages 109-112.

**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 consist of its private-purpose trust funds, which report on recreation and education scholarships and awards, and gifts to the library and the Village Improvement Association. In prior years, the Town also reported an agency fund, accounting for money held for student activities. Beginning with fiscal year 2020-21, student activities funds are now reported in the School Restricted Funds within Nonmajor Special Revenue Funds. The basic fiduciary fund financial statements can be found on pages 47 and 48 of this report. The combining statements can be found on pages 113-119.

**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 49-85 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI) concerning the Town's progress in funding its pension obligations and its other than pension postemployment benefits (OPEB) obligations. Required supplementary information can be found beginning on page 87 of this report, with the notes to the RSI following on page 93.

The combining statements referred to earlier in connection with non-major governmental funds and proprietary funds are presented immediately following the required supplementary information section of the financial statements. Combining and individual fund statements can be found on pages 96-112 of this report.

### Government-wide Financial Analysis

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. For the Town of Brunswick, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$75,810,936 at the close of the most recent fiscal year, which is an increase of \$9,945,119 during the fiscal year. The Town reports positive balances in all three categories of net position for the government as a whole.

#### Town of Brunswick's Net Position

	Governmental activities		Business-type activities		Total	
	2021	2020 (restated)	2021	2020	2021	2020 (restated)
Current and other assets	\$ 35,749,036	\$ 34,507,109	\$ 8,201,357	\$ 6,586,286	\$ 43,950,393	\$ 41,093,395
Capital assets	106,538,548	102,957,409	221,010	668,707	106,759,558	103,626,116
<b>Total assets</b>	<b>142,287,584</b>	<b>137,464,518</b>	<b>8,422,367</b>	<b>7,254,993</b>	<b>150,709,951</b>	<b>144,719,511</b>
Deferred outflows of resources	5,716,056	4,459,253	-	-	5,716,056	4,459,253
Long-term liabilities outstanding	60,643,627	60,515,849	5,767,755	11,482,511	66,411,382	71,998,360
Other liabilities	7,219,786	8,128,858	2,058,354	94,980	9,278,140	8,223,838
<b>Total liabilities</b>	<b>67,863,413</b>	<b>68,644,707</b>	<b>7,826,109</b>	<b>11,577,491</b>	<b>75,689,522</b>	<b>80,222,198</b>
Deferred inflows of resources	1,830,503	3,090,749	3,095,046	-	4,925,549	3,090,749
Net investment in capital assets	65,863,422	61,963,362	221,010	668,707	66,084,432	62,632,069
Restricted	7,125,479	5,170,568	-	-	7,125,479	5,170,568
Unrestricted	5,320,823	3,054,385	(2,719,798)	(4,991,205)	2,601,025	(1,936,820)
<b>Total net position</b>	<b>\$ 78,309,724</b>	<b>\$ 70,188,315</b>	<b>\$ (2,498,788)</b>	<b>\$ (4,322,498)</b>	<b>\$ 75,810,936</b>	<b>\$ 65,865,817</b>

The largest portion of the Town's net position, \$66,084,432, 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. An additional portion, \$7,125,479 or 9.4% 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 of \$2,601,025 is categorized as unrestricted net position. The \$2,719,798 deficit in business-type activities is the primarily the result of the liability recognized for landfill closure and post-closure costs. In governmental activities, the largest liabilities offsetting current assets are long-term debt in the form of G.O. bonds, resulting in an unrestricted net position of \$5,320,823.

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

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 3,672,759	\$ 4,128,414	\$ 1,211,866	\$ 1,661,281	\$ 4,884,625	\$ 5,789,695
Operating grants and contributions	24,882,014	17,257,603	-	-	24,882,014	17,257,603
Capital grants and contributions	2,502,718	1,995,033	-	-	2,502,718	1,995,033
General revenues						
Property taxes	51,396,119	48,219,683	-	-	51,396,119	48,219,683
Vehicle, w atercraft and aircraft excise taxes	4,153,381	3,598,448	-	-	4,153,381	3,598,448
Grants and contributions not restricted to specific programs	2,944,723	2,330,033	-	-	2,944,723	2,330,033
Unrestricted investment earnings	<u>275,772</u>	<u>392,216</u>	<u>25,462</u>	<u>90,516</u>	<u>301,234</u>	<u>482,732</u>
Total revenues	<u>89,827,486</u>	<u>77,921,430</u>	<u>1,237,328</u>	<u>1,751,797</u>	<u>91,064,814</u>	<u>79,673,227</u>
<b>Expenses:</b>						
General government	8,214,140	6,331,703	-	-	8,214,140	6,331,703
Public safety	11,414,355	10,711,151	-	-	11,414,355	10,711,151
Public w orks	5,878,265	6,791,120	-	-	5,878,265	6,791,120
Human services	332,506	375,519	-	-	332,506	375,519
Education	48,614,103	44,061,737	-	-	48,614,103	44,061,737
Recreation and culture	4,024,665	3,898,655	-	-	4,024,665	3,898,655
County tax	1,674,551	1,590,123	-	-	1,674,551	1,590,123
Unclassified	70,742	103,265	-	-	70,742	103,265
Interest on long-term debt	1,182,750	988,514	-	-	1,182,750	988,514
Solid w aste facilities	-	-	1,277,825	3,742,135	1,277,825	3,742,135
Pay-per-bag program	-	-	119,363	82,552	119,363	82,552
Wastew ater treatment	-	-	44,667	33,432	44,667	33,432
Train station/ visitors center	-	-	91,356	89,152	91,356	89,152
Processing facility	-	-	15,077	-	15,077	-
Total expenses	<u>81,406,077</u>	<u>74,851,787</u>	<u>1,548,288</u>	<u>3,947,271</u>	<u>82,954,365</u>	<u>78,799,058</u>
<b>Increase (decrease) in net position before transfers</b>						
	8,421,409	3,069,643	(310,960)	(2,195,474)	8,110,449	874,169
Special items	-	-	1,834,670	-	1,834,670	-
Transfers	<u>(300,000)</u>	<u>(225,000)</u>	<u>300,000</u>	<u>225,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>8,121,409</u>	<u>2,844,643</u>	<u>1,823,710</u>	<u>(1,970,474)</u>	<u>9,945,119</u>	<u>874,169</u>
Net position beginning of year (as restated)	<u>70,188,315</u>	<u>67,037,275</u>	<u>(4,322,498)</u>	<u>(2,352,024)</u>	<u>65,865,817</u>	<u>64,685,251</u>
Net position end of year	<u>\$78,309,724</u>	<u>\$69,881,918</u>	<u>\$(-2,498,788)</u>	<u>(\$4,322,498)</u>	<u>\$75,810,936</u>	<u>\$65,559,420</u>

As a result of the Town's implementation of the Governmental Accounting Standards Board (GASB) Statement 84, beginning net position for governmental activities has been restated. The Town incorporated student activities funds held and managed by the School Department into the financial statements, increasing governmental fund balance and governmental net position by \$306,397 as of June 30, 2020.

While in total the Town's net position is positive, balances 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, increased the Town of Brunswick's total net position by \$8,121,409. The following points highlight the significant changes in revenues compared with the previous year:

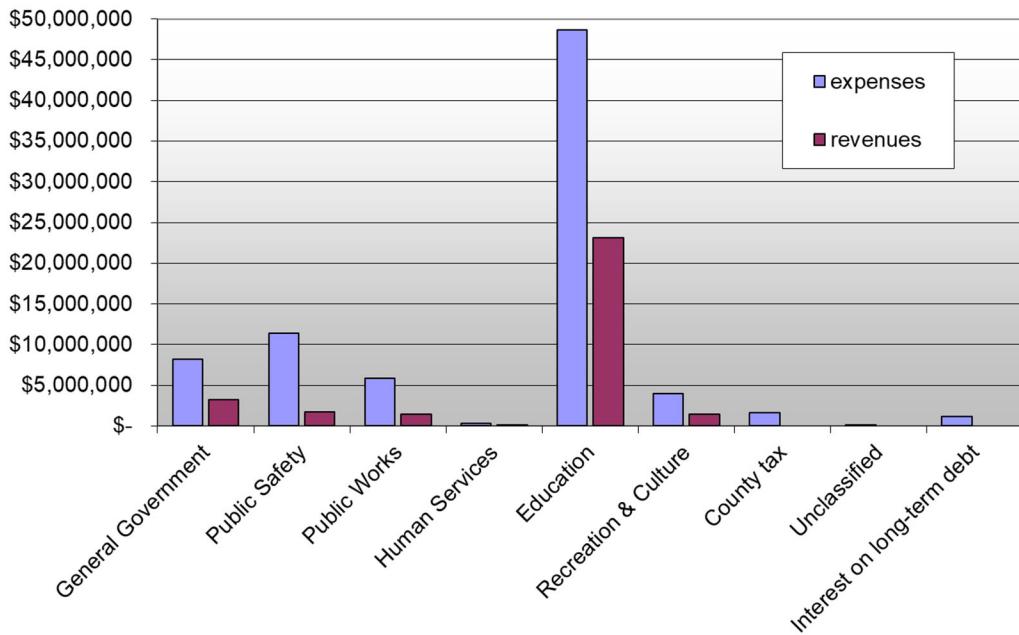
- Property tax revenue, the Town's largest revenue, increased by \$3,176,436, or 6.6%. This increase was anticipated, as the tax rate increased by 3.3% and valuation base (total taxable valuation plus state reimbursed exemptions) increased by 3.02%. Property taxes made up 57.2% of the total revenue, down from 61.9% of the total in the previous year. The percentage decrease was the result of shifts in proportion of the total revenues, primarily due to the increase in operating grants and contributions.
- Excise tax revenue increased by \$554,933 from the prior year, which represents an increase of 15.4%. There was sharp drop-off of excise tax collections from mid-March to June 1, 2020 when Town Hall was closed to the public due to the COVID-19 pandemic, and FY 2020 excise tax collections were \$188,508 less than FY 2019 collections. Motor vehicle excise tax collections in FY 2021 included some that were delayed from the prior year, and also reflected a return to normal levels.
- Charges for services revenue decreased by \$455,655. The decreases in charges for service were primarily due to closures associated with the COVID-19 pandemic. In the School Department, cafeteria receipts from students were down by \$328,790, and REAL School tuition and fees and transportation charges were down by \$280,732 and \$24,008, respectively. In Recreation and Culture, recreation program revenues were \$240,119 less than the previous year, due to the suspension of 2020 summer and fall programs. Offsetting these, the Town experienced increases totaling \$243,673 in Planning and Codes fees within the General Government category, and Public Safety increased by \$99,172 with higher ambulance revenue.
- Operating grants and contributions increased by \$7,624,411. This category of revenues increased to 27.70% of the total revenue, from 22.15% in the previous year. The largest driver of the increase was in the Education category, where CARES Act funding alone provided \$4,253,927. In addition, State Aid to Education, was \$1,198,649 more than the prior year, with more funds distributed by the Maine Department of Education. Also in Education, contributions for student activities added \$169,911, and the on-behalf amount paid by the State for teacher retirement increased by \$95,310. Within General Government, a COVID-19 related grant for Good Shepherd Food Bank added \$1,389,642.
- Capital grants and contributions increased by \$507,685. The largest capital contributions were in the Recreation & Culture and Public Works categories. The 10 acres of land surrounding the Recreation Center, valued at \$932,000, were conveyed to the Town from the Navy, and the Town accepted \$115,930 in contributions from the American Legion to complete the Veteran's Plaza project. The Town accepted infrastructure valued at \$579,240 and received \$349,522 in grant funding from MaineDOT for the Cedar Street Parking Lot. Offsetting these, capital grants in Education and General Government show decreases relative to the prior year.
- Grants and contributions not restricted to specific programs increased by \$614,690. The majority of this increase was driven by State Revenue Sharing, which increased by \$586,452. This was

primarily the result of the State increasing the percentage of sales and income tax distributed into the pool from 3% to 3.75% in the fiscal year ended June 30, 2021.

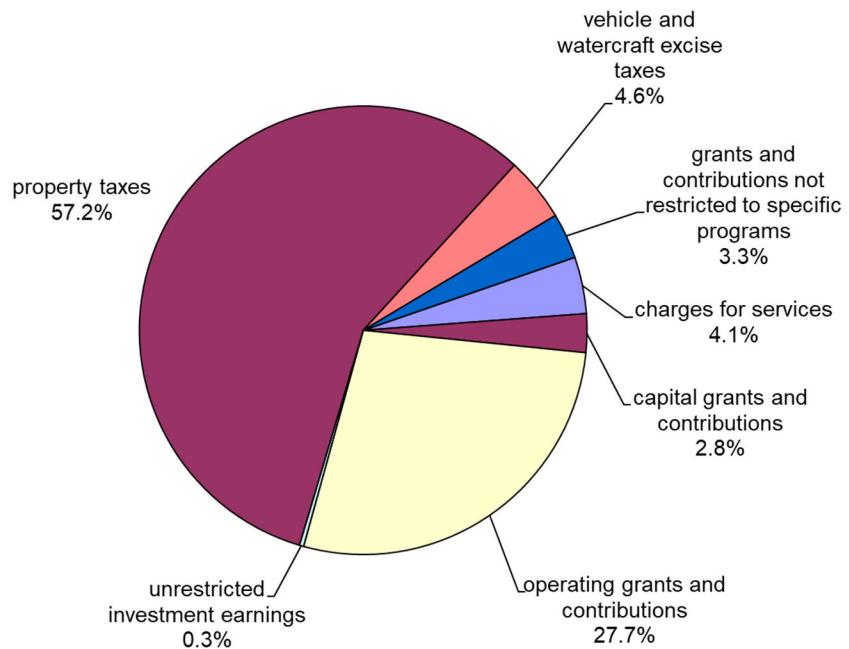
- Unrestricted investment earnings decreased by \$116,444, a result of the decreasing interest rates based on the federal funds target rate which was reduced in the spring of 2020 from 2.5% to 0.25%.

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, 2021

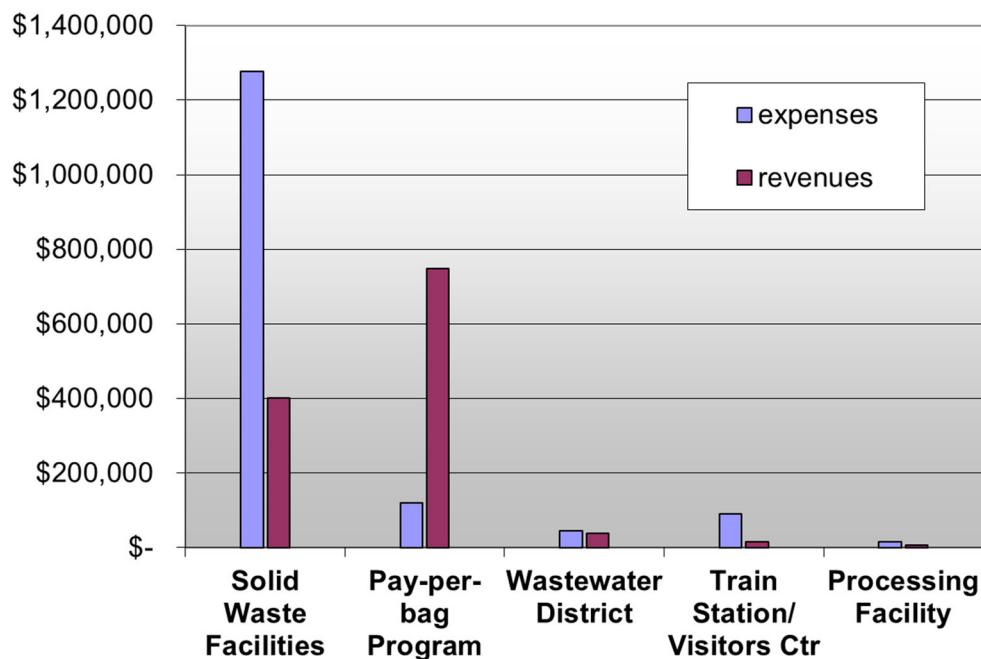


**General and Program Revenues - Governmental Activities**  
For the year ended June 30, 2021

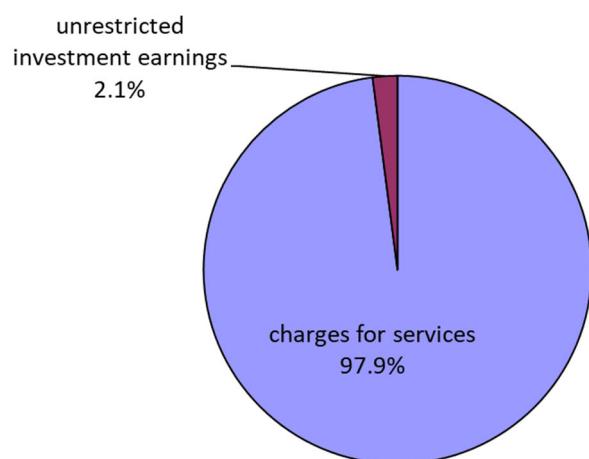


**Business-type activities.** The Town's business-type activities consist of five enterprise funds: two major funds accounting for its solid waste facilities and its pay-per-bag program, and three non-major funds, including a small wastewater district, the train station/visitors center, and a materials processing facility near the location of the closed landfill. 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. The Train Station/Visitors Center fund received a budgeted subsidy from the General Fund in 2020-21, and the new Processing Facility was funded partially through a \$250,000 transfer from the Impact Fee Fund, as well as receiving capital assets valued at \$34,701 from the landfill.

**Expenses and Program Revenues - Business-type Activities**  
**For the year ended June 30, 2021**



**Revenues by Source - Business-type Activities**  
**For the year ended June 30, 2021**



The Town's business-type activities increased the Town's total net position by \$1,823,710. This was a result of increases in the Solid Waste Facilities Fund and Processing Facility Fund of \$5,125,552 and \$284,701 respectively, offset by decreases in the Pay-per-bag Program Fund, the Train Station/Visitors Center Fund and the Mere Point Wastewater Fund of \$3,554,998, \$24,502 and \$7,043, respectively.

The major activity accounted for in the Solid Waste Facilities Fund is the operation of the Town's solid waste landfill located on Graham Road. At the end of March 2021, the Town discontinued use of the landfill, and began the closure construction. In its eight months of operations during the year, the landfill experienced a \$623,850 operating loss. Each year the Town recognizes expenses and books an estimated closure/post closure liability based on the landfill capacity. In prior years, the Town used estimates from Woodard & Curran, but for the fiscal year ended June 30, 2021, the Town was able to estimate closure costs based on the executed contracts. As the change in estimate was significant, the Town recorded a special item of \$1,834,670 rather than reduce the landfill expense for the year.

The Town currently estimates landfill closure costs at \$7,700,000, and is continuing to base post closure liability on an estimate from Woodard & Curran of \$2,145,000 over 30 years. For the fiscal year, the amount of expense related to closure and post closure estimates was \$276,624. With \$4,141,245 already expended on closure, the remaining closure liability was \$3,558,755 and the total liability for closure and post closure as of June 30, 2021 is estimated at \$5,703,755. Also as of June 30, 2021, the Town recognized a liability of \$64,000 for 16 years of post closure monitoring of the wood and masonry landfill, which was closed in 2006.

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 bag fee and single-stream recycling were implemented in 2007 to encourage recycling, and the bag fee was increased in 2018. While these programs decreased the volume of solid waste delivered to the landfill, the Town was not able to sufficiently reduce operating costs to meet the reduction in revenue, and the Town Council voted its intent that the net funds generated by the pay-per-bag program be used toward future landfill closure costs. With the landfill closure beginning in April 2021, \$4,200,000 was transferred from the Pay-per-bag Program to the Solid Waste Facilities in the fiscal year ended June 30, 2021. It is anticipated that the net revenues from the Pay-per-bag Program will continue to be used to fund the landfill closure until complete. As of June 30, 2021, the Pay-per-bag Program Fund had net position of \$276,032.

The Town's Mere Point Wastewater System realized an operating loss of \$7,075. User fees for this program had not changed since it was created in 1993, and in the 2016-17 fiscal year, responding to capital needs in the system, the Town initiated a review and adopted an updated fee schedule which incorporated an allowance to recover capital costs. During the 2020-21 fiscal year, to cover increases in the disposal fees charged by the Brunswick Sewer District, the Town updated the user fees again. The Town also approved a general fund advance of \$200,000 to the Mere Point Wastewater System to purchase an easement on Webb Field Road, and install a forcemain to connect four homes to the system, and remove the current holding tank which needs to be pumped regularly. The new fees became effective on April 1, 2021, and are expected to help eliminate the annual operating loss and repay the general fund over a period of ten years. As of June 30, 2021, the fund had \$175 in unrestricted net position.

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 for use as 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 Town is responsible for repair and maintenance of the leasehold improvements within the station, and for routine maintenance of the platform.

In 2014, the Town and JHR amended the train station lease, extending the term five years at the same rental rate of \$44,000 per year. In 2019 the Town and JHR extended the lease an additional five years, commencing on January 1, 2020, at a rate of \$51,939.12 per year. From 2009 through FY 2016, Brunswick Development Corporation (BDC) provided grants to the Town to fully cover the rental costs. Beginning in FY 2017, the Town Council authorized the use of TIF revenues from the Downtown Development TIF district

to fund the Train Station rental costs and other operating expenses. With the FY 2021 budget, the amount appropriated was \$50,000.

In January 2018, the Town installed a kiosk in the long-term parking area on Union Street, and began charging train and bus riders \$2/day to park in the lot. In FY 2019, the first full year of parking kiosk operations, the Town collected \$20,379 in parking fees, but in FY 2020 and FY 2021 collections dropped off significantly due to COVID-19, producing revenues of \$16,492 and \$5,692, respectively. As of June 30, 2021, the Train Station/Visitor's Center Fund had a net position totaling \$68,198, with \$8,648 of this recorded as investment in capital assets.

In April 2021, with the closure of the Graham Road Landfill, the Town Council appropriated \$250,000 from Solid Waste Impact Fees to establish a materials processing facility adjacent to the closed landfill. Open two days per week, the facility accepts clean wood, brush and leaves, metals, electronics and universal waste. In the first three months of its operation, the facility recorded an operating loss of \$7,627. As of June 30, 2021, the Processing Facility had a net position totaling \$284,701, with \$109,718 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 \$27,392,240. Of that amount, \$1,494,764 is classified as nonspendable. Another \$7,203,432 is restricted, \$4,028,121 is committed and \$2,655,425 is assigned.

The largest portion of the \$1,494,764 nonspendable fund balance is \$792,315 held in permanent funds for education, community improvements, recreation, and cultural and social services. An additional \$586,606 consists of advances made by the General Fund to two projects in the Capital Improvement Projects Fund. Finally, \$115,843 is held in inventories and prepaid deposit items.

Of the \$7,203,432 in restricted fund balance, \$5,078,725, or approximately 70.5%, is restricted for education purposes. This is primarily the school department's general fund balance, but also includes \$900,064 in bond proceeds, \$450,000 in contributions for the new elementary school, and balances in student activities, cafeteria and other grant funds. An additional \$1,060,756, or 14.7%, consists of state revenue sharing and highway revenue balances. Impact fees restricted for capital projects total \$522,335, and funds restricted in the permanent and special revenue funds total \$276,867. The Tax Increment Financing Fund makes up the final \$264,749 in the restricted category.

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 that

are not nonspendable, 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, 2021, the targeted unassigned fund balance for the General Fund was \$12,568,280. At \$17,115,571, the actual unassigned fund balance was 22.7% of revenues, and \$4,547,291 over the target. As a percentage of expenditures, the unassigned fund balance was 24.99%.

Despite a planned and budgeted reduction of \$2,461,364, plus additional reductions in the form of 2020 carry-forward encumbrances of \$113,612, capital budget of \$641,000 and supplemental appropriations of \$998,905, the fund balance of the Town of Brunswick's General Fund actually increased by \$4,048,571 during the current fiscal year. The General Fund changes are more thoroughly discussed later in this MD&A in the section entitled "General Fund Budgetary Highlights" following.

The *Tax Increment Financing Fund* includes the activity of the Town's five tax increment financing (TIF) districts. TIF funds must be used for eligible projects as defined within the development programs, in accordance with Maine State law. As of June 30, 2021, the fund had a balance of \$264,749, all of which is restricted. TIF funds are used to promote economic development, to fund credit enhancement agreements with developers and to fund capital improvement projects in and around the districts.

FY 2021 expenditures in this fund included \$890,920 in payments under credit enhancement agreements and \$70,035 in debt service payments. Transfers to other funds for development program purposes totaled \$1,363,891. In the 2020-21 budget, the Town Council appropriated \$673,969 from TIF revenues to be transferred to the general fund for economic development, train station and transit-oriented projects, public safety vehicles and road improvements. The Town Council also adopted a TIF budget resolution appropriating \$15,000 for the Cedar Street Parking Project, \$46,922 to match a Maine Dept of Transportation grant for the Pleasant Street Corridor study, \$100,000 for downtown improvements, \$200,000 toward the general fund advance for the Landing Drive project, and \$240,000 toward the general fund advance for Fire Engine 2. Also adopted in the TIF budget resolution, but not used, was \$120,000 for the Bath Road Corridor Signal Upgrades project.

During FY 2021, the Council approved an additional \$88,000 from TIF revenues, of which \$63,000 was to hire an Economic Development Specialist/Grant Writer, and \$25,000 was to fund a downtown parking study. The Council also approved \$50,000 to be used as a match for an EDA grant to construct a connector road on Brunswick Landing, from Katahdin Drive to Bath Road. As of June 30, 2021 the EDA grant had not been awarded, the funds were not yet transferred out of the TIF Fund, and it was unclear if this project would go forward.

In the 2021-22 budget, the Town Council appropriated \$807,122 from TIF revenues to be transferred to the general fund for economic development, train station and transit-oriented projects, public safety vehicles and road improvements. The Town Council also adopted a TIF budget resolution appropriating a total of \$1,060,462. This included \$43,000 for the Cedar Street Parking project, \$140,000 for the next phase of the Pleasant Street Corridor project, \$200,000 for downtown improvements, \$50,000 toward the Landing Drive advance, \$56,962 toward the Fire Engine 2 advance, \$330,000 to match the Maine DOT MPI grant for Church Road, \$40,500 for recreational trails on the Kate Furbish Preserve, and \$200,000 for the Cook's Corner Revitalization project.

The *School Department Coronavirus Relief Fund* was added as a major fund in these financial statements, due to a large receivable balance of \$4,066,481 as of June 30, 2021. During the 2021-22 fiscal year, the School Department expended \$4,253,927 in eligible costs under the Federal Coronavirus Relief Fund (CRF) and the Elementary and Secondary School Emergency Relief Fund (ESSER Fund).

The *Central Fire Station Bond Fund* had a balance of (\$4,158,983), reflecting expenditures to design the new fire station, acquire properties, and begin construction. It is anticipated that construction will be completed in fall of 2022. Until bonds are issued, possibly in January, 2022, this project will be funded with cash advanced from the General Fund.

**Proprietary funds.** The Town of Brunswick's proprietary funds provide the same type of information found in the government-wide statements, but in greater detail. At year end, the Solid Waste Facilities Fund had a deficit in unrestricted net position of \$3,230,538. The Pay-per-bag Program Fund had unrestricted net position of \$276,032. The Mere Point Wastewater District Fund, Train Station/Visitors Center Fund and Processing Facility had unrestricted net positions of \$175, \$59,550 and \$174,983, respectively. The finances of these funds have been addressed previously in the discussion of the Town of Brunswick's business-type activities, and are further described in Capital Assets following.

## 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 \$260,000 were made from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations. These adjustments were:

- \$90,000 for the Fire Department to cover costs associated with the COVID-19 response, and higher than anticipated vehicle repair costs.
- \$90,000 for Risk Management to cover unanticipated Workers Compensation insurance costs.
- \$30,000 for the Police Station to cover unanticipated building maintenance costs.
- \$20,000 for the Municipal Building (Town Hall) to cover supplies and temporary personnel costs associated with the COVID-19 response.
- \$10,000 for Fire Suppression (Hydrants) to cover increased rates from Brunswick Topsham Water District.
- \$10,000 for the Curtis Memorial Library to cover unanticipated building maintenance costs.
- \$5,000 for Cable TV to cover increased part-time personnel costs associated with the COVID-19 response.
- \$5,000 for Emerson Fire Station to cover unanticipated building maintenance costs.

The other difference between the original and final budgets results from supplemental appropriations made during the year and the capital budget, detailed below. These differences total \$3,750,452. Of that amount, \$3,687,452 is the amount the State of Maine contributed to the Maine Public Employees Retirement System (MainePERS) for retirement and other benefits on behalf of employees enrolled in the MainePERS Teacher Plan. This on-behalf amount increases both the revenue and expenditure budgets.

An additional \$63,000 represents a supplemental appropriation to fund a new Economic Development Specialist/Grant Writer position. The funds were appropriated from Tax Increment Financing (TIF) revenues, and are reflected as a transfer into the General Fund.

An additional \$998,905 represents supplemental appropriations from fund balance, and as such there is no increase in the revenue budget; only the expenditure budget is increased. These were as follows:

- \$638,905 for the Brunswick High School Track Renovation. Previously appropriated as an advance from the unassigned fund balance, to be repaid through the School Department's budget over seven years, in April, 2021, the Town Council voted to forgive the advance.
- \$300,000 for three rooftop HVAC units on Town Hall. On September 8, 2020, the Town Council approved the project and authorized an emergency appropriation from unassigned fund balance.

- \$60,000 to make repairs to the Androscoggin River Swinging Bridge. On November 2, 2020, the Town Council approved the project and authorized an emergency appropriation from unassigned fund balance.

#### Capital Budget

The Town Council adopted a capital budget in conjunction with the operating budget for the fiscal year ended June 30, 2021. As planned through the Capital Improvement Program, the capital budget authorized the use of \$641,000 in unassigned General Fund balance, and is shown as an additional appropriation to distinguish it from the operating budget. The projects funded in the Capital Budget were as follows:

- \$381,000 to fund the first year of a two-year project to convert the Town's streetlights to municipally owned and maintained LED fixtures.
- \$260,000 to fund the replacement of 40 air packs, which were originally purchased in 2005 and are reaching end of life.

#### Revenues - actual vs. final budget

For the year, actual revenues exceeded budgeted revenues by \$3,620,235. The following paragraphs discuss the various categories of revenues and the variances within each category.

In total, actual tax revenues exceeded the budget by \$2,923,288. Of this amount, property tax revenue was more than budgeted by \$2,017,412. This is the result of several factors. The total actual taxable valuation of real and personal property tax available for the general fund was more than the estimate used in the development of the budget, resulting in \$1,426,702 more property tax revenue than projected. In addition, the actual amount of property tax deferred was less than budgeted by \$519,746, and supplemental tax assessments were \$40,841 more than budgeted, and the actual amount of tax abatements granted was \$30,123 less than budgeted. Interest on delinquent taxes, tax lien costs, and payments in lieu of taxes were \$33,943, \$1,492 and \$24,061 more than budgeted, respectively. Excise tax revenues on vehicles, watercraft and aircraft were \$846,380 more than budgeted. Due to the uncertainties around the COVID-19 pandemic, the Town reduced the 2020-21 budget estimate for vehicle excise tax, and actual collections exceeded expectations.

In total, actual license and permit revenues were \$223,573 more than the amount budgeted. The largest portions of this variance were in Codes Enforcement revenue where actual building permit revenue was \$192,759 more than budgeted, due to more new construction than anticipated. The largest construction projects were the construction of the new arctic studies center and academic building at Bowdoin College, the renovation of a downtown building, and nine new apartment buildings on Brunswick Landing. In addition, the Town issued 75 building permits for the construction of new single family homes. In Planning and Development, revenues from planning board application fees were in excess of the budget by \$37,076, reflecting increased development activity, primarily at Brunswick Landing, Cooks Corner and Bowdoin College.

The Town Clerk's licenses and permit revenues also exceeded projections by \$11,184. Because of the COVID-19 pandemic, the due dates for general and victualers' license fees were extended from June 30, 2020 to December 31, 2020. The revenues were recorded when collected, resulting in general license and victualers' license revenues at \$7,445 and \$7,055 more than was budgeted in FY2021, respectively. For the newly established marijuana licenses, collections resulted in \$6,675 more than budgeted. Fees from hunting/fishing licenses and mooring fees also exceeded the budget, while revenue from vital records and dog licenses were less than anticipated.

For Public Works, new rates for street opening permits and increased activity from Maine Natural Gas resulted in \$4,422 more revenue than budgeted. In the Finance Department, revenues from processing passport applications and passport photos were \$22,160 less than budgeted, reflecting the suspension of the passport program in Town Hall from March 2020 through December 2020 due to COVID-19 restrictions.

The Town has not resumed the passport photo service, but beginning in January 2021 is accepting passport applications. The remaining revenues of this category were a total of \$292 more than budgeted.

Actual intergovernmental revenues were more than the budget by \$285,881. State revenue sharing exceeded estimates by \$726,412. Because this revenue is primarily dependent on state income and sales tax collections, and considering the uncertainties caused by the COVID-19 pandemic, the Town estimated this line conservatively. The State Education Subsidy budget was based on the State's estimate from June, 2020, which was reduced by \$142,958 due to the enrollment of 74 pre-K students as of October 2020, rather than the anticipated 90 pre-K students. State general reimbursement was less than budgeted by \$332,772. This revenue estimate was based on the amount of general assistance expected to be distributed, and the Town's actual distributions were significantly less than anticipated in FY2021, as assistance was provided by the State directly to individuals. The state tax exemption reimbursement was \$17,153 more than budgeted whereas the state agency client fell short of projections by \$28,133, primarily due to a reduction in placed children under the care or custody of DHHS. Unanticipated funding from the CARES Act came to the Town in the form of FEMA Disaster Assistance of \$43,521, and through Greater Portland METRO with pass-through assistance for the MetroBreeze bus service of \$7,111. The remaining intergovernmental revenues were less than budgeted by a total of \$4,453.

Actual charges for services in total exceeded the budget by \$137,187, though the individual service results varied. Ambulance service fees were more than anticipated by \$146,672, primarily due to an increased number of trips. Tuition and transportation revenues received by the school department were less than budgeted by \$42,557, primarily due to changes in the school year and services related to COVID-19. Agent fees for registering motor vehicles, boats, ATVs and snowmobiles were \$7,090 more than budgeted, due to an increase in the number of registrations processed. Revenues from the sale of recycled materials was \$14,953 more than budgeted, due to an increase in the rates paid for materials. . The remaining variances in this category result in a net positive variance of \$11,029.

Fines and penalties collected were less than budgeted by \$7,198. In total, Police Department fines came in under the budget by \$5,818, with all lines other than ordinance fines recording reduced revenue. The reduction in parking fines, which was less than budgeted by \$6,301, was due to the reduced activity and greater parking availability in the downtown area related to the COVID-19 pandemic. Unlicensed dog fines were less than anticipated by \$1,580, and fire code violation fees were more than anticipated by \$200.

Interest on investments were less than the budget estimate by \$10,694. The interest rates on the Town's cash investments are based on the Federal Funds rate, and though the Town has continued to budget conservatively, the combination of the reduced rate and cash flow timing resulted in less interest revenue than anticipated.

Finally, the other revenues category exceeded the budget by \$68,198. Miscellaneous revenues for the municipal departments were more than budgeted by \$21,041, of which largest single item was \$13,317 for purchase card rebates. Also in this category was an unanticipated \$13,884 in worker's compensation proceeds, and \$5,029 in general assistance recoveries. The Town budgets conservatively for Cable TV franchise fees, and this line came in \$13,904 over budget. School miscellaneous revenues were more than the budget by \$15,840, and sale of miscellaneous assets were \$1,500 less than expected.

#### Expenditures - actual vs. final budget

The Charter of the Town of Brunswick requires that expenditures be within the various appropriations established in the budget unless the Town Council approves the excess expenditures. As previously mentioned in the discussion about the original and amended budgets, the Town regularly monitors its expenditure budget to ensure compliance with the Charter requirements. 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 authorized several budget transfers from accounts with unanticipated surpluses to those accounts for which there were unanticipated expenditures. Additionally, the Council authorized department over-expenditures up to \$10,000. Expenditures in the police station were over budget by \$361 due to unanticipated costs for building repair and maintenance.

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

The budgeted transfers into the general fund totaled \$763,000. This amount represents \$673,969 in budgeted transfers from the Tax Increment Financing (TIF) district fund to the general fund to cover expenditures allowed under the TIF development programs, an additional \$63,000 appropriated from TIF revenues for the Economic Development Specialist/Grant Writer position, and \$26,031 transferred back to the general fund from balances in completed capital projects.

**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, 2021 amounts to \$106,759,558, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, improvements, buildings, machinery and equipment, vehicles, intangibles and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$3,133,442. Governmental capital assets increased with the addition of assets, offset by depreciation, while the decrease in business-type capital assets was primarily due to the discontinuation and closure of the Graham Road Landfill.

Major capital asset events in governmental activities were as follows:

- Land additions totaled \$520,000. This represents the assessed value of the land around the Recreation Center on Brunswick Landing. This property was transferred to the Town as part of the public benefit conveyance from the US Navy for public park and recreational purposes. The Recreation Center building was conveyed to the Town previously, and this 14.33 acre parcel consists of the parking lot and the approximately 10 acres of vacant land next to the Recreation Center.
- Construction projects in progress totaled \$4,779,274 at the conclusion of the year. This category of assets decreased as projects progressed during the year. The largest decrease was the new Kate Furbish Elementary School, which was put into service in September 2020. Also completed was the Veteran's Plaza and LED Lighting upgrades at the Library and the People Plus Center. On June 30, 2021, ongoing projects were the Central Fire Station at \$4,217,353, the Cedar Street Parking project at \$491,437, carpeting at the Library for \$44,052, and irrigation systems at the Police Station and Emerson Fire Station for \$16,234 and \$10,198, respectively.
- Additions to building assets totaled \$25,789,908, of which \$25,283,622 was associated with school buildings. The new Kate Furbish Elementary School building and amenities was capitalized for a total of \$24,515,711. At the Brunswick Junior High School, additions totaled \$243,269, which consisted of roofing for \$97,038, flooring upgrades for 71,293, and windows for \$74,938. Projects at the Hawthorne building totaled \$220,077, of which \$112,156 was for HVAC and building controls, \$77,220 was for an isolation room, and \$30,701 was for flooring upgrades. The High School totaled \$181,910 for flooring, window and roofing upgrades and improvements to the nurses' room, while HVAC upgrades at Harriet Beecher Stowe School added \$108,137, and air conditioning of the technology room at the Coffin School added \$14,518. Municipal building additions were \$506,286, of which \$297,345 was for three HVAC rooftop units at Town Hall, and \$126,778 was for roofing upgrades on the People Plus Center and the Public Works building. Other additions included LED lighting upgrades at the Curtis Memorial Library and the People Plus Center for \$68,936 and \$13,227, respectively.
- Improvements other than buildings increased by \$505,268. The largest item was \$412,000 for the Veteran's Plaza, which was constructed on the Town Mall with funding from the American Legion.

The playground at the new Kate Furbish Elementary School was capitalized for \$68,518, and fencing at the Kate Furbish Preserve added \$24,750.

- Machinery and equipment additions in governmental activities totaled \$1,914,694. The school department added \$979,943 in machinery and equipment. This included \$650,828 for new equipment to outfit the Kate Furbish Elementary School. Other major additions included \$171,406 in security and intercom upgrades at various school and administration buildings, and \$25,970 for lockers at Brunswick Junior High School. Within municipal departments, the fire department added \$245,523 for 40 Scott Air Paks. The police department updated the communication equipment in the cruisers for a cost of \$58,202, and acquired a mobile crisis phone system for \$25,166. The public works department replaced a loader/backhoe for \$122,000, received equipment valued at \$291,940 from the landfill enterprise fund, and purchased four message boards for a total of \$54,000. Cameras and network equipment added \$59,018, and the recreation department added an ATV for \$20,888, a tractor for \$12,641, and an outdoor stage, which cost \$9,329.
- Vehicles were replaced in the public works, fire, police and school departments during the year, retiring \$452,546 and adding \$1,090,732 in value. The school department added five new buses, and refurbished five buses, for a total of \$596,638, and acquired four trucks and a van for \$202,234. Six buses and a truck were retired, valued at \$346,127. The public works department acquired a jet vac truck for cleaning catch basins for \$82,500, and the fire department replaced a utility truck for \$39,404. The police department replaced two cruisers for \$85,328 and acquired a motorcycle for \$22,525 and a box trailer valued at \$5,000. Retired assets included two police cruisers, a police trailer and two parks and recreation vehicles, for a total of \$106,419. Two police cruisers were transferred to the parks and recreation department in July, 2020.
- Governmental activities added intangible assets totaling \$13,250 for fiber connectivity to the Cedar Street Parking Lot.
- Governmental activities added infrastructure during the year totaling \$550,755. The Town accepted Tree Farm Road from the developer, adding value of \$287,300. The Town purchased 1,100 streetlights from Central Maine Power for \$97,455. These will be replaced with LED fixtures in FY 2022. Improvements to the end of Simpson's Point Road to improve parking added \$81,000. Four lighted crosswalks were added for \$60,000, a replacement drainage structure on Mill Street added \$20,000, and a culvert on Hacker Road cost \$5,000.

Major capital asset events in business-type activities were as follows:

- With the closure of the Graham Road Landfill, and the establishment of the materials processing facility, 6 acres of land, valued at \$42,250 was transferred from the Solid Waste proprietary fund to the Processing Facility proprietary fund.
- Non-depreciable intangible assets increased by \$10,000. The Webb Field forcemain project in the Mere Point Wastewater District required the acquisition of an easement from the landowner.
- Building additions totaled \$11,500. This was the purchase of a container to serve as the office for the new processing facility. The building at the former landfill, valued at \$54,220, was demolished.
- Improvements other than buildings totaling \$57,000 were added for the gravel driveway and laydown area at the processing facility. In future years the Town may choose to add paving.
- Machinery and equipment for \$702,522 was retired from the Graham Road Landfill. The compactor, valued at \$368,933, was sold. Of the remaining equipment, \$291,940 for a utility vehicle, a wheel loader and a bulldozer were transferred to the public works department. The scale and several tanks, valued at \$41,649, were scrapped.

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

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

	Governmental		Business-type		2021	Total	
	activities	2021	activities	2020			
<b>Capital assets not being depreciated:</b>							
Land	\$ 7,381,708	\$ 6,861,708	\$ 115,000	\$ 115,000	\$ 7,496,708	\$ 6,976,708	
Construction in progress	4,779,274	25,818,148	-	-	4,779,274	25,818,148	
Intangibles	200,000	200,000	10,000	-	210,000	200,000	
<b>Capital assets being depreciated:</b>							
Buildings	60,214,442	37,595,357	11,181	-	60,225,623	37,595,357	
Improvements other than buildings	1,925,302	1,654,658	56,287	221,381	1,981,589	1,876,039	
Machinery and equipment	3,194,649	1,823,435	8,648	302,289	3,203,297	2,125,724	
Vehicles	4,389,468	4,005,002	-	-	4,389,468	4,005,002	
Intangibles	181,828	270,041	-	5,461	181,828	275,502	
Infrastructure	24,271,877	24,729,060	19,894	24,576	24,291,771	24,753,636	
<b>Total</b>	<b>\$ 106,538,548</b>	<b>\$ 102,957,409</b>	<b>\$ 221,010</b>	<b>\$ 668,707</b>	<b>\$ 106,759,558</b>	<b>\$ 103,626,116</b>	

Additional information on the Town of Brunswick's capital assets can be found in note IV.C on pages 63 and 64 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Brunswick had total bonded debt and notes from direct borrowings outstanding of \$39,851,148, all of which is general obligation debt.

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

	Governmental		Business-type		2021	Total
	activities	2021	activities	2020		
General obligation bonds	\$ 28,455,000	\$ 29,820,000	\$ -	\$ -	\$ 28,455,000	\$ 29,820,000
Notes from direct borrowings	11,396,148	12,262,308	-	-	11,396,148	12,262,308
<b>Total</b>	<b>\$ 39,851,148</b>	<b>\$ 42,082,308</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,851,148</b>	<b>\$ 42,082,308</b>

On September 18, 2020 the Town issued \$279,360 in debt with School Revolving Renovation Fund (SRRF) loans through Maine Municipal Bond Bank (MMBB). The SRRF program is administered by the Maine Department of Education, and provides financing through zero-interest loans and grant funds for qualifying school renovation projects. The Brunswick school department has utilized this funding over the past several years for projects at the Coffin Elementary School and the Brunswick Junior High School. The Town Council authorized \$296,006 for improvements at the Coffin School and \$153,777 for improvements at the Junior High School. In total, SRRF funding was approved for \$449,783 on a reimbursement basis, with \$279,360 to be issued as debt, and \$170,423 in grant funding.

The amount of principal debt retired during the year through debt service payments totaled \$2,510,520. The Town's outstanding debt continues to be rated Aa2 by Moody's Investors Service and AA+ by Standard & Poor's.

Maine law limits the amount of general obligation debt a governmental entity may issue to an amount equal to 15% of its total State assessed valuation. The current debt limitation for the Town is \$389,385,000, 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, 2021, the Town had debt authorized but not issued for up to \$13,925,000:

- \$13,500,000 was authorized on April 1, 2019, for the purchase of property and construction of a new fire station. To be located on Pleasant Street, this station will replace the Town's 100 year old Central Fire Station. As of June 30, 2021, the Town had expended \$4,158,983 for the fire station project. It is expected that debt will be issued in early 2022, and that construction will be completed by fall of 2022.
- \$425,000 was authorized on October 20, 2020, for the acquisition of a replacement tank truck for the Fire Department. The truck has been ordered, and delivery is expected in 2022. Debt will be issued in combination with the bonds for the fire station.

Additional information on the Town's long-term debt can be found in note IV.E.1. on pages 65-67 of this report.

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

The 2021-22 municipal budget was developed in the spring of 2021, with economic uncertainties around the COVID-19 pandemic and CARES Act funding, along with changes in the State budget. As in previous years, many of the State budget initiatives had an effect on the Town's estimated revenue, and some of those initiatives were not finalized until after the Town's budget was adopted. For example, when budgeting for State Aid to Education, the school department uses the calculations provided in January by the State in the ED 279 formula. With the State's adopted budget, changes to the formula and additional funds available added an estimated \$1,510,784 in aid to Brunswick for FY 2022, resulting in an estimated increase of \$851,277 over the previous year.

Revenue sharing is a program by which, since 1972, the State has shared 5% of its income and sales tax revenues with municipalities in order to provide a measure of property tax relief. Since 2006, the State has transferred funds from the revenue sharing pool to its general fund. In 2015, the State continued the lower level of revenue sharing for four fiscal years, FY 2016 through FY 2019, pegging it at 2% of income and sales tax revenues. This was increased to 2.5% in 2019-20, and 3.75% in 2020-21. With the development of the Town's 2021-22 budget, the Town used an initial estimate of \$2,450,000, but when the State budget was adopted in July, the level of revenue sharing for FY 2022 was set to 4.5% of income and sales tax, with Brunswick's share estimated at 3,139,900. The share of State Revenue Sharing is scheduled to return to the 5% level for FY 2023.

Over the past several years, the State has made changes to the homestead exemption for permanent resident homeowners, beginning with increases of \$5,000 each year in FY 2017 and FY 2018 to total \$20,000. When these changes were originally passed in 2015, the state reimbursement to municipalities was also set to increase from 50% in FY 2017 to 62.5% in FY 2018. However, the reimbursement rate was ultimately maintained at 50% for FY 2018, and increased to 62.5% for FY 2019 and FY 2020. For FY 2021 and FY 2022 the State budget proposal included an increase in the exemption amount to \$25,000, and a corresponding increase of the reimbursement rate to 70%, to have a net neutral effect on Town revenue.

In FY 2022 the Town's local certified ratio (the percentage difference between the fair market value and the local assessed value) was 95%, and the homestead exemption was adjusted accordingly to \$23,750. With a total of \$112,683,700 in homestead exemptions in FY 2022, the Town will receive \$1,645,407 at the 70% reimbursement rate. Beginning in FY 2023, the reimbursement rate is set to increase by 3 percentage points each year until the State reimbursement reaches 100%. At the FY 2022 tax rate of \$20.86 per \$1,000, a 3% increase would be an additional \$70,517 in reimbursement.

The Town Council has committed to a program of longer term financial planning to anticipate budget impacts on future property tax rates. The aim of the long-range planning effort is to anticipate capital needs

through coordination of the Capital Improvement program and the annual budget, and to develop sustainable operating budgets. Over a number of years, the Town had planned the debt service on the new elementary school to begin in the 2020-21 fiscal year, and as was anticipated, the Town Council, in an effort to minimize the impact on the taxpayers, required municipal and school department staff to adjust the revenue and expenditure budgets to accommodate this increase.

With the 2020-21 budget, and revenue adjustments prompted by the COVID-19 pandemic, the Town Council increased the use of reserves (unassigned fund balance) in the budget by \$150,000. For the 2021-22 budget the Town Council returned to using \$500,000 in reserves, as this amount has been shown to be sustainable over the past several years. As noted below, the Town continues to maintain the unassigned fund balance below the target established by the fund balance policy.

On August 16, 2021, the Town Council voted to amend the 2021-22 budget, responding not only to the \$689,900 increase in anticipated State Revenue Sharing, but also to a 1.25% projected increase in the taxable property valuation. The amended budget increased the appropriations for paving, sidewalks and the facilities reserve by \$500,000, \$100,000 and \$100,000, respectively, increased the use of revenue sharing balance by \$50,000, and reduced the tax rate by 1.32%. The original adopted budget projected the tax rate at \$21.13 per \$1,000, a 3.73% increase over the previous year. Shortly after the budget was amended, on September 1, 2021, taxes were committed with a tax rate of \$20.86 per \$1,000, a 2.41% property tax rate increase.

For the fiscal year ended June 30, 2021, the unrestricted fund balance in the General Fund was \$19,770,996, with the unassigned portion of the unrestricted balance at \$17,115,571. 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, 2020 the target was \$12,568,280. The actual balance, at 22.7% of GAAP revenues, is \$4,547,291 above the target. This is the sixth consecutive year the balance was above the target, and was anticipated, as the Town had experienced balances below the target in previous years, and has made efforts to maintain the balance above the target level. During FY 2021, with the uncertainties around the COVID-19 pandemic, the Town Council and management budgeted conservatively, and worked to contain costs. In accordance with the fund balance policy, amounts above the target have been allocated for capital improvements, or other one-time expenditures. See also "Capital Budget", herein.

### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**



**TOWN OF BRUNSWICK, MAINE**  
**Statement of Net Position**  
**June 30, 2021**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,695,339	\$ 4,919,364	\$ 31,614,703
Cash held in escrow	265,310	-	265,310
Receivables (net of allowance for uncollectibles):			
Accounts	794,149	134,556	928,705
Taxes receivable - current year	958,487	-	958,487
Taxes receivable - prior year	28,162	-	28,162
Tax liens	206,757	-	206,757
Intergovernmental	5,868,279	3,095,046	8,963,325
Internal balances	16,298	(16,298)	-
Deposits	51,236	-	51,236
Inventories	64,607	68,689	133,296
Permanently restricted assets:			
Cash and cash equivalents	29,738	-	29,738
Investments	770,674	-	770,674
Capital assets not being depreciated:			
Land	7,381,708	115,000	7,496,708
Construction in progress	4,779,274	-	4,779,274
Intangibles	200,000	10,000	210,000
Capital assets (net of accumulated depreciation):			
Buildings	60,214,442	11,181	60,225,623
Improvements other than buildings	1,925,302	56,287	1,981,589
Machinery and equipment	3,194,649	8,648	3,203,297
Vehicles	4,389,468	-	4,389,468
Intangibles	181,828	-	181,828
Infrastructure	24,271,877	19,894	24,291,771
Total assets	<u>142,287,584</u>	<u>8,422,367</u>	<u>150,709,951</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	3,240,049	-	3,240,049
Deferred outflows of resources related to other postemployment benefits	2,476,007	-	2,476,007
Total deferred outflows of resources	<u>5,716,056</u>	<u>-</u>	<u>5,716,056</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	6,834,441	2,058,354	8,892,795
Interest payable	208,650	-	208,650
Unearned revenues	176,695	-	176,695
Noncurrent liabilities:			
Due within one year	2,949,345	3,562,755	6,512,100
Due in more than one year	57,694,282	2,205,000	59,899,282
Total liabilities	<u>67,863,413</u>	<u>7,826,109</u>	<u>75,689,522</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	228,132	-	228,132
Deferred inflows of resources related to other postemployment benefits	1,602,371	-	1,602,371
Deferred inflows of resources related to landfill closure reimbursement	-	3,095,046	3,095,046
Total deferred inflows of resources	<u>1,830,503</u>	<u>3,095,046</u>	<u>4,925,549</u>
<b>NET POSITION</b>			
Net investment in capital assets	65,863,422	221,010	66,084,432
Restricted for:			
Education	4,208,457	-	4,208,457
Municipal	1,060,756	-	1,060,756
Tax increment financing	264,749	-	264,749
Public safety grants	268,770	-	268,770
Development projects - impact fees	522,335	-	522,335
Permanent funds:			
Expendable	8,097	-	8,097
Nonexpendable	792,315	-	792,315
Unrestricted	5,320,823	(2,719,798)	2,601,025
Total net position	<u>\$ 78,309,724</u>	<u>\$ (2,498,788)</u>	<u>\$ 75,810,936</u>

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2021**

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 8,214,140	\$ 882,205	\$ 2,277,046	\$ 35,000	\$ (5,019,889)	\$ -	\$ (5,019,889)	
Public safety	11,414,355	1,614,738	127,682	-	(9,671,935)	-	(9,671,935)	
Public works	5,878,265	60,445	201,777	1,210,439	(4,405,604)	-	(4,405,604)	
Human services	332,506	5,029	92,228	-	(235,249)	-	(235,249)	
Education	48,614,103	939,667	22,168,641	-	(25,505,795)	-	(25,505,795)	
Recreation and culture	4,024,665	170,675	14,640	1,257,279	(2,582,071)	-	(2,582,071)	
County tax	1,674,551	-	-	-	(1,674,551)	-	(1,674,551)	
Unclassified	70,742	-	-	-	(70,742)	-	(70,742)	
Interest on long-term debt	1,182,750	-	-	-	(1,182,750)	-	(1,182,750)	
Total governmental activities	<u>81,406,077</u>	<u>3,672,759</u>	<u>24,882,014</u>	<u>2,502,718</u>	<u>(50,348,586)</u>	<u>-</u>	<u>(50,348,586)</u>	
Business-type activities:								
Solid Waste Facilities	1,277,825	401,297	-	-	-	(876,528)	(876,528)	
Pay-per-bag Program	119,363	749,040	-	-	-	629,677	629,677	
Mere Point Wastewater District	44,667	37,592	-	-	-	(7,075)	(7,075)	
Train Station/ Visitors Center	91,356	16,487	-	-	-	(74,869)	(74,869)	
Processing Facility	15,077	7,450	-	-	-	(7,627)	(7,627)	
Total business-type activities	<u>1,548,288</u>	<u>1,211,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(336,422)</u>	<u>(336,422)</u>	
Total primary government	<u>\$ 82,954,365</u>	<u>\$ 4,884,625</u>	<u>\$ 24,882,014</u>	<u>\$ 2,502,718</u>	<u>\$ (50,348,586)</u>	<u>\$ (336,422)</u>	<u>\$ (50,685,008)</u>	
General revenues:								
Property taxes					51,396,119	-	51,396,119	
Vehicle, watercraft and aircraft excise taxes					4,153,380	-	4,153,380	
Grants and contributions not restricted to specific programs					2,944,723	-	2,944,723	
Unrestricted investment earnings					275,773	25,462	301,235	
Special items					-	1,834,670	1,834,670	
Transfers					(300,000)	300,000	-	
Total general revenues and transfers					<u>58,469,995</u>	<u>2,160,132</u>	<u>60,630,127</u>	
Changes in net position					8,121,409	1,823,710	9,945,119	
Net position - beginning (as restated)					70,188,315	(4,322,498)	65,865,817	
Net position - ending					<u>\$ 78,309,724</u>	<u>\$ (2,498,788)</u>	<u>\$ 75,810,936</u>	

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	<u>General Fund</u>	<u>Tax Increment Financing</u>	<u>School Coronavirus Relief Fund</u>	<u>New Central Fire Station</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 24,410,240	\$ -	\$ -	\$ -	\$ 2,314,837	\$ 26,725,077
Investments	-	-	-	-	770,674	770,674
Receivables (net of allowance for uncollectibles):						
Accounts	786,372	-	-	-	7,777	794,149
Taxes - current	958,487	-	-	-	-	958,487
Taxes - prior years	28,162	-	-	-	-	28,162
Tax liens	206,757	-	-	-	-	206,757
Intergovernmental	434,527	-	4,066,481	-	1,367,271	5,868,279
Deposits	1,236	-	-	-	50,000	51,236
Inventory, at cost	34,811	-	-	-	29,796	64,607
Due from other funds	3,465,252	264,749	-	-	4,164,239	7,894,240
Advances to other funds	586,606	-	-	-	-	586,606
Total assets	\$ 30,912,450	\$ 264,749	\$ 4,066,481	\$ -	\$ 8,704,594	\$ 43,948,274
<b>LIABILITIES</b>						
Accounts payable	\$ 1,063,024	\$ -	\$ 60,956	\$ 550,019	\$ 618,571	\$ 2,292,570
Retainage payable	-	-	-	146,691	16,058	162,749
Accrued wages and benefits payable	4,061,265	-	-	-	99,298	4,160,563
Other liabilities	94,021	-	-	-	-	94,021
Payments in escrow	82,661	-	-	-	-	82,661
Unearned revenue	-	-	-	-	176,695	176,695
Due to other funds	-	-	4,005,525	3,462,273	591,301	8,059,099
Advances from other funds	-	-	-	-	586,606	586,606
Total liabilities	\$ 5,300,971	\$ -	\$ 4,066,481	\$ 4,158,983	\$ 2,088,529	\$ 15,614,964
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	444,809	-	-	-	-	444,809
Unavailable revenue - miscellaneous	496,261	-	-	-	-	496,261
Total deferred inflows of resources	\$ 941,070	\$ -	\$ -	\$ -	\$ -	\$ 941,070
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable:						
Long-term loans and advances	586,606	-	-	-	-	586,606
Inventories and deposits	36,047	-	-	-	79,796	115,843
Permanent funds	-	-	-	-	792,315	792,315
Restricted:						
Education	3,216,004	-	-	-	1,862,721	5,078,725
Municipal purposes	1,060,756	-	-	-	-	1,060,756
Tax increment financing	-	264,749	-	-	-	264,749
Capital projects funds	-	-	-	-	522,335	522,335
Special revenue funds	-	-	-	-	268,770	268,770
Permanent funds	-	-	-	-	8,097	8,097
Committed:						
Capital projects funds	-	-	-	-	3,546,952	3,546,952
Special revenue funds	-	-	-	-	481,169	481,169
Assigned:						
General fund	2,655,425	-	-	-	-	2,655,425
Unassigned:						
General fund	17,115,571	-	-	-	-	17,115,571
Special revenue funds	-	-	-	-	(359,484)	(359,484)
Capital projects funds	-	-	-	(4,158,983)	(586,606)	(4,745,589)
Total fund balances (deficits)	\$ 24,670,409	\$ 264,749	\$ -	\$ (4,158,983)	\$ 6,616,065	\$ 27,392,240
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,912,450	\$ 264,749	\$ 4,066,481	\$ -	\$ 8,704,594	
Amounts reported for governmental activities in the statement of net position are different because (see Note II.A., also):						
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.						106,538,548
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.						941,070
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.						(60,586,967)
The internal service fund is used by management to charge the cost of printing services to the funds. The assets and liabilities of the internal service fund are not included in the governmental funds.						139,280
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.						3,885,553
Net position of governmental activities (see Statement 1)						\$ 78,309,724

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2021**

	<u>General Fund</u>	<u>Tax Increment Financing</u>	<u>School Coronavirus Relief Fund</u>	<u>New Central Fire Station</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Taxes	\$ 53,382,098	\$ 2,486,619	\$ -	\$ -	\$ -	\$ 55,868,717
Licenses and permits	793,475	-	-	-	-	793,475
Intergovernmental	18,869,314	-	4,253,927	-	4,348,288	27,471,529
Investment income	-	-	-	-	178,355	178,355
Charges for services	1,729,126	-	-	-	829,613	2,558,739
Fines and penalties	28,047	-	-	-	-	28,047
Interest	89,306	-	-	-	8,112	97,418
Donations	-	-	-	-	981,928	981,928
Other	503,234	-	-	-	4,500	507,734
Total revenues	<u>75,394,600</u>	<u>2,486,619</u>	<u>4,253,927</u>	<u>-</u>	<u>6,350,796</u>	<u>88,485,942</u>
<b>EXPENDITURES</b>						
Current:						
General government	4,453,697	890,920	-	-	2,264,912	7,609,529
Public safety	10,418,384	-	-	-	156,003	10,574,387
Public works	3,673,995	-	-	-	8,785	3,682,780
Human services	326,105	-	-	-	5,625	331,730
Education	40,752,499	-	4,253,927	-	2,701,850	47,708,276
Recreation and culture	3,178,169	-	-	-	194,908	3,373,077
County tax	1,674,551	-	-	-	-	1,674,551
Unclassified	70,742	-	-	-	-	70,742
Debt service:						
Principal	2,441,520	69,000	-	-	-	2,510,520
Interest	1,492,493	1,035	-	-	-	1,493,528
Capital outlay	-	-	-	1,670,409	5,679,251	7,349,660
Total expenditures	<u>68,482,155</u>	<u>960,955</u>	<u>4,253,927</u>	<u>1,670,409</u>	<u>11,011,334</u>	<u>86,378,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,912,445</u>	<u>1,525,664</u>	<u>-</u>	<u>(1,670,409)</u>	<u>(4,660,538)</u>	<u>2,107,162</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	763,000	-	-	-	4,658,796	5,421,796
Transfers to other funds	(1,935,549)	-	-	-	(731,031)	(2,666,580)
Transfers to other funds - capital budget	(641,000)	(1,338,891)	-	-	-	(1,979,891)
Transfers to other funds - suppl. approp.	(998,905)	(25,000)	-	-	-	(1,023,905)
Transfers to other funds - education	(51,420)	-	-	-	-	(51,420)
Bonds issued	-	-	-	-	14,050	14,050
Total other financing sources (uses)	<u>(2,863,874)</u>	<u>(1,363,891)</u>	<u>-</u>	<u>-</u>	<u>3,941,815</u>	<u>(285,950)</u>
Net changes in fund balances	4,048,571	161,773	-	(1,670,409)	(718,723)	1,821,212
Fund balances, beginning of year (as restated)	<u>20,621,838</u>	<u>102,976</u>	<u>-</u>	<u>(2,488,574)</u>	<u>7,334,788</u>	<u>25,571,028</u>
Fund balances (deficits), end of year	<u>\$ 24,670,409</u>	<u>\$ 264,749</u>	<u>\$ -</u>	<u>\$ (4,158,983)</u>	<u>\$ 6,616,065</u>	<u>\$ 27,392,240</u>

*See accompanying notes to financial statements.*

**Statement 5**

**TOWN OF BRUNSWICK, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended June 30, 2021**

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Net change in fund balances - total governmental funds (from Statement 4) \$ 1,821,212

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because (see Note II.B., also):

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. 3,591,869

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. (10,730)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (169,696)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 2,496,470

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. 616,540

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. 17,254

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. (241,510)

Change in net position of governmental activities (see Statement 2) \$ 8,121,409

*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, 2021**

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	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>					
Taxes:					
Real and personal property	\$ 46,658,810	\$ -	\$ 46,658,810	\$ 48,676,222	\$ 2,017,412
Interest on delinquent taxes	90,000	-	90,000	123,943	33,943
Tax lien costs	13,000	-	13,000	14,492	1,492
Payment in lieu of taxes	390,000	-	390,000	414,061	24,061
Vehicle excise taxes	3,275,000	-	3,275,000	4,121,214	846,214
Watercraft excise taxes	24,000	-	24,000	27,444	3,444
Aircraft excise taxes	8,000	-	8,000	4,722	(3,278)
Total taxes	<u>50,458,810</u>	<u>      </u>	<u>50,458,810</u>	<u>53,382,098</u>	<u>2,923,288</u>
Licenses and permits:					
Finance department	26,500	-	26,500	4,340	(22,160)
Codes enforcement	295,000	-	295,000	487,759	192,759
Town clerk	175,702	-	175,702	186,886	11,184
Planning	40,000	-	40,000	77,076	37,076
Fire department	2,000	-	2,000	1,920	(80)
Police department	700	-	700	1,072	372
Public works	30,000	-	30,000	34,422	4,422
Total licenses and permits	<u>569,902</u>	<u>      </u>	<u>569,902</u>	<u>793,475</u>	<u>223,573</u>
Intergovernmental:					
State education subsidy	12,399,982	-	12,399,982	12,257,024	(142,958)
State agency client	29,500	-	29,500	1,367	(28,133)
MainePERS contribution	-	3,687,452	3,687,452	3,687,452	-
State revenue sharing	1,800,000	-	1,800,000	2,526,412	726,412
State highway grant	200,000	-	200,000	195,424	(4,576)
State snowmobile funds	1,500	-	1,500	1,622	122
State tax exemption reimbursement	55,000	-	55,000	72,153	17,153
State boat launch cooperative agreement	9,999	-	9,999	10,000	1
State general assistance reimbursement	400,000	-	400,000	67,228	(332,772)
Greater Portland Metro CARES act	-	-	-	7,111	7,111
State civil emergency preparedness	-	-	-	43,521	43,521
Total intergovernmental	<u>14,895,981</u>	<u>3,687,452</u>	<u>18,583,433</u>	<u>18,869,314</u>	<u>285,881</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, 2021**

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	<u>Original Budget</u>	<u>Additional Appropriation</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES, CONTINUED</b>					
Charges for services:					
Auto registration	70,000	-	70,000	77,090	7,090
Watercraft, ATV, snowmobile registration	1,600	-	1,600	1,605	5
Municipal building rental	7,092	-	7,092	7,102	10
Fire department	1,500	-	1,500	317	(1,183)
Emergency medical services	1,000,000	-	1,000,000	1,146,672	146,672
Police department	123,908	-	123,908	122,584	(1,324)
Dispatch services fees	150,745	-	150,745	155,316	4,571
Public works	1,000	-	1,000	-	(1,000)
Recycling	15,000	-	15,000	29,953	14,953
Education - tuition, transportation, etc.	219,094	-	219,094	176,537	(42,557)
Recreation facility rentals	2,000	-	2,000	11,950	9,950
Total charges for services	<u>1,591,939</u>	<u>-</u>	<u>1,591,939</u>	<u>1,729,126</u>	<u>137,187</u>
Fines and penalties:					
Town clerk	4,745	-	4,745	3,165	(1,580)
Fire department	-	-	-	200	200
Police department	30,500	-	30,500	24,682	(5,818)
Total fines and penalties	<u>35,245</u>	<u>-</u>	<u>35,245</u>	<u>28,047</u>	<u>(7,198)</u>
Interest earned	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>89,306</u>	<u>(10,694)</u>
Other revenue:					
Sale of miscellaneous assets	1,500	-	1,500	-	(1,500)
Cable TV franchise fees	280,000	-	280,000	293,904	13,904
General assistance recovery	-	-	-	5,029	5,029
Workers compensation proceeds	-	-	-	13,884	13,884
Brunswick Development Corporation subsidy	25,000	-	25,000	25,000	-
Portland contribution for asylum seekers	35,000	-	35,000	35,000	-
Miscellaneous - municipal	6,700	-	6,700	27,741	21,041
Miscellaneous - school	86,836	-	86,836	102,676	15,840
Total other revenue	<u>435,036</u>	<u>-</u>	<u>435,036</u>	<u>503,234</u>	<u>68,198</u>
Total revenues	<u>\$ 68,086,913</u>	<u>\$ 3,687,452</u>	<u>\$ 71,774,365</u>	<u>\$ 75,394,600</u>	<u>\$ 3,620,235</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, 2021**

	2020								Variance		2021	
	Adopted Budget	Encumbered Balances	Original Budget	Additional Appropriation	Adjustments	Final Budget	Actual	Positive (Negative)	Encumbered Balances			
<b>EXPENDITURES</b>												
Current:												
General government:												
Administration	\$ 569,964	\$ -	\$ 569,964	\$ -	\$ 569,964	\$ 524,714	\$ 45,250	\$ -				
Finance	794,328	-	794,328	-	794,328	733,354	60,974	-				
Technology services	360,528	-	360,528	-	13,250	373,778	342,965	30,813	-			
Municipal officers	261,369	-	261,369	-	-	261,369	212,741	48,628	-			
Town Hall building	169,650	-	169,650	-	20,000	189,650	174,836	14,814	-			
Risk management	611,393	-	611,393	-	90,000	701,393	682,792	18,601	-			
Cable TV	95,133	-	95,133	-	5,000	100,133	94,687	5,446	-			
Assessing	304,876	-	304,876	-	-	304,876	284,004	20,872	-			
Town Clerk & elections	422,470	-	422,470	-	-	422,470	394,254	28,216	1,715			
Engineering	276,999	-	276,999	-	-	276,999	260,429	16,570	-			
Planning	625,539	67,649	693,188	-	(43,049)	650,139	584,281	65,858	24,200			
Economic development	142,999	-	142,999	63,000	-	205,999	164,640	41,359	-			
Total general government	4,635,248	67,649	4,702,897	63,000	85,201	4,851,098	4,453,697	397,401	25,915			
Public safety:												
Fire department	4,046,295	3,300	4,049,595	-	90,000	4,139,595	4,070,433	69,162	31,000			
Central fire station	46,775	-	46,775	-	-	46,775	30,475	16,300	-			
Emerson fire station	62,700	-	62,700	-	5,000	67,700	61,951	5,749	-			
Police department	4,431,687	8,970	4,440,657	-	-	4,440,657	4,282,228	158,429	-			
Emergency services dispatch	973,899	-	973,899	-	-	973,899	880,449	93,450	-			
Police station	119,306	-	119,306	-	30,000	149,306	149,667	(361)	-			
Marine resources	117,696	1,972	119,668	-	-	119,668	101,056	18,612	-			
Streetlights	216,000	-	216,000	-	-	216,000	207,298	8,702	-			
Traffic signals	33,000	-	33,000	-	-	33,000	28,935	4,065	-			
Fire suppression (hydrants)	600,000	-	600,000	-	10,000	610,000	605,092	4,908	-			
Civil emergency preparedness	2,000	-	2,000	-	-	2,000	800	1,200	-			
Total public safety	10,649,358	14,242	10,663,600	-	135,000	10,798,600	10,418,384	380,216	31,000			
Public works:												
Administration	300,875	-	300,875	-	-	300,875	292,679	8,196	-			
General maintenance	1,933,515	-	1,933,515	-	-	1,933,515	1,789,071	144,444	43,300			
Refuse collection	659,899	-	659,899	-	-	659,899	529,755	130,144	-			
Recycling	496,518	-	496,518	-	-	496,518	463,865	32,653	-			
Central garage	665,178	-	665,178	-	-	665,178	598,625	66,553	-			
Total public works	4,055,985	-	4,055,985	-	-	4,055,985	3,673,995	381,990	43,300			

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, 2021**

	<b>2020</b>							<b>Variance</b>		<b>2021</b>
	<b>Adopted</b>	<b>Encumbered</b>	<b>Original</b>	<b>Additional</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>	<b>Encumbered</b>		<b>2021</b>
	<b>Budget</b>	<b>Balances</b>	<b>Budget</b>	<b>Appropriation</b>	<b>Budget</b>	<b>Actual</b>	<b>(Negative)</b>	<b>Balances</b>		<b>Encumbered</b>
<b>EXPENDITURES, CONTINUED</b>										
Human services:										
General assistance	732,159	2,354	734,513	-	(100,000)	634,513	225,668	408,845	-	
Health and social services	102,250	-	102,250	-	-	102,250	100,437	1,813	-	
Total human services	834,409	2,354	836,763	-	(100,000)	736,763	326,105	410,658	-	
Education:										
Education	42,748,055	-	42,748,055	3,687,452	(3,036,996)	43,398,511	40,752,499	2,646,012	-	
Recreation and culture:										
Recreation administration	484,168	-	484,168	-	-	484,168	469,367	14,801	-	
Buildings and grounds	857,008	29,367	886,375	-	-	886,375	833,815	52,560	27,312	
Rec Building Neptune Dr	233,573	-	233,573	-	-	233,573	183,606	49,967	3,812	
People Plus	158,604	-	158,604	-	-	158,604	153,284	5,320	-	
Library	1,533,441	-	1,533,441	-	10,000	1,543,441	1,538,097	5,344	-	
Total recreation and culture	3,266,794	29,367	3,296,161	-	10,000	3,306,161	3,178,169	127,992	-	31,124
Intergovernmental:										
County tax	1,674,551	-	1,674,551	-	-	1,674,551	1,674,551	-	-	
Unclassified:										
Promotion and development	308,209	-	308,209	-	(4,500)	303,709	293,648	10,061	1,950	
Additional school assistance	10,000	-	10,000	-	-	10,000	10,000	-	-	
Cemetery care	3,200	-	3,200	-	-	3,200	2,545	655	-	
Wage & benefits adjustment	200,000	-	200,000	-	(173,250)	26,750	(235,451)	262,201	-	
Total unclassified	521,409	-	521,409	-	(177,750)	343,659	70,742	272,917	-	1,950

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, 2021**

	<b>2020</b>							<b>2021</b>
	<b>Adopted</b>	<b>Encumbered</b>	<b>Original</b>	<b>Additional</b>	<b>Final</b>	<b>Actual</b>	<b>Variance</b>	<b>Encumbered</b>
	<b>Budget</b>	<b>Balances</b>	<b>Budget</b>	<b>Appropriation</b>	<b>Adjustments</b>	<b>Budget</b>	<b>Positive</b>	<b>Balances</b>
<b>EXPENDITURES, CONTINUED</b>								
Debt service:								
Long-term debt, principal	821,000	-	821,000	-	1,620,520	2,441,520	2,441,520	-
Long-term debt, interest	127,437	-	127,437	-	1,365,056	1,492,493	1,492,493	-
Total debt service	948,437	-	948,437	-	2,985,576	3,934,013	3,934,013	-
Total expenditures	69,334,246	113,612	69,447,858	3,750,452	(98,969)	73,099,341	68,482,155	4,617,186
Excess (deficiency) of revenues over (under) expenditures	(1,247,333)	(113,612)	(1,360,945)	(63,000)	98,969	(1,324,976)	6,912,445	8,237,421
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers from other funds	673,969	-	673,969	63,000	-	736,969	763,000	26,031
Transfers to other funds	(1,888,000)	-	(1,888,000)	-	(47,549)	(1,935,549)	(1,935,549)	-
Transfers to other funds - capital budget	-	-	-	(641,000)	-	(641,000)	(641,000)	-
Transfers to other funds - supplemental appropriations	-	-	-	(998,905)	-	(998,905)	(998,905)	-
Transfers to other funds - education	-	-	-	-	(51,420)	(51,420)	(51,420)	-
Total other financing sources (uses)	(1,214,031)	-	(1,214,031)	(1,576,905)	(98,969)	(2,889,905)	(2,863,874)	26,031
Net changes in fund balances	\$ (2,461,364)	\$ (113,612)	\$ (2,574,976)	\$ (1,639,905)	\$ -	\$ (4,214,881)	\$ 4,048,571	\$ 8,263,452
Fund balance, beginning of year							20,621,838	
Fund balance, end of year							\$ 24,670,409	

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>	
	<b>Solid Waste Facilities</b>	<b>Pay-Per-Bag Program</b>	<b>Nonmajor Funds</b>	<b>Totals</b>	<b>Internal Service Fund Printing Services</b>		
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 4,574,016	\$ 106,291	\$ 239,057	\$ 4,919,364	\$ -		
Receivables:							
Accounts	- -	128,400	6,156	134,556	- -		
Intergovernmental	3,095,046	- -	- -	3,095,046	- -		
Inventory	- -	68,689	- -	68,689	- -		
Due from other funds	- -	- -	795	795	140,557		
Total current assets	<u>7,669,062</u>	<u>303,380</u>	<u>246,008</u>	<u>8,218,450</u>	<u>140,557</u>		
Capital assets:							
Land	72,750	- -	42,250	115,000	- -		
Intangibles	- -	- -	10,000	10,000	- -		
Buildings	- -	- -	11,500	11,500	- -		
Improvements other than buildings	7,367,865	- -	131,038	7,498,903	- -		
Machinery and equipment	- -	- -	112,633	112,633	78,634		
Infrastructure	- -	- -	636,738	636,738	- -		
Less accumulated depreciation	<u>(7,367,865)</u>	<u>- -</u>	<u>(795,899)</u>	<u>(8,163,764)</u>	<u>(64,886)</u>		
Net capital assets	<u>72,750</u>	<u>- -</u>	<u>148,260</u>	<u>221,010</u>	<u>13,748</u>		
Total assets	<u>7,741,812</u>	<u>303,380</u>	<u>394,268</u>	<u>8,439,460</u>	<u>154,305</u>		
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	1,662,583	27,348	6,678	1,696,609	1,277		
Retainage payable	360,497	- -	- -	360,497	- -		
Accrual of payroll	215	- -	1,033	1,248	- -		
Landfill closure and postclosure	3,562,755	- -	- -	3,562,755	- -		
Due to other funds	13,504	- -	3,589	17,093	- -		
Total current liabilities	<u>5,599,554</u>	<u>27,348</u>	<u>11,300</u>	<u>5,638,202</u>	<u>1,277</u>		
Noncurrent liabilities:							
Landfill postclosure	2,205,000	- -	- -	2,205,000	- -		
Total noncurrent liabilities	<u>2,205,000</u>	<u>- -</u>	<u>- -</u>	<u>2,205,000</u>	<u>- -</u>		
Total liabilities	<u>7,804,554</u>	<u>27,348</u>	<u>11,300</u>	<u>7,843,202</u>	<u>1,277</u>		
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred landfill closure cost reimbursement	3,095,046	- -	- -	3,095,046	- -		
Total deferred inflows of resources	<u>3,095,046</u>	<u>- -</u>	<u>- -</u>	<u>3,095,046</u>	<u>- -</u>		
<b>NET POSITION</b>							
Net investment in capital assets	72,750	- -	148,260	221,010	13,748		
Unrestricted	(3,230,538)	276,032	234,708	(2,719,798)	139,280		
Total net position	<u>\$ (3,157,788)</u>	<u>\$ 276,032</u>	<u>\$ 382,968</u>	<u>\$ (2,498,788)</u>	<u>\$ 153,028</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, 2021**

	Business-type Activities - Enterprise Funds				Governmental Activities
	<u>Solid Waste Facilities</u>	<u>Pay-Per-Bag Program</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Internal Service Fund Printing Services</u>
<b>OPERATING REVENUES</b>					
Charges for services:					
Landfill permits	\$ 13,157	\$ -	\$ -	\$ 13,157	\$ -
Bag purchases	- -	749,040	- -	749,040	- -
Service fees	- -	- -	37,592	37,592	- -
Rent	- -	- -	10,795	10,795	- -
Parking meter	- -	- -	5,692	5,692	- -
Printing services	- -	- -	- -	- -	34,003
Tipping fees	388,140	- -	1,150	389,290	- -
Other	- -	- -	6,300	6,300	- -
Total operating revenues	<u>401,297</u>	<u>749,040</u>	<u>61,529</u>	<u>1,211,866</u>	<u>34,003</u>
<b>OPERATING EXPENSES</b>					
Personnel services	169,131	- -	6,871	176,002	- -
Administrative expenses	7,084	- -	- -	7,084	- -
Contractual services	233,481	- -	128,770	362,251	13,009
Central garage costs	50,000	- -	- -	50,000	- -
Materials and supplies	31,698	119,363	7,883	158,944	3,740
Closure and postclosure costs	276,624	- -	- -	276,624	- -
Depreciation	257,129	- -	7,576	264,705	13,327
Total operating expenses	<u>1,025,147</u>	<u>119,363</u>	<u>151,100</u>	<u>1,295,610</u>	<u>30,076</u>
Operating income (loss)	<u>(623,850)</u>	<u>629,677</u>	<u>(89,571)</u>	<u>(83,744)</u>	<u>3,927</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	9,660	15,325	477	25,462	- -
Gain (loss) on disposal of capital assets	(252,678)	- -	- -	(252,678)	- -
Total nonoperating revenues (expenses)	<u>(243,018)</u>	<u>15,325</u>	<u>477</u>	<u>(227,216)</u>	<u>- -</u>
Income (loss) before transfers and special items	(866,868)	645,002	(89,094)	(310,960)	3,927
Transfers in/(out)	4,157,750	(4,200,000)	342,250	300,000	- -
Special item - change in closure estimate	1,834,670	- -	- -	1,834,670	- -
Change in net position	5,125,552	(3,554,998)	253,156	1,823,710	3,927
Net position, beginning of year	(8,283,340)	3,831,030	129,812	(4,322,498)	149,101
Net position, end of year	<u>\$ (3,157,788)</u>	<u>\$ 276,032</u>	<u>\$ 382,968</u>	<u>\$ (2,498,788)</u>	<u>\$ 153,028</u>

See accompanying notes to financial statements.

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Solid Waste Facilities</b>	<b>Pay-Per-Bag Program</b>	<b>Nonmajor Funds</b>	<b>Totals</b>	<b>Internal Service Fund - Printing</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 411,430	\$ 741,196	\$ 60,738	\$ 1,213,364	\$ 34,003
Payments to employees	(199,488)	-	(5,838)	(205,326)	-
Payments to suppliers for goods and services	(352,124)	(131,611)	(136,492)	(620,227)	(17,636)
Net cash provided (used) by operating activities	<u>(140,182)</u>	<u>609,585</u>	<u>(81,592)</u>	<u>387,811</u>	<u>16,367</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfer from/(to) other funds	4,200,000	(4,200,000)	300,000	300,000	-
Increase (decrease) in due to other funds	5,404	-	3,118	8,522	(16,367)
Cash provided (used) by noncapital financing activities	<u>4,205,404</u>	<u>(4,200,000)</u>	<u>303,118</u>	<u>308,522</u>	<u>(16,367)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Payments for landfill closure	(2,124,206)	-	-	(2,124,206)	-
Sale of capital assets	15,000	-	-	15,000	-
Acquisition of capital assets	-	-	(84,686)	(84,686)	-
Cash used by capital and related financing activities	<u>(2,109,206)</u>	<u>-</u>	<u>(84,686)</u>	<u>(2,193,892)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	9,660	15,325	477	25,462	-
Cash provided by investing activities	<u>9,660</u>	<u>15,325</u>	<u>477</u>	<u>25,462</u>	<u>-</u>
Net increase (decrease) in cash	1,965,676	(3,575,090)	137,317	(1,472,097)	-
Cash, beginning of year	2,608,340	3,681,381	101,740	6,391,461	-
Cash, end of year	<u>\$ 4,574,016</u>	<u>\$ 106,291</u>	<u>\$ 239,057</u>	<u>\$ 4,919,364</u>	<u>\$ -</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (623,850)	\$ 629,677	\$ (89,571)	\$ (83,744)	\$ 3,927
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	257,129	-	7,576	264,705	13,327
(Increase) decrease in accounts receivable	10,133	(7,844)	(791)	1,498	-
(Increase) decrease in inventory	-	(2,142)	-	(2,142)	-
Increase (decrease) in accounts payable	(36,945)	(10,106)	161	(46,890)	(887)
Increase (decrease) in accrued payroll	(7,808)	-	1,033	(6,775)	-
Increase (decrease) in closure/postclosure	276,624	-	-	276,624	-
Increase (decrease) in compensated absences	(15,465)	-	-	(15,465)	-
Total adjustments	<u>483,668</u>	<u>(20,092)</u>	<u>7,979</u>	<u>471,555</u>	<u>12,440</u>
Net cash provided (used) by operating activities	<u>\$ (140,182)</u>	<u>\$ 609,585</u>	<u>\$ (81,592)</u>	<u>\$ 387,811</u>	<u>\$ 16,367</u>
<b>Noncash investing, capital, and financing activities:</b>					
Change in closure estimate	\$ 1,834,670	\$ -	\$ -	\$ 1,834,670	\$ -
Transfer of capital assets	(334,190)	-	42,250	(291,940)	-
Total noncash investing, capital, and financing activities	<u>\$ 1,500,480</u>	<u>\$ -</u>	<u>\$ 42,250</u>	<u>\$ 1,542,730</u>	<u>\$ -</u>

*See accompanying notes to financial statements.*

**TOWN OF BRUNSWICK, MAINE**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

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	<b>Private- purpose Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 39,546
Investments	570,958
Due from other funds	40,600
Total assets	<u>651,104</u>
<b>LIABILITIES</b>	
Accounts payable	4,360
Total liabilities	<u>4,360</u>
<b>NET POSITION</b>	
Net position held in trust for other purposes	<u>\$ 646,744</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, 2021**

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	<b>Private- purpose Trust Funds</b>
<b>ADDITIONS</b>	
Contributions	\$ 30
Investment earnings:	
Interest and dividends	10,016
Net increase in the fair value of investments	<u>110,589</u>
Total investment earnings	120,605
Less investment expense	<u>(5,110)</u>
Total additions	<u>115,525</u>
<b>DEDUCTIONS</b>	
Payment to beneficiaries	<u>22,063</u>
Total deductions	<u>22,063</u>
Change in net position	93,462
Net position - beginning	<u>553,282</u>
Net position - ending	<u>\$ 646,744</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.

*Related Organizations*

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

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

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

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

**B. Government-wide Financial Statements**

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

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

**C. Fund Financial Statements**

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

## 1. Major governmental funds

The Town reports the following major governmental funds:

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

The *Tax Increment Financing Fund* accounts for resources accumulated and payments made for the Tax Increment Financing Districts established by the Town.

The *School Coronavirus Relief Fund* accounts for School Department expenditures responding to the COVID-19 pandemic, and federal funding received as reimbursement through the CARES Act.

The *New Central Fire Station Fund* accounts for a capital project which is funded by long-term debt obligations.

## 2. Major proprietary funds

The Town reports the following major enterprise funds:

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

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

## 3. Other fund types

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

*Governmental Funds.* As well as the General Fund, which is always a major fund, the School Coronavirus Relief Fund and the New Central Fire Station Fund which are major funds, and the Tax Increment Financing Fund, which the Town has chosen to report as a major fund, 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 five 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 seven 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, the Pay-per-bag Program, the Mere Point Wastewater District, the Train Station, and the Processing Facility.

*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. As such, fiduciary funds are not reported in the government-wide statements. The Town's fiduciary funds include the following:

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

#### 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.

## 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 Budget" on the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, for the General Fund, include the adopted budget as well as prior-year encumbrances, additional appropriations, and adjustments.

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances****1. Cash, cash equivalents and investments**

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

The Town has established a formal investment policy, updated in October, 2016, 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, and 5711-5719 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 to mitigate credit risk and interest rate risk, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements that may be reasonably anticipated, and (iii) objective of attaining a market rate of return, taking into account the investment risk constraints of safety and liquidity needs. 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.

**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 the General Fund 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 acquisition value. 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.

Land, construction in progress, and intangible assets such as conservation easements are not depreciated. Property, equipment, intangibles and infrastructure of the Town is depreciated using the straight-line method over the assets' estimated useful lives ranging from 5 to 50 years.

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

##### 5. Deferred outflows/inflows of resources

*Statement of Net Position:* In addition to assets, the statement of net 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 that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The Town reports two items in deferred outflows.

*Deferred outflows of resources related to pensions and other postemployment benefits (OPEB).* Related to the net pension and OPEB liabilities, these items include the Town's contributions subsequent to the measurement date, which will be recognized as a reduction of the liabilities in the subsequent year. Deferred outflows also account for changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. Also included is the net difference between projected and actual earnings on plan investments, which is deferred and amortized over a five-year period.

In addition to liabilities, the statement of net 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 that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports three items in deferred inflows, two in governmental activities, and one in business-type activities.

*Deferred inflows of resources related to pensions and other postemployment benefits (OPEB).* Related to the net pension and OPEB liabilities, these items include the changes in assumptions, differences between expected and actual experience, changes in proportion and differences between Town contributions and proportionate share of contributions, which is deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. Also included is the net difference between projected and actual earnings on plan investments, which is deferred and amortized over a five-year period.

*Deferred inflows of resources related to landfill closure reimbursement.* This item reflects anticipated reimbursements of landfill closure costs which will be received in future periods and so will be recognized as an inflow of resources (revenue) at that time.

For purposes of measuring the liabilities, deferred outflows of resources, deferred inflows of resources and expenses related to pension and OPEB, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Maine Public Employees Retirement System's Consolidated Plan for Participating Local Districts (PLD Plan) and State Employee and Teacher Plan (SET Plan), Maine Municipal Health Trust and the Maine Education Association Benefits Trust's Retiree Health Plan, have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Balance Sheet – Governmental Funds:* The Town has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting as a deferred inflow of resources. 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 (revenue) in the period that the amounts become available.

#### 6. Net position flow assumptions

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

#### 7. Fund balance flow assumptions

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

#### 8. Fund balances

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

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

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

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

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

*Assigned* – resources neither restricted nor committed for which the Town has a stated intended use as established by the Town Council or a body or official to which the Town Council has delegated the authority to assign amounts for specific purposes. The Town Council has a fund balance policy that requires certain items to be classified as assigned. Further, the policy gives discretion to the Town Manager and Finance Director to make assignments as they deem appropriate in their professional judgment.

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

## 9. Fund balance policy

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

## 10. Long-term obligations

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

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

## 11. Use of estimates

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

## 12. New pronouncements

For the fiscal year ended June 30, 2021, the Town has implemented Government Accounting Standards Board (GASB) *Statement No. 84 – Fiduciary Activities*. As a result of implementing GASB Statement No. 84, the Town has restated beginning net position in the government-wide statement of net position as well as the beginning fund balance in the combining statement of revenues, expenditures, and changes in fund balances nonmajor special revenue funds. This restatement increases beginning net position and beginning fund balance for school restricted programs by \$306,397.

For the fiscal year ended June 30, 2021, the Town has implemented GASB *Statement No. 98 – The Annual Comprehensive Financial Report*.

## **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 typically committed on or around September 1<sup>st</sup> of each year, on the assessed value listed as of the previous April 1<sup>st</sup>. Real property taxes are due in two installments, on or near October 15<sup>th</sup> and April 15<sup>th</sup>. Personal property taxes are due in one installment on or near October 15<sup>th</sup>. Taxes unpaid by the due date are assessed interest. Tax liens are placed on real property of delinquent tax accounts within eight to twelve months following the date taxes are committed for collection.

### 3. Compensated absences

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

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

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

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

One element of that reconciliation explains, "capital assets used in governmental activities are not financial resources and therefore are not reported in the funds." The details of this \$106,538,548 difference are as follows:

Capital assets	\$ 180,375,489
Accumulated depreciation	<u>(73,836,941)</u>
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 106,538,548

Another element of that reconciliation explains, "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 \$941,070 difference are as follows:

Deferred inflows - unavailable revenue - property tax	\$ 444,809
Deferred inflows - unavailable revenue - miscellaneous	<u>496,261</u>
Net adjustment to increase fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ 941,070

Another element of that reconciliation explains, "long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(60,586,967) difference are as follows:

Bonds payable and notes from direct borrowings	\$ (39,851,148)
Premium on bonds (to be amortized as interest expense)	(1,989,352)
Accrued interest	(208,650)
Cash held in escrow (bond proceeds)	265,310
Compensated absences	(1,523,048)
Other post employment benefits	(9,031,750)
Net pension liability	<u>(8,248,329)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$ (60,586,967)

Another element of that reconciliation explains, "the internal service fund is 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." The details of this \$139,280 difference are as follows:

Net position of the internal service fund	\$ 153,028
Less: Capital assets net of accumulated depreciation	<u>(13,748)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 139,280

Another element of that reconciliation explains, "deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds." The details of this \$3,885,553 difference are as follows:

Deferred outflows of resources related to pensions	\$ 3,240,049
Deferred outflows of resources related to other postemployment benefits	2,476,007
Deferred inflows of resources related to pensions	(228,132)
Deferred inflows of resources related to other postemployment benefits	<u>(1,602,371)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 3,885,553

**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, "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this \$3,591,869 difference are as follows:

Capital outlay	\$ 9,345,733
Depreciation expense	<u>(5,753,864)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 3,591,869

Another element of that reconciliation states, "losses arising from the disposal of existing capital assets are reported in the statement of activities but do not appear in the governmental funds." The details of this \$(10,730) difference are as follows:

Cost of disposed capital assets	\$ (23,758,351)
Less construction in progress	23,194,748
Accumulated depreciation on disposed capital assets	<u>552,873</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (10,730)

Another element of that reconciliation states, "revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds." The details of this \$(169,696) difference are as follows:

Property taxes	\$ (319,219)
Charges for services	<u>149,523</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (169,696)

Another element of that reconciliation states, "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 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." The details of this \$2,496,470 difference are as follows:

Issuance of school renovation bonds	\$ (279,360)
Cash in escrow (bond proceeds)	265,310
Principal repayments: General obligation debt and notes from direct borrowings	<u>2,510,520</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position in governmental activities	\$ 2,496,470

Another element of that reconciliation states, "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 \$616,540 difference are as follows:

Compensated absences	\$ (49,358)
Other post employment benefits with related deferred inflows and outflows of resources	355,120
Accrued interest	216,919
Amortization of premium on refunding and general obligation bonds	<u>93,859</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 616,540

Another element of that reconciliation states, "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 \$17,254 difference are as follows:

Change in net position of the internal service funds	\$ 3,927
Plus: depreciation on capital assets	<u>13,327</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 17,254

Another element of that reconciliation states, "governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense." The details of this \$(241,510) difference are as follows:

Net pension liability with related deferred inflows and outflows of resources	\$ (241,510)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	\$ (241,510)

### 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, 2021, the Town budgeted and utilized the following amounts:

2020-21 General Fund Budget as of July 1, 2020					
	Adopted Budget	Encumbered Balances	Original Budget	Additional Appropriations	Final Budget
Restricted fund balance:					
Educational purposes	\$ 1,811,364	\$ -	\$ 1,811,364	\$ -	\$ 1,811,364
Assigned fund balance:					
Municipal purposes	650,000	-	650,000	-	650,000
Unassigned fund balance	-	-	-	1,639,905	1,639,905
Encumbrances	-	113,612	113,612	-	113,612
Total utilization of fund balance	\$ 2,461,364	\$ 113,612	\$ 2,574,976	\$ 1,639,905	\$ 4,214,881

#### C. Additional Appropriations

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 2020-21 were \$2,906,798 for retirement, \$701,851 for other benefits, and \$78,803 for other post-employment benefits.

#### D. Budget Adjustments

The adjustments are generally the result of the Town's management process which monitors department budgets and the budget in total. The Town Manager is authorized, for the purpose of adjusting salaries, wages or benefits, to transfer appropriated amounts between the Contingency account and any of the functions or departments. 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. These types of adjustments have no impact on the budget in total. During the year, the Town Council made adjustments totaling \$260,000, moving appropriations from accounts with projected balances to accounts where it appeared that the expenditures would have exceeded the appropriations.

### **E. Authority to Over Expend**

On June 28, 2021, the Town Council adopted a resolution authorizing expenditures to exceed the gross appropriation in an appropriated account so long as the amount was \$10,000 or less.

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

The following *total fund balance deficits* exists as of June 30, 2021:

The New Central Fire Station Fund had a deficit fund balance of \$4,158,983. The fire station is a capital project which is authorized to be funded through general obligation bonds. The deficit balance in the fund reflects the total expenditures on this project through June 30, 2021. The Town has acquired property at the future site of the station, and construction began in the spring of 2021. It is expected that bonds will be issued in early 2022.

The following *net position deficit* exists as of June 30, 2021:

Solid Waste Facilities Fund	\$ (3,157,788)
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The deficit balance in the Solid Waste Facilities Fund is primarily the result of insufficient assets to fund the liability that the Town has accumulated for the closure and postclosure of its landfills. The liability as of June 30, 2021 is \$3,558,755 estimated for closure costs, and \$2,209,000 estimated for postclosure costs. Over the past several years, the Town has implemented several strategies to reduce the deficit, including annual subsidies from the General Fund, and use of accumulated net revenue from its pay-as-you-throw residential solid waste collection program. In April 2021, the Town began the landfill closure, with construction currently estimated to be complete in the fall of 2021. The Town has confirmed that 75% of the closure costs are eligible for cost sharing through the Maine Department of Environmental Protection's Landfill Closure and Remediation Program, though this will be a reimbursement arrangement and the timing is uncertain. The Town anticipates that the currently available cash, and the ongoing revenue from the pay-as-you-throw program will be sufficient to cover the cost of the closure and future postclosure costs. Depending upon the timing of the final closure, the Town may utilize a short-term advance from the General Fund to the Solid Waste Facilities Fund.

## **IV. DETAILED NOTES ON ACTIVITIES AND FUNDS**

### **A. Deposits and Investments**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2021, the Town of Brunswick had the following investments, with corresponding recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Level 1 Input</u>
Equities	\$ 234,075	N/A	Yes
Other Mutual Funds	1,107,557	N/A	Yes

*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, 2021, 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, 2021, the bank balance of \$32,153,569 was covered by FDIC and an irrevocable stand-by letter of credit with the Federal Home Loan Bank of Boston, issued to the Town of Brunswick for People's United Bank.

*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, 2021, the Town did not have a policy for concentration of credit risk.

## B. Receivables

Receivables at June 30, 2021 consist of the following:

	Other			
	General Fund	Governmental Funds	Enterprise Funds	Total
Taxes	\$ 1,001,008	\$ -	\$ -	\$ 1,001,008
Tax liens	206,757	-	-	206,757
Accounts	812,844	7,777	134,556	955,177
Intergovernmental	434,527	5,433,752	3,095,046	8,963,325
Gross receivables	2,455,136	5,441,529	3,229,602	11,126,267
Less: Allowance for				
Uncollectibles	(40,831)	-	-	(40,831)
Net receivables	\$ 2,414,305	\$ 5,441,529	\$ 3,229,602	\$ 11,085,436

Property taxes for the current year were committed September 4, 2020 on the assessed value listed as of April 1, 2020, for all taxable real and personal property located in the Town. Real property taxes were due in two installments, October 15, 2020 and April 15, 2021. Personal property taxes were due in one installment, October 15, 2020. Interest was charged at the rate of 8% on all taxes unpaid as of the due date(s).

Assessed values are periodically established by the Tax Assessor at 100% of assumed market. 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, 2020, upon which the levy for the year ended June 30, 2021 was based, was \$2,243,673,982. This assessed value was 95% of the estimated market value and 89.4% of the 2020 State valuation of \$2,509,500,000.

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 \$1,704,338 for the year ended June 30, 2021.

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, 2021, the Town had a total of \$122,072,598 in captured valuation for five TIF districts. The tax revenue captured in these districts totaled \$2,486,619 for the year.

### C. Capital Assets

Capital asset activity for the year ended June 30, 2021 follows.

#### Governmental activities:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 6,861,708	\$ 520,000	\$ -	\$ 7,381,708
Construction in progress	25,818,148	2,155,874	(23,194,748)	4,779,274
Intangibles	200,000	-	-	200,000
Total capital assets not being depreciated	32,879,856	2,675,874	(23,194,748)	12,360,982
Capital assets being depreciated:				
Buildings	66,645,198	25,789,908	(109,796)	92,325,310
Improvements other than buildings	4,824,494	505,268	-	5,329,762
Machinery and equipment	5,763,018	1,914,694	-	7,677,712
Vehicles	9,711,821	1,090,732	(452,546)	10,350,007
Intangibles	930,413	13,250	-	943,663
Infrastructure	50,838,559	550,755	(1,261)	51,388,053
Total capital assets being depreciated	138,713,503	29,864,607	(563,603)	168,014,507
Less accumulated depreciation for:				
Buildings	(29,049,841)	(3,160,421)	99,394	(32,110,868)
Improvements other than buildings	(3,169,836)	(234,624)	-	(3,404,460)
Machinery and equipment	(3,939,583)	(543,480)	-	(4,483,063)
Vehicles	(5,706,819)	(706,266)	452,546	(5,960,539)
Intangibles	(660,372)	(101,463)	-	(761,835)
Infrastructure	(26,109,499)	(1,007,610)	933	(27,116,176)
Total accumulated depreciation	(68,635,950)	(5,753,864)	552,873	(73,836,941)
Total capital assets being depreciated, net	70,077,553	24,110,743	(10,730)	94,177,566
Governmental activities capital assets, net	<u>\$ 102,957,409</u>	<u>\$ 26,786,617</u>	<u>\$ (23,205,478)</u>	<u>\$ 106,538,548</u>

**Business-type activities:**

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 115,000	\$ -	\$ -	\$ 115,000
Intangible	<u>-</u>	10,000	<u>-</u>	<u>10,000</u>
Total capital assets not being depreciated	115,000	10,000	-	125,000
Capital assets being depreciated:				
Buildings	54,220	11,500	(54,220)	11,500
Improvements other than buildings	7,441,903	57,000	-	7,498,903
Machinery and equipment	808,969	6,186	(702,522)	112,633
Intangibles	16,399	-	(16,399)	-
Infrastructure	<u>636,738</u>	<u>-</u>	<u>-</u>	<u>636,738</u>
Total capital assets being depreciated	8,958,229	74,686	(773,141)	8,259,774
Less accumulated depreciation for:				
Buildings	(54,220)	(319)	54,220	(319)
Improvements other than buildings	(7,220,522)	(222,094)	-	(7,442,616)
Machinery and equipment	(506,679)	(36,122)	438,816	(103,985)
Intangibles	(10,938)	(1,489)	12,427	-
Infrastructure	<u>(612,163)</u>	<u>(4,681)</u>	<u>-</u>	<u>(616,844)</u>
Total accumulated depreciation	(8,404,522)	(264,705)	505,463	(8,163,764)
Total business-type capital assets being depreciated, net	553,707	(190,019)	(267,678)	96,010
Business-type activities capital assets, net	<u>\$ 668,707</u>	<u>\$ (180,019)</u>	<u>\$ (267,678)</u>	<u>\$ 221,010</u>

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

**Governmental activities:**

General government	\$ 465,826
Public safety	636,366
Public works, including depreciation of general infrastructure assets	1,300,852
Human services	197
Education	3,136,502
Recreation and culture	214,121
Total depreciation expense - governmental activities	\$ 5,753,864

**Business-type activities:**

Mere Point wastewater	\$ 4,681
Solid Waste facilities	257,129
Processing Facility	1,032
Train Station/Visitors Center	1,863
Total depreciation expense - business-type activities	\$ 264,705

**D. Leases**

During the fiscal year ended June 30, 2021, the Town was a lessee in a variety of operating leases, one of which is considered material. The Town is a lessor in four operating leases, one of which is considered material.

**1. Town as Lessee**

*Train Station and Visitor's Center:* In June 2009, the Town executed a five-year agreement with JHR Development of Maine (JHR) to lease approximately 2,125 square feet of space at JHR's Brunswick Station development (formerly Maine Street Station). The Town uses the leased space as a train station and visitor's center, subcontracting with the Brunswick Downtown Association (BDA) to manage the operation. The term of the initial five-year lease began November 1, 2009. During the year ended June 30, 2009, the Town received a \$220,000 grant from the Brunswick Development Corporation (BDC) which allowed the Town to pre-pay all five years of the rent. In 2014, the Town and JHR extended the agreement five years at the same rate. In December, 2019, the Town and JHR negotiated two agreements, including an additional amendment to the Train Station/Visitor's Center lease, extending it to December 31, 2024 at a rate of \$51,939 per year. For the year ended June 30, 2021, the lease expense was \$51,939, and as of June 30, 2021, the future lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2022	\$ 51,939
2023	51,939
2024	51,939
2025	25,970
	<hr/>
	\$ 181,787

**2. Town as Lessor**

*Town Hall Parking Lot:* In December, 2019, concurrent with the Train Station/Visitor's Center lease, the Town and JHR signed a parking lease agreement granting JHR the right to access and use four spaces in the Town Hall parking lot for the sole purpose of parking for JHR, JHR's tenants and visitors. The annual rent for the four parking spaces was set at \$5,902. For the year ended June 30, 2021, the lease revenue was \$5,902 and future lease payments are projected as follows:

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2022	\$ 5,902
2023	5,902
2024	5,902
2025	2,951
	<hr/>
	\$ 20,657

**E. Long-term Liabilities**

**1. General obligation bonds and direct borrowings**

The Town issues general obligation debt and direct borrowings 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 and notes from direct borrowing currently outstanding are as follows:

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

<u>Purpose</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Annual Principal Payments</u>	<u>Amount Outstanding</u>
<b><u>Governmental Activities - General obligation bonds</u></b>						
2013 Police Station	2013	5,500,000	2% to 3.5%	2033	\$275,000	\$ 3,300,000
2017 GO Bonds	2017	1,781,000	2% to 3.5%	2033	35,000 to 200,000	1,125,000
2020 GO Bonds	2020	24,450,000	2% to 5%	2045	420,000 to 1,195,000	<u>24,030,000</u>
						28,455,000
<b><u>Governmental Activities - Notes from direct borrowings</u></b>						
2010 Elementary School (MMBB)	2010	21,462,250	2% to 5.5%	2031	1,073,113	10,731,125
2016 School Renovation (SRRF)	2016	655,780	0%	2027	62,651	375,906
2017 School Renovation (SRRF)	2017	64,086	0%	2022	9,757	9,757
2020 School Renovation (SRRF)	2020	279,360	0%	2025	55,872	<u>279,360</u>
						11,396,148
<b>Total long-term debt</b>						<b><u>\$ 39,851,148</u></b>

The Town's outstanding notes from direct borrowings were all issued through the Maine Municipal Bond Bank (MMBB). The School Revolving Renovation Fund (SRRF) is a Maine Department of Education program to finance school renovation projects through a combination of zero-interest bonds and grant funding. The Brunswick School Department was originally authorized for a total of \$1,662,149 in reimbursement for renovation projects, of which \$1,021,767 was issued in bonds, with the balance to be subsidized by the Department of Education in grant funding. The School Department's renovation projects were completed in August, 2018, and as the full authorized amount of funding was not required, the bonds were amended. The 2016 SRRF bond was amended twice, and the 2017 SRRF bond was amended with the final accounting of the projects. The resulting total funds received over two years was \$1,171,136, of which \$451,270 was in grants, and the 2016 and 2017 SRRF bonds were amended to total \$719,866.

In January, 2020, the Brunswick School Department received approval from the Maine Department of Education (DOE) for \$449,783 in additional funding through the SRRF program for health, safety and ADA compliance improvements to the Brunswick Junior High School and the Coffin Elementary School. On September 18, 2020, \$170,423 was forgiven in the form of a grant, and the Town issued bonds with Maine Municipal Bond Bank for \$279,360 at zero interest for a five-year term.

Eighty percent (80%) of the 2010 Elementary School Bonds were issued as Build America Bonds (BABs). Interest on BABs is taxable. The issuer, in this case MMBB, files annually for an interest subsidy from the US Treasury. The subsidy lowers the effective interest rate. Further, 87% of the debt service on the 2010 Elementary School Bonds is eligible for State subsidy.

The amounts required to amortize all bonds and notes outstanding as of June 30, 2021 are as follows:

## Governmental Activities

Year Ending June 30	Bonds		Notes from Direct Borrowings				Total
	Principal	Interest	Principal	Interest	BABs Subsidy		
2022	\$ 1,165,000	\$ 894,201	\$ 1,201,392	\$ 471,059	\$ (150,426)	\$ 3,581,226	
2023	1,200,000	848,483	1,191,636	429,562	(137,261)	3,532,420	
2024	1,160,000	800,929	1,191,635	386,991	(123,742)	3,415,813	
2025	1,200,000	751,439	1,191,635	343,079	(109,780)	3,376,373	
2026	1,240,000	699,283	1,191,636	297,826	(95,376)	3,333,369	
2027-2031	6,585,000	2,642,019	5,428,214	687,329	(220,212)	15,122,350	
2032-2036	6,320,000	1,507,191	-	-	-	7,827,191	
2037-2041	5,325,000	863,316	-	-	-	6,188,316	
2042-2045	4,260,000	217,659	-	-	-	4,477,659	
Total	\$28,455,000	\$ 9,224,520	\$11,396,148	\$ 2,615,846	\$ (836,797)	\$ 50,854,717	

For the year ended June 30, 2021, the Town paid \$2,510,520 in principal and \$1,493,528 in interest (net of \$163,060 BABs subsidy) for a total of \$4,004,048 in debt service payments. Due to federal sequestration, the BABs subsidy was reduced in FY 21 by a total of \$9,856, or a 5.7% reduction. 87% of the sequestration reduction is eligible for State subsidy. The Town anticipates BABs subsidy reductions in future years, and has estimated a 5.7% reduction going forward.

*Additional debt authorizations:* On April 1, 2019, the Town Council adopted “An Ordinance Authorizing The Purchase of Property For And Construction Of A New Central Fire Station With Total Project Costs Of Up To \$13,500,000, And the Issuance of Bonds of Up To \$13,500,000.”

On October 19, 2020, the Town Council adopted “An Ordinance Authorizing the Funding and Acquisition of a New Fire Tank Truck, With Total Project Costs Not to Exceed \$425,000 (plus any other costs authorized hereunder), and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$425,000 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder.”

*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 Annual Comprehensive Annual Financial Report (ACFR).

## 2. Compensated absences

Recorded long-term compensated absences are as follows:

Type of Leave	Governmental Activities
Sick paid upon termination	\$ 431,128
Vacation	597,282
Compensatory time	75,925
School retirement stipend	418,713
Totals	\$ 1,523,048

### 3. Pension obligations

*Plan descriptions:* For its participating municipal employees and certain participating School Department employees, the Town of Brunswick contributes to the Consolidated Plan for Participating Local Districts (PLD Plan) a cost-sharing multiple-employer, defined benefit pension plan administered by the Maine Public Employees Retirement System (MainePERS). Teachers and certain other School Department employees also participate in the Maine Public Employees Retirement System (MainePERS) through the State Employee and Teacher Plan (SET Plan), a cost-sharing multiple-employer, defined benefit pension plan with a special funding situation established by the Maine Legislature. The MainePERS is established and administered under Maine law, and the authority to establish and amend benefit provisions rests with the State legislature. The MainePERS issues a publicly available financial report which may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046 or at [www.mainepers.org](http://www.mainepers.org).

*Benefits provided:* The PLD and SET Plans provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). For SET Plan members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MainePERS also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD Plan) or by statute (SET Plan).

*Contributions:* Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

PLD Plan - Employees are required to contribute 7.35%-9.5% of their annual pay depending on the plan they participate in. The Town's contractually required contribution rate for the year ended June 30, 2021, ranged from 5.0%-16.0%, depending on the plan, and came in at an average 11.78% of annual payroll. Contributions to the pension plan from the Town were \$1,330,044 for the year ended June 30, 2021.

SET Plan - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2021, was 18.49% of annual payroll of which 4.16% of payroll was required from the Town and 14.33% was required from the State. Contributions to the pension plan from the Town were \$843,844 for the year ended June 30, 2021.

*Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions:* The net pension liabilities were measured as of June 30, 2020, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The Town's proportion of the net pension liabilities were based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

PLD Plan - At June 30, 2021, the Town reported a liability of \$7,911,889 for its proportionate share of the net pension liability. At June 30, 2020, the Town's proportion of the PLD Plan was 1.9913%.

SET Plan - At June 30, 2021, the Town reported a liability of \$336,440 for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 336,440
State's proportionate share of the net pension liability associated with the Town	24,861,930
<b>Total</b>	<b><u>\$ 25,198,370</u></b>

At June 30, 2020, the Town's proportion of the SET Plan was 0.0206%.

For the year ended June 30, 2021, the Town recognized pension expense of \$1,641,999 for the PLD Plan and pension expense of \$3,680,197 for the SET Plan. Additionally, the Town recognized revenue of \$2,906,798 for support provided by the State for the SET Plan.

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 474,779	\$ 86,991
Net difference between expected and actual investment earnings on pension plan investments	514,838	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	51,835	97,419
Town contributions subsequent to the measurement date	<u>1,330,044</u>	-
	<u>\$ 2,371,496</u>	<u>\$ 184,410</u>

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to the SET Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,762	\$ 7,128
Net difference between projected and actual investment earnings on pension plan investments	13,947	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	36,594
Town contributions subsequent to the measurement date	<u>843,844</u>	-
	<u>\$ 868,553</u>	<u>\$ 43,722</u>

A portion of deferred outflows of resources related to pensions, \$1,330,044 for the PLD Plan and \$843,844 for the SET Plan, results from Town contributions subsequent to the measurement date, and will be

recognized as a reduction of the net pension liabilities in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense</u>	
	<u>PLD Plan</u>	<u>SET Plan</u>
2022	\$ (286,817)	\$ (24,545)
2023	268,293	(19,106)
2024	437,300	12,383
2025	<u>438,266</u>	<u>12,254</u>
	\$ 857,042	\$ (19,014)

*Actuarial assumptions:* The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation		2.75%
Salary increases, per year	2.75% plus merit component based on each employee's years of service	
Investment return, per annum, compounded annually		6.75%
Cost of living benefit increases, per annum	1.91%	2.2%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study covering the period from June 30, 2012 to June 30, 2015 and the economic assumptions are based on this experience study along with advice of the MainePERS investment consultants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2020 are summarized in the following table. Assets for each of the defined benefit plans are commingled for investment purposes.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public Equities	30.0%	6.0%
US Government	7.5%	2.3%
Private Equity	15.0%	7.6%
Real Assets:		
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	7.2%
Diversifiers	<u>10.0%</u>	<u>5.9%</u>
Total	<u>100.0%</u>	

*Discount rate:* The discount rate used to measure the collective total pension liability was 6.75% for 2020 for each of the Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Town's proportionate share of the net pension liabilities to changes in the discount rate:* The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.75% for the PLD Plan and 6.75% for the SET Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75% for PLD Plan and 5.75% for SET Plan) or 1 percentage-point higher (7.75% for PLD Plan and 7.75% for SET Plan) than the current rate:

	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
<b>PLD Plan</b>			
Town's proportionate share of the net pension liability	\$ 16,627,596	\$ 7,911,889	\$ 777,442
	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
<b>SET Plan</b>			
Town's proportionate share of the net pension liability	\$ 583,485	\$ 336,440	\$ 130,533

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in the separately issued MainePERS financial report, which can be obtained from Maine Public Employees Retirement System at [www.mainepers.org](http://www.mainepers.org).

*Payables to the pension plan:* The Town reported no payables to the pension plan as of June 30, 2021.

#### 4. Other postemployment benefits

*Plan Description:* The Town sponsors two post-retirement benefit plans providing group term life insurance to retiring employees. For municipal employees and certain School Department employees the Town contributes to the Group Life Insurance Plan for Participating Local District (PLD). Teachers also participate in the Group Term Life Insurance Plan for State Employees and Teachers (SET). Both plans are a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MainePERS). The MainePERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for each plan. MainePERS issues a publicly available financial report, available at [www.mainepers.org](http://www.mainepers.org).

Additionally, the Town offers two post-retirement benefit plans providing health insurance to retiring employees. For municipal employees, the Town sponsors a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (hereafter referred to as the MMEHT Health Plan). The Town Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

For school department personnel, the State sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (hereafter referred to as MEABT Health Plan). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. No

assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Benefits Provided:** Under both the PLD and SET OPEB plans, MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees' average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Under the MMEHT Health Plan, healthcare and life insurance benefits are provided for retirees and their dependents. Town employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

The MEABT Health Plan provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

**Employees Covered by Benefit Terms** – At June 30, 2021, the following employees were covered by the benefit terms of the MMEHT and MEABT Health Plans:

	MMEHT Health Plan	MEABT Health Plan
Inactive employees or beneficiaries currently receiving benefits	9	163
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	132	347
<b>Total</b>	<b>141</b>	<b>510</b>

**Contributions:** Premium rates for both the PLD and SET OPEB plans are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims.

**PLD OPEB Plan** - The Town is required to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB plan from the Town were \$12,499 for the year ended June 30, 2021. Employees are not required to contribute to the PLD OPEB plan.

**SET OPEB Plan** - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the Town were \$78,803 for the year ended June 30, 2021. Employers and employees are not required to contribute to the SET OPEB plan.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:** The net OPEB liabilities for both the PLD and SET OPEB plans were measured as of June 30, 2020, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of June 30, 2019. The Town's proportion of the net OPEB liabilities was based on a projection of the Town's long-term share of contributions to the PLD and SET OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan – At June 30, 2021, the Town reported a liability of \$280,500 for its proportionate share of the net OPEB liability. At June 30, 2020, the Town's proportion was 2.1263%.

SET OPEB Plan – At June 30, 2021, the Town reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the Town was \$701,810 as of June 30, 2021. At June 30, 2020, the Town's proportion was 0.00%.

The Town's total MMEHT Health Plan OPEB liability of \$1,623,583 and was measured as of January 1, 2021 and the Town's total MEABT Health Plan OPEB liability of \$7,127,667 as measured as of June 30, 2020. The total MMEHT Health Plan OPEB and MEABT Health Plan OPEB liabilities were determined by an actuarial valuation as of the measurement date.

Changes in Health Plan OPEB Liabilities:

	<u>MMEHT Health Plan</u> <u>OPEB Liability</u>	<u>MEABT Health Plan</u> <u>OPEB Liability</u>
Balance at June 30, 2020	\$ 1,447,806	\$ 6,607,583
Changes for the year:		
Service cost	61,785	46,351
Interest	40,995	228,581
Changes of benefit terms	-	(645,501)
Differences between expected and actual experience	-	(485,677)
Changes in assumptions	100,031	1,624,567
Benefit payments	<u>(27,034)</u>	<u>(248,237)</u>
Net Changes	<u>175,777</u>	<u>520,084</u>
Balance at June 30, 2021	<u><u>\$ 1,623,583</u></u>	<u><u>\$ 7,127,667</u></u>

Change in assumptions under the MMEHT Health Plan reflects a change in the discount rate from 2.74% in 2020 to 2.12% in 2021. In addition, medical and prescription drug trend arrays were updated. There were no other changes to data, assumptions and methodology.

Change in assumptions under the MEABT Health Plan reflects a change in the discount rate from 3.50% in 2020 to 2.21% in 2021. In addition, census, demographic assumptions and economic assumptions were updated. No other changes to data, assumptions and methodology were made.

For the year ended June 30, 2021, the Town recognized OPEB gain of \$39,431 for the PLD OPEB Plan. For the year ended June 30, 2021, the Town recognized OPEB expense of \$78,803 and revenues of \$78,803 for support provided by the State related to the SET OPEB plan. At June 30, 2021, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan.

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 34,632	\$ -
Differences between projected and actual earnings on OPEB plan investments	- -	7,005
Changes of assumptions	29,192	199,897
Changes in proportion and differences between Town contributions and proportionate share of contributions	10,584	26,457
Town contributions subsequent to the measurement date	12,499	-
	<u>\$ 86,907</u>	<u>\$ 233,359</u>

\$12,499 is reported as deferred outflows of resources related to the PLD OPEB plan resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,

2022	\$ (45,548)
2023	(41,293)
2024	(16,883)
2025	(26,369)
2026	<u>(28,858)</u>
	<u>\$ (158,951)</u>

For the year ended June 30, 2021, the Town recognized OPEB expense of \$75,148 related to the MMEHT Health Plan and OPEB gain of \$168,319 related to the MEABT Health Plan. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plans from the following sources:

	<u>MMEHT Health Plan</u>	<u>MEABT Health Plan</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 693,944
Changes of assumptions or other inputs	619,825	133,280
Town contributions subsequent to the measurement date	- -	1,586,290
	<u>\$ 619,825</u>	<u>\$ 827,224</u>
	<u>\$ 619,825</u>	<u>\$ 1,769,275</u>
	<u>\$ 827,224</u>	<u>\$ 541,788</u>

\$182,985 is reported as deferred outflows of resources related to MEABT Health Plan OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plans OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	MMEHT Health Plan	MEABT Health Plan
2022	\$ (27,632)	\$ 202,250
2023	(27,632)	202,250
2024	(27,632)	202,251
2025	(27,632)	247,936
2026	(27,632)	189,815
Thereafter	<u>(69,239)</u>	<u>-</u>
	\$ (207,399)	\$ 1,044,502

*Actuarial assumptions:* The total OPEB liabilities in the June 30, 2020 actuarial valuations for both the PLD and SET OPEB plans were determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>PLD OPEB Plan</u>	<u>SET OPEB Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75% to 9.00%	2.75% to 14.50%
Investment return, per annum, compounded annually	6.750%	6.750%

Mortality rates for both the PLD and SET OPEB plans were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, with adjustments ranging 104% to 120% based on actuarially determined demographic differences.

The actuarial assumptions used in the June 30, 2020 valuations for both the PLD and SET OPEB plans were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

The total OPEB liability in the January 1, 2021 actuarial valuation for the MMEHT Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>MMEHT</u>
	<u>Health Plan</u>
Inflation	2.00%
Salary increases	2.75% average, including inflation
Discount Rate	2.12%
Healthcare cost trend rates (applied in FYE 2020 grading over 20 years to 3.28% per annum)	
Pre-Medicare Medical:	8.50%
Pre-Medicare Drug:	8.75%
Medicare Medical:	5.00%
Medicare Drug:	8.75%
Retirees' share of the benefit related costs	100.00% of projected health insurance premiums

Mortality rates for the MMEHT Health Plan were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2021 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

The total OPEB liability in the June 30, 2020 actuarial valuation for the MEABT Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

MEABT		
<u>Health Plan</u>		
Inflation	2.00%	
Salary increases	2.75% - 14.50% per year	
Discount Rate	2.21%	
Healthcare cost trend rates		
Pre-Medicare:	6.21%	applied in FY2020 and 6.83% applied in FY2022 grading over 18 years to 3.25% per annum
Medicare:	0.00%	applied in FY2021 and 6.3% applied in FY2022 grading over 18 years to 3.25% per annum
Retirees' share of the benefit related costs	55.00%	of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

Mortality rates for the Health Plan were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2020 valuation for the MEABT Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

The long-term expected rate of return on both PLD and SET OPEB plan investments was determined using a building-block method which best estimates ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public Equities	70.0%	6.0%
Real Estate	5.0%	5.2%
Traditional Credit	15.0%	3.0%
US Government Securities	10.0%	2.3%
Total	<u>100.0%</u>	

*Discount Rate:* The rate used to measure the total OPEB liability for the plans was 6.75% for 2020 for the Plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The discount rate for the MMEHT Health Plan was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer index. Using the Bond Buyer 20-Bond GO Index, the discount rate as of June 30, 2021 is based upon an earlier measurement date, as of December 31, 2020, and is 2.12% per annum.

The rate used to measure the total MEABT OPEB liability was 2.21% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

*Sensitivity of the Town's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate:* The following presents the Town's proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 6.75%, as well as what the Town's proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Net OPEB liability	\$ 377,782	\$ 280,500	\$ 202,310

Sensitivity of the Town's proportionate share of the net SET OPEB plan liability to the changes in the discount rate are not presented as the Town does not have any liability related to this plan given that the SET OPEB plan is 100% funded by contributions from the State of Maine.

*Sensitivity of the Total Health Plans OPEB Liability to Changes in the Discount Rate:* The following presents the Town's total OPEB liability related to the MMEHT Health Plan calculated using the discount rate of 2.12%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.12%) or 1 percentage-point higher (3.12%) than the current rate:

	1% Decrease <u>(1.12%)</u>	Current Discount Rate <u>(2.12%)</u>	1% Increase <u>(3.12%)</u>
Total OPEB liability	\$ 1,904,645	\$ 1,623,583	\$ 1,396,043

The following presents the Town's total OPEB liability related to the MEABT Health Plan calculated using the discount rate of 2.21%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.21%) or 1 percentage-point higher (3.21%) than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
Total OPEB liability	\$ 8,363,428	\$ 7,127,667	\$ 6,133,214

*Sensitivity of the Total Health Plans OPEB Liability to Changes in the Healthcare Cost Trend Rates:* The following presents the Town's total OPEB liability related to the MMEHT Health Plan calculated using the healthcare cost trend rates as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Total OPEB liability	\$ 1,367,125	\$ 1,623,583	\$ 1,953,583

The following presents the Town's total OPEB liability related to the MEABT Health Plan calculated using the healthcare cost trend rates as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Total OPEB liability	\$ 6,067,576	\$ 7,127,667	\$ 8,461,732

*OPEB Plan Fiduciary Net Position:* Detailed information about both the PLD and SET OPEB plan's fiduciary net positions are available in a separately issued MainePERS financial report.

##### 5. 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. Each year, the Town has reported a portion of these closure and postclosure care costs as a liability in the statement of net position based on landfill capacity used as of June 30<sup>th</sup>, and an estimate of the closure and postclosure costs. The Town has planned to pay for the actual closure and postclosure costs with funds collected and retained in the solid waste enterprise fund, the pay-as-you-throw enterprise fund and landfill impact fees. Where those funds are not sufficient, the Town will look to other funding sources including subsidies from the General Fund. At some point in the future, the Town expects to receive reimbursement of up to 75% of closure costs from the state under the Maine Landfill Closure and Remediation Program.

The Town has the following solid waste facilities:

*Graham Road Landfill:* This facility served as the Town's landfill beginning in 1984, and ceased operations on March 31, 2021. Work on closure began in April, 2021, with construction completion estimated in late fall 2021. As of June 30, 2021, the Town estimates the final closure cost for the entire facility to be approximately \$7,700,000, and the total postclosure care costs are estimated at \$2,145,000, which is an average annual cost of \$71,500 for 30 years. Of the total estimated closure cost, the Town had expended \$4,141,245 at the end of FY 21, leaving a closure liability of \$3,558,755, and postclosure care liability of \$2,145,000 as of June 30, 2021.

In October, 2016, the Town received confirmation from the Maine DEP that the landfill closure met the requirements for cost-sharing through the Maine Landfill Closure and Remediation Program, in accordance with 38 MRS §1310-F. Eventual funding could be reimbursement of up to 75% of closure costs after the landfill closure is complete. During the closure construction, the Town has made regular submissions to MDEP for reimbursement eligibility approval, with the understanding that any reimbursement payments will not begin until closure of the landfill has been completed and approved. Additionally, reimbursement is contingent on funds being available within the state program. As of June 30, 2021, \$3,095,046 in closure costs have been approved as eligible for reimbursement, and the Town has recorded this as a receivable and as deferred inflow of resources.

The Town faced potential fines related to wastewater discharge limits and other violations between 2011 and 2019, and while the Town and MDEP were pursuing a collaborative solution, MDEP chose not to pursue enforcement action. In August, 2020, the Town and MDEP entered into an Administrative Consent Agreement (ACA) to resolve the past violations. The ACA included a \$17,000 penalty to the Town, with all but \$10,000 suspended, and this amount was paid to MDEP in the fiscal year ended June 30, 2021.

*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 postclosure care as of June 30,

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

2021, the Town estimates that \$64,000 is applicable to this facility. This represents annual monitoring at \$4,000 per year for 16 years. The portion of the liability reported as due within one year is \$4,000.

**F. Changes in Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due Within</u> <u>One Year</u>
<b><u>Governmental Activities</u></b>					
Bonds payable:					
General obligation bonds	\$ 29,820,000	\$ -	\$ (1,365,000)	\$ 28,455,000	\$ 1,165,000
Plus premium on bonds	2,083,211	-	(93,859)	1,989,352	89,369
Notes from direct borrowings	12,262,308	279,360	(1,145,520)	11,396,148	1,201,392
Compensated absences	1,473,690	947,357	(897,999)	1,523,048	493,584
Other postemployment benefits	8,506,749	525,001	-	9,031,750	-
Net pension liability	6,369,891	1,878,438	-	8,248,329	-
	<u>\$ 60,515,849</u>	<u>\$ 3,630,156</u>	<u>\$ (3,502,378)</u>	<u>\$ 60,643,627</u>	<u>\$ 2,949,345</u>
 <b><u>Business-type Activities</u></b>					
Compensated absences	\$ 15,465	\$ -	\$ (15,465)	\$ -	\$ -
Landfill closure and postclosure care	11,467,046	280,624	(5,979,915)	5,767,755	3,562,755
	<u>\$ 11,482,511</u>	<u>\$ 280,624</u>	<u>\$ (5,995,380)</u>	<u>\$ 5,767,755</u>	<u>\$ 3,562,755</u>

For the governmental activities, compensated absences, net pension and OPEB obligations are generally liquidated by the General Fund. For business-type activities, compensated absences were liquidated by the Solid Waste Facilities Fund. General government bonds and notes payable are predominantly paid from the General Fund, with a portion paid from the Tax Increment Financing Fund.

## G. Components of Fund Balances

The components of the June 30, 2021 fund balance are as follows:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Advances to other funds	\$ 586,606	\$ -	\$ -	\$ -
Inventories and deposits	36,047	-	-	-
Education purposes	-	3,216,004	-	-
State road assistance funds	-	82,933	-	-
State revenue sharing funds	-	977,823	-	-
Encumbrances	-	-	-	133,289
Budget appropriation	-	-	-	547,000
Budget amendments and advances	-	-	-	1,071,230
Supplemental appropriations	-	-	-	515,000
Compensated absences	-	-	-	388,906
Tax increment financing	-	264,749	-	-
Capital projects funds:				
Prepaid deposits	50,000	-	-	-
Restricted capital project funding	-	1,872,399	-	-
Appropriated for capital projects	-	-	3,546,952	-
Special revenue funds:				
Recreation programs	-	-	405,258	-
Town restricted programs	-	268,770	75,911	-
School restricted programs	29,796	512,657	-	-
Permanent funds	792,315	8,097	-	-
Total	\$ 1,494,764	\$ 7,203,432	\$ 4,028,121	\$ 2,655,425

The Town has a Fund Balance Policy for the General Fund. The policy lists criteria to be used in establishing a minimum fund balance target and sets the minimum *unassigned* fund balance at 16.67% of annual GAAP revenues. At June 30, 2021, the Town's unassigned fund balance was at 22.7% of revenues. The policy states that amounts in excess of the target balance shall be used for capital improvements or other one-time expenditures as approved by the Town Council.

## H. Interfund Balances

Interfund balances are composed of two types – advances and due to/due from balances. The advances are interfund loans, and are anticipated to be eliminated as funds are received from appropriations or other sources. The due to/from balances result from receipts and disbursements being made through the consolidated cash accounts held by the General Fund. These balances will be eliminated when cash transfers are made to the appropriate funds.

### 1. Advances to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Projects	\$ 586,606

The advances to the Capital Improvement Projects Fund will be repaid with TIF revenues or general fund balance over the next several years.

2. Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	School Restricted Fund	\$ 591,301
General Fund	New Central Fire Station Fund	3,462,273
General Fund	School Coronavirus Relief Funds	4,005,525
General Fund	Enterprise Funds	16,298
		<u>      </u>
		\$ 8,075,397
Tax Increment Financing	General Fund	\$ 264,749
Recreation Program Funds	General Fund	19,365
Town Restricted Funds	General Fund	134,860
Public Works Projects	General Fund	1,162,217
Capital Reserve Fund	General Fund	1,148,490
Capital Improvement Projects	General Fund	1,249,307
New Elementary School Fund	General Fund	450,000
Private-purpose Trust Funds	General Fund	40,600
Internal Service Fund	General Fund	140,557
		<u>      </u>
		\$ 4,610,145

I. **Interfund Transfers**

	Transfers In:				
	General Fund	Nonmajor	Enterprise Funds	Total	
		Governmental Funds		transfers out	
<b>Transfers Out:</b>					
General Fund	\$ -	\$ 3,576,874	\$ 50,000	\$ 3,626,874	
Tax Increment Financing	<u>736,969</u>	<u>626,922</u>	<u>-</u>	<u>-</u>	<u>1,363,891</u>
Nonmajor Governmental Funds					
Special Revenue Funds	-	105,000	-	105,000	
Impact Fees		50,000	250,000		300,000
Capital Reserve Funds	-	300,000	-	300,000	
Capital Improvement Projects	<u>26,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,031</u>
Total Transfers In	<u>\$ 763,000</u>	<u>\$ 4,658,796</u>	<u>\$ 300,000</u>	<u>\$ 5,721,796</u>	

Of the \$3,626,874 transferred out of the General Fund, \$3,477,905 was made for a variety of capital projects. The largest of these include \$1,639,905 for the Capital Improvement Fund, \$1,140,000 for the Street Resurfacing Program and Sidewalk Program and \$698,000 for the Capital Reserve Fund. The \$50,000 transfer to Enterprise Funds represents General Fund subsidies of the Processing Facility operations of \$50,000. Of the remaining \$98,969, \$51,420 was the annual subsidy of the school cafeteria, within the School Restricted programs, \$43,049 was match funding for the Mare Brook study, and \$4,500 was the annual contribution to the Memorial Day program to match small grants.

Transfers in to the General Fund include a combined transfer of \$763,000 of which \$736,969 was from the Tax Increment Financing Districts and \$26,031 was unused Capital Improvement Project balances transferred back to the General Fund. Of the \$736,969 TIF transfers to the General Fund, \$190,000 was used to support a portion of the Street Resurfacing Program for qualified road work, \$150,000 was used to subsidize the Capital Reserve Fund for police and fire vehicles, \$138,000 was used to offset professional and admin costs, \$128,969 was used to support transit projects, \$105,000 funded the Brunswick Downtown Association appropriation, and the remaining \$25,000 went to fund the train station and visitors center operations.

**J. Donor-restricted Endowments**

The Town maintains several permanent funds and private-purpose trust funds with donor-restricted endowments. Prior to 2017-18, the Town's spending policy for these funds authorized only interest and dividends on investments, less fees, for spending. Any appreciation on investments was added to the original endowment and was not authorized for spending. Beginning in 2017-18, the Town received approval from the State Attorney General to manage the funds in accordance with the Uniform Prudent Management Act (UPMIFA). The Trust Fund Advisory Committee adopted an Investment Policy Statement which outlines investment objectives and constraints, and annual disbursement guidelines. For 2020-21, the Trust Fund Advisory Committee recommended spending levels at 4% of the 20-quarter rolling average balance of the funds.

**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, 2021, 2020 and 2019, 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, 2021.

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

**B. Contingencies**

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

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

**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. 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, 2021, the Town's equalized state valuation of \$2,595,900,000 was 4.89% of the County's equalized state valuation of \$53,139,300,000. The Town's share of Cumberland County's principal debt as of June 30, 2021 is \$1,630,162 or 4.89% of the total outstanding long-term County debt of \$33,370,194.

##### 2. Maine Region 10 Technical High School

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. As of June 30, 2021, MR10 had total principal debt outstanding of \$3,619,269. The Town of Brunswick's share of MR10's debt is 38.29% or \$1,385,818. See the "Joint Venture" footnote for additional information.

#### E. 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, 2021 is provided as an indication of the combined debt burden of the constituent ratepayer/taxpayer base.

	Total Principal Debt	% Applicable to Brunswick	Amt Applicable to Brunswick
Brunswick and Topsham Water District	\$ 43,355,180	66.67%	\$ 28,904,899
Brunswick Sewer District	19,927,565	100.00%	19,927,565
<b>Total</b>	<b>\$ 63,282,745</b>		<b>\$ 48,832,464</b>

#### F. 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, 2021, the total budget of MR10 was \$3,016,624.

After MR10 deducted state subsidies, certain balances and miscellaneous revenues, the Town of Brunswick was assessed and paid \$156,210. At June 30, 2021, MR10 had total principal debt outstanding of \$3,619,269. The Town of Brunswick's share of MR10's debt is 38.29% or \$1,385,818. A copy of MR10's audited financial statements may be obtained from Maine Region 10 Technical High School, 68 Church Road, Brunswick, Maine 04011.

#### G. Credit Enhancement Agreements

GASB Statement 77, *Tax Abatement Disclosures*, defines tax abatement, for financial reporting purposes, as a reduction in tax revenue resulting from "an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments". The Town of Brunswick has certain Credit Enhancement Agreements (CEAs) which fit this definition.

The Town of Brunswick has entered into several CEAs with individual organizations as permitted within its five Tax Increment Financing (TIF) District development programs, established under the State of Maine Title 30-A M.R.S. § 5221-5235. The CEAs outline conditions for the reimbursement of a percentage of the tax revenues generated through the increased values of certain parcels within the district. The agreements and payments are intended to promote economic development through real estate development and job creation, as well as infrastructure improvements and business incentives within the former Brunswick Naval Air Station. Based on compliance with the terms of the agreement, and the calculation methods established in the CEAs, the Town returns to the organization a portion of the taxes paid.

On June 30, 2021, the Town had four executed CEAs. For the purpose of calculating CEA payments to the Midcoast Regional Redevelopment Authority (MRRA), the Brunswick Landing and Brunswick Executive Airport TIF Districts are administered together. For the fiscal year ended June 30, 2021, the Town remitted a total of \$890,920 in Credit Enhancement payments. Though only the MRRA payment exceeded 10 percent of the total amount paid, we have chosen to report on all four CEAs as follows:

<u>TIF District</u>	<u>Beginning; Duration</u>	<u>CEA Entity</u>	<u>CEA reimbursement basis</u>	<u>Amount paid during the fiscal year</u>
Downtown Development	2011-12; 10 years	JHR Development of Maine	TIF revenues on one parcel: five years at 100%, two years at 80%, two years at 70%, final year at 50%	\$ 43,571
Seahawk (formerly Molnlycke)	2013-14; 20 years	Molnlycke Manufacturing, LLC	TIF revenues on one parcel: 35% - 55% based on employment levels	114,549
Seahawk (formerly Molnlycke)	2021-22; 10 years	Shepherd Prop, LLC (Wild Oats Bakery)	TIF revenues on one parcel: 35% - 50% based on employment levels	-
Brunswick Landing & Brunswick Executive Airport	2013-14; 30 years	Midcoast Regional Redevelopment Authority	Up to 50% of TIF revenues within districts; for use on authorized projects; 30 year total capped at \$15 million.	732,800
				\$ 890,920

In November, 2019, the Maine Department of Economic and Community Development (DECD) approved an amendment to the Molnlycke TIF District, changing the name to the Seahawk Omnibus Municipal Development and TIF District, and adding a CEA with Shepherd Properties, LLC, based on employment at Wild Oats Bakery & Café. The first CEA payment to Shepherd Properties is scheduled for the fiscal year ending June 30, 2022.

#### H. Construction and Other Significant Commitments

As of June 30, 2021, the Town had various contractual commitments. The significant commitments are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Retainage Held</u>	<u>Remaining Commitment</u>
Cedar Street Parking Facility	\$ 355,923	\$ 5,244	\$ 151,403
Central Fire Station	1,320,222	146,691	7,658,813
Graham Road Landfill Closure	3,244,477	360,497	2,317,813
Cedar, Abijah & Hawthorne Street watermain replacement & road rehabilitati	2,813	313	251,068
Pleasant Street mill & fill	94,518	10,502	227,081
	\$ 5,017,953	\$ 523,247	\$ 10,606,178

Upon performance by the vendor in the next year, the encumbrances associated with these commitments are expected to be honored from the following funds:

<u>Governmental Fund</u>	<u>Contract balances</u>
New Central Fire Station Fund	\$ 7,658,813
Enterprise Funds	2,317,813
Other Governmental Funds	629,552
	\$ 10,606,178

#### I. Subsequent Events

*Purchase and Sale Agreement* - On August 2, 2021, the Town Council authorized the Town Manager to enter into a purchase and sale agreement for the acquisition of a 42.5 acre property on the Androscoggin River for \$504,000, and authorized the application for grant funding.

*Budget Amendment* – On August 16, 2021, the Town Council amended the 2021-22 general fund budget to account for an increase in the estimated amount to be received in State Revenue Sharing, and to adjust for an updated estimate of the taxable property valuation. The Town Council authorized an additional \$700,000 for paving, sidewalks and the facilities reserve, an additional \$50,000 use of fund balance, and reduced the tax rate impact by 1.32%, from an estimated 3.73% to 2.41%.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Proportionate Share of the Net Pension Liability

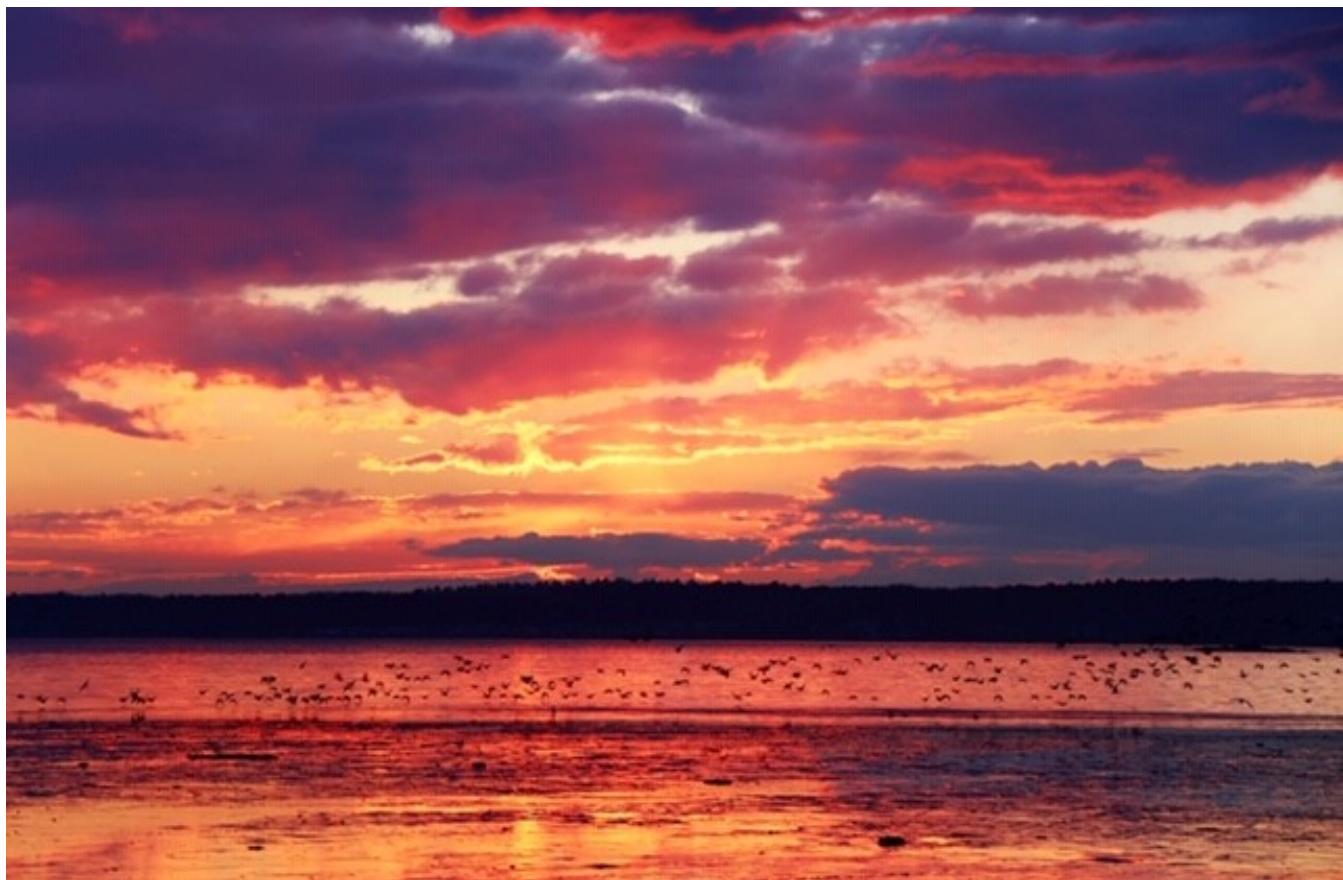
Schedule of Pension Contributions

Schedule of Changes in the Total Health Plan OPEB Liability and Related Ratios

Schedule of Proportionate Share of the Net OPEB Liability

Schedule of OPEB Contributions

Notes to Required Supplementary Information



## Required Supplementary Information

**TOWN OF BRUNSWICK, MAINE**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Last Ten Fiscal Years\***

<b>Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)</b>							
	<b>2015**</b>	<b>2016**</b>	<b>2017**</b>	<b>2018**</b>	<b>2019**</b>	<b>2020**</b>	<b>2021**</b>
<b>PLD Plan</b>							
Town's proportion of the net pension liability	2.30%	2.28%	2.15%	2.07%	2.03%	1.97%	1.99%
Town's proportionate share of the net pension liability	\$ 3,536,451	\$ 7,269,492	\$ 11,433,992	\$ 8,470,270	\$ 5,564,296	\$ 6,014,929	\$ 7,911,889
Town's covered payroll	9,245,552	9,702,984	9,672,593	9,780,190	9,869,991	10,122,031	10,897,916
Town's proportion share of the net pension liability as a percentage of its covered payroll	38.25%	74.92%	118.21%	86.61%	56.38%	59.42%	72.60%
Plan fiduciary net position as a percentage of the total pension liability	94.10%	88.27%	81.61%	86.43%	91.14%	90.62%	88.35%
<b>SET Plan</b>							
Town's proportion of the net pension liability	0.04%	0.04%	0.04%	0.03%	0.02%	0.02%	0.02%
Town's proportionate share of the net pension liability	\$ 426,374	\$ 521,645	\$ 779,097	\$ 462,110	\$ 327,267	\$ 354,962	\$ 336,440
State's proportionate share of the net pension liability associated with the Town	<u>15,095,418</u>	<u>18,852,281</u>	<u>24,285,768</u>	<u>20,957,681</u>	<u>20,112,311</u>	<u>21,637,973</u>	<u>24,861,930</u>
Total	<u><u>\$ 15,521,792</u></u>	<u><u>\$ 19,373,926</u></u>	<u><u>\$ 25,064,865</u></u>	<u><u>\$ 21,419,791</u></u>	<u><u>\$ 20,439,578</u></u>	<u><u>\$ 21,992,935</u></u>	<u><u>\$ 25,198,370</u></u>
Town's covered payroll	\$ 15,644,285	\$ 15,980,002	\$ 16,136,902	\$ 17,450,661	\$ 18,315,139	\$ 18,866,276	\$ 19,751,307
Town's proportion share of the net pension liability as a percentage of its covered payroll	2.73%	3.26%	4.83%	2.65%	1.79%	1.88%	1.70%
Plan fiduciary net position as a percentage of the total pension liability	83.91%	81.18%	76.21%	80.78%	82.90%	82.73%	81.03%

\* Only seven years of information available.

\*\* The amounts presented for each fiscal year were determined as of the prior fiscal year.

See accompanying notes to required supplementary information.

**Required Supplementary Information, Continued**

**TOWN OF BRUNSWICK, MAINE**  
**Schedule of Pension Contributions**  
**Last Ten Fiscal Years\***

<b>Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	
<b>PLD Plan</b>									
Contractually required contribution	\$ 796,662	\$ 931,375	\$ 1,009,803	\$ 1,060,357	\$ 1,128,830	\$ 1,203,139	\$ 1,286,117	\$ 1,330,044	
Contributions in relation to the contractually required contribution	<u>(796,662)</u>	<u>(931,375)</u>	<u>(1,009,803)</u>	<u>(1,060,357)</u>	<u>(1,128,830)</u>	<u>(1,203,139)</u>	<u>(1,286,117)</u>	<u>(1,330,044)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	\$ 9,245,552	\$ 9,702,984	\$ 9,672,593	\$ 9,780,190	\$ 9,869,991	\$ 10,122,031	\$ 10,897,916	\$ 11,293,736	
Contributions as a percentage of covered payroll	8.62%	9.60%	10.44%	10.84%	11.44%	11.89%	11.80%	11.78%	
<b>SET Plan</b>									
Contractually required contribution	\$ 414,573	\$ 423,470	\$ 542,200	\$ 586,342	\$ 727,111	\$ 748,991	\$ 821,654	\$ 843,844	
Contributions in relation to the contractually required contribution	<u>(414,573)</u>	<u>(423,470)</u>	<u>(542,200)</u>	<u>(586,342)</u>	<u>(727,111)</u>	<u>(748,991)</u>	<u>(821,654)</u>	<u>(843,844)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	\$ 15,644,285	\$ 15,980,002	\$ 16,136,902	\$ 17,450,661	\$ 18,315,139	\$ 18,866,276	\$ 19,751,307	\$ 20,284,702	
Contributions as a percentage of covered payroll	2.65%	2.65%	3.36%	3.36%	3.97%	3.97%	4.16%	4.16%	

\* Only eight years of information available.

See accompanying notes to required supplementary information.

**Required Supplementary Information, Continued**

**TOWN OF BRUNSWICK, MAINE**  
**Schedule of Changes in the Total Health Plan OPEB Liability and Related Ratios**  
**Last Ten Fiscal Years**

**Maine Municipal Employees Health Trust (MMEHT)**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b><u>Total MMEHT Health Plan OPEB Liability*</u></b>				
Service cost	\$ 35,837	\$ 44,817	\$ 38,497	\$ 61,785
Interest	61,834	65,988	73,020	40,995
Changes of benefits	-	-	(22,964)	-
Differences between expected and actual experience	(1,834)	-	(890,906)	-
Changes of assumptions or other inputs	214,685	(199,919)	529,252	100,031
Benefit payments	(33,157)	(41,061)	(42,703)	(27,034)
Net change in Total MMEHT Health Plan OPEB liability	277,365	(130,175)	(315,804)	175,777
Total MMEHT Health Plan OPEB liability - beginning	<u>1,616,420</u>	<u>1,893,785</u>	<u>1,763,610</u>	<u>1,447,806</u>
Total MMEHT Health Plan OPEB liability - ending	<u>\$ 1,893,785</u>	<u>\$ 1,763,610</u>	<u>\$ 1,447,806</u>	<u>\$ 1,623,583</u>
Covered-employee payroll	\$ 6,629,170	\$ 6,629,170	\$ 6,629,170	\$ 7,306,516
Total MMEHT Health Plan OPEB liability as a percentage of covered-employee payroll	28.57%	26.60%	21.84%	22.22%

**Maine Education Association Benefit Trust (MEABT)**

	<b>2019***</b>	<b>2020***</b>	<b>2021***</b>
<b><u>Total MEABT Health Plan OPEB Liability**</u></b>			
Service cost	\$ 41,709	\$ 38,602	\$ 46,351
Interest	227,974	237,481	228,581
Changes of benefit terms	-	-	(645,501)
Differences between expected and actual experience	-	-	(485,677)
Changes of assumptions or other inputs	(274,115)	348,726	1,624,567
Benefit payments	(220,147)	(228,028)	(248,237)
Net change in Total Health Plan OPEB liability	(224,579)	396,781	520,084
Total Health Plan OPEB liability - beginning	<u>6,435,381</u>	<u>6,210,802</u>	<u>6,607,583</u>
Total Health Plan OPEB liability - ending	<u>\$ 6,210,802</u>	<u>\$ 6,607,583</u>	<u>\$ 7,127,667</u>
Covered-employee payroll	\$ 15,682,183	\$ 16,113,443	\$ 14,705,057
Total MEABT Health Plan OPEB liability as a percentage of covered-employee payroll	39.60%	41.01%	48.47%

\* Only four years of information available.

\*\* Only three year of information available.

\*\*\* The amounts presented for each fiscal year were determined as of the prior fiscal year.

See accompanying notes to required supplementary information.

**Required Supplementary Information, Continued**

**TOWN OF BRUNSWICK, MAINE**  
**Schedule of Proportionate Share of the Net OPEB Liability**  
**Last Ten Fiscal Years\***

**Maine Public Employees Retirement System Consolidated Plan (PLD)**  
**and State Employee and Teacher Plan (SET)**

**PLD OPEB Plan**

	<u>2018**</u>	<u>2019**</u>	<u>2020**</u>	<u>2021**</u>
Town's proportion of the net OPEB liability	2.22%	2.17%	2.11%	2.13%
Town's proportionate share of the net OPEB liability	\$ 371,809	\$ 437,455	\$ 451,360	\$ 280,500
Town's covered-employee payroll	5,129,533	5,143,649	4,983,338	4,596,565
Town's proportionate share of net OPEB liability as a percentage of covered-employee payroll	7.25%	8.50%	9.06%	6.10%
Plan fiduciary net position as a percentage of the net OPEB liability	47.42%	43.92%	43.18%	55.40%

**SET OPEB Plan**

Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>572,376</u>	<u>628,613</u>	<u>637,006</u>	<u>701,810</u>
Total	<u>\$ 572,376</u>	<u>\$ 628,613</u>	<u>\$ 637,006</u>	<u>\$ 701,810</u>

Plan fiduciary net position as a percentage of the net OPEB liability

47.29%      48.04%      49.22%      49.51%

\* Only four years of information available.

\*\* The amounts presented for each fiscal year were determined as of the prior fiscal year.

See accompanying notes to required supplementary information.

**Required Supplementary Information, Continued**

**TOWN OF BRUNSWICK, MAINE**  
**Schedule of OPEB Contributions**  
**Last Ten Fiscal Years\***

**Maine Public Employees Retirement System Consolidated Plan (PLD)**

<b><u>PLD OPEB Plan</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Contractually required contribution	\$ 9,923	\$ 11,301	\$ 10,180	\$ 10,614	\$ 12,499
Contributions in relation to the contractually required contribution	<u>9,923</u>	<u>11,301</u>	<u>10,180</u>	<u>10,614</u>	<u>12,499</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 5,129,533	\$ 5,143,649	\$ 4,983,338	\$ 4,596,565	\$ 4,870,730
Contributions as a percentage of covered-employee payroll	0.19%	0.22%	0.20%	0.23%	0.26%

\* Only five years of information available.

See accompanying notes to required supplementary information.

### Net Pension Liability

**Changes of benefit terms** – None

**Changes of assumptions** – The following are changes in actuarial assumptions used in the most recent valuations:

Year Ending June 30,	Actuarial Assumptions*						
	2020	2019	2018	2017	2016	2015	2014
Discount rate – PLD	6.75%	6.75%	6.75%	6.875%	7.125%	7.25%	7.25%
Discount rate – SET	6.75%	6.75%	6.75%	6.875%	7.125%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases – PLD	2.75% + merit	2.75 - 9.00%	2.75 - 9.00%	2.75 - 9.00%	3.50 - 9.50%	3.50 - 9.50%	3.50 - 9.50%
Salary increases – SET	2.75% + merit	2.75 - 14.50%	2.75 - 14.50%	2.75 - 14.50%	3.50 - 13.50%	3.50 - 13.50%	3.50 - 13.50%
Cost of living increases – PLD	1.91%	1.91%	2.20%	2.20%	2.55%	3.12%	3.12%
Cost of living increases – SET	2.20%	2.20%	2.20%	2.20%	2.55%	2.55%	2.55%

**Mortality rates:**

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

### Net OPEB Liability

**Changes of benefit terms** – None

**Changes of assumptions** – The following are changes in actuarial assumptions used in the most recent valuations:

Year Ending June 30,	Actuarial Assumptions*			
	2020	2019	2018	2017
Discount rate – PLD	6.75%	4.98%	5.13%	5.41%
Discount rate – SET	6.75%	6.75%	6.75%	6.875%

### Total OPEB Liability

**Changes of benefit terms** – None

**Changes of assumptions** – Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

Year Ending June 30,	Actuarial Assumptions*				
	2021	2020	2019	2018	2017
Discount rate – MMEHT Health Plan	2.12%	2.74%	4.10%	3.44%	3.78%
Discount rate – MEABT Health Plan	2.21%	3.50%	3.87%	3.58%	N/A

Additionally, the valuation method for the Town Health Plan was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2018.

*\*This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

# 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 have been 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.

### **Public Works Projects**

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

### **Capital Reserves**

To account for vehicle and equipment replacement, facilities maintenance projects, and cable TV/information technology projects.

### **Capital Improvement Projects**

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

### **New Elementary School**

To account for the funding and construction of the Kate Furbish Elementary School.

## **PERMANENT FUNDS**

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

Permanent funds have been established for the following purposes:

### **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 Funds:**

    Joshua Chamberlain Fund

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

    Robert L Morrell Fund

        This fund was established for the planting and/or maintenance of trees in the Town.

    Veteran's Plaza Fund

        This fund was established for the maintenance of the Veteran's Plaza.

### **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, 2021**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Nonmajor Permanent Funds</b>	<b>Total Other Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 791,720	\$ 1,493,379	\$ 29,738	\$ 2,314,837
Investments	-	-	770,674	770,674
Receivables:				
Accounts	7,777	-	-	7,777
Intergovernmental	1,134,299	232,972	-	1,367,271
Deposits	-	50,000	-	50,000
Inventory	29,796	-	-	29,796
Due from other funds	154,225	4,010,014	-	4,164,239
Total assets	<u>\$ 2,117,817</u>	<u>\$ 5,786,365</u>	<u>\$ 800,412</u>	<u>\$ 8,704,594</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 317,615	\$ 300,956	\$ -	\$ 618,571
Retainage payable	-	16,058	-	16,058
Accrued payroll	99,298	-	-	99,298
Unearned revenue	176,695	-	-	176,695
Due to other funds	591,301	-	-	591,301
Advances from other funds	-	586,606	-	586,606
Total liabilities	<u>1,184,909</u>	<u>903,620</u>	<u>-</u>	<u>2,088,529</u>
Fund balances (deficits):				
Nonspendable	29,796	50,000	792,315	872,111
Restricted	781,427	1,872,399	8,097	2,661,923
Committed	481,169	3,546,952	-	4,028,121
Unassigned	(359,484)	(586,606)	-	(946,090)
Total fund balances	<u>932,908</u>	<u>4,882,745</u>	<u>800,412</u>	<u>6,616,065</u>
Total liabilities and fund balances	<u>\$ 2,117,817</u>	<u>\$ 5,786,365</u>	<u>\$ 800,412</u>	<u>\$ 8,704,594</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, 2021**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Nonmajor Permanent Funds</b>	<b>Total Other Governmental Funds</b>
<b>REVENUES</b>				
Intergovernmental	\$ 3,897,088	\$ 451,200	\$ -	\$ 4,348,288
Investment income	-	-	178,355	178,355
Charges for services	829,613	-	-	829,613
Interest	1,895	6,217	-	8,112
Donations	431,650	540,278	10,000	981,928
Other	-	4,500	-	4,500
Total revenues	<u>5,160,246</u>	<u>1,002,195</u>	<u>188,355</u>	<u>6,350,796</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,261,946	-	2,966	2,264,912
Public safety	156,003	-	-	156,003
Public works	8,785	-	-	8,785
Human services	5,625	-	-	5,625
Education	2,701,236	-	614	2,701,850
Recreation and culture	175,250	-	19,658	194,908
Capital outlay	-	5,679,251	-	5,679,251
Total expenditures	<u>5,308,845</u>	<u>5,679,251</u>	<u>23,238</u>	<u>11,011,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(148,599)</u>	<u>(4,677,056)</u>	<u>165,117</u>	<u>(4,660,538)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other funds	98,969	4,559,827	-	4,658,796
Transfer to other funds	(105,000)	(626,031)	-	(731,031)
Bonds issued	-	14,050	-	14,050
Total other financing sources (uses)	<u>(6,031)</u>	<u>3,947,846</u>	<u>-</u>	<u>3,941,815</u>
Net changes in fund balances	(154,630)	(729,210)	165,117	(718,723)
Fund balances, beginning of year (as restated)	1,087,538	5,611,955	635,295	7,334,788
Fund balances, end of year	<u>\$ 932,908</u>	<u>\$ 4,882,745</u>	<u>\$ 800,412</u>	<u>\$ 6,616,065</u>

Statement B-1

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2021**

	<b>Recreation Programs</b>	<b>Town Restricted Programs</b>	<b>School Restricted Programs</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 595,962	\$ -	\$ 195,758	\$ 791,720
Receivables:				
Accounts	967	6,154	656	7,777
Intergovernmental	-	455,334	678,965	1,134,299
Inventory	-	-	29,796	29,796
Due from other funds	19,365	134,860	-	154,225
Total assets	<u>\$ 616,294</u>	<u>\$ 596,348</u>	<u>\$ 905,175</u>	<u>\$ 2,117,817</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 39,903	\$ 251,170	\$ 26,542	\$ 317,615
Accrued payroll	19,630	497	79,171	99,298
Unearned revenue	151,503	-	25,192	176,695
Due to other funds	-	-	591,301	591,301
Total liabilities	<u>211,036</u>	<u>251,667</u>	<u>722,206</u>	<u>1,184,909</u>
Fund balances (deficits):				
Nonspendable	-	-	29,796	29,796
Restricted	-	268,770	512,657	781,427
Committed	405,258	75,911	-	481,169
Unassigned	-	-	(359,484)	(359,484)
Total fund balances (deficits)	<u>405,258</u>	<u>344,681</u>	<u>182,969</u>	<u>932,908</u>
Total liabilities and fund balances	<u>\$ 616,294</u>	<u>\$ 596,348</u>	<u>\$ 905,175</u>	<u>\$ 2,117,817</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, 2021**

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	<b>Recreation Programs</b>	<b>Town Restricted Programs</b>	<b>School Restricted Programs</b>	<b>Totals</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 2,119,592	\$ 1,777,496	\$ 3,897,088
Charges for services	158,720	10,439	660,454	829,613
Interest	1,895	-	-	1,895
Donations	4,640	235,635	191,375	431,650
Total revenues	<u>165,255</u>	<u>2,365,666</u>	<u>2,629,325</u>	<u>5,160,246</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	2,261,946	-	2,261,946
Public safety	-	156,003	-	156,003
Public works	-	8,785	-	8,785
Human services	-	5,625	-	5,625
Education	-	-	2,701,236	2,701,236
Recreation and culture	175,250	-	-	175,250
Total expenditures	<u>175,250</u>	<u>2,432,359</u>	<u>2,701,236</u>	<u>5,308,845</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,995)</u>	<u>(66,693)</u>	<u>(71,911)</u>	<u>(148,599)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer from other funds	-	47,549	51,420	98,969
Transfer to other funds	-	(105,000)	-	(105,000)
Total other financing sources	<u>-</u>	<u>(57,451)</u>	<u>51,420</u>	<u>(6,031)</u>
Net changes in fund balances	<u>(9,995)</u>	<u>(124,144)</u>	<u>(20,491)</u>	<u>(154,630)</u>
Fund balances, beginning of year (as restated)	415,253	468,825	203,460	1,087,538
Fund balances (deficits), end of year	<u>\$ 405,258</u>	<u>\$ 344,681</u>	<u>\$ 182,969</u>	<u>\$ 932,908</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2021**

	<b>Impact Fees</b>	<b>Public Works Projects</b>	<b>Capital Reserve Fund</b>	<b>Capital Improvement Projects</b>	<b>New Elementary School</b>	<b>Totals</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 522,335	\$ -	\$ -	\$ -	\$ 971,044	\$ 1,493,379
Receivables:						
Intergovernmental	-	54,945	-	178,027	-	232,972
Deposits	-	-	-	50,000	-	50,000
Due from other funds	-	1,162,217	1,148,490	1,249,307	450,000	4,010,014
Total assets	<u>\$ 522,335</u>	<u>\$ 1,217,162</u>	<u>\$ 1,148,490</u>	<u>\$ 1,477,334</u>	<u>\$ 1,421,044</u>	<u>\$ 5,786,365</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 99,388	\$ 1,820	\$ 128,768	\$ 70,980	\$ 300,956
Retainage payable	-	10,814	-	5,244	-	16,058
Advances from other funds	-	-	-	586,606	-	586,606
Total liabilities	<u>-</u>	<u>110,202</u>	<u>1,820</u>	<u>720,618</u>	<u>70,980</u>	<u>903,620</u>
Fund balances (deficits):						
Nonspendable	-	-	-	50,000	-	50,000
Restricted	522,335	-	-	-	1,350,064	1,872,399
Committed	-	1,106,960	1,146,670	1,293,322	-	3,546,952
Unassigned	-	-	-	(586,606)	-	(586,606)
Total fund balances (deficits)	<u>522,335</u>	<u>1,106,960</u>	<u>1,146,670</u>	<u>756,716</u>	<u>1,350,064</u>	<u>4,882,745</u>
Total liabilities and fund balances	<u>\$ 522,335</u>	<u>\$ 1,217,162</u>	<u>\$ 1,148,490</u>	<u>\$ 1,477,334</u>	<u>\$ 1,421,044</u>	<u>\$ 5,786,365</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, 2021**

	<b>Impact Fees</b>	<b>Public Works Projects</b>	<b>Capital Reserve Fund</b>	<b>Capital Improvement Projects</b>	<b>New Elementary School</b>	<b>Totals</b>
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ 54,945	\$ -	\$ 396,255	\$ -	\$ 451,200
Interest	2,557	-	-	-	3,660	6,217
Donations	209,348	-	185,000	145,930	-	540,278
Other	-	-	4,500	-	-	4,500
<b>Total revenues</b>	<b>211,905</b>	<b>54,945</b>	<b>189,500</b>	<b>542,185</b>	<b>3,660</b>	<b>1,002,195</b>
<b>EXPENDITURES</b>						
Capital outlay	28,703	796,792	841,552	1,737,136	2,275,068	5,679,251
<b>Total expenditures</b>	<b>28,703</b>	<b>796,792</b>	<b>841,552</b>	<b>1,737,136</b>	<b>2,275,068</b>	<b>5,679,251</b>
Excess (deficiency) of revenues over (under) expenditures	183,202	(741,847)	(652,052)	(1,194,951)	(2,271,408)	(4,677,056)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	-	1,140,000	698,000	2,721,827	-	4,559,827
Transfers to other funds	(300,000)	-	(300,000)	(26,031)	-	(626,031)
Bonds issued	-	-	-	14,050	-	14,050
<b>Total other financing sources (uses)</b>	<b>(300,000)</b>	<b>1,140,000</b>	<b>398,000</b>	<b>2,709,846</b>	<b>-</b>	<b>3,947,846</b>
Net changes in fund balances	(116,798)	398,153	(254,052)	1,514,895	(2,271,408)	(729,210)
Fund balances (deficits), beginning of year	639,133	708,807	1,400,722	(758,179)	3,621,472	5,611,955
<b>Fund balances (deficits), end of year</b>	<b>\$ 522,335</b>	<b>\$ 1,106,960</b>	<b>\$ 1,146,670</b>	<b>\$ 756,716</b>	<b>\$ 1,350,064</b>	<b>\$ 4,882,745</b>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**June 30, 2021**

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	<b>Education Funds</b>	<b>Community Improvements Fund</b>	<b>Recreation and Cultural Fund</b>	<b>Social Services Fund</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 969	\$ 3,914	\$ 22,365	\$ 2,490	\$ 29,738
Investments	25,115	101,410	579,620	64,529	770,674
<b>Total assets</b>	<b>\$ 26,084</b>	<b>\$ 105,324</b>	<b>\$ 601,985</b>	<b>\$ 67,019</b>	<b>\$ 800,412</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
Fund balances (deficits):					
Nonspendable	25,348	97,963	601,985	67,019	792,315
Restricted	736	7,361	-	-	8,097
Total fund balances	<b>26,084</b>	<b>105,324</b>	<b>601,985</b>	<b>67,019</b>	<b>800,412</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,084</b>	<b>\$ 105,324</b>	<b>\$ 601,985</b>	<b>\$ 67,019</b>	<b>\$ 800,412</b>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the year ended June 30, 2021**

	<b>Education Funds</b>	<b>Community Improvements Funds</b>	<b>Recreation and Cultural Fund</b>	<b>Social Services Fund</b>	<b>Totals</b>
<b>REVENUES</b>					
Contributions	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
Investment earnings:					
Interest and dividends	367	1,323	8,567	952	11,209
Net increase in the fair value of investments	5,539	19,954	130,178	14,342	170,013
Total investment earnings	5,906	21,277	138,745	15,294	181,222
Less investment expense	(93)	(336)	(2,196)	(242)	(2,867)
Total revenues	5,813	30,941	136,549	15,052	188,355
<b>EXPENDITURES</b>					
Current:					
Recreation and culture	-	-	1,158	-	1,158
Payment to beneficiaries	614	857	18,500	2,109	22,080
Total expenditures	614	857	19,658	2,109	23,238
Net changes in fund balances	5,199	30,084	116,891	12,943	165,117
Fund balances, beginning of year	20,885	75,240	485,094	54,076	635,295
Fund balances, end of year	\$ 26,084	\$ 105,324	\$ 601,985	\$ 67,019	\$ 800,412

Statement D-3

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**Education Funds**  
**June 30, 2021**

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	<b>Brunswick School Fund</b>	<b>Brunswick High Class of 1920 Fund</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 725	\$ 244	\$ 969
Investments	18,785	6,330	25,115
Total assets	<u>\$ 19,510</u>	<u>\$ 6,574</u>	<u>\$ 26,084</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	19,510	5,838	25,348
Restricted	<u>-</u>	<u>736</u>	<u>736</u>
Total fund balances	<u>19,510</u>	<u>6,574</u>	<u>26,084</u>
Total liabilities and fund balances	<u>\$ 19,510</u>	<u>\$ 6,574</u>	<u>\$ 26,084</u>

**Statement D-4**

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**Education Funds**  
**For the year ended June 30, 2021**

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	<b>Brunswick School Fund</b>	<b>Brunswick High Class of 1920 Fund</b>	<b>Totals</b>
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**REVENUES**

## Investment earnings:

Interest and dividends	\$ 277	\$ 90	\$ 367
Net increase in the fair value of investments	4,175	1,364	5,539
Total investment earnings	4,452	1,454	5,906
Less investment expense	(70)	(23)	(93)
Total revenues	<u>4,382</u>	<u>1,431</u>	<u>5,813</u>

**EXPENDITURES**

## Payment to beneficiaries

Total expenditures	614	-	614
	<u>614</u>	<u>-</u>	<u>614</u>

Net changes in fund balances	3,768	1,431	5,199
Fund balances, beginning of year	15,742	5,143	20,885
Fund balances, end of year	<u>\$ 19,510</u>	<u>\$ 6,574</u>	<u>\$ 26,084</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**Community Improvement Funds**  
**June 30, 2021**

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	<b>Joshua Chamberlain Fund</b>	<b>Robert L Morrell Fund</b>	<b>Veteran's Plaza Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,531	\$ 1,011	\$ 372	\$ 3,914
Investments	<u>65,589</u>	<u>26,193</u>	<u>9,628</u>	<u>101,410</u>
<b>Total assets</b>	<b><u>\$ 68,120</u></b>	<b><u>\$ 27,204</u></b>	<b><u>\$ 10,000</u></b>	<b><u>\$ 105,324</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	61,677	26,286	10,000	97,963
Restricted	<u>6,443</u>	<u>918</u>	<u>-</u>	<u>7,361</u>
Total fund balances	<u>68,120</u>	<u>27,204</u>	<u>10,000</u>	<u>105,324</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 68,120</u></b>	<b><u>\$ 27,204</u></b>	<b><u>\$ 10,000</u></b>	<b><u>\$ 105,324</u></b>

Statement D-6

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**Community Improvement Funds**  
**For the year ended June 30, 2021**

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	<b>Joshua Chamberlain Fund</b>	<b>Robert L Morrell Fund</b>	<b>Veteran's Plaza Fund</b>	<b>Totals</b>
<b>REVENUES</b>				
Contributions	\$ -	\$ -	\$ 10,000	\$ 10,000
Investment earnings:				
Interest and dividends	949	374	-	1,323
Net increase in the fair value of investments	<u>14,310</u>	<u>5,644</u>	<u>-</u>	<u>19,954</u>
Total investment earnings	15,259	6,018	-	21,277
Less investment expense	<u>(241)</u>	<u>(95)</u>	<u>-</u>	<u>(336)</u>
Total revenues	<u>15,018</u>	<u>5,923</u>	<u>10,000</u>	<u>30,941</u>
<b>EXPENDITURES</b>				
Payment to beneficiaries	857	-	-	857
Total expenditures	<u>857</u>	<u>-</u>	<u>-</u>	<u>857</u>
Net changes in fund balances	14,161	5,923	10,000	30,084
Fund balances, beginning of year	53,959	21,281	-	75,240
Fund balances, end of year	<u>\$ 68,120</u>	<u>\$ 27,204</u>	<u>\$ 10,000</u>	<u>\$ 105,324</u>

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## PROPRIETARY FUNDS

### **Enterprise Funds:**

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

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

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

**Processing Facility**  
Operation of a materials processing facility adjacent to the former landfill.



**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**Enterprise Funds**  
**June 30, 2021**

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	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Processing Facility</u>	<u>Totals</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 64,350	\$ 174,707	\$ 239,057
Accounts receivable	5,511	-	645	6,156
Due from other funds	-	-	795	795
Total current assets	<u>5,511</u>	<u>64,350</u>	<u>176,147</u>	<u>246,008</u>
Capital assets:				
Land	-	-	42,250	42,250
Intangibles	10,000	-	-	10,000
Buildings	-	-	11,500	11,500
Improvements other than buildings	-	74,038	57,000	131,038
Machinery and equipment	97,500	15,133	-	112,633
Infrastructure	636,738	-	-	636,738
Less accumulated depreciation	(714,344)	(80,523)	(1,032)	(795,899)
Net capital assets	<u>29,894</u>	<u>8,648</u>	<u>109,718</u>	<u>148,260</u>
Total assets	<u>35,405</u>	<u>72,998</u>	<u>285,865</u>	<u>394,268</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,773	4,774	131	6,678
Accrual of payroll	-	-	1,033	1,033
Due to other funds	3,563	26	-	3,589
Total current liabilities	<u>5,336</u>	<u>4,800</u>	<u>1,164</u>	<u>11,300</u>
Total liabilities	<u>5,336</u>	<u>4,800</u>	<u>1,164</u>	<u>11,300</u>
<b>NET POSITION</b>				
Net investment in capital assets	29,894	8,648	109,718	148,260
Unrestricted	175	59,550	174,983	234,708
Total net position	<u>\$ 30,069</u>	<u>\$ 68,198</u>	<u>\$ 284,701</u>	<u>\$ 382,968</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, 2021**

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	<u>Mere Point Wastewater</u>	<u>Train Station/ Visitors Center</u>	<u>Processing Facility</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>				
Charges for services:				
Service fees	\$ 37,592	\$ -	\$ -	\$ 37,592
Rent	-	10,795	-	10,795
Parking meter	-	5,692	-	5,692
Tipping fees	-	-	1,150	1,150
Other	-	-	6,300	6,300
Total operating revenues	<u>37,592</u>	<u>16,487</u>	<u>7,450</u>	<u>61,529</u>
<b>OPERATING EXPENSES</b>				
Personnel services	-	-	6,871	6,871
Contractual services	39,986	86,975	1,809	128,770
Materials and supplies	-	2,518	5,365	7,883
Depreciation	4,681	1,863	1,032	7,576
Total operating expenses	<u>44,667</u>	<u>91,356</u>	<u>15,077</u>	<u>151,100</u>
Operating income (loss)	<u>(7,075)</u>	<u>(74,869)</u>	<u>(7,627)</u>	<u>(89,571)</u>
<b>NONOPERATING REVENUES</b>				
Interest income	<u>32</u>	<u>367</u>	<u>78</u>	<u>477</u>
Total nonoperating revenues	<u>32</u>	<u>367</u>	<u>78</u>	<u>477</u>
Income (loss) before transfers	<u>(7,043)</u>	<u>(74,502)</u>	<u>(7,549)</u>	<u>(89,094)</u>
Transfers in	-	50,000	292,250	342,250
Change in net position	(7,043)	(24,502)	284,701	253,156
Net position, beginning of year	37,112	92,700	-	129,812
Net position, end of year	<u>\$ 30,069</u>	<u>\$ 68,198</u>	<u>\$ 284,701</u>	<u>\$ 382,968</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**Enterprise Funds**  
**For the year ended June 30, 2021**

	<b>Mere Point Wastewater</b>	<b>Train Station/ Visitors Center</b>	<b>Processing Facility</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 37,446	\$ 16,487	\$ 6,805	\$ 60,738
Payments to employees	-	-	(5,838)	(5,838)
Payments to suppliers for goods and services	(39,680)	(89,769)	(7,043)	(136,492)
Net cash provided (used) by operating activities	<u>(2,234)</u>	<u>(73,282)</u>	<u>(6,076)</u>	<u>(81,592)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	50,000	250,000	300,000
Increase (decrease) in due to other funds	3,563	350	(795)	3,118
Cash provided (used) by noncapital financing activities	<u>3,563</u>	<u>50,350</u>	<u>249,205</u>	<u>303,118</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(10,000)	(6,186)	(68,500)	(84,686)
Cash provided (used) by capital and related financing activities	<u>(10,000)</u>	<u>(6,186)</u>	<u>(68,500)</u>	<u>(84,686)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	32	367	78	477
Cash provided by investing activities	<u>32</u>	<u>367</u>	<u>78</u>	<u>477</u>
Net increase (decrease) in cash	(8,639)	(28,751)	174,707	137,317
Cash, beginning of year	8,639	93,101	-	101,740
Cash, end of year	<u>\$ -</u>	<u>\$ 64,350</u>	<u>\$ 174,707</u>	<u>\$ 239,057</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (7,075)	\$ (74,869)	\$ (7,627)	\$ (89,571)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	4,681	1,863	1,032	7,576
(Increase) decrease in accounts receivable	(146)	-	(645)	(791)
Increase (decrease) in accounts payable	306	(276)	131	161
Increase (decrease) in accrued payroll	-	-	1,033	1,033
Total adjustments	<u>4,841</u>	<u>1,587</u>	<u>1,551</u>	<u>7,979</u>
Net cash provided (used) by operating activities	<u>\$ (2,234)</u>	<u>\$ (73,282)</u>	<u>\$ (6,076)</u>	<u>\$ (81,592)</u>
<b>Noncash investing, capital, and financing activities:</b>				
Transfer of capital assets	\$ -	\$ -	\$ 42,250	\$ 42,250

## 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".

##### Lewis P. Gallagher Scholarship Fund

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

##### 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.

##### Lester Rogers Memorial Fund

Provides a memorial award for eighth grade technology students.

##### Brunswick Junior High School Personal Growth Award Fund

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

#### Public Library Funds: For the benefit of Curtis Memorial Library

##### L. Augusta Curtis Library Fund

##### W. J. Curtis Library Fund

##### Letitia A. Curtis Library Fund

#### E. H. Pennel Village Improvement Fund

For the use of the Village Improvement Association.

#### Alex Labbe Recreation Fund

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

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**June 30, 2021**

<b>Private-purpose Trust Funds</b>					
	<b>Scholarship and Education Funds</b>	<b>Public Library Funds</b>	<b>E. H. Pennell Village Improvement Fund</b>	<b>Alex Labbe Recreation Fund</b>	<b>Totals</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 33,876	\$ 4,330	\$ 1,340	\$ -	\$ 39,546
Investments	424,006	112,227	34,725	-	570,958
Due from other funds	-	-	-	40,600	40,600
Total assets	<u>457,882</u>	<u>116,557</u>	<u>36,065</u>	<u>40,600</u>	<u>651,104</u>
<b>LIABILITIES</b>					
Accounts payable	4,360	-	-	-	4,360
Total liabilities	<u>4,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,360</u>
<b>NET POSITION</b>					
Net position held in trust for other purposes	<u>\$ 453,522</u>	<u>\$ 116,557</u>	<u>\$ 36,065</u>	<u>\$ 40,600</u>	<u>\$ 646,744</u>

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Changes in Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**For the year ended June 30, 2021**

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<b>Private-purpose Trust Funds</b>					
	<b>Scholarship and Education Funds</b>	<b>Public Library Funds</b>	<b>E. H. Pennell Village Improvement Fund</b>	<b>Alex Labbe Recreation Fund</b>	<b>Totals</b>
<b>ADDITIONS</b>					
Contributions	\$ -	\$ -	\$ -	\$ 30	\$ 30
Investment earnings:					
Interest and dividends	7,850	1,654	512	-	10,016
Net increase in the fair value of investments	77,927	24,943	7,719	-	110,589
Total investment earnings	85,777	26,597	8,231	-	120,605
Less investment expense	(4,559)	(421)	(130)	-	(5,110)
Total additions	<u>81,218</u>	<u>26,176</u>	<u>8,101</u>	<u>30</u>	<u>115,525</u>
<b>DEDUCTIONS</b>					
Payment to beneficiaries	9,497	3,669	1,142	7,755	22,063
Total deductions	<u>9,497</u>	<u>3,669</u>	<u>1,142</u>	<u>7,755</u>	<u>22,063</u>
Changes in net position	71,721	22,507	6,959	(7,725)	93,462
Net position - beginning of year	381,801	94,050	29,106	48,325	553,282
Net position - end of year	<u>\$ 453,522</u>	<u>\$ 116,557</u>	<u>\$ 36,065</u>	<u>\$ 40,600</u>	<u>\$ 646,744</u>

Statement F-3

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**Scholarship and Education Funds**  
**June 30, 2021**

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	Samuel Davis School Prize Fund	Lewis Gallagher Scholarship Fund	Elizabeth Nickerson Scholarship Fund	Lester Rogers Memorial Fund	Brunswick JHS Personal Growth Award Fund	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,091	\$ 27,654	\$ 3,750	\$ 263	\$ 118	\$ 33,876
Investments	<u>54,203</u>	<u>262,749</u>	<u>97,173</u>	<u>6,819</u>	<u>3,062</u>	<u>424,006</u>
Total assets	<u>56,294</u>	<u>290,403</u>	<u>100,923</u>	<u>7,082</u>	<u>3,180</u>	<u>457,882</u>
<b>LIABILITIES</b>						
Accounts payable	-	-	4,360	-	-	4,360
Total liabilities	<u>-</u>	<u>-</u>	<u>4,360</u>	<u>-</u>	<u>-</u>	<u>4,360</u>
<b>NET POSITION</b>						
Net position held in trust for other purposes	<u>\$ 56,294</u>	<u>\$ 290,403</u>	<u>\$ 96,563</u>	<u>\$ 7,082</u>	<u>\$ 3,180</u>	<u>\$ 453,522</u>

Statement F-4

**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, 2021**

	<b>Samuel Davis School Prize Fund</b>	<b>Lewis Gallagher Scholarship Fund</b>	<b>Elizabeth Nickerson Scholarship Fund</b>	<b>Lester Rogers Memorial Fund</b>	<b>Brunswick JHS Personal Growth Award Fund</b>	<b>Totals</b>
<b>ADDITIONS</b>						
Investment earnings:						
Interest and dividends	\$ 800	\$ 5,510	\$ 1,391	\$ 101	\$ 48	\$ 7,850
Net increase in fair value of investments	12,142	42,378	21,162	1,516	729	77,927
Total investment earnings	12,942	47,888	22,553	1,617	777	85,777
Less investment expense	(205)	(3,959)	(356)	(27)	(12)	(4,559)
Total additions	12,737	43,929	22,197	1,590	765	81,218
<b>DEDUCTIONS</b>						
Payment to beneficiaries	1,780	2,800	4,360	224	333	9,497
Total deductions	1,780	2,800	4,360	224	333	9,497
Changes in net position	10,957	41,129	17,837	1,366	432	71,721
Net position - beginning of year	45,337	249,274	78,726	5,716	2,748	381,801
Net position - end of year	<b>\$ 56,294</b>	<b>\$ 290,403</b>	<b>\$ 96,563</b>	<b>\$ 7,082</b>	<b>\$ 3,180</b>	<b>\$ 453,522</b>

**Statement F-5**

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**Public Library Funds**  
**June 30, 2021**

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	<b>L. Augusta Curtis Library Fund</b>	<b>W. J. Curtis Library Fund</b>	<b>Letitia A. Curtis Library Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,112	\$ 1,748	\$ 470	\$ 4,330
Investments	<u>54,748</u>	<u>45,312</u>	<u>12,167</u>	<u>112,227</u>
Total assets	<u><u>56,860</u></u>	<u><u>47,060</u></u>	<u><u>12,637</u></u>	<u><u>116,557</u></u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net position held in trust for other purposes	<u><u>\$ 56,860</u></u>	<u><u>\$ 47,060</u></u>	<u><u>\$ 12,637</u></u>	<u><u>\$ 116,557</u></u>

Statement F-6

**TOWN OF BRUNSWICK, MAINE**  
**Combining Statement of Changes in Net Position**  
**Fiduciary Funds**  
**Private-purpose Trust Funds**  
**Public Library Funds**  
**For the year ended June 30, 2021**

	<b>L. Augusta Curtis Library Fund</b>	<b>W. J. Curtis Library Fund</b>	<b>Letitia A. Curtis Library Fund</b>	<b>Totals</b>
<b>ADDITIONS</b>				
Investment earnings:				
Interest and dividends	\$ 807	\$ 668	\$ 179	\$ 1,654
Net increase in the fair value of investments	12,168	10,071	2,704	24,943
Total investment earnings	12,975	10,739	2,883	26,597
Less investment expense	(206)	(170)	(45)	(421)
Total additions	12,769	10,569	2,838	26,176
<b>DEDUCTIONS</b>				
Payment to beneficiaries	1,790	1,481	398	3,669
Total deductions	1,790	1,481	398	3,669
Changes in net position	10,979	9,088	2,440	22,507
Net position - beginning of year	45,881	37,972	10,197	94,050
Net position - end of year	<u>\$ 56,860</u>	<u>\$ 47,060</u>	<u>\$ 12,637</u>	<u>\$ 116,557</u>

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## STATISTICAL SECTION



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

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

Table 1

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014(a)</u>	<u>2015</u>	<u>2016</u>	<u>2017(b)</u>	<u>2018(b)</u>	<u>2019</u>	<u>2020(c)</u>	<u>2021</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 45,338,934	\$ 47,805,066	\$ 55,925,927	\$ 56,815,236	\$ 56,294,978	\$ 54,166,077	\$ 56,225,310	\$ 68,970,333	\$ 61,963,362	\$ 65,863,422
Restricted	9,412,416	9,100,700	7,494,688	6,601,576	7,006,212	6,708,645	5,571,415	4,914,572	5,170,568	7,125,479
Unrestricted	<u>11,150,181</u>	<u>10,836,336</u>	<u>3,280,822</u>	<u>3,683,415</u>	<u>2,825,122</u>	<u>4,687,565</u>	<u>(478,699)</u>	<u>(6,847,630)</u>	<u>3,054,385</u>	<u>5,320,823</u>
Total governmental activities net position	<u>\$ 65,901,531</u>	<u>\$ 67,742,102</u>	<u>\$ 66,701,437</u>	<u>\$ 67,100,227</u>	<u>\$ 66,126,312</u>	<u>\$ 65,562,287</u>	<u>\$ 61,318,026</u>	<u>\$ 67,037,275</u>	<u>\$ 70,188,315</u>	<u>\$ 78,309,724</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 2,525,417	\$ 2,432,176	\$ 2,269,672	\$ 2,235,365	\$ 2,095,120	\$ 1,915,310	\$ 1,528,890	\$ 1,192,654	\$ 668,707	\$ 221,010
Unrestricted	<u>(4,797,321)</u>	<u>(4,522,385)</u>	<u>(4,291,756)</u>	<u>(4,203,593)</u>	<u>(4,135,381)</u>	<u>(4,051,279)</u>	<u>(4,206,420)</u>	<u>(3,544,678)</u>	<u>(4,991,205)</u>	<u>(2,719,798)</u>
Total business-type activities net position	<u>\$ (2,271,904)</u>	<u>\$ (2,090,209)</u>	<u>\$ (2,022,084)</u>	<u>\$ (1,968,228)</u>	<u>\$ (2,040,261)</u>	<u>\$ (2,135,969)</u>	<u>\$ (2,677,530)</u>	<u>\$ (2,352,024)</u>	<u>\$ (4,322,498)</u>	<u>\$ (2,498,788)</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 47,864,351	\$ 50,237,242	\$ 58,195,599	\$ 59,050,601	\$ 58,390,098	\$ 56,081,387	\$ 57,754,200	\$ 70,162,987	\$ 62,632,069	\$ 66,084,432
Restricted	9,412,416	9,100,700	7,494,688	6,601,576	7,006,212	6,708,645	5,571,415	4,914,572	5,170,568	7,125,479
Unrestricted	<u>6,352,860</u>	<u>6,313,951</u>	<u>(1,010,934)</u>	<u>(520,178)</u>	<u>(1,310,259)</u>	<u>636,286</u>	<u>(4,685,119)</u>	<u>(10,392,308)</u>	<u>(1,936,820)</u>	<u>2,601,025</u>
Total primary government net position	<u>\$ 63,629,627</u>	<u>\$ 65,651,893</u>	<u>\$ 64,679,353</u>	<u>\$ 65,131,999</u>	<u>\$ 64,086,051</u>	<u>\$ 63,426,318</u>	<u>\$ 58,640,496</u>	<u>\$ 64,685,251</u>	<u>\$ 65,865,817</u>	<u>\$ 75,810,936</u>

(a) Net position has been restated as a result of implementing GASB Statements 68 & 71 in 2015. Years prior to 2014 have not been restated.

(b) Net position has been restated as a result of implementing GASB Statement 75 in 2018 and 2019. Years prior to 2017 have not been restated.

(c) Net position has been restated as a result of implementing GASB Statement 84 in 2021. Years prior to 2020 have not been restated.

Table 2

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,414,316	\$ 4,144,050	\$ 4,382,918	\$ 5,006,091	\$ 5,849,369	\$ 5,803,581	\$ 4,950,780	\$ 5,603,934	\$ 6,331,703	\$ 8,214,140
Public safety	7,650,053	8,095,189	8,643,119	8,144,886	9,952,015	9,446,469	9,211,812	8,461,265	10,711,151	11,414,355
Public works	4,991,362	5,740,333	5,180,234	5,401,071	5,417,529	5,569,343	5,545,346	5,752,593	6,791,120	5,878,265
Human services	168,829	154,429	168,706	165,884	191,042	147,830	166,430	190,614	375,519	332,506
Education	34,590,451	34,366,120	36,080,222	37,759,011	37,889,171	41,486,812	41,908,434	41,202,580	44,061,737	48,614,103
Recreation and culture	2,619,742	2,749,776	3,319,591	3,336,957	3,417,837	3,536,584	3,733,011	3,681,856	3,898,655	4,024,665
County tax	1,187,020	1,183,264	1,249,487	1,333,350	1,360,042	1,410,855	1,517,700	1,565,279	1,590,123	1,674,551
Unclassified	296,682	281,424	36,996	8,683	29,082	29,868	130,537	199,922	103,265	70,742
Interest on long term debt	785,569	698,508	741,999	698,977	655,622	622,579	613,636	562,271	988,514	1,182,750
Total governmental activities expenses	<u>56,704,024</u>	<u>57,413,093</u>	<u>59,803,272</u>	<u>61,854,910</u>	<u>64,761,709</u>	<u>68,053,921</u>	<u>67,777,686</u>	<u>67,220,314</u>	<u>74,851,787</u>	<u>81,406,077</u>
Business-type activities:										
Solid waste facilities	876,942	614,661	712,042	730,574	881,459	857,971	2,325,237	1,406,202	3,742,135	1,277,825
Pay-per-bag program	80,969	80,200	85,259	90,666	92,079	88,785	121,459	70,761	82,552	119,363
Other business-type activities	97,773	127,122	143,733	143,221	124,633	137,868	140,113	117,526	122,584	151,100
Total business-type activities	<u>1,055,684</u>	<u>821,983</u>	<u>941,034</u>	<u>964,461</u>	<u>1,098,171</u>	<u>1,084,624</u>	<u>2,586,809</u>	<u>1,594,489</u>	<u>3,947,271</u>	<u>1,548,288</u>
Total primary government expenses	<u>\$ 57,759,708</u>	<u>\$ 58,235,076</u>	<u>\$ 60,744,306</u>	<u>\$ 62,819,371</u>	<u>\$ 65,859,880</u>	<u>\$ 69,138,545</u>	<u>\$ 70,364,495</u>	<u>\$ 68,814,803</u>	<u>\$ 78,799,058</u>	<u>\$ 82,954,365</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Education	\$ 605,689	\$ 679,596	\$ 417,018	\$ 727,312	\$ 700,162	\$ 1,966,093	\$ 1,872,506	\$ 1,756,317	\$ 1,540,639	\$ 939,667
Other activities	1,961,989	2,080,643	2,192,461	2,238,103	2,343,611	2,397,047	2,667,996	2,819,610	2,587,775	2,733,092
Operating grants and contributions	18,275,484	15,249,827	15,533,543	15,462,170	15,340,194	15,481,276	15,233,409	15,379,788	17,257,603	24,882,014
Capital grants and contributions	247,704	2,487,876	5,961,817	452,248	54,913	603,529	925,815	1,660,220	1,995,033	2,502,718
Total governmental activities program revenues	<u>21,090,866</u>	<u>20,497,942</u>	<u>24,104,839</u>	<u>18,879,833</u>	<u>18,438,880</u>	<u>20,447,945</u>	<u>20,699,726</u>	<u>21,615,935</u>	<u>23,381,050</u>	<u>31,057,491</u>
Business-type activities:										
Charges for services:										
Solid waste facilities	351,918	321,153	370,030	398,407	475,110	425,768	1,282,838	1,051,063	1,069,765	401,297
Pay-per-bag program	303,400	299,100	315,900	317,800	322,300	311,165	414,300	465,600	529,254	749,040
Other business-type activities	35,669	35,806	35,669	33,173	31,753	42,187	55,218	67,761	62,262	61,529
Operating grants and contributions	44,000	44,000	44,000	14,667	-	-	-	-	-	-
Capital grants and contributions	-	53,430	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>734,987</u>	<u>753,489</u>	<u>765,599</u>	<u>764,047</u>	<u>829,163</u>	<u>779,120</u>	<u>1,752,356</u>	<u>1,584,424</u>	<u>1,661,281</u>	<u>1,211,866</u>
Total primary government program revenues	<u>\$ 21,825,853</u>	<u>\$ 21,251,431</u>	<u>\$ 24,870,438</u>	<u>\$ 19,643,880</u>	<u>\$ 19,268,043</u>	<u>\$ 21,227,065</u>	<u>\$ 22,452,082</u>	<u>\$ 23,200,359</u>	<u>\$ 25,042,331</u>	<u>\$ 32,269,357</u>

Table 2, continued

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

	<b>Fiscal Year</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Net (expense) revenue</b>										
Governmental activities	\$(35,613,158)	\$(36,915,151)	\$(35,698,433)	\$(42,975,077)	\$(46,322,829)	\$(47,605,976)	\$(47,077,960)	\$(45,604,379)	\$(51,470,737)	\$(50,348,586)
Business-type activities	(320,697)	(68,494)	(175,435)	(200,414)	(269,008)	(305,504)	(834,453)	(10,065)	(2,285,990)	(336,422)
Total primary government net expenses	<u>\$(35,933,855)</u>	<u>\$(36,983,645)</u>	<u>\$(35,873,868)</u>	<u>\$(43,175,491)</u>	<u>\$(46,591,837)</u>	<u>\$(47,911,480)</u>	<u>\$(47,912,413)</u>	<u>\$(45,614,444)</u>	<u>\$(53,756,727)</u>	<u>\$(50,685,008)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 31,373,355	\$ 34,120,685	\$ 36,850,361	\$ 39,007,676	\$ 40,903,778	\$ 42,687,078	\$ 43,785,337	\$ 45,577,899	\$ 48,219,683	\$ 51,396,119
Vehicle, watercraft and aircraft excise taxes	2,653,928	2,904,995	2,950,348	3,071,620	3,170,899	3,473,674	3,618,811	3,805,224	3,598,448	4,153,381
Unrestricted grants and contributions	1,791,677	1,815,749	1,319,069	1,392,084	1,432,041	1,429,859	1,452,665	1,691,877	2,330,033	2,944,723
Investment earnings	27,287	55,750	83,537	9,856	30,496	204,277	385,437	473,628	392,216	275,772
Other	365,434	3,261	17,965	136,631	5,700	477,767	31,683	-	-	-
Special items	267,920	105,282	225,000	-	-	-	-	-	-	-
Transfers	(205,000)	(250,000)	(240,000)	(244,000)	(194,000)	(194,000)	(225,000)	(225,000)	(225,000)	(300,000)
Total governmental activities	<u>36,274,601</u>	<u>38,755,722</u>	<u>41,206,280</u>	<u>43,373,867</u>	<u>45,348,914</u>	<u>48,078,655</u>	<u>49,048,933</u>	<u>51,323,628</u>	<u>54,315,380</u>	<u>58,469,995</u>
Business type activities:										
Investment earnings	84	189	232	270	2,975	15,796	60,892	110,571	90,516	25,462
Other	-	-	3,328	10,000	-	-	7,000	-	-	-
Special items	-	-	-	-	-	-	-	-	-	1,834,670
Transfers	205,000	250,000	240,000	244,000	194,000	194,000	225,000	225,000	225,000	300,000
Total business-type activities	<u>205,084</u>	<u>250,189</u>	<u>243,560</u>	<u>254,270</u>	<u>196,975</u>	<u>209,796</u>	<u>292,892</u>	<u>335,571</u>	<u>315,516</u>	<u>2,160,132</u>
Total primary government	<u>\$ 36,479,685</u>	<u>\$ 39,005,911</u>	<u>\$ 41,449,840</u>	<u>\$ 43,628,137</u>	<u>\$ 45,545,889</u>	<u>\$ 48,288,451</u>	<u>\$ 49,341,825</u>	<u>\$ 51,659,199</u>	<u>\$ 54,630,896</u>	<u>\$ 60,630,127</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 661,443	\$ 1,840,571	\$ 5,507,847	\$ 398,790	\$ (973,915)	\$ 472,679	\$ 1,970,973	\$ 5,719,249	\$ 2,844,643	\$ 8,121,409
Business-type activities	(115,613)	181,695	68,125	53,856	(72,033)	(95,708)	(541,561)	325,506	(1,970,474)	1,823,710
Total primary government	<u>\$ 545,830</u>	<u>\$ 2,022,266</u>	<u>\$ 5,575,972</u>	<u>\$ 452,646</u>	<u>\$ (1,045,948)</u>	<u>\$ 376,971</u>	<u>\$ 1,429,412</u>	<u>\$ 6,044,755</u>	<u>\$ 874,169</u>	<u>\$ 9,945,119</u>

Table 3

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Function/Program</b>										
Governmental activities:										
General government	\$ 1,029,607	\$ 726,191	\$ 744,758	\$ 1,585,959	\$ 1,432,364	\$ 667,026	\$ 812,066	\$ 1,397,658	\$ 1,175,653	\$ 3,194,251
Public safety	1,235,942	1,341,026	1,399,505	1,315,187	1,334,520	1,328,824	1,529,603	1,530,473	1,588,852	1,742,420
Public works	390,552	2,121,817	1,128,833	677,835	292,592	548,949	987,977	1,424,051	873,152	1,472,661
Human services	38,337	29,305	26,976	37,298	36,313	30,755	41,111	52,176	116,099	97,257
Education	18,005,614	15,309,950	15,390,597	14,773,175	14,810,694	17,311,964	16,761,505	16,653,258	17,957,602	23,108,308
Recreation and culture	390,814	969,653	5,414,170	490,379	532,397	560,427	567,464	558,319	1,669,692	1,442,594
Total governmental activities	<u>21,090,866</u>	<u>20,497,942</u>	<u>24,104,839</u>	<u>18,879,833</u>	<u>18,438,880</u>	<u>20,447,945</u>	<u>20,699,726</u>	<u>21,615,935</u>	<u>23,381,050</u>	<u>31,057,491</u>
Business-type activities:										
Solid waste facilities	351,918	321,153	370,030	398,407	475,110	425,768	1,282,838	1,051,063	1,069,765	401,297
Pay-per-bag program	303,400	299,100	315,900	317,800	322,300	311,165	414,300	465,600	529,254	749,040
Other business-type activities	79,669	133,236	79,669	47,840	31,753	42,187	55,218	67,761	62,262	61,529
Total business-type activities	<u>734,987</u>	<u>753,489</u>	<u>765,599</u>	<u>764,047</u>	<u>829,163</u>	<u>779,120</u>	<u>1,752,356</u>	<u>1,584,424</u>	<u>1,661,281</u>	<u>1,211,866</u>
Total primary government	<u>\$ 21,825,853</u>	<u>\$ 21,251,431</u>	<u>\$ 24,870,438</u>	<u>\$ 19,643,880</u>	<u>\$ 19,268,043</u>	<u>\$ 21,227,065</u>	<u>\$ 22,452,082</u>	<u>\$ 23,200,359</u>	<u>\$ 25,042,331</u>	<u>\$ 32,269,357</u>

Table 4

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 (a)</u> (restated)	<u>2021</u>
General fund										
Nonspendable										
Long-term loans and advances	\$ 495,297	\$ 450,580	\$ -	\$ 454,080	\$ 363,264	\$ 272,448	\$ 181,632	\$ 727,778	\$ 1,582,610	\$ 586,606
Inventories and prepaids	23,925	55,570	36,767	37,711	25,220	26,523	28,015	39,392	21,395	36,047
Restricted										
Education	6,202,796	4,968,986	4,773,172	4,240,381	4,242,058	3,885,181	3,503,852	2,431,962	2,079,163	3,216,004
Municipal purposes	370,351	210,670	207,738	211,045	240,201	253,542	278,968	302,851	338,920	1,060,756
Assigned	1,987,354	1,824,835	1,619,378	1,525,233	1,130,790	1,700,864	3,324,678	3,445,194	4,597,167	2,655,425
Unassigned	9,028,572	10,001,974	8,488,177	8,670,334	10,316,602	11,792,687	11,488,111	12,430,139	12,002,583	17,115,571
Total general fund	<u>\$ 18,108,295</u>	<u>\$ 17,512,615</u>	<u>\$ 15,125,232</u>	<u>\$ 15,138,784</u>	<u>\$ 16,318,135</u>	<u>\$ 17,931,245</u>	<u>\$ 18,805,256</u>	<u>\$ 19,377,316</u>	<u>\$ 20,621,838</u>	<u>\$ 24,670,409</u>
All other governmental funds										
Nonspendable										
Special revenues funds	\$ 23,109	\$ 15,797	\$ 13,075	\$ 19,554	\$ 14,475	\$ 25,280	\$ 21,133	\$ 20,918	\$ 32,519	\$ 29,796
Capital improvements fund	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Permanent funds	455,125	489,301	557,770	553,619	535,605	585,319	593,902	590,733	629,931	792,315
Restricted										
Tax increment financing	-	-	208,318	609,506	1,116,433	1,061,577	439,045	734,235	102,976	264,749
Special revenues funds	841,722	535,723	545,462	355,093	299,816	317,750	243,304	281,932	892,045	781,427
Impact fee fund	824,059	580,862	558,619	535,995	524,286	558,836	488,400	548,111	639,133	522,335
Capital projects funds	674,476	2,293,969	609,657	185,678	17,022	-	-	-	3,621,472	1,350,064
Permanent funds	20,778	21,189	20,877	21,603	22,408	21,160	2,811	3,830	5,881	8,097
Committed										
Capital improvements fund	2,149,690	1,866,798	1,276,859	708,636	202,393	202,171	601,865	185,469	898,513	1,293,322
Special revenues funds	167,422	203,617	178,164	255,901	319,521	730,068	684,715	553,909	596,164	481,169
Capital projects funds	1,238,270	1,634,358	995,828	496,685	259,659	405,734	895,777	1,560,901	2,109,529	2,253,630
Unassigned										
Capital improvements fund	(498,142)	(225,430)	-	(454,512)	(1,632,537)	(267,897)	(190,703)	(1,295,692)	(1,706,692)	(586,606)
Downtown TIF district	(1,490,853)	(1,413,629)	(945,524)	(240,401)	-	-	-	-	-	-
Special revenues funds	-	-	-	-	-	-	-	-	(433,190)	(359,484)
Capital projects funds	-	-	-	-	-	-	(1,119,537)	(10,889,700)	(2,488,574)	(4,158,983)
Permanent funds	(2,157)	(5,437)	(12,056)	(15,603)	(12,394)	(18,496)	-	(93)	(517)	-
Total all other governmental funds	<u>\$ 4,453,499</u>	<u>\$ 6,047,118</u>	<u>\$ 4,057,049</u>	<u>\$ 3,081,754</u>	<u>\$ 1,716,687</u>	<u>\$ 3,671,502</u>	<u>\$ 2,710,712</u>	<u>\$ (7,655,447)</u>	<u>\$ 4,949,190</u>	<u>\$ 2,721,831</u>

(a) Restricted - Special revenues fund balance has been restated as a result of implementing GASB Statement 84 in 2021. Years prior to 2020 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)**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Revenues</b>										
Taxes	\$ 34,021,307	\$ 37,040,074	\$ 39,613,007	\$ 41,973,364	\$ 44,079,945	\$ 46,056,875	\$ 47,320,162	\$ 49,488,215	\$ 51,770,365	\$ 55,868,717
Licenses and permits	310,181	372,259	399,359	387,127	438,731	497,091	542,223	722,963	535,870	793,475
Intergovernmental	18,727,482	16,497,591	15,510,495	16,423,413	16,363,756	16,963,580	16,732,272	17,379,386	19,503,474	27,471,529
Investment income (loss)	(18,420)	36,307	69,563	(472)	(8,119)	50,126	28,219	22,560	42,441	178,355
Charges for services	2,908,738	2,427,793	2,632,025	2,247,651	2,426,780	3,665,106	3,651,523	3,570,785	3,368,893	2,558,739
Fines and penalties	20,019	34,756	39,511	56,197	43,135	42,220	50,515	43,224	43,860	28,047
Interest	45,707	19,440	13,975	10,328	38,616	154,149	357,219	451,530	350,234	97,418
Donations	317,071	265,575	311,824	134,863	95,132	111,473	218,541	663,651	816,487	981,928
Other	920,986	744,501	731,055	736,595	519,261	992,427	642,187	530,750	451,450	507,734
Total revenues	57,253,071	57,438,296	59,320,814	61,969,066	63,997,237	68,533,047	69,542,861	72,873,064	76,883,074	88,485,942
<b>Expenditures</b>										
General government	3,929,459	3,738,745	3,808,446	4,726,521	5,080,137	5,061,291	4,522,380	5,453,260	5,545,151	7,609,529
Public safety	7,455,083	7,755,060	8,126,462	8,372,751	8,431,176	8,605,110	8,877,128	9,253,679	10,029,509	10,574,387
Public works	3,051,783	3,394,481	3,703,154	4,120,313	3,566,623	3,702,441	3,848,598	3,744,055	3,781,752	3,682,780
Human services	168,813	154,425	168,723	171,606	176,406	139,921	163,348	202,823	374,486	331,730
Education	32,669,127	32,690,215	34,655,815	36,206,987	36,431,641	39,693,990	39,912,853	41,000,937	43,194,223	47,708,276
Recreation and culture	2,496,881	2,669,560	2,955,429	3,071,931	3,102,206	3,257,130	3,505,357	3,598,654	3,624,596	3,373,077
County tax	1,187,020	1,183,264	1,249,487	1,333,350	1,360,042	1,410,855	1,517,700	1,565,279	1,590,123	1,674,551
Unclassified	296,682	281,424	36,996	8,683	29,082	29,868	130,537	199,922	103,265	70,742
Debt service										
Principal	2,738,113	2,728,113	2,888,113	2,103,113	2,098,113	1,818,112	1,968,806	2,112,806	2,090,521	2,510,520
Interest	818,911	704,610	763,215	725,117	680,732	639,914	644,367	590,074	712,359	1,493,528
Capital outlay	3,219,832	6,490,340	5,327,426	1,846,437	3,032,795	2,733,467	4,539,282	14,720,674	18,598,527	7,349,660
Total expenditures	58,031,704	61,790,237	63,683,266	62,686,809	63,988,953	67,092,099	69,630,356	82,442,163	89,644,512	86,378,780
Excess (deficiencies) of revenues over (under) expenditures	(778,633)	(4,351,941)	(4,362,452)	(717,743)	8,284	1,440,948	(87,495)	(9,569,099)	(12,761,438)	2,107,162

Table 5, continued

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

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Other financing sources (uses)</b>										
Bond proceeds	-	5,500,000	-	-	-	2,277,075	225,716	-	24,450,000	14,050
Premium on bonds	-	99,880	-	-	-	43,902	-	-	2,079,200	-
Transfers from other funds	4,135,515	4,613,380	4,339,887	2,158,360	2,965,098	2,076,108	4,220,002	3,566,118	5,289,159	5,421,796
Transfers to other funds	(3,974,324)	(3,424,833)	(2,703,457)	(2,366,360)	(2,911,617)	(2,140,108)	(3,754,795)	(2,515,582)	(2,388,920)	(2,666,580)
Transfers to other funds - capital budget	-	(462,250)	(465,000)	-	(50,000)	(40,000)	(480,207)	(899,116)	(2,741,100)	(1,979,891)
Transfers to other funds - supplemental appropriations	(147,000)	(845,580)	(1,100,000)	-	(136,481)	-	(100,000)	(250,000)	(257,719)	(1,023,905)
Transfers to other funds - education	(219,191)	(130,717)	(311,430)	(36,000)	(61,000)	(90,000)	(110,000)	(126,420)	(126,420)	(51,420)
Sale of assets	65,906	-	225,000	-	-	-	-	-	-	-
Total other financing sources (uses)	(139,094)	5,349,880	(15,000)	(244,000)	(194,000)	2,126,977	716	(225,000)	26,304,200	(285,950)
Net change in fund balances	\$ (917,727)	\$ 997,939	\$ (4,377,452)	\$ (961,743)	\$ (185,716)	\$ 3,567,925	\$ (86,779)	\$ (9,794,099)	\$ 13,542,762	\$ 1,821,212
Debt service as a percentage of noncapital expenditures	6.66%	6.34%	6.90%	4.64%	4.53%	3.82%	4.00%	3.99%	3.94%	5.20%

**Table 6**

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

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Vehicle Taxes</b>	<b>Watercraft Taxes</b>	<b>Aircraft Taxes</b>	<b>Other</b>	<b>Subtotal</b>	<b>TIF Property Taxes</b>	<b>Total</b>
2012	\$ 30,611,542	\$ 2,626,177	\$ 27,750	\$ -	\$ 411,003	\$ 33,676,472	\$ 319,305	\$ 33,995,777
2013	33,278,146	2,746,331	25,477	133,187	393,279	36,576,420	410,155	36,986,575
2014	35,383,401	2,920,776	25,976	3,595	299,976	38,633,724	1,122,690	39,756,414
2015	37,272,769	3,042,291	25,269	4,060	298,801	40,643,190	1,390,457	42,033,647
2016	38,980,897	3,141,600	26,464	2,835	324,172	42,475,968	1,548,535	44,024,503
2017	40,426,940	3,445,237	25,539	2,897	367,584	44,268,197	1,841,710	46,109,907
2018	41,405,083	3,591,504	22,944	4,363	362,226	45,386,120	1,976,302	47,362,422
2019	43,040,749	3,768,844	26,334	10,046	520,647	47,366,620	2,016,503	49,383,123
2020	45,358,688	3,553,115	24,000	21,333	514,661	49,471,797	2,346,334	51,818,131
2021	48,357,004	4,121,214	27,444	4,722	552,496	53,062,880	2,486,619	55,549,499

Table 7

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

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Vehicle Taxes</b>	<b>Watercraft Taxes</b>	<b>Aircraft Taxes</b>	<b>Other</b>	<b>Subtotal</b>	<b>TIF Property Taxes</b>	<b>Total</b>
2012	\$ 30,510,035	\$ 2,626,177	\$ 27,750	\$ -	\$ 411,003	\$ 33,574,965	\$ 446,342	\$ 34,021,307
2013	33,331,645	2,746,331	25,477	133,187	393,279	36,629,919	410,155	37,040,074
2014	35,239,994	2,920,776	25,976	3,595	299,976	38,490,317	1,122,690	39,613,007
2015	37,212,486	3,042,291	25,269	4,060	298,801	40,582,907	1,390,457	41,973,364
2016	39,036,339	3,141,600	26,464	2,835	324,172	42,531,410	1,548,535	44,079,945
2017	40,373,908	3,445,237	25,539	2,897	367,584	44,215,165	1,841,710	46,056,875
2018	41,362,823	3,591,504	22,944	4,363	362,226	45,343,860	1,976,302	47,320,162
2019	43,145,841	3,768,844	26,334	10,046	520,647	47,471,712	2,016,503	49,488,215
2020	45,310,922	3,553,115	24,000	21,333	514,661	49,424,031	2,346,334	51,770,365
2021	48,676,222	4,121,214	27,444	4,722	552,496	53,382,098	2,486,619	55,868,717

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	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial							
2012	924,335,340	321,920,200	49,578,800	1,295,834,340	13,484,180	1,282,350,160	23.68	1,942,954,788	66.00%
2013	932,031,750	344,908,040	55,428,400	1,332,368,190	16,472,100	1,315,896,090	24.90	1,879,851,557	70.00%
2014	942,358,200	362,093,700	52,331,700	1,356,783,600	42,301,800	1,314,481,800	26.54	1,877,831,143	70.00%
2015	952,243,200	378,758,600	48,776,700	1,379,778,500	50,746,600	1,329,031,900	27.40	1,898,617,000	70.00%
2016	971,853,600	376,011,300	46,385,100	1,394,250,000	54,602,800	1,339,647,200	28.36	1,913,781,714	70.00%
2017	963,357,200	391,521,700	46,241,100	1,401,120,000	62,776,800	1,338,343,200	29.35	1,911,918,857	70.00%
2018 (a)	1,634,631,100	593,475,400	72,257,000	2,300,363,500	107,583,100	2,192,780,400	18.37	2,192,780,400	100.00%
2019 (b)	1,621,806,600	604,190,100	63,948,500	2,289,945,200	106,580,500	2,183,364,700	18.92	2,183,364,700	100.00%
2020	1,706,636,900	562,566,666	57,907,700	2,327,111,266	118,982,473	2,208,128,793	19.72	2,208,128,793	100.00%
2021	1,752,705,200	550,132,080	62,909,300	2,365,746,580	122,072,598	2,243,673,982	20.37	2,361,762,086	95.00%

(a) In fiscal 2018 the Town conducted a revaluation of real property, bringing the assessed value to 100% of market. The tax rate was reduced accordingly.  
 (b) In fiscal 2019 a property valued at \$1,589,900 in the Brunswick Executive Airport TIF was omitted from the tax commitment, but was assessed as a supplemental.  
 This amount has been included in Taxable Real Property - Commercial, and TIF Property Values.

Homestead	
Homestead Assessed Values	Estimated Actual Values
2012	14,319,950
2013	15,359,950
2014	15,426,200
2015	15,492,550
2016	15,400,250
2017	22,845,700
2018	43,154,750
2019	55,633,250
2020	90,258,900
2021	109,526,750
	21,696,894
	21,942,786
	22,037,429
	22,132,214
	22,000,357
	32,636,714
	43,154,750
	55,633,250
	90,258,900
	115,291,316

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**

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<b>Direct Rates</b>				
<b>Fiscal Year</b>	<b>General Municipal</b>	<b>Education (a)</b>	<b>County Tax (b)</b>	<b>Total</b>
2012	9.90	12.87	0.91	23.68
2013	9.72	14.30	0.88	24.90
2014	9.42	16.18	0.94	26.54
2015	10.07	16.35	0.98	27.40
2016	10.41	16.96	0.99	28.36
2017	10.99	17.34	1.02	29.35
2018 (c)	6.84	10.86	0.67	18.37
2019	7.04	11.19	0.69	18.92
2020	7.40	11.63	0.69	19.72
2021	7.79	11.87	0.71	20.37

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

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

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

(c) In fiscal 2018 the Town conducted a revaluation of real property, bringing the assessed value to 100% of market. The tax rate was reduced accordingly.

Table 10

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

<b>Taxpayer</b>	<b>2020-21</b>				<b>2011-12</b>			
	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Valuation</b>	<b>Percentage of Total Taxable Municipal Valuation</b>	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Valuation</b>	<b>Percentage of Total Taxable Municipal Valuation</b>
Brookfield White Pine Hydro (formerly Maine Hydro)	\$ 33,154,600	1	1.40%	1.48%	\$ 17,205,000	3	1.33%	1.34%
Bath Iron Works Corporation	31,764,100	2	1.34%	1.42%	24,486,900	1	1.89%	1.91%
Midcoast Regional Redevelopment Authority	31,478,287	3	1.33%	1.40%	-	-	N/A	N/A
Central Maine Power Co.	25,915,600	4	1.10%	1.16%	7,560,700	10	0.58%	0.59%
Brunswick Landing Ventures, LLC	24,293,800	5	1.03%	1.08%	-	-	N/A	N/A
Brunswick MZL LLC (formerly Dev. Diversified)	21,474,300	6	0.91%	0.96%	18,945,900	2	1.46%	1.48%
Walmart Real Estate Business Trust	19,413,700	7	0.82%	0.87%	12,930,400	4	1.00%	1.01%
Maine Natural Gas	16,289,400	8	0.69%	0.73%	-	-	N/A	N/A
Thornton Oakes Homeowners Assn. Corp.	14,982,200	9	0.63%	0.67%	11,988,340	6	0.93%	0.93%
W/S Brunswick Properties II LLC	13,640,200	10	0.58%	0.61%	12,195,600	5	0.94%	0.95%
Affordable MidCoast Housing	-	-	N/A	N/A	11,496,900	7	0.89%	0.90%
LHC Brunswick ME LLC (Lowes)	-	-	N/A	N/A	7,771,100	8	0.60%	0.61%
Bowdoin College	-	-	N/A	N/A	7,719,300	9	0.60%	0.60%
	<u>\$ 232,406,187</u>		<u>9.82%</u>	<u>10.36%</u>	<u>\$ 132,300,140</u>		<u>10.21%</u>	<u>10.32%</u>
Total Assessed Valuation *	\$ 2,365,746,580				\$ 1,295,834,340			
* Includes:								
Municipal valuation	\$ 2,243,673,982				\$ 1,282,350,160			
TIF valuation	<u>122,072,598</u>				<u>13,484,180</u>			
	<u>\$ 2,365,746,580</u>				<u>\$ 1,295,834,340</u>			

Source: Office of the Tax Assessor, Brunswick, Maine

Table 11

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

<b>Fiscal Year</b>	<b>Municipal Tax Levy</b>	<b>TIF Levy</b>	<b>Total Tax Levy</b>	<b>Supplemental Taxes</b>	<b>Abatements</b>	<b>Net Collectible</b>	<b>Amount Collected within the Fiscal Year</b>
2012	30,366,052	319,305	30,685,357	43,478	(133,001)	30,595,834	29,777,364
2013	32,765,813	410,155	33,175,968	18,269	(37,643)	33,156,594	32,348,601
2014	34,886,347	1,122,690	36,009,037	92,470	(140,271)	35,961,236	35,177,642
2015	36,415,474	1,390,457	37,805,931	54,983	(41,892)	37,819,022	36,821,979
2016	37,992,395	1,548,535	39,540,930	55,732	(61,208)	39,535,454	38,702,091
2017	39,280,373	1,842,499	41,122,872	223,789	(369,411)	40,977,250	40,116,510
2018	40,281,376	1,976,302	42,257,678	32,913	(304,707)	41,985,884	41,102,234
2019	41,309,260	1,986,422	43,295,682	36,828	(47,182)	43,285,328	42,467,493
2020	43,544,300	2,346,334	45,890,634	21,664	(50,810)	45,861,488	44,464,982
2021	45,703,639	2,486,619	48,190,258	33,738	(37,043)	48,186,953	47,228,466

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

<b>Fiscal Year</b>	<b>Amount</b>	<b>Percentage of Levy</b>	<b>Percentage of Net Collectible</b>	<b>Collected in Subsequent Years</b>	<b>Amount</b>	<b>Total Collections to Date</b>	
		<b>Percentage of Levy</b>	<b>Percentage of Net Collectible</b>			<b>Percentage of Levy</b>	<b>Percentage of Net Collectible</b>
2012	29,777,364	97.04%	97.32%	817,760	30,595,124	99.71%	100.00%
2013	32,348,601	97.51%	97.56%	807,132	33,155,733	99.94%	100.00%
2014	35,177,642	97.69%	97.82%	781,856	35,959,498	99.86%	100.00%
2015	36,821,979	97.40%	97.36%	995,240	37,817,219	100.03%	100.00%
2016	38,702,091	97.88%	97.89%	830,371	39,532,462	99.98%	99.99%
2017	40,116,510	97.55%	97.90%	853,366	40,969,876	99.63%	99.98%
2018	41,102,234	97.27%	97.90%	869,310	41,971,544	99.32%	99.97%
2019	42,467,493	98.09%	98.11%	794,105	43,261,598	99.92%	99.95%
2020	44,464,982	96.89%	96.95%	1,215,041	45,680,023	99.54%	99.60%
2021	47,228,466	98.00%	98.01%	-	47,228,457	98.00%	98.01%

Table 12

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

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Ratios of Net General Bonded Debt &amp; Direct Borrowings</b>		
	<b>General Obligation Bonds &amp; Notes From Direct Borrowings(a)(b)</b>	<b>Percentage of Personal Income (c)</b>	<b>Per Capita</b>	<b>Percentage of Estimated Actual Taxable Value of Property (d)</b>	
2012	27,578,697	4.95%	1,360.03	1.42%	
2013	30,416,098	5.46%	1,499.96	1.62%	
2014	27,502,694	4.94%	1,356.28	1.46%	
2015	25,381,118	4.56%	1,251.66	1.34%	
2016	23,264,541	4.18%	1,147.28	1.22%	
2017	24,111,769	4.33%	1,189.06	1.26%	
2018	22,121,505	3.97%	1,090.91	1.01%	
2019	19,847,207	3.57%	978.76	0.91%	
2020	44,165,519	7.93%	2,178.00	2.00%	
2021	41,840,500	7.52%	2,063.34	1.77%	

(a) Presented net of original issuance discounts and premiums.

(b) General Bonded Debt includes debt issued as General Obligation Tax Increment Financing Bonds. Although the debt has been issued as general obligations, it is anticipated that it will be fully paid from Tax Increment Financing (TIF) revenues.

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

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

**Table 13**

**TOWN OF BRUNSWICK, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2021**

<b>Jurisdiction</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to Government</b>	<b>Amount Applicable to Government</b>
<b>Direct:</b>			
Town of Brunswick General Obligation	\$ 39,851,148	100.00%	\$ 39,851,148
Premium on bonds	<u>1,989,352</u>	100.00%	<u>1,989,352</u>
Total direct debt	41,840,500		41,840,500
<b>Overlapping:</b>			
Cumberland County	33,370,194	4.89%	1,630,162
Maine Region 10 Technical High School	<u>3,619,269</u>	38.29%	<u>1,385,818</u>
Total overlapping debt	36,989,463		3,015,980
Total direct and overlapping debt	<u>\$ 78,829,963</u>		<u>\$ 44,856,480</u>

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

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

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

Table 14

**TOWN OF BRUNSWICK, MAINE**  
**Legal Debt Margin Information**  
**June 30, 2021**

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 2021 State Valuation of \$2,595,900,000, the Town is in compliance with the total and categorical debt limits:

**Legal Debt Margin Calculation for Fiscal Year 2021**

State Valuation	\$ 2,595,900,000
Debt Limit - 15% of State Valuation	389,385,000
Less outstanding debt applicable to debt limit	<u>(39,851,148)</u>
Legal Debt Margin	<u>\$ 349,533,852</u>

**Debt Limit by Category**

Type of Debt	Maximum Percent Allowable	Maximum Allowable Amount	Principal Amount Outstanding	Legal Debt Margin
School	10.00%	\$ 259,590,000	\$ 35,756,148	\$ 223,833,852
Storm or Sanitary Sewer	7.50%	194,692,500	-	194,692,500
Municipal Airport Special District	3.00%	77,877,000	-	77,877,000
Municipal	7.50%	194,692,500	<u>4,095,000</u>	190,597,500
Total	Maximum Debt	15.00%	\$ 389,385,000	<u>\$ 39,851,148</u> \$ 349,533,852

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Debt limit	\$ 304,207,500	\$ 297,517,500	\$ 303,937,500	\$ 300,060,000	\$ 312,390,000	\$ 327,607,500	\$ 337,860,000	\$ 347,985,000	\$ 376,425,000	\$ 389,385,000
Total debt applicable to limit	<u>27,439,138</u>	<u>30,211,025</u>	<u>27,322,912</u>	<u>25,219,800</u>	<u>23,121,688</u>	<u>23,944,475</u>	<u>21,975,669</u>	<u>19,722,829</u>	<u>42,082,308</u>	<u>39,851,148</u>
Legal debt margin	\$ 276,768,362	\$ 267,306,475	\$ 276,614,588	\$ 274,840,200	\$ 289,268,312	\$ 303,663,025	\$ 315,884,331	\$ 328,262,171	\$ 334,342,692	\$ 349,533,852
Total debt applicable to the limit as a percentage of debt limit	9.02%	10.15%	8.99%	8.40%	7.40%	7.31%	6.50%	5.67%	11.18%	10.23%

Table 15

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

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees (a)</u>	<u>Rank</u>	<u>Employees (a)</u>	<u>Rank</u>
Bath Iron Works	1300	1	1500	2
Mid Coast-Parkview Health	1060	2	1600	1
Bowdoin College	961	3	873	3
Town of Brunswick	578	4	600	4
Wayfair	529	5		
L.L. Bean Inc., Manufacturing Div.	342	6	319	5
Wal-Mart Stores, Inc.	270	7	304	6
Hannaford Brothers	160	8	160	8
Savilinx	140	9		
Pathways (formerly Providence Service Corp)	128	10		
Parkview Memorial Hospital			178	7
Bank of America, formerly MBNA			130	9
Lowe's			121	10

(a) Telephone Survey of Employers, March 2012 and March 2021. The employee counts were determined by the employers and may or may not represent full-time equivalents (FTEs).

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

Table 16

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

<b>Fiscal Year</b>	<b>Population (a)</b>	<b>Per Capita</b>			<b>School Enrollment (c)</b>	<b>Unemployment Rate (d)</b>
		<b>Personal Income (b)</b>	<b>Personal Income (a)</b>	<b>Median Age (a)</b>		
2012	20,278	556,691,934	27,453	41.40	2,463	6.5%
2013	20,278	556,691,934	27,453	41.40	2,363	6.1%
2014	20,278	556,691,934	27,453	41.40	2,390	5.6%
2015	20,278	556,691,934	27,453	41.40	2,358	4.6%
2016	20,278	556,691,934	27,453	41.40	2,336	3.5%
2017	20,278	556,691,934	27,453	41.40	2,313	3.1%
2018	20,278	556,691,934	27,453	41.40	2,349	2.8%
2019	20,278	556,691,934	27,453	41.40	2,327	2.6%
2020	20,278	556,691,934	27,453	41.40	2,415	2.2%
2021	20,278	556,691,934	27,453	41.40	2,366	4.8%

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

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

(c) State of Maine Department of Education, October 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**

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020 (a)</b>	<b>2021</b>
<b>General government</b>										
Administration	4	4	4	4	4	4	4	5	4	4
Finance	8	8	8	8	8	8	8	8	8	8
Technology	1	1	1	1	1	1	1	1	1	1
Assessing	3	3	3	3	3	3	3	3	3	3
Town Clerk	4	4	4	4	3.5	3.5	3.5	4	4	4
Engineering	0	0	0	0	0	0	0	0	2	2
Planning and Codes	5	5	5	5	5	5	5.5	5.5	6	6
Economic development	2	1	1	1	1	1	1	1	1	2
Municipal building	1.5	1.5	1	1	1	1	0	0	0	0
<b>Public safety</b>										
Fire department	36	36	36	36	36	36	36	36	41	41
Police department	50	50	51	51	51	51	50.5	50.5	52.75	52.75
<b>Public works</b>										
Administration	5	5	5	5	5	5	6	6	3	4
General maintenance	15.5	11.5	16	15.5	14.5	14.5	14.5	14.5	15.5	15.5
Landfill	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Central garage	3.5	3.5	3.5	3.5	3.5	2.5	2.5	2.5	2.5	2.5
Human services	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	3	3
Education	390	392	394	406	422	425	424	423	436	441
<b>Recreation</b>										
Administration	5	5	5	5	5	5	5	5	5	5
Buildings and grounds	5	5	5	5.5	5.5	5.5	7.5	7.5	8.5	8.5
Cable TV	1	1	1	1	1	1	1	1	1	1
<b>Totals</b>	<b>543.5</b>	<b>540.5</b>	<b>547.5</b>	<b>559.5</b>	<b>574</b>	<b>576</b>	<b>577</b>	<b>577.5</b>	<b>599.75</b>	<b>606.75</b>

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.

(a) Initial funding for the Engineering Division of the Town occurred in FY20. Previously, engineering services were budgeted within the Public Works Administration Department.

Table 18

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

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Fire Department</b>										
Fire calls	985	1,144	1,098	1,135	1,131	1,133	1,271	1,021	1,099	981
Medical calls	2,549	2,823	2,737	2,867	2,997	3,103	3,379	3,415	3,110	3,201
Inspections	300	342	356	264	268	267	261	208	211	378
<b>Police</b>										
Calls for service (a)	45,060	43,815	42,332	44,426	46,758	45,593	44,519	45,563	38,856	37,978
Crash reports	767	713	715	787	814	838	1,017	853	708	849
Field interviews (b)	508	464	444	251	79	46	49	23	36	33
Offense reports	1,230	1,304	714	1,224	1,382	1,344	1,405	1,252	1,157	1,635
Physical arrests	1,098	1,184	1,022	1,035	922	962	899	1,435	971	1,030
<b>Public Works</b>										
Street resurfacing (miles)	5	4	4	3	5	4	5	6	8	4
Recyclables collected (tons)	1,711	1,548	1,622	2,402	2,829	2,482	3,095	2,453	2,430	2,749
<b>Codes Enforcement</b>										
Residential permits issued	249	249	293	267	293	310	351	347	297	271
Commercial/Industrial permits issued	55	52	58	58	52	70	73	46	47	59

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

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

Table 19

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

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Police Department										
Stations	0	0	1	1	1	1	1	1	1	1
Patrol units	16	17	17	16	16	16	16	16	16	17
Fire Department										
Stations	2	2	2	2	2	2	2	2	2	2
Emergency vehicles	12	12	12	13	13	13	14	16	16	17
Public Works Department										
Streets (miles)	139	140	141	141	141	141	141	142	142	142
School Department										
Schools	4	4	4	4	4	4	4	4	4	4
School buses	26	26	26	26	26	29	29	29	32	32

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## **APPENDIX B**

### **PROPOSED FORM OF LEGAL OPINION**

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[DATE]

[PURCHASER]

We have examined the law and certified proceedings submitted in connection with the issuance and sale of the \$13,856,000\* aggregate principal amount of 2022 General Obligation Bonds (the “Bonds”) of the Town of Brunswick, Maine (the “Issuer”), a public municipal corporation in the State of Maine organized and existing under and pursuant to the laws of the State of Maine and the Charter of the Town of Brunswick, Maine (the “Charter”).

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of any offering material relating to the Bonds and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

The Bonds are issued under and pursuant to the Charter and the provisions of Title 30-A, Section 5772 of the Maine Revised Statutes, as amended.

The Bonds are dated February 24, 2022.\* Principal of the Bonds will be payable on November 1 of the years in which the Bonds mature and in the principal amounts as set forth below. The Bonds will bear interest from their date, payable semi-annually on November 1 and May 1 in each year, commencing on May 1, 2022, at the respective rates per annum, as follows:

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\* Subject to change.

<b>Dated: Date of Delivery</b>		<b>Due: November 1, as shown below</b>	
<b>Year of</b>		<b>Year of</b>	
<b>Maturity</b>	<b>Amount*</b>	<b>Maturity</b>	<b>Amount*</b>
2022	\$581,000	2035	\$540,000
2023	575,000	2036	540,000
2024	575,000	2037	540,000
2025	575,000	2038	540,000
2026	575,000	2039	540,000
2027	575,000	2040	540,000
2028	575,000	2041	540,000
2029	575,000	2042	540,000
2030	575,000	2043	540,000
2031	575,000	2044	540,000
2032	540,000	2045	540,000
2033	540,000	2046	540,000
2034	540,000		

\*Subject to change.

Bonds maturing on and before November 1, 2031 are not subject to optional redemption prior to their stated dates of maturity. Bonds maturing on or after November 1, 2032 are subject to redemption prior to their stated dates of maturity, at the option of the Town, on and after November 1, 2031, as a whole or in part at any time, in such order of maturity as the Town, in its discretion, may determine at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

The Bonds will be issued in fully registered form without coupons and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company (“DTC”), an automated depository for securities and clearinghouse for securities transactions. Purchases of the Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 or any integral multiple thereof and with one denomination of \$1,000 that will mature on November 1, 2022. The Bonds are lettered R and shall be numbered from one (1) upwards.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Noncompliance with such requirements may cause interest on the Bonds to be included in the gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs. The Issuer, in executing its certificates and documents, has certified to the effect that the Issuer will comply with the provisions and procedures set forth therein and do and perform all acts and things

necessary or desirable in order to assure that interest paid on the Bonds shall, for purposes of federal income tax, be excluded from the gross income of the owners thereof. In rendering this opinion, we have assumed that the Issuer will comply with the provisions and procedures set forth in its certificates.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Issuer has been duly created and validly exists as a public municipal corporation under and pursuant to the laws of the State of Maine.

2. The Issuer is duly authorized to issue the Bonds which have been duly and validly authorized and issued in accordance with law and constitute valid general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied, subject to certain procedural limitations under Section 5721-A of the Maine Revised Statutes as amended and supplemented to date, without limit as to rate or amount upon all the property located within the territorial limits of the Issuer and taxable by it, except to any extent that the Issuer may enter into an agreement under Title 30-A, Chapter 223, Subchapter V, of the Maine Revised Statutes, as amended, to share any portion of its assessed valuation with another municipality and except to the extent that the Issuer may establish municipal development districts or affordable housing districts pursuant to Title 30-A, Chapters 206 and former 207 (now repealed) of the Maine Revised Statutes, as amended, the tax increment revenues on retained captured assessed values of which may not be available for payment of debt service on the Bonds.

3. Under existing statutes and court decisions interest on the Bonds is excluded from gross income for federal income tax purposes, is exempt from taxation within the State of Maine under existing law, and is not a specific preference item for purposes of the federal alternative minimum tax. Such interest will, however, be taken into account in the computation of certain taxes that may be imposed with respect to corporations, including, without limitation, the alternative minimum tax and the foreign branch profits tax. The opinions set forth in this paragraph 3 are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal or state tax consequences arising with respect to the Bonds.

4. The Bonds will not constitute "qualified tax-exempt obligations" under Section 265(b) of the Code.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined an executed Bond and, in our opinion, the form of said Bond and its execution are regular and proper.

Very truly yours,

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Bernstein, Shur, Sawyer & Nelson

## **APPENDIX C**

### **PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT**

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**TOWN OF BRUNSWICK, MAINE**  
**PROPOSED FORM OF**  
**CONTINUING DISCLOSURE AGREEMENT**

In connection with the issuance by the Town of Brunswick, Maine (the “Issuer”) of its \$13,231,000 2022 General Obligation Bonds, dated as of February 24, 2022 (the “Bonds”) and with reference to the continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time (the “Rule”), the Issuer hereby covenants under this Continuing Disclosure Agreement (the “Agreement”) that it will engage in the undertakings described in Section 1, 2 and 3 herein for the benefit of the beneficial owners of the Bonds, subject to the conditions and limitations specified herein. Under the Agreement, the Issuer is obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the MSRB (defined below). This information will be available from the MSRB via the Electronic Municipal Market Access (“EMMA”) system at [www.emma.msrb.org](http://www.emma.msrb.org). The Issuer reserves the right to incorporate by reference its Official Statement dated February 8, 2022 relating to the Bonds (the “Official Statement”), which will be submitted to the MSRB, as hereinafter defined, at the time of delivery of the Bonds, in any future disclosure provided hereunder.

In addition to the definitions set forth above in the undertaking, which apply to any capitalized term used in this Agreement unless otherwise defined, if used the following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean the financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 1 of this Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than a Saturday or a Sunday or a day on which banks in Maine are authorized or required by law to close.

“Dissemination Agent” shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with SEC Rule 15c2-12.

“Holders” shall mean the registered Holders of the Bonds, as recorded in the registration books of the Registrar.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, established under the Securities and Exchange Act of 1934, as amended, or any successor thereto, with an address of 1300 I Street NW, Suite 1000, Washington, DC 20005.

“State” shall mean the State of Maine.

1. The Issuer will provide to the MSRB: (a) not later than 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2022, certain updated Annual Financial Information and operating data relating to the Issuer for the preceding fiscal year of the type presented in the Official Statement prepared in connection with the Bonds under the headings “DISTRICT FINANCES,”

“INDEBTEDNESS,” “RETIREMENT” and in APPENDIX A to the Official Statement and such other Annual Financial Information and operating data as may be required to comply with the Rule; and (b) the updated information discussed in clause (a) above will include audited financial statements, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Issuer will provide audited financial statements when and if such audited financial statements become available. Such filings, if not completed by the required time in clause (a) above, but if filed when available, will not be deemed to be a “late filing”. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX A to the Official Statement or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

The Issuer reserves the right to modify from time to time the specific types of information provided under clause (a) above or the format of the presentation of such information to reflect changed circumstances, provided that any such modification will be done in a manner consistent with the Rule.

2. The Issuer will provide in a timely manner, not in excess of ten (10) Business Days, after the occurrence of an event listed in this Section 2 to the MSRB through EMMA (in an electronic format as prescribed by the MSRB) notice of the occurrence of any of the following events with respect to the Bonds.

(a) Certain events whether material or not material:

- (1) Principal and interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds, the issuance by the Internal Revenue Service of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes;
- (9) Bankruptcy, insolvency, receivership or similar event of the Issuer (Note: For the purposes of the event identified in this subparagraph (9), the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.); or
- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation of the Issuer or obligated person, any of which reflect financial difficulties.

(b) Certain events if material:

- (1) Non-payment related defaults;
- (2) Modifications to the rights of Holders of the Bonds;
- (3) Bond calls;
- (4) The release, substitution, or sale of property securing repayment of the Bonds;

- (5) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (6) Appointment of a successor or additional trustee or the change of name of a trustee; and
- (7) Incurrence of a Financial Obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security Holders, if material.

The Issuer from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those listed above.

3. The Issuer will provide in a timely manner to the MSRB notice of a failure to satisfy the requirements of Section 1 herein.
4. The intent of the Issuer's undertaking in this Agreement is to provide on a continuing basis the information described in the Rule. The provisions of the Agreement may be amended by the Issuer without the consent of, or notice to, any Beneficial Owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission ("SEC") or its staff (whether required or optional), (b) to add a Dissemination Agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Issuer for the benefit of the Beneficial Owners of the Bonds, (d) to modify the contents, presentation and format of the Annual Financial Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertakings in a manner consistent with the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the Beneficial Owners of the Bonds, as determined either by a party unaffiliated with the Issuer (such as bond counsel), or by the vote or consent of Beneficial Owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment.

Furthermore, the Issuer's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment of in full of all of the Bonds or to the extent that the Rule, as in effect from time to time, no longer requires the issuers of municipal securities to provide all or any portion of the information the Issuer has agreed to provide pursuant to the Agreement, the obligation of the Issuer to provide such information also shall cease immediately.

5. The purpose of the Issuer's undertaking is to conform to the requirements of the Rule and, except for creating the right on the part of the Beneficial Owners of the Bonds, from time to time, to specifically enforce the Issuer's obligations hereunder, not to create new contractual or other rights for any Beneficial Owner of the Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the SEC or any other person. The sole remedy in the event of any actual or alleged failure by the Issuer to comply with any provision herein shall be an action for the specific performance of the Issuer's obligations hereunder and not for money damages in any amount. Any failure by the Issuer to comply with any provision of this undertaking shall not constitute an event of default with respect to the Bonds.
6. Except as disclosed in its Official Statement, the Issuer has never failed to comply in all material respects with any previous undertakings to provide Annual Financial Information or notices of material events in accordance with the Rule.

The Issuer's Treasurer, or such official's designee from time to time, shall be the contact person on behalf of the Issuer from whom the foregoing information, data and notices may be obtained. The name, address and telephone number of the initial contact person is: Julia A.C Henze, Treasurer, Town of Brunswick, 85 Union Street, Brunswick, ME 04011; Telephone: (207) 725-6652; email [jhenze@brunswickme.org](mailto:jhenze@brunswickme.org).

TOWN OF BRUNSWICK, MAINE

Dated: February \_\_\_\_, 2022

By: \_\_\_\_\_  
Its Treasurer