CITY OF BRUNSWICK

BRUNSWICK, GEORGIA

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2009

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INTRODUCTORY SECTION

CITY OF BRUNSWICK

POST OFFICE BOX 550 • BRUNSWICK, GA 31521-0550 • (912) 267-5500 • FAX (912) 267-5549

Bryan Thompson, Mayor
Jonathan L. Williams, Mayor Pro Tem
James H. Brooks, Sr., Commissioner
Cornell L. Harvey, Commissioner
Mark A. Spaulding, Commissioner

City Attorney
M. Lynn Frey, III

City Manager
Roosevelt Harris, Jr.

April 5, 2010

HONORABLE MAYOR AND COMMISSIONERS
OF THE CITY OF BRUNSWICK
BRUNSWICK, GEORGIA

The Annual Financial Report of the City of Brunswick, Georgia, for the fiscal year ended June 30, 2009 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data is accurate in all material respects. The enclosed data is reported in a manner designed to present fairly the financial position and results of operation of the government. We believe all disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

The Annual Financial Report is presented in five sections – Introductory, Financial, Single Audit, Additional Schedule, and Statistical.

The Introductory Section includes this letter of transmittal, a list of principal officials, a brief history of Brunswick, and the City's Organizational Chart.

Management's Discussion and Analysis, which is a new section required by GASB beginning with the fiscal year 2003 report for the City of Brunswick, includes summarized financial information about the City, an analysis of the past year's operations of general government and major enterprise and activities, an overview of the City's major enterprise activities, and an overview of the City's current and future economic picture as well as it major initiatives and financial accomplishments for the year. Much of this information was located in the Introductory Section in previous years.

The Basic Financial Statements include Government-Wide Financial Statements and Fund Financial Statements. The Government-Wide Financial Statements present an overview of the City's entire financial Operations. Fund Financial Statements present financial data of each of the separate funds of the City. Schedules provide certain other information summarized in the financial statements. The notes are an integral part of the financial statements and provide additional information, which is essential to an accurate understanding of the government's financial condition.

The government is required to undergo a single audit by the U.S. Office of Management and Budget Circular A-133. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and audit's reports on the internal control structure, and compliance with applicable laws and regulations, is included in the single audit section of this report. The Statistical Section includes selected financial information, generally presented on a multi-year basis.

ECONOMIC OUTLOOK

The Economic Outlook for the City of Brunswick mirrors what is seen across the state of Georgia: most Economists predict a recession that will be "severe" rather than mild, and "prolonged" rather than short.

Nevertheless, The City of Brunswick continues to attract both retirees and the younger generation because of the milder climate, coastal waterways and beaches, cost of living, and more affordable pricing for homes. However, some just enjoy the attractiveness of the Historic District of Brunswick and its slower pace.

The Port of Brunswick continues to maintain a steady flow in lieu of the economic crunch with Colonel Island's industry beginning to show signs of climbing with the importing and exporting of grain and cars. Serious facility improvements are on the horizon for the East River Terminal to allow the Port to remain competitive.

MAJOR INITIATIVES

With the use of Special Option Sales Tax (SPLOST) revenues, the City of Brunswick will continue its efforts to upgrade storm sewer systems in College Park, Magnolia Park, and Habersham Park. The "N" Street Phase III & IV Drainage Project is under contract awaiting right-of-way acquisition from the Pinova (Hercules) Company.

With Community Development Block Grant Funds, the City of Brunswick's Recaptured Funds and Georgia Department of Transportation's TE Funds (Transportation Enhancement), various projects are either waiting permitting; waiting for design of construction plans; or are waiting for Notice to Proceed from the Georgia Department of Transportation to allow the City of Brunswick to advertise for bids.

FINANCIAL INFORMATION

Management of the government is responsible for establishing and maintaining the internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure financial statement presentation in accordance with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control structure should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of Federal and State financial assistance, the government also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and the staff of the government.

As a part of the government's single audit, described earlier, internal controls are tested, including those controls related to Federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the government's single audit for the fiscal year ended June 30, 2009 noted no instances of material weaknesses in the internal controls.

Budgeting Controls. In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the government's governing body. Activities of the general fund and certain special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by department within an individual fund.

OTHER INFROMATION

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Fowler, Holley, Rambo & Stalvey, P.C. was selected by the government's Board of Commissioners. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The auditor's report and financial statements are included in the financial section of this report. The auditor's reports related to Government Auditing Standards and the single audit are included in the single audit section.

Acknowledgements. I wish to express my appreciation to everyone who contributed to the preparation of this report. This report is intended to provide full disclosure of the financial affairs of the City of Brunswick, Georgia.

Respectfully submitted,

Roosevelt Harris, Jr.
City Manager

City of Brunswick, Georgia
Principal Officials

Mayor	Bryan Thompson
Mayor Pro-Tem	Mark Spaulding
City Commisisoner	James Brooks, Jr.
City Commisisoner	Cornell L. Harvey
City Commisisoner	Jonathan L. Williams
City Manager	Roosevelt Harris, Jr.
Clerk of Council	Naomi Atkinson
City Attorney	M Lynn Frey, III
Municipal Court Judge	Christopher J. O'Donnell
City Auditor	Fowler, Holley, Rambo & Stalvey PC Certified Public Accountants
Human Resources	Bonnie D. Roberts
Finance Director	Martha B. Hendley
City Engineer	Dan McFee
Fire Chief	Raymond House
Parks & Rec	Reggie Jackson
Police Chief	Edna Johnson
Public Works Director	Jose Pereles
IT Director	David Manning
Community Development Director	Eric VanOtteran

HISTORY OF BRUNSWICK

Around 1740, Mark Carr laid claim to one thousand acres of land in Spanish territory along what is now known as the Turtle River. Carr's plantation became known as Plug Point. It lay between what is modern day Dartmouth Street and First Avenue.

As first envisioned, Brunswick was to lie in a roughly triangular tract, some 383 1/2 acres, bounded on the north by "F" Street, on the east by Cochran Avenue, and on the south by First Avenue. The western border was the river.

Brunswick, in northern Germany, was the seat of the House of Hanover, of which King George II of England was a member. Brunswick, was thus named in honor of George II, as was Hanover Square. Other streets and squares of the town were named after other members of the Royal Family and prominent Englishmen of the time.

Building lots were laid out, to be granted on June 30, 1772. Petitioners for lots were bound to build a "Good and Sufficient House".

The American Revolution nearly wiped out the town, which theretofore was having no great success. Most citizens were Torys, considering themselves loyal Englishmen, and fled to England and Canada. Little fighting occurred in the area.

In 1778, the war being over, the General Assembly of Georgia passed an act creating a Board of Commissioners to survey and sell lots of land in the township, the proceeds to go toward founding an Academy. A commons surrounding the City was founded and leases granted toward funding the school. The present limits of the town included all the land once known as Commons.

On February 3, 1797, the County Seat was officially moved to Brunswick from Frederica. Part of the Commons was sold to build a courthouse and a jail. Half of the funds again went to the Academy.

In 1789, Brunswick was made a Port of Entry and the tall ships began to arrive. The years from 1834 to 1839 were ones of prosperity and growth. In 1835, the General Assembly authorized the sale of yet more Commons, all the area known as New Town being north of "F" Street and east of Wolfe Street. In 1836, the town was officially chartered. Around 1839, a decline began. Sadly, the town returned its charter to the state. Only 400 people remained.

In the 1850's another boom began. In 1857, Brunswick reincorporated. Rumors of war began to circulate. The Civil War was hard on Georgia. The town was blockaded. Most citizens fled and lastly, the City was ordered to evacuate. Most people fled to Wayne and Ware Counties.

In 1865, the war was over and Brunswick began to thrive again. In 1874, Sidney Lanier, seriously ill, visited the town. Lying under the beautiful oaks, he penned his poem "The Marshes of Glynn".

In 1876, yellow fever struck. The town struggled, fully recovering by 1878. It now boasted two railroads, a fine harbor and a population of 3,000.

During the 1880's, the population tripled. Stores, seafood, and lumber interests began to make the waterfront buzz

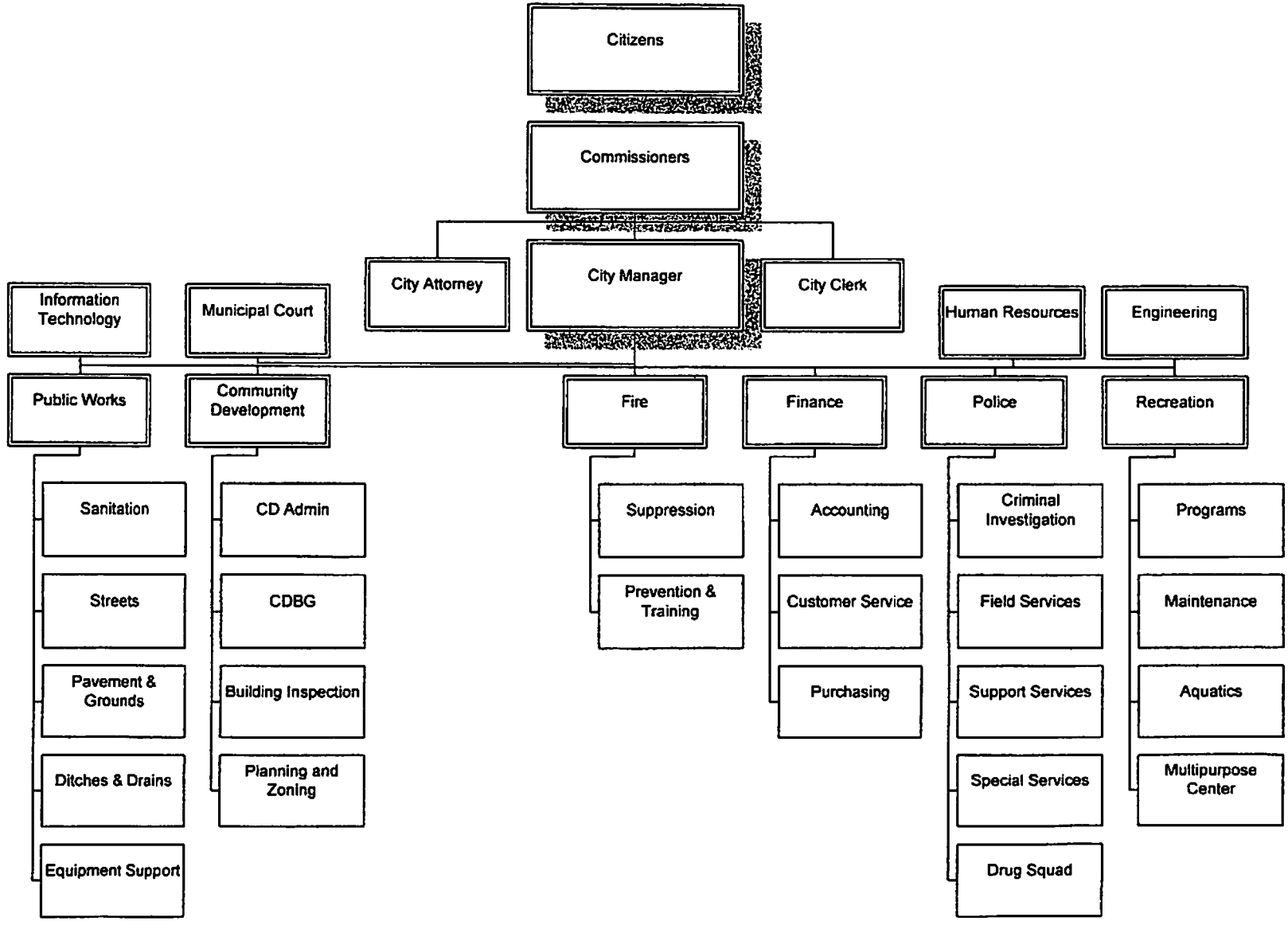
with activity. But in 1893, the dreaded yellow fever struck again.

Brunswick, down but far from out, recovered quickly. In 1900, a beautiful new Post Office was built. It now serves as the "New" City Hall". In 1907, a magnificent new Court House with its sweeping lawns was constructed, and in 1911, by act of the General Assembly of Georgia, all persons holding leases to "Town Commons" lots were granted title in fee simple to those lots.
World War I and II brought yet more prosperity as shipyard population poured in.

Brunswick continues to build into the new century, looking forward to the future with proud hopes and grand dreams. Problems exist, but solutions will be found and the City will go on through crisis and turmoil into the future.

CITY OF BRUNSWICK

JUNE 30, 2009



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

FH R&S

Fowler, Holley, Rambo & Stalvey, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Curtis G. Fowler, CPA, PFS, CFP • Carlton W. Holley, CPA • C. Wayne Rambo, CPA, CVA • Richard A. Stalvey, CPA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Commissioners
City of Brunswick, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Brunswick, Georgia, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Brunswick, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in footnote 1C to the basic financial statements, management has not recorded certain infrastructure assets in governmental activities of the government wide financial statements and, accordingly has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated, which would increase the assets, net assets and expenses of governmental activities. The amount by which this departure would affect the assets, net assets and expenses of the governmental activities is not reasonably determinable.

In our opinion, except for the effects of not capitalizing certain infrastructure assets and recording depreciation in the governmental activities of the government wide financial statements, the government wide financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the City of Brunswick, Georgia, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and Members of the City Commissioners
City of Brunswick, Georgia

In addition, in our opinion, the financial statements of the business-type activities, the General Fund, the Community Development Fund, the SPLOST Fund, the aggregate remaining fund information and the discretely presented component unit presents fairly, in all material respects, the respective financial position of the business-type activities, the General Fund, the Community Development Fund, the SPLOST Fund, the aggregate remaining fund information and the discretely presented component unit of the City of Brunswick, Georgia, as of June 30, 2009 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2010, on our consideration of the City of Brunswick, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 59 through 61, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brunswick, Georgia's basic financial statements. The introductory section, combining and individual non-major fund financial statements, statistical section, and schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of City of Brunswick, Georgia. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The schedule of projects constructed with special sales tax proceeds is reported upon on pages 80 through 81 along with our opinion on pages 78 through 79. 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 express no opinion on them.

Fowler, Holley, Rambo & Stalvey, P.C.
Fowler, Holley, Rambo & Stalvey, P.C.

Valdosta, Georgia
April 5, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BRUNSWICK, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2009

This section of the Annual Financial Report presents a discussion and analysis of the City's financial performance during the fiscal year ending June 30, 2009. Please read it in conjunction with the transmittal letter at the front of this report and the financial statements which follow this section.

Financial Highlights

The City's net assets decreased by $839,582 or from $38,345,124 (as restated) at June 30, 2008 to $37,505,542 at June 30, 2009. Net assets for governmental activities decreased $912,225 while business-type activities net assets increased by $72,643.

Unrestricted net assets totaled $2,684,827 for Governmental Activities and $5,978,068 for Business-type Activities.

The General Fund had an excess (deficiency) of revenue over expenditures of $(2,654,654) for 2009 and $(3,450,873) in 2008. This change was influenced primarily by a reduction in budgeted expenditures.

The operations of the Water/Wastewater Fund were transferred to the Brunswick – Glynn County Joint Water & Sewer Commission as of January 1, 2008. The beginning balances in the Water/Wastewater Fund have been restated to reflect the recording of the transfer of the system assets as a sale-type lease transaction on the City's books. The effect of the transaction transferring the assets has reduced the net assets of the City by $34,965,880 due to the contribution of the City's water system assets to the Brunswick-Glynn County Joint Water & Sewer Commission under the transaction. See Note 5 on page 42 in the *Notes to the Basic Financial Statements* for additional information. The Sanitation Fund had a net operating income (loss) of ($239,906) compared to $(331,087) operating income (loss) in the prior year. The improved results are the result of an increase in revenues and a reduction in expenses.

Net assets in the Defined Benefit Pension Plan decreased by ($54,714), while paying out benefits totaling $965,647.

On the GAAP budget basis, actual General Fund revenues were less than budgeted revenues by $(11,339) and actual expenditures were equal to budgeted expenditures.

Financial Statements Overview

This report consists of a series of financial statements, notes to the statements, and supplementary information.

The *government-wide financial statements* present a longer-term view of the City's finances as a whole in a manner similar to a private sector business. The Statement of Net Assets presents information on all of the City's assets and liabilities with the difference between the two shown as net assets. Increases and decreases in net assets can be an indication of improving or deteriorating financial position. The Statement of Activities presents information on the activities that caused the change in net assets in the reported fiscal year. Both of these statements show governmental activities, business-type activities and the activity of the component unit, the Downtown Development Authority.

Following these are *fund financial statements* which give more detailed information on the City's most significant funds. A fund is a group of accounts used to monitor and control specific activities. These statements tell

how the services were financed in the current year as well as what remains for future spending. The Funds are grouped into Governmental, Proprietary, and Fiduciary.

The *Governmental Funds* report on the activities that are most associated with government, such as public safety, public works, recreation and community development and capital projects. These activities are paid for primarily from taxes and licensing fees and the Special Purpose Local Option Sales Tax. The major governmental funds maintained by the City are the General Fund, the Community Development Fund and the SPLOST Fund.

The City maintains two *Proprietary Funds*, the Water/Wastewater Fund and the Sanitation Fund. These are the business-type activities and are financed primarily through user fees. The operations of the Water/Wastewater Fund were transferred to the Brunswick – Glynn County Joint Water & Sewer Commission on January 1, 2008 under a 50 year lease agreement so the activities in the Water/Wastewater Fund consist primarily of a ten dollar per year rental fee plus reimbursement to the City for the amounts paid by the City on the debt service on the related bonds used to finance the water/wastewater system assets.

The City maintains two *Internal Service Funds*, the Group Health Fund and the Workers' Compensation Fund. The Group Health Fund accounts for transactions related to the provision of health care benefits for employees of the City. The Workers' Compensation Fund accounts for the transactions related to the workers' compensation claims incurred on behalf of City employees.

A *Fiduciary Fund* is maintained to account for resources that are not available to support the City's operations. The City maintains a fiduciary fund for the Defined Benefit Pension Plan, and funds held here are used to meet the obligations to current and future retirees.

Notes to the financial statements provide additional information that is helpful for a more complete understanding of the data presented in the financial statements.

Required supplementary information is provided to give a more complete picture of the City's accounting operation. Schedules are provided to compare actual results to budgeted results for the major governmental funds. Balance sheets and schedules of revenues, expenditures and changes in fund balances are provided for the non-major governmental funds. Schedules of net assets and schedules of revenues, expenses and changes in net assets are provided for the internal service funds.

Government-wide Financial Analysis

As noted earlier, increases and decreases in net assets can be an indication of a government's financial health. The City's total net assets decreased by $839,582 in the current year. Net assets for the Governmental Activities decreased by $912,225 from 2008 to 2009, primarily due to use of cash resources for retirement of long-term debt. The net assets for the business-type activities increased by $72,643 due primarily from transferring operations of the Water/Wastewater Fund to the Brunswick – Glynn County Joint Water & Sewer Commission under the sales-type lease transaction. Capital Assets (land, buildings, machinery & equipment) make up 50% of the City's assets. These assets are used to provide services to the community and are not available for future spending. The City's capital assets have decreased due to the transfer of the system assets of the Water/Wastewater Fund to the Brunswick-Glynn County Water & Sewer Commission under the sale-type lease transaction.

Change in Government-Wide Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General & Program Revenues						
Taxes	$ 15,939,942	$ 15,108,593	$ -	$ -	$ 15,939,942	$ 15,108,593
Licenses	342,183	357,655	-	-	342,183	357,655
Charges for Services	1,005,165	(578,707)	1,589,588	8,977,913	2,594,753	8,399,206
Grants and Contributions	1,445,948	1,509,190	-	-	1,445,948	1,509,190
Restricted Investment Earnings	-	-	237,930	1,282,392	237,930	1,282,392
Unrestricted Investment Earnings	48,618	458,040	830,408	434,073	879,026	892,113
Payment to Component Unit	(114,089)	(120,000)	-	-	(114,089)	(120,000)
Transfers	(244,172)	409,052	244,172	905,528	-	1,314,580
Contribution to JWSC - Operational Assets	-	-	-	(4,200,883)	-	(4,200,883)
Contribution to JWSC - Recognition Sales-Type Lease	-	-	(45,229)	(37,995,507)	(45,229)	(37,995,507)
All Other	549,469	452,083	-	50,870	549,469	502,953
Total Revenues	18,973,064	17,595,906	2,856,869	(30,545,614)	21,829,933	(12,949,708)
Expenses						
General Government	(3,816,720)	(7,312,099)	-	-	(3,816,720)	(7,312,099)
Judicial	(852,473)	(490,180)	-	-	(852,473)	(490,180)
Public Safety	(8,676,124)	(7,065,253)	-	-	(8,676,124)	(7,065,253)
Public Works	(3,207,038)	(1,646,292)	-	-	(3,207,038)	(1,646,292)
Culture & Recreation	(1,418,458)	(1,079,520)	-	-	(1,418,458)	(1,079,520)
Cemetary	(325,185)	(285,453)	-	-	(325,185)	(285,453)
Community Development	(1,460,778)	(1,640,286)	-	-	(1,460,778)	(1,640,286)
Debt Service	(128,513)	(157,878)	(830,554)	(922,765)	(959,067)	(1,080,643)
Water & Sewer	-	-	(145,608)	(6,248,965)	(145,608)	(6,248,965)
Sanitation	-	-	(1,808,064)	(1,664,208)	(1,808,064)	(1,664,208)
Total Expenses	(19,885,289)	(19,676,961)	(2,784,226)	(8,835,938)	(22,669,515)	(28,512,899)
Change in Net Assets	(912,225)	(2,081,055)	72,643	(39,381,552)	(839,582)	(41,462,607)
Net Assets, Beginning of Year, as previously reported	30,393,167	34,969,096	42,244,151	45,438,635	72,637,318	80,407,731
Prior period adjustments	1,894,874	-	(36,187,068)	-	(34,292,194)	-
Net Assets, beginning of year, as restated	32,288,041	34,369,096	6,057,083	45,438,635	38,345,124	79,807,731
Net Assets, End of Year	$ 31,375,816	$ 32,288,041	$ 6,129,726	$ 6,057,083	$ 37,505,542	$ 38,345,124

Governmental Activities. Taxes accounted for $15,939,942 or 84% of the City's general and program revenues. Of this, $8,249,985 was generated through local option sales tax, including SPLOST V. The largest use of these resources was to provide public safety. Expenses related to providing police and fire protection totaled $8,676,124, approximately 43% of the total cost of government activities.

Business-type Activities. As mentioned earlier, the operations of the Water/Wastewater Fund were transferred to the Brunswick – Glynn County Joint Water & Sewer Commission on January 1, 2008.

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
ASSETS						
Cash, Investments & Receivables	$ 7,526,003	$ 11,823,796	$ 6,956,473	$ 6,850,572	$ 14,482,476	$ 18,674,368
Inventories	-	-	30,355	7,750	30,355	7,750
Sales-Type Leases Receivable	-	-	14,647,431	15,220,996	14,647,431	15,220,996
Capital Assets	29,371,819	28,247,930	332,371	423,683	29,704,190	28,671,613
Deferred Items	2,250	2,250	135,477	159,222	137,727	161,472
Total Assets	$ 36,900,072	$ 40,073,976	22,102,107	$ 22,662,223	$ 59,002,179	$ 62,736,199
LIABILITIES						
Current Liabilities	1,900,799	$ 2,150,068	1,073,661	$ 622,923	$ 2,974,460	$ 2,772,991
Deferred Revenue	-	23,068	67,976	80,565	67,976	103,633
Long-term Liabilities	3,623,457	5,612,799	14,830,744	15,901,652	18,454,201	21,514,451
Total Liabilities	5,524,256	7,785,935	15,972,381	16,605,140	21,496,637	24,391,075
NET ASSETS						
Invested in Capital Assets and Sales-Type Leases	26,845,769	23,620,136	151,658	256,973	26,997,427	23,877,109
Restricted	1,845,220	4,032,407	-	-	1,845,220	4,032,407
Unrestricted	2,684,827	4,635,498	5,978,068	5,800,110	8,662,895	10,435,608
Total Net Assets	31,375,816	32,288,041	6,129,726	6,057,083	37,505,542	38,345,124
Total Liabilities & Net Assets	$ 36,900,072	$ 40,073,976	$ 22,102,107	$ 22,662,223	$ 59,002,179	$ 62,736,199

Governmental Funds. Of the Governmental Funds, the General Fund is where most of the results from operations associated with municipal government are recorded. 86.3% of total General Fund revenues come from taxes; 48.9% from sales tax and 37.4% from property and franchise taxes. 40.9% of the General Fund expenditures (including capital outlay) are for Public Safety purposes.

General Fund Revenues & Expenditures

	2009	% of Total	2008	% of Total
REVENUES				
Taxes	$ 14,591,760	86.3%	$ 15,108,593	86.3%
Licenses	342,183	2.0%	357,655	2.0%
Fines & Forfeitures	602,800	3.6%	603,119	3.4%
Charges for Services	283,292	1.7%	237,073	1.4%
All Other	1,087,516	6.4%	1,198,478	6.9%
Total Revenues	16,907,551	100.00%	17,504,918	100.00%
EXPENDITURES				
General Government	3,524,439	18.0%	4,127,572	19.7%
Judicial	846,618	4.3%	490,180	2.3%
Public Safety	7,926,005	40.5%	7,342,510	35.0%
Public Works	2,734,875	14.0%	2,632,052	12.6%
Culture & Recreation	1,227,760	6.3%	1,178,175	5.6%
Cemetery	362,266	1.9%	365,219	1.7%
Economic Development	114,089	0.6%	120,000	0.6%
Debt Service	2,230,257	11.4%	586,945	2.8%
Capital Outlay	595,896	3.0%	4,113,138	19.7%
Total Expenditures	19,562,205	100.00%	20,955,791	100.00%
Excess Revenues over Expenditures	(2,654,654)		(3,450,873)	
OTHER FINANCING SOURCES (USES)				
Transfers in	2,252,959		1,908,980	
Transfers (out)	(787,387)		(1,672,984)	
Proceeds from Capital Leases	-		1,564,628	
Total Other	1,465,572		1,800,624	
Net Change in Fund Balance	(1,189,082)		(1,650,249)	
Fund Balance, Beginning of Year	1,264,855		2,915,104	
Fund Balance, End of Year	$ 75,773		$ 1,264,855	

Proprietary Funds. As mentioned earlier, the operations of the Water/Wastewater Fund were transferred to the Brunswick – Glynn County Joint Water & Sewer Commission on January 1, 2008. The Sanitation operation had a net operating loss of $(239,906).

Proprietary Funds Revenues & Expenses

	Water/Wastewater		Sanitation	
	06/30/09	06/30/08	06/30/09	06/30/08
Operating Revenues				
Water Sales	$ -	$ 2,652,379		
Wastewater Treatment	-	4,285,683		
Taps, fees and rents	10	-		
Sanitation Fees	-	-	$ 1,568,157	$ 1,333,121
Other	21,421	706,730	-	-
Total Operating Revenues	21,431	7,644,792	1,568,157	1,333,121
Operating Expenses				
Personnel Services	-	2,022,902	626,296	510,301
Professional Services	-	615,522	764,936	722,652
General Supplies	-	1,030,725	62,121	119,122
Depreciation	-	1,314,579	93,187	83,150
Energy	-	514,794	99,237	120,947
All Other	91,339	694,421	162,286	108,036
Total Operating Expenses	91,339	6,192,943	1,808,063	1,664,208
Operating Income (Loss)	(69,908)	1,451,849	(239,906)	(331,087)
Non-operating Revenues (Expenses)				
Investment Return	1,068,151	1,716,465	187	-
Interest on Bonds & Leases	(823,491)	(922,765)	(7,063)	-
Amortization of Deferred Costs	(54,270)	(56,022)	-	-
Other	-	50,870	-	-
Total Non-op Revenues (Expenses)	190,390	788,548	(6,876)	-
Income (Loss) Before Contributions and Transfers	120,482	2,240,397	(246,782)	(331,087)
Transfers				
Transfers (to) from Brunswick-Glynn JWSC	(45,229)	(42,196,390)	-	-
Transfers in (out)	-	555,227	244,172	350,301
Total Transfers in, (out)	(45,229)	(41,641,163)		
Change in Net Assets	75,253	(39,400,766)	(2,610)	19,214
Net Assets, Beginning of Year, as previously reported	42,002,031	45,215,729	242,120	222,906
Prior period adjustment (Note 20)	(36,187,068)	-	-	-
Net Assets, Beginning of Year, as restated	$ 5,814,963	$ 45,215,729	$ 242,120	$ 242,120
Net Assets, End of Year	$ 5,890,216	$ 5,814,963	$ 239,510	$ 242,120

Fiduciary Fund. The Defined Benefit Pension Plan paid $965,647 in monthly and lump-sum payments to retirees during the plan year. Net assets in the plan decreased by $(54,714) to $7,221,315.

Budgeting. The City adopts an operating budget annually on the NON-GAAP basis with revenue estimates and expenditure limits. The City's General Fund had a negative variance of $(11,339) in the excess of revenues over expenditures compared to budget primarily due to lower actual expenditures for general government, public safety and public works.

General Fund Comparison of Budget to Actual

	2009			2008		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Taxes	$ 14,591,760	$ 14,591,760	$ -	$ 15,709,237	$ 15,108,593	$ (600,644)
Licenses	342,183	342,183	-	385,970	357,655	(28,315)
Fines	602,800	602,800	-	482,067	603,119	121,052
Charges for Services	283,310	283,292	(18)	150,376	237,073	86,697
Sale of Municipal Property	500,000	500,000	-	108,000	167,419	59,419
All Other	598,837	587,516	(11,321)	1,559,776	1,031,059	(528,717)
Total Revenues	16,918,890	16,907,551	(11,339)	18,395,426	17,504,918	(890,508)
EXPENDITURES						
General Government	3,766,047	3,766,047	-	4,132,760	4,081,659	51,101
Judicial	858,031	858,031	-	552,267	278,759	273,508
Public Safety	8,001,199	8,001,199	-	7,741,933	7,342,510	399,423
Public Works	2,821,400	2,821,400	-	3,046,979	2,632,052	414,927
Cemetery	362,266	362,266	-	384,205	365,219	18,986
Cultural & Recreation	1,227,760	1,227,760	-	1,183,541	1,178,175	5,366
Building inspection and planning	181,156	181,156	-	258,053	257,333	720
Economic Development	114,089	114,089	-	120,000	120,000	-
Capital Outlay (in Gen. Gov. 2009)	-	-	-	4,114,750	4,113,138	1,612
Debt Service	2,230,257	2,230,257	-	684,060	586,945	97,115
Total Expenditures	19,562,205	19,562,205	-	22,218,548	20,955,790	1,262,758
Excess of Revenues Over Expenditures	(2,643,315)	(2,654,654)	(11,339)	(3,823,122)	(3,450,872)	372,250
Other Financing Sources (Uses)						
Proceeds from Capital Leases	103,718	-	(103,718)	1,912,859	1,564,628	(348,231)
Transfers (Out)	(767,841)	(787,388)	(19,547)	(2,385,221)	(1,672,984)	712,237
Transfers In	3,307,438	2,252,959	(1,054,479)	4,295,484	1,908,980	(2,386,504)
Total Other Financing (Uses)	2,643,315	1,465,571	(1,177,744)	3,823,122	1,800,624	(2,022,498)
Net Change in Fund Balance	-	(1,189,083)	$ (1,189,083)	-	(1,650,248)	$ (1,650,248)
Fund Balance (deficit), Beginning of Year	(824,555)	1,264,856		(824,555)	2,915,104	
Fund Balance (deficit), End of Year	$ (824,555)	$ 75,773		$ (824,555)	$ 1,264,856	

Capital Asset and Debt Administration

Capital Assets. The City's cost of capital assets for its governmental and business-type activities as of June 30, 2009 amounts to $29,704,190 (net of accumulated depreciation). This represents a decrease of $1,032,577 over the cost (net of accumulated depreciation) as of June 30, 2008. These assets include land, buildings, improvements, and machinery and equipment. Please refer to the Notes to the Financial Statements for additional information.

Long-Term Debt. Long-term debt consisting of bonds, notes payable and capital leases, utility construction contract payable and compensated absences totaled $18,454,201 at June 30, 2009. This is a decrease from the prior year of $3,060,250. This is due primarily to payments on capital leases payment of bond principal. Please refer to the Notes to the Financial Statements for additional information.

Requests for Information

This report is intended to provide a general overview of the City's finances. Questions concerning the information or requests for additional information should be addressed to:

City of Brunswick
Finance Director
P. O. Box 550
Brunswick, GA 31521

BASIC FINANCIAL STATEMENTS

CITY OF BRUNSWICK, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2009

	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	$ 4,194,527	$ 205,412	$ 4,399,939	$ 725
Investments, at fair value	-	6,008,445	6,008,445	-
Accrued interest receivable	-	970	970	-
Receivables, net	2,132,827	585,744	2,718,571	-
Due from other governments	1,198,649	155,902	1,354,551	8,903
Net investment in sales-type leases	-	14,647,431	14,647,431	-
Inventories	-	30,355	30,355	1,894
Prepaid costs	2,250	-	2,250	-
Capital assets				
Land and improvements	4,061,284	-	4,061,284	-
Construction-in-progress	4,222,612	-	4,222,612	-
Other capital assets, net of accumulated depreciation	21,087,923	332,371	21,420,294	-
Deferred loan costs, unamortized portion	-	135,477	135,477	-
Total Assets	$ 36,900,072	$ 22,102,107	$ 59,002,179	$ 11,522
Liabilities				
Accounts payable	$ 428,671	$ 105,131	$ 533,802	$ -
Accrued expenses	339,313	212,126	551,439	12,139
Claims payable	650,580	-	650,580	-
Due to other governments	57,549	-	57,549	-
Payable to fiduciary fund	993,607	187,483	1,181,090	-
Internal balances	(568,921)	568,921	-	-
Deferred revenue	-	67,976	67,976	-
Long-term liabilities				
Due within one year	1,122,628	1,154,135	2,276,763	-
Due in more than one year	2,500,829	13,676,609	16,177,438	-
Total Liabilities	5,524,256	15,972,381	21,496,637	12,139
Net Assets				
Invested in capital assets, and Sales-type lease, net of related debt	26,845,769	151,658	26,997,427	-
Restricted for:				
Capital projects	1,635,120	-	1,635,120	-
Machen Square	55,204	-	55,204	-
Public safety	154,896	-	154,896	-
Unrestricted	2,684,827	5,978,068	8,662,895	(617)
Total Net Assets	31,375,816	6,129,726	37,505,542	(617)
Total Liabilities and Net Assets	$ 36,900,072	$ 22,102,107	$ 59,002,179	$ 11,522

The accompanying notes are an integral part of these financial statements.

CITY OF BRUNSWICK, GEORGIA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Primary Government:								
Governmental Activities:								
General government	(3,816,719)	$ 207,280	$ 189,115	$ -	$ (3,420,324)	$ -	$ (3,420,324)	$ -
Judicial	(852,473)	602,800	-	-	(249,673)	-	(249,673)	-
Public safety	(8,676,124)	-	408,188	-	(8,267,936)	-	(8,267,936)	-
Public works	(3,207,038)	-	104,568	-	(3,102,470)	-	(3,102,470)	-
Culture and recreation	(1,418,458)	53,710	-	-	(1,364,748)	-	(1,364,748)	-
Cemetery	(325,185)	-	-	-	(325,185)	-	(325,185)	-
Community development	(1,460,778)	483,558	744,077	-	(233,143)	-	(233,143)	-
Economic development-component unit	(114,089)	-	-	-	(114,089)	-	(114,089)	-
Interest on long-term debt	(128,513)	-	-	-	(128,513)	-	(128,513)	-
Total Governmental Activities	(19,999,377)	1,347,348	1,445,948	-	(17,206,081)	-	(17,206,081)	-
Business-type activities								
Water/Wastewater	(969,100)	21,431	-	-	-	(947,669)	(947,669)	-
Sanitation	(1,815,126)	1,568,157	-	-	-	(246,969)	(246,969)	-
Total Business-Type Activities	(2,784,226)	1,589,588	-	-	-	(1,194,638)	(1,194,638)	-
Total primary government	$ (22,783,603)	$ 2,936,936	$ 1,445,948	$ -	(17,206,081)	(1,194,638)	(18,400,719)	-
Component Unit								
Downtown Development Authority	$ (170,833)	$ 28,592	$ 130,501	$ -				$ (11,740)

CITY OF BRUNSWICK, GEORGIA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

	Net (Expense) Revenue and Changes in Net Assets			
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
Totals from previous page	$ (17,206,081)	$ (1,194,638)	$ (18,400,719)	$ (11,740)
General Revenues:				
Taxes:				
Property taxes levied for general purposes	4,809,870	-	4,809,870	$ -
Franchise taxes	1,451,384	-	1,451,384	-
Local option sales tax	8,249,984	-	8,249,984	-
Selective sales and use tax	1,428,702	-	1,428,702	-
Restricted investment earnings	-	237,930	237,930	-
Unrestricted investment earnings	48,618	830,408	879,026	9
Payments from Brunswick - Glynn County JWSC	-	(45,229)	(45,229)	-
Miscellaneous	49,470	-	49,470	-
Sale of property	500,000	-	500,000	-
Total General Revenues	16,538,028	1,023,109	17,561,137	9
Transfers in (out)	(244,172)	244,172	-	-
Total Transfers	(244,172)	244,172	-	9
Change in Net Assets	(912,225)	72,643	(839,582)	(11,731)
Net Assets, Beginning of Year, as previously reported	30,393,167	42,244,151	72,637,318	11,114
Prior period adjustment (Note 20)	1,894,874	(36,187,068)	(34,292,194)	-
Net Assets, beginning of year, as restated	32,288,041	6,057,083	38,345,124	11,114
Net Assets, End of Year	$ 31,375,816	$ 6,129,726	$ 37,505,542	$ (617)

The accompanying notes are an integral part of these financial statements.

CITY OF BRUNSWICK, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	General Fund	Community Development Fund	SPLOST Funds	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 740,683	$ 1,382,900	$ 1,763,959	$ 286,985	$ 4,174,527
Receivables, net	760,773	2,859,138	-	-	3,619,911
Due from other governments	1,179,538	-	-	19,111	1,198,649
Due from other funds	507,574	70,914	31,466	3,596	613,550
Total Assets	$ 3,188,568	$ 4,312,952	$ 1,795,425	$ 309,692	$ 9,606,637
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 270,314	$ 5,453	$ 136,805	$ 16,102	$ 428,674
Accrued expenses	316,887	17,346	-	5,080	339,313
Due to other funds	1,058,900	53,361	-	135,119	1,247,380
Due to other governments	34,049	-	23,500	-	57,549
Due to Fiduciary Fund	932,592	45,261	-	15,754	993,607
Deferred revenue	500,053	2,580,405	-	971	3,081,429
Total Liabilities	3,112,795	2,701,826	160,305	173,026	6,147,952
Fund balances:					
Reserved for:					
Completion of projects	-	-	1,635,120	-	1,635,120
Public safety	-	-	-	154,896	154,896
Machen Square	55,204	-	-	-	55,204
Unreserved	20,569	1,611,126	-	-	1,631,695
Unreserved, reported in non-major					
Special revenue funds	-	-	-	(18,230)	(18,230)
Total Fund Balances	75,773	1,611,126	1,635,120	136,666	3,458,685
Total Liabilities and Fund Balances	$ 3,188,568	$ 4,312,952	$ 1,795,425	$ 309,692	$ 9,606,637

The accompanying notes are an integral part of these financial statements.

CITY OF BRUNSWICK, GEORGIA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSSETS
For the Fiscal Year Ended June 30, 2009

Total Fund Balances - Governmental Funds		$	3,458,685
Amounts reported for governmental activities in the statement of net assets are different because:			
Because some billed property taxes and other receivables are unlikely to be collected by the City, they are considered "uncollectible," and an allowance has been made in the statement of net assets for the estimated amount of billed receivables that are considered uncollectible and a discount to present value of certain non-interest bearing long-term receivables			(1,487,084)
Because some property taxes and other receivables will not be collected within sixty days after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are instead, classified as deferred tax revenues. They are however, recorded as revenues in the statement of activities			3,081,431
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds			
Cost of the assets	38,133,598		
Less accumulated depreciation	(8,761,779)		29,371,819
An internal service fund is used by the City's management to charge the cost of group health and workers' compensation to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities			
Group health fund (deficit)	362,428		
Workers compensation fund	211,994		574,422
Long-term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the governmental funds.			(3,623,457)
Total Net Assets - Governmental Activities		$	31,375,816

The accompanying notes are an integral part of these financial statements.

CITY OF BRUNSWICK, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009

	General Fund	Community Development Fund	SPLOST Funds	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property taxes	$ 4,870,321	$ -	$ -	$ -	$ 4,870,321
Franchise taxes	1,451,384	-	-	-	1,451,384
Local option sales tax	6,841,353	-	1,408,631	-	8,249,984
Selective sales and use taxes	1,428,702	-	-	-	1,428,702
Licenses and permits	342,183	-	-	-	342,183
Fines, forfeitures and penalties	602,800	-	-	-	602,800
Intergovernmental revenues	455,501	-	-	-	455,501
Collections on loans	-	243,112	-	-	243,112
Grant revenues	-	615,315	-	286,853	902,168
Charges for services and assessments	283,292	-	-	53,710	337,002
Unrestricted investment earnings	8,394	12,882	23,880	1,890	47,046
Rental income	31,054	-	-	-	31,054
Miscellaneous and sale of property	592,567	-	-	53,933	646,500
Total Revenues	16,907,551	871,309	1,432,511	396,386	19,607,757
EXPENDITURES					
Current:					
General government	3,947,203	-	1	-	3,947,204
Judicial	858,031	-	-	-	858,031
Public safety	8,001,199	-	-	328,975	8,330,174
Public works	2,821,400	-	-	-	2,821,400
Culture and recreation	1,227,760	-	-	-	1,227,760
Cemetery	362,266	-	-	-	362,266
Community development	-	1,121,296	-	306,418	1,427,714
Economic Development	114,089	-	-	-	114,089
Debt-service					
Principal	2,101,744	-	-	-	2,101,744
Interest	128,513	-	-	-	128,513
Capital outlay					
Public safety	-	-	300,800	62,655	363,455
Public works	-	-	1,435,287	-	1,435,287
Total Expenditures	19,562,205	1,121,296	1,736,088	698,048	23,117,637
Excess (Deficiency) of Revenues Over Expenditures	(2,654,654)	(249,987)	(303,577)	(301,662)	(3,509,880)

CITY OF BRUNSWICK, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009

	General Fund	Community Development Fund	SPLOST Funds	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)					
Transfers in	2,252,959	192,904	-	435,311	2,881,174
Transfers (out)	(787,387)	(280,019)	(2,057,940)	-	(3,125,346)
Total Other Financing Sources (Uses)	1,465,572	(87,115)	(2,057,940)	435,311	(244,172)
Net Change in Fund Balances	(1,189,082)	(337,102)	(2,361,517)	133,649	(3,754,052)
Fund Balances, Beginning of Year	1,264,855	1,948,228	3,996,637	3,017	7,212,737
Fund Balances, End of Year	$ 75,773	$ 1,611,126	$ 1,635,120	$ 136,666	$ 3,458,685

The accompanying notes are an integral part of these financial statements.

CITY OF BRUNSWICK, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

Net Change in Fund Balances - Governmental Funds		$	(3,754,052)
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays in governmental funds are reported as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlays and depreciation expense for the current year is as follows:			
Capital outlays	2,505,776		
Depreciation expense	(1,381,885)		1,123,891
Long-term debt transactions are other financing sources or expenditures in the governmental funds, but these transactions do not affect the statement of net assets. Long-term debt transactions during the current year are as follows:			
Lease obligations repaid	2,101,744		2,101,744
Because some revenues will not be collected within sixty days after the City's year-end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues reconciliation to a government-wide basis is reported as shown.			(263,612)
Some items reported in the statement of activities do not require (provide) current financial resources and therefore are not reported as expenditures (reduction in expenditures) in Governmental Funds. These activities consist of:			
Decrease in discount to present value of long-term receivables	439,882		
Increase in compensated allowances	(112,402)		
Other	2		327,482
An internal service fund is used by the City's management to charge the costs of group health and worker's compensation to the individual funds. The net revenue of the internal service funds is reported with governmental activities			(447,678)
Change in Net Assets-Governmental Activities		$	(912,225)

The accompanying notes are an integral part of these financial statements.

CITY OF BRUNSWICK, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

	Enterprise Funds			Internal Service Funds
	Water/Waste-Water System	Sanitation	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 179,108	$ 26,304	$ 205,412	$ 20,000
Accounts receivable, net	-	585,744	585,744	-
Leases receivable - current	1,042,431	-	1,042,431	-
Claims reimbursement receivable	-	-	-	2,250
Due from other governments	155,902	-	155,902	
Due from other funds	-	16,122	16,122	1,357,752
Inventories	-	30,355	30,355	-
Total current assets	1,377,441	658,525	2,035,966	1,380,002
Non-current assets				
Investments, at fair value	6,008,445	-	6,008,445	-
Accrued interest receivable	970	-	970	-
Leases receivable - non-current	13,605,000	-	13,605,000	-
Property, plant and equipment, net				
Land	-	-	-	-
Buildings,wells, mains, machinery and equipment	-	1,381,440	1,381,440	-
Less accumulated depreciation	-	(1,049,069)	(1,049,069)	-
Deferred loan costs, unamortized portion	135,477	-	135,477	-
Total non-current assets	19,749,892	332,371	20,082,263	-
Total Assets	$ 21,127,333	$ 990,896	$ 22,118,229	$ 1,380,002
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Accounts payable	$ 33,680	$ 71,451	$ 105,131	$ -
Accrued and other liabilities	-	7,730	7,730	-
Due to other funds	269,556	315,488	585,044	155,000
Due to Fiduciary Fund	134,665	52,818	187,483	-
Bonds payable	1,055,000	-	1,055,000	-
Accrued interest payable	204,395	-	204,395	-
Capital leases payable - current	-	99,135	99,135	-
Claims payable	-	-	-	650,580
Deferred revenue	67,976	-	67,976	-
Total Current Liabilities	1,765,272	546,622	2,311,894	805,580

CITY OF BRUNSWICK, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

	Enterprise Funds			Internal Service Funds
	Water/Waste-Water System	Sanitation	Total	
Non-current liabilities				
Bonds payable, net of unamortized discount and deferred refunding loss	13,471,845	-	13,471,845	-
Capital lease payable	-	202,164	202,164	-
Customer deposits payable	-	2,600	2,600	-
Total Non-Current Liabilities	13,471,845	204,764	13,676,609	-
NET ASSETS				
Invested in capital assets and Sales-type lease, net of related debt	120,586	31,072	151,658	-
Unrestricted	5,769,630	208,438	5,978,068	574,422
Total Net Assets	5,890,216	239,510	6,129,726	574,422
Total Liabilities and Net Assets	$ 21,127,333	$ 990,896	$ 22,118,229	$ 1,380,002

The accompanying notes are an integral part of these financial statements.

CITY OF BRUNSWICK, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Fiscal Year Ended June 30, 2009

	Enterprise Funds			Internal Service Funds
	Water/Waste-Water System	Sanitation	Total	
OPERATING REVENUES				
Water Sales	$ -	$ -	$ -	$ -
Sewer charges				
Residential and commercial	-	-	-	-
Industrial	-	-	-	-
Taps, fees and rents	10	-	10	-
Sanitation fees	-	1,568,157	1,568,157	-
Contributions-employer	-	-	-	1,256,704
Contributions-employees	-	-	-	269,560
Miscellaneous income	21,421	-	21,421	245,200
Total Operating Revenues	21,431	1,568,157	1,589,588	1,771,464
OPERATING EXPENSES				
Personnel services - salaries and wages	-	455,410	455,410	-
Personnel services - employee benefits	-	170,886	170,886	-
Professional/Technical services	-	764,936	764,936	-
Repairs and maintenance	-	73,118	73,118	-
Insurance	33,680	23,310	56,990	-
Communications	-	2,475	2,475	-
Travel	-	199	199	-
Education and training	-	1,540	1,540	-
Contractual and other expenses	-	-	-	233,009
General Supplies	-	62,121	62,121	-
Energy	-	99,237	99,237	-
Provision for bad debts	-	53,608	53,608	-
Depreciation	-	93,187	93,187	-
Administrative expense	57,659	8,036	65,695	42,732
Claims	-	-	-	1,944,973
Total Operating Expenses	91,339	1,808,063	1,899,402	2,220,714
Operating Income (Loss)	(69,908)	(239,906)	(309,814)	(449,250)

CITY OF BRUNSWICK, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Fiscal Year Ended June 30, 2009

	Enterprise Funds			Internal Service Funds
	Water/Waste-Water System	Sanitation	Total	
NON-OPERATING REVENUES (EXPENSES)				
Investment return	1,068,151	187	1,068,338	1,572
Interest on bonds and leases	(823,491)	(7,063)	(830,554)	-
Amortization of deferred costs	(54,270)	-	(54,270)	-
Payments (to) Brunswick - Glynn County JWSC	(45,229)	-	(45,229)	-
Total Non-Operating Revenues (Expenses)	145,161	(6,876)	138,285	1,572
Income (Loss) Before Transfers	75,253	(246,782)	(171,529)	(447,678)
Transfers in, (out)	-	244,172	244,172	-
Total Transfers In (out)	-	244,172	244,172	-
Change In Net Assets	75,253	(2,610)	72,643	(447,678)
Net Assets, Beginning of Year, as previously reported	42,002,031	242,120	42,244,151	1,022,100
Prior period adjustments (Note 19)	(36,187,068)	-	(36,187,068)	-
Net Assets, Beginning of Year, as restated	5,814,963	242,120	6,057,083	1,022,100
Net Assets, End of Year	$ 5,890,216	$ 239,510	$ 6,129,726	$ 574,422

The accompanying notes are an integral part of these financial statements.

CITY OF BRUNSWICK, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2009

	Enterprise Funds			Internal Service Funds
	Water/Waste-Water System	Sanitation	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Fees and rents	$ 10	$ 1,199,441	$ 1,199,451	$ -
Grants and other sources	-	-	-	-
Employee salaries and benefits	-	(626,913)	(626,913)	-
Payments to suppliers	-	(977,891)	(977,891)	-
Administrative expenses	(106,570)	(8,036)	(114,606)	(275,741)
Receipts for services	-	-	-	1,256,704
Contributions from employees	-	-	-	269,560
Other	21,421	(199)	21,222	-
Reimbursements	-	-	-	245,200
Payments of claims	-	-	-	(1,776,946)
Net Cash Provided (Used) by Operating Activities	(85,139)	(413,598)	(498,737)	(281,223)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Customer deposits, net increase (decrease)	-	(2,296)	(2,296)	-
Payments (to) from Brunswick - Glynn JWSC	425,125	-	425,125	-
Transfers	-	244,172	244,172	-
Other	75,585	(1,874)	73,711	-
Borrowings from other funds	-	301,015	301,015	155,000
Net Cash Provided (Used) by Non-Capital Financing Activities	500,710	541,017	1,041,727	155,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
(Increase) decrease in sales-type leases	573,565	-	573,565	-
Payments on capital leases	-	(99,135)	(99,135)	-
Payment of bond principal	(1,000,000)	-	(1,000,000)	-
Interest paid	(817,580)	(7,063)	(824,643)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,244,015)	(106,198)	(1,350,213)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	991,377	187	991,564	1,571
(Increase)/Decrease in investments	(145,477)	-	(145,477)	-
Net Cash Provided (Used) by Investing Activities	845,900	187	846,087	1,571
Net Increase (Decrease) in Cash and Cash Equivalents	17,456	21,408	38,864	(124,652)
Cash and Cash Equivalents, Beginning of Year	161,652	4,896	166,548	144,651
Cash and Cash Equivalents, End of Year	$ 179,108	$ 26,304	$ 205,412	$ 19,999

The accompanying notes are an integral part of these financial statements.

CITY OF BRUNSWICK, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2009

	Enterprise Funds			Internal Service Funds
	Water/Waste-Water System	Sanitation	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ (69,908)	$ (239,906)	$ (309,814)	$ (449,250)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	-	93,187	93,187	-
Provision for doubtful accounts	-	53,608	53,608	-
Change in assets and liabilities				
(Increase) decrease in assets				
Receivables	-	(368,716)	(368,716)	-
Inventories	-	(22,605)	(22,605)	-
Other Assets	25,234	-	25,234	-
Increase (decrease) in liabilities				
Accounts Payable	(15,234)	71,451	56,217	-
Accrued interest payable	(12,641)	-	(12,641)	-
Accrued and other liabilities	-	(617)	(617)	168,027
Deferred Revenue	(12,590)	-	(12,590)	-
Net Cash Provided (Used) By Operating Activities	$ (85,139)	$ (413,598)	$ (498,737)	$ (281,223)
NONCASH TRANSACTIONS				
Amortization of Deferred Loss on Refunding	$ 30,524			
Amortization of Bond Issuance Costs	17,264			
Amortization of deferred legal fees	6,482			
Net change in Net Assets from noncash transactions	(54,270)			
NET EFFECT OF NONCASH TRANSACTIONS	$ -			

The accompanying notes are an integral part of these financial statements.

CITY OF BRUNSWICK, GEORGIA
STATEMENT OF FIDUCIARY NET ASSETS
DEFINED BENEFIT PENSION PLAN
June 30, 2009

ASSETS	
Cash and cash equivalents	$ 1,848,863
Receivables:	
Due From General Fund	932,592
Due from Community Development Fund	45,261
Due from Multi-Purpose Center Fund	15,754
Due From Water-Wastewater Fund	134,665
Due from Sanitation Fund	52,818
Interest and dividends	17,230
Total Receivables	1,198,320
Investments, at fair value:	
U. S. Government obligations	97,397
Corporate bonds	1,342,547
Equities	2,734,188
Total Investments	4,174,132
Total Assets	$ 7,221,315
LIABILITIES	
Accounts payable	$ -
NET ASSETS	
Held in trust for pension benefits (See Footnote 7 for a schedule of funding progress)	7,221,315
Total Liabilities and Net Assets	$ 7,221,315

The accompanying notes are an integral part of these financial statements.

CITY OF BRUNSWICK, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
DEFINED BENEFIT PENSION PLAN
June 30, 2009

ADDITIONS:		
Contributions:		
Employer	$	1,481,291
Investment income:		
Interest and dividends		153,462
Net appreciation (depreciation) in fair value of plan investments		(656,992)
Net Investment Earnings		(503,530)
Total Additions		977,761
DEDUCTIONS:		
Pension benefits paid		965,647
Contractual and administrative expenses		66,828
Total Deductions		1,032,475
Net increase (decrease) in plan net assets		(54,714)
Net Assets, Beginning of Year		7,276,029
Net Assets, End of Year	$	7,221,315

The accompanying notes are an integral part of these financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting principles of the City of Brunswick, Georgia ("City") conform to generally accepted accounting principles (GAAP) as prescribed by both, the Governmental Accounting Standards Board ("GASB"); and the Financial Accounting Standards Board (FASB) pronouncements only issued on or before November 30, 1989. The City has not implemented private sector (FASB) guidance issued after that date.

The accompanying summary of the City's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying financial statements.

A. The Reporting Entity

The primary government, (the City) has one component unit as described below.

Primary Government

The City was incorporated by an Act of the General Assembly of Georgia. The City is governed by an elected mayor and a five-member commission with daily operations managed by an appointed city manager. The following services are provided by the City - general administrative services, public safety (police, fire and inspections), public works (streets, sanitation), culture and recreation, and community development.

Discretely Presented Component Unit

Downtown Development Authority - The Authority was established by an Act of the General Assembly of Georgia. The Authority consists of seven members, all of whom are appointed by the City of Brunswick and charged with the development and improvement of the City's downtown-area. Therefore the City has concluded that in accordance with GASB No. 14, the Downtown Development Authority should be presented as a discrete component unit. The Downtown Development Authority does not issue separate financial statements.

Related Organizations

The City's Board of Commissioners is responsible for appointing all five, (thus a voting majority) of the members of the City of Brunswick Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. The City has no control over the Housing Authority's budgets, fee structure, management or other powers of its governing authority. Complete financial statements can be obtained from its administrative offices at 1126 Albany Street, Brunswick, Georgia.

Joint Ventures

The City is a participant with Glynn County, Georgia, in a joint venture to provide hospital-related health care to its citizens and the citizens of nearby counties. The Glynn-Brunswick Memorial Hospital Authority was created pursuant to the provisions of the Hospital Authority Law of the State of Georgia and a joint resolution of the respective Boards of Commissioners of the City and County. The Authority appoints its governing board from lists provided equally by the City and County. The City has no ongoing financial interest in or responsibility for the Authority. Complete financial statements can be obtained from its administrative offices at 2415 Parkwood Drive, Brunswick, Georgia.

The City is also a participant with Glynn County, Georgia for the purpose of developing, promoting and expanding economic development through the Brunswick and Glynn County Development Authority. The Authority was created by an act of the General Assembly of the State of Georgia. Authority board members are appointed by joint resolution of the Boards of Commissioners of the

City and County. The City has no ongoing financial interest in or responsibility for the Authority. Complete financial statements can be obtained from its administrative offices at 4 Glynn Avenue, Brunswick, Georgia.

The City, in conjunction with cities and counties in the ten (10) county Coastal Georgia area are members of the Coastal Georgia Regional Development Center (RDC). Membership in an RDC is automatic for each municipality and county in the state. The official Code of Georgia, Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The city paid annual dues in the amount of $25,616 to the RDC for the year ended June 30, 2009. The RDC Board membership consists of members from the respective cities and counties that comprise the RDC, including at least one elected municipal government official from each county and at least one elected county government official from each county. The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDCs as "public agencies and instrumentalities of their members". Georgia laws also provides that the member governments are liable for any debts or obligations of an RDC beyond its resources (O.C.G.A. 50-8-39.1). Complete financial statements for Coastal Georgia RDC can be obtained from the RDC office at 127 F Street, P. O. Box 1917, Brunswick, Georgia 31521. The City of Brunswick has a cost-reimbursement contract with Coastal Georgia RDC to administer Special Programs for the Aging (Title III). The City received $133,943 under this cost-reimbursement contract during the year ended June 30, 2009.

Jointly-Governed Organizations

The City, in conjunction with Glynn County, Georgia, the Glynn County Board of Education and other counties and municipalities in the Coastal Georgia Region, has created the following entities:

Glynn-Brunswick Regional Library - The City appoints five of the eighteen Board members. The State of Georgia provides 60% of the library's funding. The City's portion of the remaining 40% of local support totaled $50,000 for the year ended June 30, 2009.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Expenses reported for functional activities include allocated indirect expenses. It is the City's policy to report interest expense of governmental activities as a separate line item in the statement of activities and no interest expense is included as a part of direct program costs. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Accounting Principle Mandate

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*". This Statement establishes new financial reporting requirements for state and local governments. Its implementation requires new information and restructures much of the information that governments have presented in the past. The GASB's intent is to make annual reports more comprehensive and understandable.

GASB Statement No. 34 became applicable to cities of the size of Brunswick during the fiscal year ending June 30, 2003. A number of significant changes mandated by GASB Statement No. 34 were reflected for the first time in the financial statements for the year ended June 30, 2003. Among these were the presentation of government-wide financial statements on the full-accrual basis of accounting; recognition of investment in capital assets (excluding infrastructure assets until the year ended June 30, 2007) and depreciation thereon; recognition of all liabilities, either short-term or long-term; presentation of fund-level financial statements on the modified-accrual basis of accounting, and their reconciliation to the government-wide financial statements. Other important changes are the requirement to present originally adopted budgets as well as comparison of the final amended budgets to actual revenues and expenditures, and Management's responsibility to comment upon and explain various financial and operational issues in Management's Discussion and Analysis.

GASB 34 requires the City to account for and record its infrastructure assets for the year ending June 30, 2007. Retroactive capitalization of infrastructure assets back to June 30, 1980 has not taken place but prospective capitalization of infrastructure began on July 1, 2002. Retroactive capitalization of infrastructure assets did not take place on July 1, 2006 as required by GASB 34.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The fiduciary fund reports contributions on the accrual basis, and benefits and refunds when paid. Accordingly, all of the City's assets, including capital assets (but excluding infrastructure assets until the year ended June 30, 2010) and liabilities, including long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the City considers revenues to be available if they are collected within 60 days after 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.

Property taxes, franchise taxes, charges for services, investment earnings, and special assessments are considered available and therefore recognized as revenues, if collected within 60 days after the close of the fiscal year. Intergovernmental revenues due as reimbursement for specific purposes or projects are recognized when the expenditure is recorded. Intergovernmental revenues received but not earned are recorded as deferred revenues. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund
This is the City's principal fund and accounts for all activities not otherwise reported in other funds.

Special Revenue Fund – Community Development Fund
This fund accounts for the collections and disbursement of monies received under Title I of the Housing and Community Development Act of 1974.

Capital Projects Fund (SPLOST IV and V Funds)
The Capital Projects Fund accounts for capital improvements (except for those financed through Proprietary Funds) which are financed from the City's General Obligation Debt, certain Federal Grants, Special Purpose Local Option Sales Taxes and other City Funds. Capital Projects expenditures from approved SPLOST funds for Proprietary Fund projects are allocated to that fund by transfers from the Capital Projects Fund to the appropriate Proprietary Fund.

Other Nonmajor Funds Aggregated
All other nonmajor governmental funds are aggregated into one column in the governmental fund presentation, and are found in the Combining Nonmajor Fund Financial Statements. These funds are listed below:

Multi-Purpose Center Fund
Police Seizure Fund
E-911 Fund
Hotel/Motel Tax Fund
Sidney Lanier Park Fund
City Pier Fund

Proprietary Funds
Proprietary Funds account for operations that are financed and operated in a manner similar to private business enterprise—where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of revenue bonds, Federal Grants, and other City funds.

The City reports the following proprietary funds all of which are considered major funds:

Enterprise Funds
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 City's enterprise funds and of the City's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Water/Wastewater Fund — to finance and account for the cost of providing water/wastewater services to the residents and businesses of the City and certain areas of the County. The assets, liabilities and operations of the fund were transferred to the Brunswick – Glynn County Joint Water & Sewer Commission (JWSC) as of January 1, 2008 under a "Lease and Transfer Agreement" dated October 17, 2007. (Also see Note 5 on page 42).

Sanitation Fund — to finance and account for the cost of providing both residential and commercial garbage pick-up to the residents and businesses of the City.

Internal Service Funds
These funds are used to account for the financing of goods or services provided by one department to other departments of the City. These goods or services are provided on a cost reimbursement basis.

Group Health Fund — accounts for transactions related to the provision of health care benefits for employees of the City.

Workers' Compensation Fund — accounts for the transactions related to the workers' compensation claims incurred on behalf of City employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow private-sector guidance subsequent to December 1, 1989.

The City defines operating revenues and expenses in the proprietary funds using the criteria established for identifying cash flows from operations. Revenues from the sale of goods or services (including goods or services sold to internal customers) as well as from the sale of permits are considered operating revenues. Expenses incurred to purchase labor, operating supplies and services, as well as depreciation, are classified as operating expenses.

In previous years the City reported one permanent fund, the Cemetery Trust Fund. This fund was dissolved by resolution of the City Commission on June 6, 2007.

The City reports the following Fiduciary Fund:

Defined Benefit Pension Plan — to account for the assets and funding of retirement benefits to which employees are entitled.

Flow Assumption for Restricted Resources
When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Budgets and Budgetary Accounting
State law requires that the City adopt by ordinance or resolution, an annual balanced budget for its upcoming fiscal year (June 30). A budget is balanced when the sum of estimated net revenues and unreserved/unappropriated fund balance is equal to appropriations. Budgetary control over expenditures is exercised by the City at the departmental level for all governmental funds. Appropriations lapse at year-end. The Board of Commissioners has the authority to amend its budget as follows:

1. Any increase in appropriation in any fund for a department, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the Board of Commissioners.
2. Transfers of appropriations in any fund among the various accounts within a department shall require only the approval of the budget officer, except that transfers of appropriations within a department which increases the salary appropriation shall require the approval of the Board of Commissioners.

Budgets are adopted for the General Fund, Community Development Fund, SPLOST funds and non-major governmental funds on the cash basis method of accounting, which is different from the modified accrual accounting basis used to present the fund-level financial statements. Budgets for non-major governmental funds are not required by generally accepted accounting principles; however, Georgia Budget Statutes require budgets to be presented for non-major governmental funds.

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the budget basis (cash basis) are presented in the Notes to the Required Supplementary Information.

F. Cash and Cash Equivalents

The City considers all highly liquid short-term investments with a maturity of three months or less, including those classified as restricted assets, to be cash equivalents.

G. Investments

Investments are stated at fair market value. Securities traded on public exchanges are valued at the last reported sales price at current exchange rates as of June 30, 2009.

H. Receivables

Revenues are generally recorded when received, as opposed to when earned, except for the following items for which receivables have been recorded:

1. Taxes Receivable which includes:
   a. Property taxes which represent uncollected tax levies. An allowance for uncollectible taxes is provided based upon an analysis of historical trends. The taxes receivable have been reported net of these allowances.
   b. Sales taxes, franchise taxes, and public utilities assessments receivable, are recorded as revenue when they become both measurable and available for collection within the current period, which is not later than 60 days past year-end. The amount that has been earned, but not available, is recognized as deferred revenue.

2. Accounts Receivable which includes:
   a. Services performed by various departments are recognized as revenue when they are measurable and assumed collectible within the current paying cycle of the City (60 days). That which is earned, but not collectible within the current paying cycle, is recognized as deferred revenue. Accounts Receivable - Sanitation charges are recognized when earned, with an allowance for uncollectible accounts recorded against the receivables.
   b. Unbilled Services Receivable within the City's Enterprise Funds represents an estimated amount for services rendered but not yet billed as of the close of June 30, 2009.

3. Loans to Commercial Enterprises - the amount owed to the City from loans made to commercial enterprises from Urban Development Action Grant funds.

4. Second Mortgages Receivable - the amount owed to the City from loans made to homeowners from Community Development Block Grant funds.

I. Due from Other Governments and Agencies

Due from other governments includes amounts from grantors for grants for specific programs and capital projects. Program grants and capital grants for governmental fixed assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenue received in advance of project costs being incurred is deferred. Capital grants for fixed asset additions in the Proprietary Funds are recorded as receivables and corresponding non-operating revenue from contributions when reimbursable project costs are incurred.

J. Due from and Due to Other Funds

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debts. To the extent that certain transactions between funds had not been paid or received as of June 30, 2009, balances of interfund amounts receivable or payable have been recorded. To the extent that these balances are between Governmental Funds, they have been eliminated on the statement of net assets.

K. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories are accounted for using the consumption method. 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.

L. Restricted Assets

Certain proceeds of the City's Water/Wastewater bonds, as well as funds set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants.

M. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's policy sets the capitalization threshold for recording capital assets at $5,000. All purchased capital assets are recorded at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair market value on the date received.

Expenditures for maintenance and repairs which do not add to the value of the assets or materially extend their lives are expensed when incurred. However, expenditures for repairs and upgrading which do materially add to the value or life of an asset are capitalized.

Depreciation is provided on the straight-line basis over the estimated useful lives. The estimated useful lives are as follows:

Assets	Life - Years
Buildings	50
Machinery and Equipment	05-20
Vehicles	05-20
Water System	15-50
Sewer System	15-50

N. Bond Discounts and Issuance Costs

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

O. Compensated Absences

It is the City's policy to permit employees to accumulate 50 days of vacation benefits, which can be taken either through time off or as pay upon termination. Additionally, employees can accrue sick leave which can be taken only due to personal illness, or the death or critical illness of an immediate family member. In governmental funds, the cost of compensated absences is recognized when payments are made to employees. In proprietary funds, the liability and associated costs are recognized as accrued and earned. The liability for compensated absences as of June 30, 2009 has been recorded in the government-wide statements representing the City's commitment to fund such costs from future operations.

P. Long-Term Obligations

Long-term liabilities used to finance proprietary fund operations are paid from revenue of the proprietary funds are recorded in the respective fund. Principal payments reduce the liability and interest is recorded as an expense.

Q. Pension Plan

Annual costs of the pension plan are actuarially computed and include amortization of past service costs over a period of 30 years. The City's policy is to fund the annual pension costs in the annual budget.

R. Deferred Revenue

Deferred revenue recognition is required where asset recognition criteria has been met, but for which revenue recognition criteria (collected with 60 days after year-end) has not been met. Such amounts have been deemed to be measurable but not available.

S. Fund Equity

Government-Wide/Proprietary Presentation

"Invested in capital assets, net of related debt" measures the entity's value of sales-type lease receivable of capital assets, the cost of capital assets, less accumulated depreciation and outstanding debt related to

asset acquisition. Restricted net assets indicates the amount of funds subject to restrictions, either externally or internally-imposed, and beyond the government's control.

Governmental Funds
Reserved/Unreserved Fund Balance - A reservation of fund balance indicates that a portion of the fund equity is not available for spending in the subsequent year's budget, or has been legally segregated for specific purposes.

Designated/Undesignated Fund Balance - A designation of fund balance indicates a portion of fund equity for which the City has made tentative plans. Undesignated indicates funds available for budgeting in future periods.

Fund Balance Deficits
The following funds had deficits at June 30, 2009:

The City Pier Fund had a deficit fund balance of $12,245 due to the excess of expenditures over revenues and other financing sources in prior years.

The Multi-Purpose Fund had a deficit fund balance of $53,786 due to the excess of expenditures over revenues.

The City is evaluating these negative fund balances and anticipates increasing revenue and cost controls to manage these fund operations.

T. Estimates
Preparing the City's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about unsettled transactions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results upon settlement could differ from those estimates but are not expected to be material.

NOTE 2. DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Collateralization of Deposits
The Official Code of Georgia Annotated (O.C.G.A.), Section 45-8-12 provides that there shall not be on deposit at any time in any one depository for a time longer than ten days, a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. 45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall not be less than 110 percent of the daily pool balance. O.C.G.A. Section 45-8-11(b) provides that an officer holding public funds may, at his/her discretion, waive the requirements in the case of operating funds placed in demand deposit checking accounts.

Acceptable security for deposits consists of any one of or any combination of the following:

1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
2. Insurance on accounts provided by the Federal Deposit Insurance Corporation,

3. Bonds, bills, notes, certificates of indebtedness or other obligations of the United States or of the State of Georgia,
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia, and Bonds of any public authority created by laws of the State of Georgia, provided that the statute that created the authority authorized the use of the bonds for this purpose,
5. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government which are fully guaranteed by the United States government both as to principal and interest; or debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

As of June 30, 2009, the City's bank depositories reported government-wide balances held of $4,602,180 and $725 for the Component Unit. These amounts are reconciled to the financial statements as shown below:

	Governmental Activities	Business-Type Activities	Total	Component Unit
Reported Bank Balances	$ 4,366,242	$ 235,938	$ 4,602,180	$ 725
Plus Petty cash	3,378	-	3,378	-
Less Uncleared transactions	(175,093)	(30,526)	(205,619)	-
Financial statement balance	$ 4,194,527	$ 205,412	$ 4,399,939	$ 725

The amounts of the total bank deposits are classified into three categories of credit risk:

Category 1 – Cash that is insured (e.g., federal depository insurance) or collateralized with securities held by the City or by the City's agent in the City's name.

Category 2 – Cash collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 – Uncollateralized deposits. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name.

The City's deposits, before deductions for outstanding and uncleared items, are classified by risk category at June 30, 2009, as follows:

	Category 1	2	3	Total
Primary Government	$ 4,602,180	$ -	$ -	$ 4,602,180
Component Unit	725	-	-	725
	$ 4,602,905	$ -	$ -	$ 4,602,905

Under the FDIC Transaction Account Guarantee Program, effective through June 30, 2010, all the City deposits are covered by FDIC insurance. In addition the City's deposits are collateralized by securities held by the financial institutions of 110% of the deposits on hand.

B. Investments

The City is authorized to make direct investments in securities of the U.S. government, federal agencies and instrumentalities of the State of Georgia. The City may also invest in obligations of any corporation of the U.S. government, prime bankers' acceptances, the local government investment pool established by Georgia state law, repurchase agreements, and obligations of other political subdivisions of the State of Georgia.

Investments of cities and other state or local governments are classified into three categories to give an indication of the level of credit risk assumed by the entity at year-end.

- Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.
- Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party's trust department or agent in the City's name.
- Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party, or by its trust department or agent but not in the City's name.

	Category			
	1	2	3	Carrying Amount
U.S. Government Securities	6,105,842	$ -	$ -	$ 6,105,842
Equities	2,734,188	-	-	2,734,188
Other Investments	1,342,547	-	-	1,342,547
Total Investments	$ 10,182,577	$ -	$ -	$ 10,182,577
Investments Reported in:				
Government-Wide Statement of Net Assets				$ 6,008,445
Fiduciary Fund Statement of Plan Net Assets				4,174,132
Total Investments				$ 10,182,577

Fair Value Measurements

The following table presents the City of Brunswick's fair value hierarchy for the financial assets measured at fair value on a recurring basis:

	FAIR VALUE MEASUREMENTS AT REPORTING DATE USING	
	FAIR VALUE	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)
Investments	$ 10,182,577	$ 10,182,577

C. Custodial Credit Risk – Deposits and Investments

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities.

Credit Risk: The City has no formal policy regarding credit risk. The City does follow its policy of being authorized to make direct investments in securities of the U. S. government, federal agencies and instrumentalities of the State of Georgia. Credit ratings for investment in debt securities (other than debt issued by or explicitly guaranteed by the U. S. government), if any, are not available for this financial report.

Inherent Rate Risk: The City has no formal policy regarding interest rate risk.

NOTE 3. RECEIVABLES

Receivables as of June 30, 2009 are analyzed below:

	Governmental Activities	Business-Type Activities
General Fund:		
Property taxes receivable	$ 529,589	$ -
Other taxes receivable	236,480	-
Community Development Fund:		
Loans to commercial enterprises	2,610,257	-
Rehabilitation loans	245,399	-
Miscellaneous loans	3,482	-
City Pier Fund		
Fees receivable	-	-
Sanitation Fund:		
Accounts receivable		
Billed	-	563,254
Unbilled	-	132,025
Total receivables	3,625,207	695,279
Less valuation allowances		
Allowance for uncollectible accounts	5,296	109,535
Discount to present value of long-term receivables	1,487,084	-
Total allowances	1,492,380	109,535
Receivables, net	$ 2,132,827	$ 585,744

Property taxes, based on assessed values at January 1, 2009, became due and payable on November 15, 2009. Property taxes are administered on a calendar-year basis subject to the following dates:

Levy date	September 15, 2009
Collection period	September 16, 2009 - November 15, 2009
Due date	November 15, 2009
Delinquent date	November 16, 2009
Lien Date	December 15, 2009

Of the above receivables of $2,610,257, $2,451,895 represents non-interest bearing contracts due over long-terms. These amounts have been reduced to their net present value by deducting a discount from face value. This amount is due in varying terms from June 30, 2009 until June 30, 2026.

NOTE 4. INTERFUND RECEIVABLES/PAYABLES

Interfund receivable and payable balances as of June 30, 2009 are as follows:

(THE SCHEDULE OF INTERFUND RECEIVABLE AND PAYABLE BALANCES BEGINS ON THE NEXT PAGE)

Fund	Due From Other Funds	Due To Other Funds
Major Governmental Funds		
General Fund:		
Sanitation	$ 248,197	$ -
Community Development	41,718	18,219
SPLOST	-	31,466
Multi-Purpose	62,659	-
E-911	-	3,050
Internal Service - Group Health	-	366,965
Internal Service - Workers' Compensation	155,000	638,654
Police Seizure Funds	-	546
	507,574	1,058,900
Community Development Fund:		
City Pier	52,696	-
General Fund	18,219	41,718
Internal Service - Group Health	-	3,711
Internal Service - Workers Compensation	-	7,933
	70,914	53,361
SPLOST Fund - General Fund	31,466	-
Other Governmental Funds		
Multi-Purpose Center		
General Fund	-	62,659
Group Health	-	6,622
Workers Compensation	-	13,142
	-	82,423
E-911 Fund	3,050	-
Police Seizure Funds		
General Fund	546	-
City Pier		
Community Development	-	52,696
Major Business-type Funds		
Proprietary Funds		
Water/Wastewater Fund:		
Sanitation Fund	-	16,122
Internal Service - Group Health	-	101,102
Internal Service - Workers Compensation	-	152,332
	-	269,556
Sanitation Fund		
General Fund	-	248,197
Water/Wastewater	16,122	-
Group Health	-	34,351
Workers Compensation	-	32,940
	16,122	315,488
Internal Service Funds		
Group Health		
General Fund	366,965	-
Water/Wastewater	101,102	-
Multi-Purpose Center	6,622	-
Community Development	3,711	-
Sanitation	34,351	-
	512,751	-
Workers Compensation		
General Fund	638,654	155,000
Water/Wastewater	152,332	-
Multi-Purpose Center	13,142	-
Community Development	7,933	-
Sanitation	32,940	-
	845,001	155,000
Total Government - Wide Balances	1,987,424	1,987,424
Fiduciary		
Pension Fund		
General Fund	932,592	932,592
Community Development	45,261	45,261
Multi-Purpose Center	15,754	15,754
Water/Wastewater Fund	134,665	134,665
Sanitation	52,818	52,818
	1,181,090	1,181,090
Total Balances	3,168,514	3,168,514
Internal Balances	$ (568,921)	$ 568,921

In prior years, cash was transferred to the Internal Service Funds to cover claims expense. The Internal Service Funds have recorded a receivable of $1,357,752 to cover this shortfall, repayment of which is also unscheduled. The amount is due from the following funds: General Fund - $1,005,619, Water/Wastewater Fund - $253,434, Community Development Fund - $11,644, Sanitation - $67,291 and Multi-Purpose Center Fund - $19,764. All other interfund balances result from short-term borrowings between funds. It is the City's intent to repay these interfund balances during the next fiscal year.

NOTE 5. NET INVESTMENT IN SALES-TYPE LEASES

Effective January 1, 2008, the operations of the Water/Wastewater system of the City of Brunswick were transferred to the Brunswick – Glynn County Joint Water & Sewer Commission ("Commission"). In conjunction with the transfer of the operations, the City and the Commission executed an agreement for the lease of the system assets to the Commission for a period of 50 years. The rental is $10 per year plus the amount of the debt service on the related revenue bonds used to finance the system assets. Under the operating agreement between the City and the Commission, upon achieving certain benchmarks specified in the agreement, the system assets along with certain indebtedness will be transferred to the Commission. The lease has been accounted for as a sales-type lease.

The following is a summary of the components of the City's net investment in the lease as of June 30, 2009:

Total minimum lease payments to be received	$	19,388,861
Unearned revenue		(4,741,430)
Net investment	$	14,647,431

Minimum lease payments to be received as of June 30, 2009 for each of the next five years are as follows:

June 30, 2010	$	1,872,580
June 30, 2011		1,868,520
June 30, 2012		1,866,305
June 30, 2013		1,865,725
June 30, 2014		1,870,655

NOTE 6. DUE FROM OTHER GOVERNMENTS

The amount due from other governments is analyzed below:

General Fund		
Glynn County Tax Commisioner - Sales Tax	$	1,114,329
Other		7,368
Dept. of Justice		43,812
Capital Lease Receivable		11,029
Brunswick Housing Authority		3,000
Total - General Fund		1,179,538
Other Governmental Funds		
Multi-Purpose Center Fund - Due from Coastal Georgia RDC		19,111
Total Other Governmental Funds		19,111
Total Governmental Funds		1,198,649
Proprietary Funds		
Water Fund		
Due from Brunswick - Glynn County JWSC		155,902
Total Water Fund		155,902
Total due from other governments	$	1,354,551

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance (Restated) 06/30/08	Additions and Transfers	Retirements and Transfers	Balance 06/30/09
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 3,900,574	$ 165,738	$ (5,028)	$ 4,061,284
SPLOST Construction-in-Progress	992,583	3,666,615	(436,586)	4,222,612
Total capital assets, not being depreciated	4,893,157	3,832,353	(441,614)	8,283,896
Capital assets, being depreciated:				
Buildings	5,095,632	535,607	-	5,631,239
Equipment	8,727,916	474,302	-	9,202,218
Infrastructure	15,016,245	-	-	15,016,245
Total capital assets being depreciated	28,839,793	1,009,909	-	29,849,702
Less accumulated depreciation for:				
Buildings	(2,000,210)	(576,096)	-	(2,576,306)
Equipment	(5,313,287)	(487,883)	-	(5,801,170)
Infrastructure	(66,397)	(317,906)	-	(384,303)
Total accumulated depreciation	(7,379,894)	(1,381,885)	-	(8,761,779)
Total capital assets, being depreciated, net	21,459,899	(371,976)	-	21,087,923
Governmental activities capital assets, net	$ 26,353,056	$ 3,460,377	$ (441,614)	$ 29,371,819
Business-Type Activities:				
Capital assets, being depreciated:				
Equipment	$ 1,381,440	$ -	$ -	$ 1,381,440
Total capital assets, being depreciated	1,381,440	-	-	1,381,440
Less accumulated depreciation for:				
Equipment	(957,757)	(93,187)	1,875	(1,049,069)
Total accumulated depreciation	(957,757)	(93,187)	1,875	(1,049,069)
Total capital assets, being depreciated, net	$ 423,683	$ (93,187)	$ 1,875	$ 332,371

Depreciation expense was charged to governmental functions as follows:

Governmental Depreciation:	
General Government	$ 212,488
Community Development	33,063
Public Safety	411,192
Public Works	521,524
Cemetery	12,919
Culture & Recreation	190,699
Total governmental depreciation	1,381,885
Business-Type Depreciation:	
Water/Wastewater	-
Sanitation	93,187
Total business-type depreciation	93,187
Total depreciation expense	$ 1,475,072

NOTE 8. PENSION PLAN

The City sponsors a single-employer pension plan covering substantially all City employees, which is further described below.

Defined Benefit Pension Plan Description

The City of Brunswick Defined Benefit Pension Plan (the Plan) is a single-employer defined benefit pension plan administered by the City through an appointed Pension Committee. The Brunswick City Commission has the authority to establish and amend benefit provisions of the plan. Trustees for the plan are the City Manager, the Finance Director, and the Human Resources Director. The original effective date of the plan established by the Brunswick City Commission following guidelines issued by the State of Georgia was January 1, 1977. The most recent amendment was October 10, 2008. The Plan provides retirement and death benefits to plan participants and beneficiaries. The Plan's financial report is disclosed on pages 25 and 26 of this report. Every two years, the Plan's actuary must complete an actuarial investigation of the Plan and file it with the Georgia state auditor. At the same time of the actuarial investigation's filing, a financial report of the plan also must be filed with the Georgia state auditor.

Plan Membership

There is one class of employees covered by the plan. Membership of the plan consisted of the following as of January 1, 2009, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	22
Terminated plan members entitled to but not yet receiving benefits	145
Active plan members	225
Total	392

Funding Policy and Annual Pension Cost

The City is required to comply with Chapter 20 of Title 47 of the Official Code of Georgia, which sets forth minimum funding standards for governmental entities in the State of Georgia.

The ***Entry Age Normal Cost Method*** is used to determine the Plan's funding liabilities and costs. Under this cost method, the cost of each participant's projected retirement benefit is funded through a series of annual payments, determined as a level percentage of each year's earnings from age at hire to assumed exit age. This level percentage, known as normal cost, is thus computed as though the Plan had always been in effect. A yearly normal cost for each participant is individually determined by multiplying each participant's level percentage by the applicable yearly earnings, then adding together to obtain the normal cost amount for the Plan for that year. The accrued value of normal cost payments due prior to the valuation date is termed the actuarial accrued liability (AAL). This amount minus the actuarial value of assets is known as the unfunded actuarial accrued liability (UAAL).

The Plan normal cost for the 12-month period beginning on the valuation date has been determined by first calculating for each participant an individual yearly normal cost (that changes in dollar amount as pay increases, but is constant as a percent of each individual's pay), then adding together to obtain the Plan normal cost as of the beginning of the year. This preliminary total is then adjusted for interest credits assuming contributions are made monthly and an amount to allow for expected annual expenses.

Plan members are not required to contribute to the plan. The City's contribution to the Plan for 2009 was actuarially determined at a rate of 17.07% of covered payroll. Contribution requirements of the plan are determined annually by the actuary who certifies to the state auditor that the contribution has been made.

The actuarial assumptions included in the Entry Age Normal Cost Method are:

a. Investment rate of return of 8.00%
b. Projected salary increases of 4.25% per year
c. Inflation rate assumption of 3.50% compounded annually
d. Termination rates used in the calculation of the liabilities and contingent assets range from 11.35% at age 25 decreasing incrementally to 0.0% at age 55 and older.

The actuarial values of plan assets are stated at their current market value as of the valuation date.
A closed group is used. The amortization period for the unfunded actuarial accrued liability is open.

For the fiscal year ended June 30, 2009, the actuarial determined pension contribution is $1,412,897. During the plan year, the City made cash contributions of $1,481,291 to the plan.

Investments

Title 47 of the Official Code of the State of Georgia requires that plan investments in equities not exceed more than 55% of the retirement system assets. As of June 30, 2009 investments in equities comprised 47% of total plan assets.

GASB Funded Status

The following table represents the Plan's GASB-27 funded status as of June 30, 2009:

	6/30/2009
1. Actuarial Accrued Liability (AAL)	$ 17,405,629
2. Actuarial Value of Assets	7,373,444
3. Unfunded AAL (UAAL) [(1)-(2)]	10,032,185
4. Funded Ratio [(2)/(1)]	42.4%
5. Annual Covered Payroll	7,939,460
6. UAAL as a Percentage of Payroll [(3)/(5)]	126.4%

Annual Pension Cost and Net Pension Obligation

The Annual Pension Cost (APC) consists of the Annual Required Contribution (ARC), plus interest on the beginning of the year NPO, minus an adjustment equal to the amortization of beginning of the year NPO.

A positive NPO represents a liability. A negative NPO represents an asset.

	Fiscal year ending June 30, 2009	Fiscal year ending June 30, 2008
Annual Required Contribution due at beg. of year	$ 1,137,982	$ 1,255,689
Interest on Net Pension Obligation	48,480	57,752
Adjustment to Annual Required Contribution	(70,799)	(84,340)
Annual Pension Cost	1,115,663	1,229,101
Contributions made	1,205,200	1,345,000
Increase (decrease) in Net Pension Obligation	(89,537)	(115,899)
Net Pension Obligation at beginning of year	606,004	721,903
Net Pension Obligation at end of year	$ 516,467	$ 606,004

Schedule of Funding Progress

Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded AAL (UAAL)	Percentage Funded	Annual Covered Payroll	UAAL as Percentage of Payroll
1/1/2005	$ 12,855,254	$ 3,730,674	$ 9,124,580	29.2%	$ 8,213,807	111.1%
1/1/2006	13,612,321	4,708,351	8,903,970	34.6%	8,152,334	109.2%
1/1/2007	14,645,871	5,689,359	8,956,512	38.9%	8,223,426	108.9%
1/1/2008	16,231,322	7,122,473	9,108,849	43.9%	6,672,357	136.5%
1/1/2009	17,405,629	7,373,444	10,032,185	42.4%	7,939,460	126.4%

Schedule of Contributions

Fiscal Year Ending	Annual City Pension Cost	City Contributions	City Contributions as a % of Annual City Pension Cost	Net Pension Obligation (Asset)
6/30/2003	1,013,931	1,125,000	111%	594,706
6/30/2004	1,354,892	708,356	52%	1,241,242
6/30/2005	1,163,877	1,440,850	124%	964,269
6/30/2006	1,127,156	1,257,581	112%	833,844
6/30/2007	1,178,850	1,290,791	109%	721,903
6/30/2008	1,229,101	1,345,000	109%	606,004
6/30/2009	1,115,663	1,205,200	108%	516,467

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NOTE 9. LONG-TERM DEBT AND CAPITAL LEASES

A summary of activity in long-term debt, including capital leases payable is shown below followed by a narrative of the details of such liabilities:

	Balance 06/30/08	Additions	Retirements	Balance 06/30/09	Due Within One Year
Governmental Activities					
GMA capital leases payable	$ 4,627,794	$ -	$ (2,101,744)	$ 2,526,050	$ 605,561
Accrued compensated absences	886,005	112,402	-	998,407	418,067
Housing development grant settlement agreement payable	99,000	-	-	99,000	99,000
Total - governmental activities	$ 5,612,799	$ 112,402	$ (2,101,744)	$ 3,623,457	$ 1,122,628

	Balance 06/30/08	Additions	Retirements	Balance 06/30/09	Due Within One Year
Business-Type Activities					
Revenue bonds payable:					
Series 1992	$ 11,790,000	$ -	$ (630,000)	$ 11,160,000	$ 670,000
Series 2001	3,870,000	-	(370,000)	3,500,000	385,000
GMA capital leases payable	400,435	-	(99,136)	301,299	99,135
Customer deposits payable	4,896	-	(2,296)	2,600	-
Sub-total	16,065,331	-	(1,101,432)	14,963,899	$ 1,154,135
Less bond discount and deferred refunding loss	163,679	-	(30,524)	133,155	
Total - business-type activities	$ 15,901,652	$ -	$ (1,070,908)	$ 14,830,744	

For the governmental activities listed above - the GMA capital leases payable, the accrued compensated absences payable and the utility construction contract settlement payable are liquidated by the General Fund. The housing development grant settlement agreement payable is to be liquidated by the Community Development Fund.

The City has entered into lease agreements financing the acquisition of capital assets. The terms of the lease agreements classify the contracts as capital leases for accounting purposes and, therefore the liability for repayment of the principal has been recorded as debt with a corresponding capitalization of the asset cost.

As payments are made, the principal portion reduces the debt balance and the payment representing interest is charged to expense.

Certain lease transactions were facilitated with the Georgia Municipal Association's 1998A Lease Pool Series. The City's share of the 1998A Lease Pool Series is $1,166,000. The balance as of June 30, 2009 is $756,829.

Under the terms of the program, the City is required to make lease payments in sufficient amounts to pay, when due, the principal and interest on its pro rata share of outstanding Certificates in each year, as well as its portion of administrative expenses of the Trust and costs of issuance of the Certificates. The City's obligation to pay such lease payments is conditioned on the annual appropriation of funds to make those payments by the City Commission.

The assets acquired through capital leases are as follows:

	Governmental Activities	Proprietary Activities
Asset:		
Land	$ 1,530,000	$ -
Equipment and other tangible assets	3,767,141	589,814
Less: Accumulated depreciation	(1,798,376)	(229,451)
Total	$ 1,968,765	$ 360,363

The following is a schedule of future minimum lease payments under these capital leases and the present value of the net minimum lease payments as of June 30, 2009. For purposes of this schedule, an assumed interest rate of 3.3% was used on all GMA leases, which was the effective rate as of June 30, 2009.

Fiscal Year Ending June 30	Minimum Lease Payment
2010	$ 774,293
2011	734,666
2012	588,664
2013	438,132
2014	185,596
2015-2019	340,260
Total Minimum Lease Payments	3,061,611
Less amount representing interest	(234,263)
Present value of future minimum lease payments	$ 2,827,348

The Housing Development Grant settlement agreement payable resulted from excess disbursements drawn by the City under a "Housing Development Grant" from the U.S. Department of Housing and Urban Development. The disbursements drawn were advanced by the City to a developer as a Housing Development Grant Loan to be repaid without interest in forty years. The settlement agreement entered into on May 10, 1990 resulted in accelerating repayment of $718,605 of the original $3,189,500 loan as follows:

$300,000 on closing of settlement agreement
$ 43,424 per annum including interest at 8.35%, for twelve years
$ 99,000 on the twentieth anniversary of the settlement agreement

The above payments are to be made simultaneously with compensating and equal payments made to the City by the developer. The Housing Development Grant Loan is collateralized by the development project, and remaining payments to maturity are scheduled below:

Fiscal Year Ended June 30	Amount
2010	99,000
Total	$ 99,000

Bonds payable at June 30, 2009 are comprised of the following issues:

Series 1992 Water/Wastewater Revenue Bonds, $15,850,000, issued December 1, 1992, maturing serially to 10/01/19, with interest rates ranging from 2.75 to 6.27 percent. Payable in future annual installments ranging from $500,000 to $1,695,000.	$ 11,160,000
Series 2001 Water/Wastewater Revenue Bonds, $5,920,000, issued December 6, 2001, maturing serially to 10/01/16, with interest rates ranging from 2.05 to 4.30 percent. Payable in future annual installments ranging from $325,000 to $500,000	3,500,000
Total bonds payable	14,660,000
Less: Unamortized discount and deferred refunding loss	(133,155)
Bonds payable, net	$ 14,526,845

Revenue bond debt service requirements to maturity follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2010	$ 1,872,580	$ 1,055,000	$ 817,580
2011	$ 1,868,520	1,105,000	763,520
2012	$ 1,866,305	1,160,000	706,305
2013	$ 1,865,725	1,220,000	645,725
2014	$ 1,870,655	1,290,000	580,655
2015-2019	$ 9,349,885	7,585,000	1,764,885
2020-2024	$ 1,320,945	1,245,000	75,945
Total	$ 20,014,615	$ 14,660,000	$ 5,354,615

Water/Wastewater Fund- 1992 Series Revenue Bonds

Proceeds from the issuance of the Water/Wastewater 1992 Series Revenue Bonds were used to provide for certain improvements to the Water/Wastewater System including overhead storage, rehabilitation and renovation and the construction of a new composting facility. Funds provided by the issue were also used to defease $8,315,000 of Water/Wastewater Revenue Series 1986 Bonds.

Water/Wastewater Bonds are secured by the revenues of the Water/Wastewater System. The terms of the ordinance authorizing the Water/Wastewater 1992 Series Revenue Bonds provide that all revenue from the operations of the Water/Wastewater System shall be deposited and used as follows:

First –
Payment of reasonable and necessary costs of operating, maintaining and repairing the combined Water/Wastewater System.

Second –
After the above payments are made, net revenues of the combined system are pledged to secure payment of principal and interest on the Series 1992 bonds and any future parity issues. For this purpose the following monthly payments are to be deposited into established sinking funds. From December 1992 until March 1993, $256,133 per month is due. From April 1993 and from month-to-month thereafter, an amount equal to 1/6 of the interest due on the next succeeding interest payment date and 1/12 of the principal due on the next succeeding October 1.

Third –
After the payments above have been made, there shall be deposited into a debt service reserve account such monies as are necessary to maintain a reserve equal to the debt service reserve requirement. The debt service reserve requirement is equal to, at the date of calculation, the highest debt service requirement in any succeeding sinking fund year, provided such amount does not exceed the amount permitted as a reasonably required reserve.

Fourth –
After the above payments, deposits shall be made into the Renewal and Extension Fund in amounts of not less than $5,000 until a sum of $200,000 is accumulated and maintained in the Renewal and Extension Fund. Only one Renewal and Extension Fund is required for the 1990 and 1992 bond issues. Among other things, the bond ordinance imposes the following covenants:

1. Schedules of rates and charges for services are to be in effect, and such rates and charges will be to the extent necessary to produce funds sufficient to operate, maintain, and repair the system on a sound business-like basis and to maintain the special funds created by the ordinances.

2. Adequate fidelity bond, public liability, property, fire and extended coverage insurance is to be maintained.

3. Detailed records and accounts with respect to physical properties are to be maintained so that additions and retirements can be identified.

Water/Wastewater Fund- 2001 Series Revenue Bonds
Proceeds from the issuance of the Water/Wastewater 2001 Series Revenue Bonds were used to currently refund and redeem all outstanding Series 1990 Bonds, pay the necessary cost of issuing the Series 2001 Bonds, and provide $707,839 for system improvements.

Funds provided by the issue defeased $4,895,000 of Water/Wastewater Revenue Series 1990 Bonds.

Water/Wastewater Bonds are secured by the revenues of the Water/Wastewater System. The terms of the ordinance authorizing the Water/Wastewater 2001 Series Revenue Bonds provide that all revenue from the operations of the Water/Wastewater System shall be deposited and used as follows:

First –
Payment of reasonable and necessary costs of operating, maintaining and repairing the combined Water/Wastewater System.

Second –
After the above payments are made, net revenues of the combined system are pledged to secure payment of principal and interest on the Series 2001 bonds and any future parity issues. For this purpose the following monthly payments are to be deposited into established sinking funds. From December 2001 until October 2002, an amount equal to the monthly pro-rata amount of principal coming due on October 1, 2002. From October 2002 and from month-to-month thereafter, an amount equal to 1/6 of the interest due on the next succeeding interest payment date and 1/12 of the principal due on the next succeeding October 1.

Third –
After the payments above have been made, there shall be deposited into a debt service reserve account such monies as are necessary to maintain a reserve equal to the debt service reserve requirement. The debt service reserve requirement is equal to, at the date of calculation, the highest debt service requirement in any succeeding sinking fund year, provided such amount does not exceed the amount permitted as a reasonably required reserve.

Fourth –
After the above payments, deposits shall be made into the Renewal and Extension Fund in amounts of not less than $5,000 until a sum of $200,000 is accumulated and maintained in the Renewal and Extension Fund. Only one Renewal and Extension Fund is required for the 1992 and 2001 bond issues.

Among other things, the bond ordinance imposes the following covenants:

1. The municipality will promptly pay the principal of and interest on each and every bond at the place, on the dates and in the manner of the resolution.
2. Enforce reasonable rules and regulations governing the system and the operations.
3. Adequate fidelity bond, public liability, property, fire and extended coverage insurance is to be maintained.
4. Detailed records and accounts with respect to physical properties are to be maintained so that additions and retirements can be identified.

Water/Wastewater Fund – Annual Report and Continuing Disclosure Certificate

The Water/Wastewater Fund is required to submit an Annual Report and a Continuing Disclosure Certificate to the National Repositories in connection with the issuance of its Water and Sewerage Revenue Bonds no later than six months after the end of the City's fiscal year. The most recent Continuing Disclosure Certificate was filed on June 25, 2009 for the City's year ended June 30, 2008. The City is working to come into compliance with the timing of the filing of the Continuing Disclosure Certificate.

Debt Service Requirements

Debt service requirements at June 30, 2009 were as follows:

Year ended June 30,	Governmental Activities		Business-Type Activities	
	General Obligation		Water/Wasterwater System & Sanitation	
	Principal	Interest	Principal	Interest
2010	$ 1,122,628	$ 72,678	$ 1,154,135	$ 817,580
2011	614,621	57,067	1,206,887	763,520
2012	508,686	43,985	1,240,377	706,305
2013	427,878	29,208	1,242,500	645,725
2014	208,718	18,331	1,290,000	580,655
2015-2019	533,619	13,907	7,585,000	1,764,885
2020-2024	207,307	-	1,245,000	75,945
	$ 3,623,457	$ 235,176	$ 14,963,899	$ 5,354,615

NOTE 10. DEBT SERVICE FORWARD DELIVERY AND RESERVE FUND AGREEMENTS

On March 9, 1995, the City entered into a Debt Service Forward Delivery Agreement. Under the terms of the agreement, the custodian of the City's bond sinking fund will purchase securities, supplied by providers, to be held in the sinking fund until the funds are needed to pay principal and interest on the related bond issues. The securities are to be purchased on specific delivery dates at specified amounts which dates and amounts coincide with payments made into the sinking fund as required by the 1992 bond resolution. The first delivery date was July 1, 1995, and continues monthly through September 15, 2019. In exchange for this agreement the providers paid the City a fee totaling $303,611, which represents the present values of all of the interest earnings in the sinking fund over the life of the outstanding revenue bonds.

The City is amortizing these interest earnings over the life of the bonds using the interest method of amortization.

Also on March 9, 1995, the City entered into a Reserve Fund Agreement by which the custodian of the City's debt service reserve account will purchase from a qualified dealer, investment obligations yielding a return of 6.67% per annum. These securities were purchased for $1,876,505 in 1995, matured and were replaced in 2003 by purchasing substitute securities for $1,823,126; and will be repurchased by August 15, 2019.

U.S. Bank, the custodian under the agreements mentioned above, informed the City on November 3, 2008 that Lehman Brothers, Inc., a party to the agreements, is in a Chapter 11 proceeding as of the date of this report. The effect of the Lehman Brothers, Inc. Chapter 11 filing on the agreements and the financial statements is not known as of the date of this report.

NOTE 11. AMORTIZATION

Amortization of bond issuance costs reported in the enterprise fund totaled $17,264.
Amortization of bond discounts reported in the enterprise fund totaled $12,931.
Amortization of deferred loss on 2001 refunding of 1990 bonds reported in the enterprise fund totaled $17,593.Amortization of deferred legal fees pertaining to the JWSC Agreement reported in the enterprise fund totaled $6,482.

NOTE 12. INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources to provide services. The Internal Service Funds record charges for services to all City departments and funds as operating revenue. Both Governmental and Proprietary Funds record these payments and accruals to the Internal Service Funds as operating expenses/expenditures.

The remaining transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financial sources in the Governmental Funds and transfers section in the Proprietary Funds. These transfers occur principally to move revenues from the General Fund to Special Revenue Funds; and to transfers assets acquired with special purpose local option sales tax proceeds to the Enterprise Funds. These transfers should be normal and recurring, except for those generated by the special purpose local option sales tax funds. These will naturally discontinue when the collections cease and funds are expended.

Government-Wide transfers are as shown below:

	Transfer (Out)	Transfer In
General Fund		
From the Community Development Fund to the General Fund	$ -	$ 195,019
From the General Fund to the Sanitation Proprietary Fund	(244,172)	-
From the General Fund to the Community Development Fund	(192,904)	-
From the General Fund to the E-911 nonmajor fund	(350,311)	-
From the SPLOST Fund to the General Fund	-	2,057,940
Total General Fund	(787,387)	2,252,959
Community Development Fund		
From the Community Development Fund to the Multi-Purpose Center Fund	(85,000)	-
From the General Fund to the Community Development Fund	-	192,904
From the Community Development Fund to the General Fund	(195,019)	-
Total Community Development Fund	(280,019)	192,904
SPLOST Funds		
From the SPLOST Fund to the General Fund	(2,057,940)	-
Total SPLOST Funds	(2,057,940)	-
Nonmajor Governmental Funds		
From the Community Development Fund to the Multi-Purpose Center Fund	-	85,000
From the General Fund to the E-911 nonmajor fund	-	350,311
Total nonmajor funds	-	435,311
Proprietary Funds		
Sanitation Fund		
From the General Fund to the Sanitation Proprietary Fund	-	244,172
Total Sanitation Proprietary Fund	-	244,172
Total	(3,125,346)	3,125,346
Less transfers between governmental funds	2,881,174	(2,881,174)
	$ (244,172)	$ 244,172

NOTE 13. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; injury to participants at city facilities; and natural disasters. Protection from all of these risks is provided by contracts with commercial insurance carriers except for employees' health and workers' compensation risks. The City is self-insured for group health and workers' compensation. These liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liabilities include an estimate for claims that have been incurred but not reported (IBNR).

The City of Brunswick has established a self-insurance program for the provision of medical benefits to the City's employees and their dependents, if elected. The City pays the single coverage premium, the specific stop loss fee, and the administrative fee monthly for each employee. Employees have the option of covering their dependents under the plan, at an additional cost to the employee. The City has specific caps under the plan which limits its exposure as follows. For any one employee, claims paid by the City which exceed $80,000 are reimbursed by an insurance company.

The City's current individual plan cap is $1,000,000; but the plan's aggregate cap is based on the number of lives multiplied by a funding factor.

On November 1, 1991, the City of Brunswick established a self-insurance program for workers' compensation. All costs (premiums, administrative costs, etc.) are funded by the City through a charge to its various funds. Similar to the program noted above, it also provides for specific caps to limit the City's liability for claims. For any one occurrence the maximum payout liability for the City is $400,000. The aggregate cap is determined by state law.

All funds of the City participate in the above programs and make payments to the risk management funds based on the individual funds' experience. The claims liability as of June 30, 2009 is $175,426 and $475,154 for the Group Health Fund and the Workers' Compensation Fund, respectively. Changes in the respective funds' claims liability amount were:

	Unpaid claims beginning of fiscal year	Claims (including IBNR)	Claim Payments	Unpaid claims end of fiscal year
Group Health				
June 30, 2008	$ 145,126	$ 2,422,178	$ 2,239,378	$ 327,926
June 30, 2009	327,926	1,181,470	1,333,970	175,426
Workers Compensation				
June 30, 2008	$ 224,546	$ 146,295	$ 216,214	$ 154,627
June 30, 2009	154,627	767,192	446,665	$ 475,154

NOTE 14. GRANTS FROM OTHER GOVERNMENTAL UNITS

Federal and state governmental units represent an important source of supplementary funding used to finance housing, employment and construction programs and other activities beneficial to the City. This funding, primarily in the form of grants, is recorded in each appropriate fund.

Under the terms of the grants, the programs are subject to program compliance audits by the grantors or their representatives. Such audits could question certain costs as not being appropriate expenditures under the terms of the grants and, therefore, require reimbursement to the grantor agencies. Grantor audits of the programs are conducted by the City or its representative on an on-going basis.

NOTE 15. CURRENT REFUNDING OF REVENUE BONDS

On December 6, 2001, the City issued Water/Wastewater System Revenue Bonds of $5,920,000 to currently refund 1990 Water/Wastewater System Revenue Bonds of $4,895,000. After paying issuance costs, net proceeds were $707,829. The net proceeds from the issuance of the system revenue bonds are to be used for Water/Wastewater System improvements. As a result of the current refunding, the City recognized an economic loss of $246,652, which is being amortized over the life of the new issue. The unamortized balance as of June 30, 2009 was $70,733 and is shown as a reduction of bonds payable.

NOTE 16. COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

The following is a summary of major construction contract commitments at year-end. Amounts are for contractors only and do not include architects and engineers.

Project	Contract Amount	Completed-to-Date	Balance Committed
N Street Project	5,216,858	5,216,858	-
Total	$ 5,216,858	$ 5,216,858	$ -

B. Contingencies

The City of Brunswick is a defendant in various lawsuits that expectedly result from its varying involvement in business and employment issues. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City Attorney that final settlement will not pose significant financial responsibility above insurance coverage.

NOTE 17. CAPITAL PROJECTS FUND / SPECIAL PURPOSE LOCAL OPTION SALES TAX

On November 18, 2001, the voters of Glynn County voted to continue the 1% Special Purpose Local Option Sales Tax (SPLOST IV) to pay for various capital projects within the City of Brunswick and surrounding areas of Glynn County. The City of Brunswick entered into a contract with the Glynn County government assigning Glynn County the authority to collect the tax and disburse a pro-rata share of the proceeds up to $28,470,000 to the City of Brunswick. The tax is scheduled to be collected until December 31, 2006, or until the City's pro-rata share is fully collected. The following revenues have been reported by the Capital Projects Fund as of June 30, 2009:

2003	$ 6,115,836
2004	4,685,639
2005	4,509,669
2006	5,746,718
2007	3,527,447
2008	-
2009	-
	$ 24,585,309

On November 8, 2005, the voters of Glynn County voted to continue the 1% Special Purpose Local Option Sales Tax (SPLOST V) to pay for various capital projects within the City of Brunswick and surrounding areas of Glynn County. The City of Brunswick entered into a contract with the Glynn County government assigning Glynn County the authority to collect the tax and disburse 23.09% of the proceeds up to a maximum of $25,964,616 to the City of Brunswick. The tax is scheduled to be collected until December 31, 2111, or until the City's pro-rata share is fully collected. The following revenues have been reported by the Capital Projects Fund as of June 30, 2009:

2009	$	1,408,631
	$	1,408,631

NOTE 18. HOTEL/MOTEL TAX

The City is required to disburse funds received from the collection of hotel/motel taxes pursuant to OCGA 48-13-51. The City collected funds of $17,571 received from the collection of the hotel/motel tax during fiscal year ended June 30, 2009 to the Brunswick-Golden Isles Visitor Bureau, which is a non-profit organization whose purpose is to create and coordinate the promotion of tourism in Brunswick and the Golden Isles. This disbursement represented 70% of collections.

NOTE 19. COMPONENT UNIT DISCLOSURES

A. Summary of Significant Accounting Policies
The Downtown Development Authority is presented as a component unit on the government-wide financial statements. Its financial operations are accounted for under the accrual basis of accounting. See Note 1C

B. Cash and Cash Equivalents
The Downtown Development Authority's unrestricted cash and cash equivalents are held in an insured deposit account with a financial institution.

NOTE 20. PRIOR PERIOD ADJUSTMENT

Net assets in the Water/Wastewater Fund have been decreased as of the beginning of the year to reflect the following changes in prior year balances:

(Decrease) in construction in progress for project that was a governmental asset	$	(1,894,874)
Increase due to net market value adjustment of Treasury and Agency Obligations		673,686
Contribution of Water Fund Capital Assets to Brunswick - Glynn County JWSC		(34,965,880)
Net prior period adjustment	$	(36,187,068)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BRUNSWICK, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property taxes	$ 5,443,115	$ 4,870,321	$ 4,870,321	$ -
Franchise taxes	1,517,188	1,451,384	1,451,384	-
Local option sales tax	8,036,540	6,841,353	6,841,353	-
Selective sales and use taxes	1,460,528	1,428,702	1,428,702	-
Licenses and permits	366,440	342,183	342,183	-
Fines, forfeitures and penalties	567,478	602,800	602,800	-
Unrestricted investment earnings	173,289	8,394	8,394	-
Intergovernmental revenues and grants	882,882	466,822	455,501	(11,321)
Charges for services and assessments	155,928	283,310	283,292	(18)
Rental income	39,401	31,054	31,054	-
Miscellaneous income	25,000	92,567	92,567	-
Sale of municipal property	75,000	500,000	500,000	-
Total Revenues	18,742,789	16,918,890	16,907,551	(11,339)
EXPENDITURES				
Current:				
General government	4,942,341	3,766,047	3,766,047	-
Judicial	574,875	858,031	858,031	-
Public safety	8,079,731	8,001,199	8,001,199	-
Public works	3,240,436	2,821,400	2,821,400	-
Cemetery	404,822	362,266	362,266	-
Building inspection and planning	267,010	181,156	181,156	-
Culture and recreation	1,336,636	1,227,760	1,227,760	-
Economic development	120,000	114,089	114,089	-
Debt-service	-	-		
Principal	2,283,649	2,101,744	2,101,744	-
Interest	101,242	128,513	128,513	-
Total Expenditures	21,350,742	19,562,205	19,562,205	-
Excess (Deficiency) of Revenues Over Expenditures	(2,607,953)	(2,643,315)	(2,654,654)	(11,339)

CITY OF BRUNSWICK, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases and debt	950,000	103,718	-	(103,718)
Transfers in	1,657,953	3,307,438	2,252,959	(1,054,479)
Transfers (out)	-	(767,841)	(787,387)	(19,546)
Total Other Financing Sources (Uses)	2,607,953	2,643,315	1,465,572	(1,177,743)
Net Change in Fund Balance	-	-	(1,189,082)	(1,189,082)
Fund Balance (deficit), Beginning of Year	(1,164,046)	(824,555)	1,264,855	2,089,410
Fund Balance (deficit), End of Year	$ (1,164,046)	$ (824,555)	$ 75,773	$ 900,328

CITY OF BRUNSWICK, GEORGIA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Program fees /revenues	$ -	$ -	$ -	$ -
Grant revenues	1,080,095	1,080,095	615,315	(464,780)
Other income	76,200	57,548	243,112	185,564
Contributions and donations	-	-	-	-
Investment earnings and interest	56,000	56,000	12,882	(43,118)
Total Revenues	1,212,295	1,193,643	871,309	(322,334)
EXPENDITURES				
Community development Program administration	1,585,747	1,585,747	1,121,296	464,451
Total Expenditures	1,585,747	1,585,747	1,121,296	464,451
Excess (Deficiency) of Revenues Over Expenditures	(373,452)	(392,104)	(249,987)	142,117
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	373,452	392,104	(87,115)	(479,219)
Net Change in Fund Balance	-	-	(337,102)	(337,102)
Fund Balance (deficit), Beginning of Year	(271,082)	(271,082)	(153,035)	(154,045)
Fund Balance (deficit), End of Year	$ (271,082)	$ (271,082)	$ (490,137)	$ (491,147)

CITY OF BRUNSWICK, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Budgets and Budgetary Accounting

State law requires that the City adopt by ordinance or resolution, an annual balanced budget for its upcoming fiscal year (June 30). A budget is balanced when the sum of estimated net revenues and unreserved/unappropriated fund balance is equal to appropriations. Budgetary control over expenditures is exercised by the City at the departmental level for all governmental funds. Appropriations lapse at year-end. The Board of Commissioners has the authority to amend its budget as follows:

1. Any increase in appropriation in any fund for a department, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the Board of Commissioners.

2. Transfers of appropriations in any fund among the various accounts within a department shall require only the approval of the budget officer, except that transfers of appropriations within a department which increases the salary appropriation shall require the approval of the Board of Commissioners.

Budgets are adopted for the General Fund and the Community Development Fund. Budgets for non-major governmental funds and capital project funds are not required by generally accepted accounting principles. However Georgia Budget Statutes do require budgets to be presented for non-governmental funds and capital project funds. The budgets for these funds are presented as Supplementary Information.

The City was not in violation of State budget statutes for the year ended June 30, 2009 because certain departmental expenditures did not exceed their budget at the legal level of control. The Georgia statues define legal level of control at a minimum to be the departmental level.

SUPPLEMENTARY INFORMATION

CITY OF BRUNSWICK, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2009

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the budget basis (cash basis) are as follows:

	GAAP Basis - net change in fund balances	Net accrual adjustments	Budget Basis - net change in fund balances
General Fund	$ (1,189,082)	$ -	$ (1,189,082)
Community Development Fund	(337,102)	-	(337,102)

CITY OF BRUNSWICK, GEORGIA
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

	Special Revenue Funds						
	Multi-Purpose Center Fund	Police Seizure Fund	E 911 Fund	Sidney Lanier Park Fund	City Pier Fund	Hotel-Motel Tax	Total Non-Major Governmental Funds
ASSETS							
Cash and cash equivalents	$ 35,422	$ 163,311	$ -	$ 47,801	$ 40,451	$ -	$ 286,985
Due from other governments	19,111	-	-	-	-	-	19,111
Due from other funds	-	546	3,050	-	-	-	3,596
Total Assets	$ 54,533	$ 163,857	$ 3,050	$ 47,801	$ 40,451	$ -	$ 309,692
LIABILITIES AND FUND BALANCES	$ -						
Liabilities:							
Accounts payable	$ 5,062	$ 7,990	$ 3,050	$ -	$ -	$ -	$ 16,102
Accrued expenses	5,080	-	-	-	-	-	5,080
Due to other funds	82,423	-	-	-	52,696	-	135,119
Due to fiduciary fund	15,754	-	-	-	-	-	15,754
Deferred revenue	-	971	-	-	-	-	971
Total Liabilities	108,319	8,961	3,050	-	52,696	-	173,026
Fund Balances (Deficit):							
Reserved for public safety	-	154,896	-	-	-	-	154,896
Unreserved, reported in non-major Special revenue funds	(53,786)	-	-	47,801	(12,245)	-	(18,230)
Total Fund Balances (Deficit)	(53,786)	154,896	-	47,801	(12,245)	-	136,666
Total Liabilities and Fund Balances	$ 54,533	$ 163,857	$ 3,050	$ 47,801	$ 40,451	$ -	$ 309,692

CITY OF BRUNSWICK, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

	Special Revenue Funds						
	Multi-Purpose Center Fund	Police Seizure Fund	E 911 Fund	Sidney Lanier Park Fund	City Pier Fund	Hotel-Motel Tax	Total Non-Major Governmental Funds
REVENUES							
Program fees/revenues	$ 36,139	$ -	$ -	$ -	$ -	17,571	$ 53,710
Grant revenues	127,557	159,296	-	-	-	-	286,853
Other income	-	-	-	-	48,791	-	48,791
Contributions and donations	5,142	-	-	-	-	-	5,142
Investment earnings and interest	286	1,149	-	348	107	-	1,890
Total Revenues	169,124	160,445	-	348	48,898	17,571	396,386
EXPENDITURES							
Current	$ -						
Community development	286,226	-	-	2,621	-	17,571	306,418
Public safety	-	52,404	276,571	-	-	-	328,975
Capital outlay							
Public safety	-	62,655	-	-	-	-	62,655
Total Expenditures	286,226	115,059	276,571	2,621	-	17,571	698,048
Excess (Deficiency) of Revenues Over Expenditures	(117,102)	45,386	(276,571)	(2,273)	48,898	-	(301,662)
OTHER FINANCING SOURCES (USES)							
Transfers in (out)	85,000	-	350,311	-	-	-	435,311
Total Other Financing Sources (Uses)	85,000	-	350,311	-	-	-	435,311
Net Change in Fund Balances	(32,102)	45,386	73,740	(2,273)	48,898	-	133,649
Fund Balances, Beginning of Year	(21,684)	109,510	(73,740)	50,074	(61,143)	-	3,017
Fund Balances, End of Year	$ (53,786)	$ 154,896	$ -	$ 47,801	$ (12,245)	$ -	$ 136,666

CITY OF BRUNSWICK, GEORGIA
COMBINING SCHEDULE OF NET ASSETS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2009

	Group Health Fund	Workers' Compensation Fund	Total
ASSETS			
Current Assets			
Cash and cash equivalents (overdraft)	$ 22,853	$ (2,853)	$ 20,000
Due from other funds	512,751	845,001	1,357,752
Due from component unit	2,250	-	2,250
Total Assets	$ 537,854	$ 842,148	$ 1,380,002
LIABILITIES			
Current Liabilities			
Claims payable	$ 175,426	$ 475,154	650,580
Due to other funds	-	155,000	155,000
	175,426	630,154	805,580
NET ASSETS/(DEFICIT)			
Unrestricted	362,428	211,994	574,422
Total Liabilities and Net Assets	$ 537,854	$ 842,148	$ 1,380,002

CITY OF BRUNSWICK, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2009

	Group Health Fund	Workers' Compensation Fund	Total
OPERATING REVENUES			
Contributions			
Employer	$ 1,152,636	$ 104,068	$ 1,256,704
Employee	269,560	-	269,560
Reimbursements	101,850	143,350	245,200
Total Operating Revenues	1,524,046	247,418	1,771,464
OPERATING EXPENSES			
Contractual and administrative expenses			
Contractual	233,009	-	233,009
Administrative	42,732	-	42,732
Claims	1,177,781	767,192	1,944,973
Total Operating Expenses	1,453,522	767,192	2,220,714
Operating Income (Loss)	70,524	(519,774)	(449,250)
NON-OPERATING REVENUES			
Investment return	1,117	455	1,572
Total Non-Operating Revenues	1,117	455	1,572
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Change In Net Assets	71,641	(519,319)	(447,678)
Net Assets/(Deficit), Beginning of Year	290,787	731,313	1,022,100
Net Assets/(Deficit), End of Year	$ 362,428	$ 211,994	$ 574,422

CITY OF BRUNSWICK, GEORGIA
COMBINING SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2009

	Group Health Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts for services	$ 1,152,636	$ 104,068	$ 1,256,704
Contributions from employees	269,560	-	269,560
Reimbursements	101,850	143,350	245,200
Payments for claims	(1,330,281)	(446,665)	(1,776,946)
Payments for other expenses	(275,741)	-	(275,741)
Net Cash Provided (Used) By Operating Activities	(81,976)	(199,247)	(281,223)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers and Borrowings from other funds	-	155,000	155,000
Net Cash Provided (Used) By Non-Capital Financing Activities	-	155,000	155,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	-	-	-
Interest received on investments	1,117	455	1,572
Net Cash Provided Provided (Used) By Investing Activities	1,117	455	1,572
Net Increase (Decrease) In Cash and Cash Equivalents	(80,859)	(43,792)	(124,651)
Cash and Cash Equivalents (overdraft), Beginning of Year	103,712	40,939	144,651
Cash and Cash Equivalents (overdraft), End of Year	$ 22,853	$ (2,853)	$ 20,000

CITY OF BRUNSWICK, GEORGIA
COMBINING SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2009

	Group Health Fund	Workers' Compensation Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ 70,524	$ (519,774)	$ (449,250)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
(Increase) decrease in assets			
Claims Reimbursement Receivable	-	-	-
Due from Other Funds	-	-	-
Other Assets	-	-	-
Increase (decrease) in liabilities			
Due to Other Funds	-	-	-
Claims Payable	(152,500)	320,527	168,027
Net Cash Provided (Used) By Operating Activities	$ (81,976)	$ (199,247)	$ (281,223)

CITY OF BRUNSWICK, GEORGIA
MULTI-PURPOSE CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Program fees/revenues	$ -	$ -	$ 36,139	$ 36,139
Grant revenues	137,410	137,410	127,557	(9,853)
Contributions and donations	-	-	5,142	5,142
Investment earnings and interest	1,000	1,000	286	(714)
Total Revenues	138,410	138,410	169,124	30,714
EXPENDITURES				
Multi-Purpose				
Program administration	416,262	416,262	286,226	130,036
Total Expenditures	416,262	416,262	286,226	130,036
Excess (Deficiency) of Revenues Over Expenditures	(277,852)	(277,852)	(117,102)	160,750
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	277,852	277,852	85,000	(192,852)
Net Change in Fund Balance	-	-	(32,102)	(32,102)
Fund Balance (deficit), Beginning of Year	(336,857)	(336,857)	(21,684)	315,173
Fund Balance (deficit), End of Year	$ (336,857)	$ (336,857)	$ (53,786)	$ 283,071

CITY OF BRUNSWICK, GEORGIA
POLICE SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Program fees/revenues	$ -	$ -	$ -	$ -
Grant revenues/seizure funds	63,100	222,396	159,296	(63,100)
Contributions, donations and other	-	-	-	-
Investment earnings and interest	-	1,142	1,149	7
Total Revenues	63,100	223,538	160,445	(63,093)
EXPENDITURES				
Public safety	63,100	223,538	115,059	108,479
Total Expenditures	63,100	223,538	115,059	108,479
Excess (Deficiency) of Revenues Over Expenditures	-	-	45,386	45,386
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Net Change in Fund Balance	-	-	45,386	45,386
Fund Balance, Beginning of Year	-	-	109,510	109,510
Fund Balance, End of Year	$ -	$ -	$ 154,896	$ 154,896

CITY OF BRUNSWICK, GEORGIA
E911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Program fees/revenues	$ -	$ -	$ -	$ -
Grant revenues	-	-	-	-
Contributions and donations	-	-	-	-
Investment earnings and interest	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Public Safety	410,351	410,351	276,571	133,780
Total Expenditures	410,351	410,351	276,571	133,780
Excess (Deficiency) of Revenues Over Expenditures	(410,351)	(410,351)	(276,571)	133,780
OTHER FINANCING SOURCES (USES)				
Transfers in	410,351	410,351	350,311	(60,040)
Net Change in Fund Balance	-	-	73,740	73,740
Fund Balance (deficit), Beginning of Year	1,100	29,854	(73,740)	(103,594)
Fund Balance (deficit), End of Year	$ 1,100	$ 29,854	$ -	$ (29,854)

CITY OF BRUNSWICK, GEORGIA
SIDNEY LANIER PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Program fees/revenues	$ -	$ -	$ -	$ -
Grant revenues	700,000	700,000	-	(700,000)
Contributions and donations	800,000	800,000	-	(800,000)
Investment earnings and interest	-	-	348	348
Total Revenues	1,500,000	1,500,000	348	(1,499,652)
EXPENDITURES				
Community Development	1,500,000	1,500,000	2,621	1,497,379
Total Expenditures	1,500,000	1,500,000	2,621	1,497,379
Excess (Deficiency) of Revenues Over Expenditures	-	-	(2,273)	(2,273)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Net Change in Fund Balance	-	-	(2,273)	(2,273)
Fund Balance, Beginning of Year	-	-	50,074	50,074
Fund Balance, End of Year	$ -	$ -	$ 47,801	$ 47,801

CITY OF BRUNSWICK, GEORGIA
CITY PIER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Program fees/revenues	$ -	$ -	$ -	$ -
Grant revenues	-	-	-	-
Other income	28,000	28,000	48,791	20,791
Contributions and donations	-	-	-	-
Investment earnings and interest	400	400	107	(293)
Total Revenues	28,400	28,400	48,898	20,498
EXPENDITURES				
Community Development	28,400	28,400	-	28,400
Total Expenditures	28,400	28,400	-	28,400
Excess (Deficiency) of Revenues Over Expenditures	-	-	48,898	48,898
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Net Change in Fund Balance	-	-	48,898	48,898
Fund Balance (deficit), Beginning of Year	2,645	2,645	(61,143)	(63,788)
Fund Balance (deficit), End of Year	$ 2,645	$ 2,645	$ (12,245)	$ (14,890)

CITY OF BRUNSWICK, GEORGIA
HOTEL - MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Program fees/revenues	$ 31,600	$ 31,600	$ 17,571	$ (14,029)
Grant revenues	-	-	-	-
Contributions and donations	-	-	-	-
Investment earnings and interest	-	-	-	-
Total Revenues	31,600	31,600	17,571	(14,029)
EXPENDITURES				
Community Development	31,600	31,600	17,571	14,029
Total Expenditures	31,600	31,600	17,571	14,029
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -	$ -

CITY OF BRUNSWICK, GEORGIA
SPLOST IV CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option sales tax	$ -	$ -	$ -	$ -
Intergovernmental revenues	-	-	-	-
Investment earnings and interest	35,000	35,000	17,678	(17,322)
Total Revenues	35,000	35,000	17,678	(17,322)
EXPENDITURES				
Public Safety	528,000	528,000	300,799	227,201
Public Works	4,335,399	4,335,399	395,446	3,939,953
Total Expenditures	4,863,399	4,863,399	696,245	4,167,154
Excess (Deficiency) of Revenues Over Expenditures	(4,828,399)	(4,828,399)	(678,567)	4,149,832
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Net Change in Fund Balance	(4,828,399)	(4,828,399)	(678,567)	4,149,832
Fund Balance, Beginning of Year	4,828,399	4,828,399	7,182,157	7,182,157
Fund Balance, End of Year	$ -	$ -	$ 6,503,590	$ 11,331,989

CITY OF BRUNSWICK, GEORGIA
SPLOST V CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAAP BUDGET BASIS
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Option sales tax	$ 1,408,631	1,408,631	$ 1,408,631	$ -
Intergovernmental revenues	-	-	-	-
Investment earnings and interest	6,202	6,202	6,202	-
Total Revenues	1,414,833	1,414,833	1,414,833	-
EXPENDITURES				
Professional and technical services	-	-	-	-
Public works	1,014,846	1,039,842	1,039,842	-
Culture and recreation	-	-	-	-
Total Expenditures	1,014,846	1,039,842	1,039,842	-
Excess (Deficiency) of Revenues Over Expenditures	399,987	374,991	374,991	-
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(399,987)	(399,987)	(399,987)	-
Net Change in Fund Balance	-	(24,996)	(24,996)	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance (deficit), End of Year	$ -	(24,996)	$ (24,996)	$ -

ADDITIONAL SCHEDULE

FH R&S

Fowler, Holley, Rambo & Stalvey, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

To the Honorable Mayor and Members of the City Commissioners
City of Brunswick, Georgia

We have audited the accompanying Schedule of Projects Constructed with Special Purpose Local Option Sales Tax for the City of Brunswick, Georgia, for the year ended June 30, 2009. This schedule is the responsibility of City of Brunswick, Georgia's management. Our responsibility is to express an opinion on the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax based on our audit.

Except as discussed in the following paragraph, 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 Schedule of Projects Constructed with Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

During our audit, it was determined that the accounting procedures in place to properly record and apply project expenditures to the correct project were not adequate for us to apply effective audit procedures to verify the balances of those projects.

The accompanying Schedule of Projects Constructed with Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121, was prepared on the accrual basis of accounting as described in Note 1, and is not intended to be a complete presentation of the City of Brunswick, Georgia's revenues and expenditures.

To the Honorable Mayor and Members of the City Commissioners
City of Brunswick, Georgia
Page Two

In our opinion, except for the effect of such adjustments to the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax, if any, might have been determined to be necessary had we been able to determine the project expenditures, the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost and current and prior year expenditures for each project in the City of Brunswick, Georgia's resolution or ordinance calling for the tax for the year June 30, 2009, in conformity with accounting principles generally accepted in the United States of America.

Fowler, Holley, Rambo & Stalvey, P.C.
Fowler, Holley, Rambo & Stalvey, P.C.

Valdosta, Georgia
April 5, 2010

CITY OF BRUNSWICK, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
For the Fiscal Year Ended June 30, 2009

Project Number	Project Description	Original Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
	SPLOST III				
501	College Park	$ 400,000	$ 339,501	$ -	$ 339,501
502	Kaiser Street	370,000	7,651	-	7,651
503	L Street	340,000	544,380	-	544,380
504	Lanier Blvd. at 5th Ave.	240,000	393,563	-	393,563
505	Magnolia Park	350,000	388,806	-	388,806
506	Riverside Drive	250,000	1,064,801	-	1,064,801
507	Wildwood Drive	350,000	588	-	588
508	Union Street, F to G Street	350,000	216,457	-	216,457
509	Albany Street	200,000	97,408	-	97,408
510	Miscellaneous Small Road Drainage	950,000	1,138,995	-	1,138,995
601	Multipurpose Community Center	1,000,000	1,297,825	-	1,297,825
602	Three Athletic Fields	400,000	423,343	-	423,343
603	New Playground Equipment	150,000	158,149	-	158,149
604	Renovation of Howard Coffin Park	150,000	396,152	-	396,152
701	Upgrade Academy Creek Wastewater Plant	1,800,000	2,333,587	-	2,333,587
702	South end Sanitary Sewer Improvements	600,000	1,039,308	-	1,039,308
703	Newcastle Street Sewer Improvement	440,000	620,367	-	620,367
704	K Street Sewer Improvement	400,000	84,045	-	84,045
705	Replace Pump Station #13	100,000	106,227	-	106,227
706	Replace Pump Station #10	35,000	-	-	-
707	Repair Pump Station #6	100,000	293,878	-	293,878
708	Replace Pump Station #19	465,000	375	-	375
709	Sewer Line Rehabilitation	1,000,000	60,832	-	60,832
710	Repair Pump Station #28	80,000	125,609	-	125,609
711	Repair Pump Station #48	80,000	105,253	-	105,253
712	Extension of Water Lines	500,000	1,030,303	-	1,030,303
713	Overhead Storage Tank I-95/US-341	500,000	786,633	-	786,633
801	MLK Blvd Utility Relocation/Right of Way	360,000	93,644	-	93,644
802	I-95 / U.S. 341 Utility Relocation	390,000	29,225	-	29,225
803	U.S. 17 Utility Relocation	500,000	1,808,221	-	1,808,221
901	Repair/Replace/Construct Sidewalks	750,000	569,056	-	569,056
902	Miscellaneous Paving	-	90,009	-	90,009
1001	Osborne Street	200,000	67,676	-	67,676
1201	Construct/Equip Fire Station	560,000	623,389	-	623,389
1401	Restore Old City Hall	2,500,000	2,831,595	-	2,831,595
1402	Renovate New City Hall	1,700,000	2,346,202	-	2,346,202
1403	Repair Police Station	640,000	684,930	-	684,930

CITY OF BRUNSWICK, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
For the Fiscal Year Ended June 30, 2009

Project Number	Project Description	Original Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total
	SPLOST IV - Tier I				
601	Sanitary Sewer - K Street	$ 7,650,000	$ 7,115,389	$ -	$ 7,115,389
602	15" Gravity Sewer - Dixville	2,425,000	1,339,263	-	1,339,263
603	Sludge Dryer	1,750,000	925,955	-	925,955
604	30" Gravity Sewer	535,000	322,322	-	322,322
605	Gravity Sewer - FLETC	2,000,000	496,944	-	496,944
606	ARCO 12" Water Main	400,000	155,186	-	155,186
607	Storm Drain - Albany/Howe Street	1,500,000	1,851,138	-	1,851,138
608	City Halls	800,000	1,032,635	-	1,032,635
608	City Halls	-	13,384	-	13,384
	SPLOST IV - Tier II/III				
609	Multipurpose Center Upgrade	175,000	199,195	-	199,195
706	Ritz Theater	1,700,000	19,563	-	19,563
701	Oglethorpe Study	-	23,471	-	23,471
	Sanitary Sewer - K Street	-	-	-	-
704	Water Reclamation Project	1,410,000	1,026,171	-	1,026,171
705	Storm Drain - N Street (1)	1,920,859	1,620,874	104,236	1,725,110
703	Public Safety Complex	750,000	221,373	300,800	522,173
702	Public Works Complex (2)	3,671,145	173,145	291,210	464,355
	Water/Wasetwater Complex	1,500,000	-	-	-
	Sidewalks	85,000	-	-	-
	Street Paving	190,000	-	-	-
	SPLOST V				
	"N" Street	1,039,842	-	1,039,842	1,039,842
		$ 48,701,846	$ 38,733,991	$ 1,736,088	$ 40,470,079

(1) Budget increased from $1,750,000 to $1,920,859.

(2) Budget decreased from $3,750,000 to $3,671,145.

Original Estimated Cost per Prior Year Audit Report $ 47,570,000

FH R&S

Fowler, Holley, Rambo & Stalvey, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Curtis G. Fowler, CPA, PFS, CFP • Carlton W. Holley, CPA • C. Wayne Rambo, CPA, CVA • Richard A. Stalvey, CPA

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INDEPENDENT ACCOUNTANT'S REPORT

We have examined management's assertion included in the accompanying Annual Report of 9-1-1 Collections and Expenditures about City of Brunswick, Georgia's compliance during the fiscal year ended June 30, 2009 with the requirement to expend 9-1-1 funds in compliance with the expenditure requirements of the Official Code of Georgia Annotated, Section 46-5-134. Management is responsible for City of Brunswick, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about City of Brunswick, Georgia's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about City of Brunswick, Georgia's compliance with this requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on City of Brunswick, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that City of Brunswick, Georgia complied with the aforementioned requirement during the fiscal year ended June 30, 2009 is fairly stated, in all material respects.

This report is intended solely for the information and use of management and the Georgia Department of Audits and Accounts and is not intended to be and should not be used by anyone other than the specified parties.

Fowler, Holley, Rambo & Stalvey, P.C.
Fowler, Holley, Rambo & Stalvey, P.C.

Valdosta, Georgia
April 5, 2010

Fowler, Holley, Rambo & Stalvey, P.C.

City of Brunswick
601 Gloucester Street
Brunswick, GA 31521

Annual Report of 9-1-1 Collections and Expenditures
For the Year Ended
June 30, 2009

Line No		O.C.G.A. Reference:		
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):			
	__X__ Special Revenue Fund ____ Enterprise Fund			
2	Monthly 9-1-1 charge billed to each exchange access facility subscriber:	46-5-134(a)(1)	$ 1.50	
3	Total revenue from exchange access facility subscribers:			$ -
4	Does 9-1-1 system provide automatic number identification of a wireless telecommunications connection? (choose one)			
	__X__ Yes ____ No			
5	If the answer to Line 4 is "yes", indicate below which of the following apply (choose one)			
	____ System provides location of base station or cell site	46-5-134(a)(2)(A)		
	__X__ System provides automatic location identification	46-5-134(a)(2)(B)		
6	If the answer to Line 4 is "yes", identify the monthly 9-1-1 charge billed to each wireless telecommunications connection subscriber:	46-5-134(a)(2)	$ 1.50	
7	Total revenue from wireless telecommunications connection subscribers:			$ -
8	Total Line 3 plus Line 7 (should equal UCOA Revenue Source 34.2500)			$ -
9	Additional revenue sources:			
9a	Federal (UCOA Revenue Source 33.1000) Identify each funding agency individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ -
	_____			$ -
9b	State (UCOA Revenue Source 33.4000) Identify each funding agency individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ -
	_____			$ -
9c	Local (UCOA Revenue Source 33.6000) Identify each unit of local government individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ -
	_____			$ -
9d	Private (UCOA Revenue Source 37.1000) Identify each private source individually. Attach list, if necessary.	46-5-134(j)		
	_____			$ -
	_____			$ -

Fowler, Holley, Rambo & Stalvey, P.C.

City of Brunswick
601 Gloucester Street
Brunswick, GA 31521
Annual Report of 9-1-1 Collections and Expenditures
For the Year Ended
June 30, 2009

Line No.		O.C.G.A. Reference:	
10	Investment Income (UCOA Revenue Source 36.1000 through 36.3000)		$ -
11	Other revenue sources not included above. Identify each source individually. Transfers from other funds of the local government should be reported on Line 25 and not included here.		
	_____		$ -
	_____		$ -
12	Total Revenues (total of all amounts reported on Lines 8 through 11)		$ -
	Expenditures (UCOA Activity 3800)		
13	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	_____		$ -
	_____		$ -
	_____		$ -
14	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
14a	Lease costs	46-5-134(f)(1)	$ -
14b	Purchase costs	46-5-134(f)(1)	$ -
14c	Maintenance costs	46-5-134(f)(1)	$ -
15	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(2)	$ -
16	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system: Number of employees classified as: Full time ___0___ Part time ___0___		
16a	Salaries and wages	46-5-134(f)(3)	$ -
16b	Employee benefits	46-5-134(f)(3)	$ -

City of Brunswick
601 Gloucester Street
Brunswick, GA 31521
Annual Report of 9-1-1 Collections and Expenditures
For the Year Ended
June 30, 2009

Line No		O.C.G.A. Reference:	
17	Cost of training of employees who work as dispatchers	46-5-134(f)(3)	$ -
18	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(4)	$ -
19a	Building used as a public safety answering point:		
19a1	Lease costs	46-5-134(f)(5)	$ -
19a2	Purchase costs	46-5-134(f)(5)	$ -
19b	Has the local government completed its street addressing plan? (choose one)	46-5-134(f)(5)	$ -
	_X_ Yes ____ No		
20	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems		
20a	Lease costs	46-5-134(f)(6)	$ -
20b	Purchase costs	46-5-134(f)(6)	$ -
20c	Maintenance costs	46-5-134(f)(6)	$ -
21	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(7)	$ -
22	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
22a	Lease costs	46-5-134(f)(8)	$ -
22b	Purchase costs	46-5-134(f)(8)	$ -
22c	Maintenance costs	46-5-134(f)(8)	$ -
23	Other expenditures not included in Lines 13 through 22 above. Identify by object and purpose. Transfers to other funds of the local government should be reported on Line 26 and not included here.		
	Glynn County Government - Shared Expenditures		$ 276,571
			$ -
			$ -
			$ -
24	Total Expenditures (total of all amounts reported on Lines 13 through 23 above)		$ 276,571

Fowler, Holley, Rambo & Stalvey, P.C.

City of Brunswick
601 Gloucester Street
Brunswick, GA 31521
Annual Report of 9-1-1 Collections and Expenditures
For the Year Ended
June 30, 2009

Line No		O.C.G.A. Reference:	
25	Transfers From Other Funds (identify by fund)		
	General Fund		$ 350,311
			$ -
26	Transfers To Other Funds (identify by fund)		
			$ -
			$ -
27	Proceeds from Capital Lease (identify by asset class and, if equipment, purpose)		
			$ -
			$ -
28	Net Change in Fund Balance (Line 12 - Line 24 + Line 25 - Line 26 + Line 27)		$ 73,740
29	Fund Balance - Beginning of Year		$ (73,740)
30	Fund Balance - End of Year		$ -

31a Do amounts on Lines 12, 24, 28, 29, and 30 agree to amounts reported in the government's audited financial statements submitted to the Georgia Department of Audits and Accounts?

__X__ Yes ____ No

31b If the answer to Line 31a is "no", provide explanation (including amounts) to reconcile each line item specified in Line 31a above to government's audited financial statements. Reconciliation should be attached to this report.

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official _____ Date 2/16/10

Print Name of Chief Elected Official Bryan Thompson

Title of Chief Elected Official Mayor

Signature of Chief Financial Officer Martha B. Hendley Date 2/16/10

Print Name of Chief Financial Officer Martha B. Hendley

STATISTICAL SECTION

CITY OF BRUNSWICK, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUE BY SOURCE
LAST TEN FISCAL YEARS
June 30, 2009

Fiscal Year	Taxes	Licenses and Permits	Charges for Services and Assessments	Fines, Forfeitures, and Penalties	Unrestricted Investment Earnings	Inter-governmental Revenues	Sales, Rentals, and Other Revenues	Other Financing Sources	Total
2000	10,224,986	417,420	826,901	363,417	45,253	260,323	147,634	436	12,286,370
2001	10,756,922	285,883	946,093	338,097	61,466	28,114	146,011	435,387	12,997,973
2002	10,806,425	286,041	190,512	368,134	22,740	29,182	115,803	624,217	12,443,054
2003	10,877,363	280,642	203,628	460,076	12,391	106,948	1,084,795	99,808	13,125,651
2004	11,372,047	267,979	248,034	534,114	29,896	29,267	98,614	-	12,579,951
2005	12,056,792	324,767	240,229	545,580	51,713	764,080	108,148	-	14,094,310
2006	13,419,874	262,294	217,783	415,087	112,566	258,125	89,672	-	14,775,401
2007	13,849,169	358,572	240,562	636,380	254,907	536,439	63,544	-	15,939,573
2008	15,108,593	357,655	237,073	603,119	135,418	712,574	350,486	235,996	17,740,914
2009	14,591,760	342,183	283,292	602,800	8,394	455,501	623,621	-	16,907,551

CITY OF BRUNSWICK, GEORGIA
GENERAL FUND
SCHEDULE OF TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
June 30, 2009

Fiscal Year	Property Taxes	Local Option Sales Tax	Tax on Receipts of Public Utilities	Alcoholic Beverage Taxes	Hotel and Motel Taxes	Insurance Premiums/Fin Institutions Tax	Total
2000	2,569,767	5,483,559	1,047,245	415,711	39,687	669,017	10,224,986
2001	2,742,737	5,835,994	1,015,288	407,444	31,967	716,920	10,750,350
2002	2,963,615	5,721,751	1,102,917	415,567	35,683	566,892	10,806,425
2003	3,241,658	5,439,582	1,138,947	396,288	39,138	621,750	10,877,363
2004	3,200,765	5,852,920	1,202,460	407,709	38,093	670,100	11,372,047
2005	3,825,888	6,289,765	920,390	441,871	43,301	726,206	12,056,792
2006	3,844,884	7,247,186	1,021,284	482,600	42,196	781,724	13,419,874
2007	3,822,582	7,554,229	1,040,067	503,474	35,051	893,767	13,849,170
2008	4,381,256	7,827,430	1,462,055	478,070	20,763	939,019	15,108,593
2009	4,870,321	6,841,353	1,451,384	457,368	4,307	967,027	14,591,760

CITY OF BRUNSWICK, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
June 30, 2009

Fiscal Year	General Government	Public Safety	Highways and Streets	Sanitation	Parks, Squares and Cemeteries	Culture and Recreation	Judicial	Debt Service	Special Appropriations and Unclassified	Total
2000	1,855,484	5,603,461	1,335,860	1,511,187	262,910	487,799	-	103,575	1,589,534	12,749,810
2001	1,877,486	6,409,441	1,702,184	1,596,134	356,167	529,808	-	194,930	1,407,436	14,073,586
2002	2,414,930	6,645,421	1,977,311	-		961,633	157,174	239,475	-	12,395,944
2003	2,241,466	6,109,726	1,429,569	-	380,470	874,648	260,778	575,379	86,646	11,958,682
2004	2,206,720	6,312,879	1,573,563	-	304,509	802,604	325,933	599,136	-	12,125,344
2005	2,765,260	5,968,580	1,992,702	-	351,379	857,699	429,366	176,803	85,000	12,626,789
2006	4,107,227	6,151,859	1,330,200	-	342,062	1,050,045	323,919	130,346	85,000	13,520,658
2007	6,673,221	6,509,102	1,270,396	-	319,604	1,065,941	380,557	433,775	85,000	16,737,596
2008	8,240,710	7,342,510	2,632,052	-	365,219	1,178,175	490,180	586,945	120,000	20,955,791
2009	3,947,203	8,001,199	2,821,400	-	362,266	1,227,760	858,031	2,230,257	114,089	19,562,205

CITY OF BRUNSWICK, GEORGIA
NET BONDED DEBT PER CAPITA AND GENERAL FUND BALANCE PER CAPITA
LAST TEN FISCAL YEARS
June 30, 2009

Fiscal Year	Estimated Population	Net General Bonded Debt	Net General Bonded Debt Per Capita	General Fund Balance	General Fund Balance Per Capita
2000	15,163			3,935,355	$ 260
2001	15,333			2,452,774	$ 160
2002	15,333			875,079	$ 57
2003	15,600			1,080,847	$ 69
2004	15,600			1,116,310	$ 72
2005	15,600			2,074,926	$ 133
2006	15,600			3,143,781	$ 202
2007	15,600			2,915,104	$ 187
2008	15,600			1,264,855	$ 81
2009	15,600			75,773	$ 5

CITY OF BRUNSWICK, GEORGIA
PROPERTY ESTIMATED AND ASSESSED VALUE, TAX RATES AND TAX LEVIES
LAST TEN FISCAL YEARS
June 30, 2009

Year	Estimated Value	Assessed Value	Tax Rate Per $1,000 Assessed Value	Tax Levy
2000	551,842,953	220,737,181	11.00	2,428,109
2001	576,471,475	230,588,590	11.00	2,536,474
2002	604,077,680	241,631,072	11.00	2,657,942
2003	620,508,803	248,203,521	13.00	3,226,646
2004	691,057,235	276,422,894	12.25	3,386,180
2005	748,443,283	299,377,313	12.25	3,667,372
2006	791,480,833	316,592,353	12.25	3,878,256
2007	999,950,813	399,980,325	12.25	4,899,759
2008	1,051,457,970	420,583,188	12.25	5,152,144
2009	1,039,583,558	415,833,423	12.25	4,765,420

CITY OF BRUNSWICK, GEORGIA
PROPERTY TAX EXECUTIONS RECEIVABLE BY FISCAL YEAR OF LEVY
June 30, 2009

Fiscal Year	Amount
2002 and prior	$ 2
2003	5,512
2004	10,740
2005	25,901
2006	15,700
2007	159,517
2008	312,217
2009	-
	$ 529,589

Note: Amounts indicated are not net of reserve for bad debts.

WATER/WASTEWATER OPERATING STATISTICS

(Operations of the Water/Wastewater Fund were transferred to the Brunswick – Glynn County Joint Water & Sewer Commission on January 1, 2008.)

Water Pollution Control Plant is currently a pure oxygen activated sludge plant designed to treat 13.5 MGD of wastewater and a total quantity of Biochemical Oxygen Demand ("BOD") of 41,000 pounds per day.

The wastewater system contains an estimated 130 miles of vitrified clay, concrete, plastic, and fiberglass pipe and approximately 1,500 brick and precast manholes. The majority of the wastewater collection system is located within street rights-of-way although there are some areas located within special easements. Of this total, an estimated 70 miles are located within the City limits and 50 miles are located in the unincorporated areas of Glynn County.

Since the area is relatively flat, sewers have been constructed to flow by gravity to various principal pump stations, from which the sewage is then pumped to the treatment plant. There are no known bypasses, overflows or unauthorized outfalls in the City's collection system. The City owns and maintains 58 pumping stations in the service area, 26 of which are located inside the corporate limits and 32 of which are in the unincorporated areas of Glynn County. Connected with these pump stations are approximately 16 miles of force main, of which ten miles are in the City and eight miles in unincorporated areas.

The sewage collection system is in generally good condition. In the late 1980's portions of the deteriorating large concrete mains were replaced with fiberglass pipe and lined in place using the Insituform process.

Governmental Approvals and Environmental Regulation

State Requirements. The Georgia Water Quality Control Act authorizes the State of Georgia Department of Natural Resources, Environmental Protection Dividsion ("EPD"), to regulate the withdrawal of water from lakes and streams in Georgia. EPD has issued to the City permits for withdrawal of raw water form the Upper Floridan aquifer in the amount of 6.4 MGD.

EDP also regulates wastewater treatment systems in Georgia pursuant to the Georgia Water Quality Control Act. The EPD has issued to the City an operating permit for organic treatment of up to 13.5 MGD at its wastewater treatment plant.

The City is in compliance with all state regulations governing the water and sewer system and is continually upgrading and modifying the water and sewer system to maintain compliance.

Federal Requirements. The City's wastewater operations are subject to the regulatory requirements imposed by the Federal Water Pollution Control Act, as amended (the "Clean Water Act"). The regulatory requirements are administered by the Federal Envrionmental Protection Agency ("EPA") through the EPD. Regulations of these agencies deal primarily with the quality of effluent which may be discharged from the City's wastewater treatment facilities, the disposal of sludge generated by the wastewater treatment plan, the discharge of pollutants into the groundwater, and the nature of waste material (particularly industrial waste) discharged into the collection system. As a condition of having received Federal EPA grant funds under the Clean Water Act for planning, design, and construction of various wastewater projects, the City is subject to additional regulatory requirements. Among the grant-related requirements are guidelines which must be followed concerning planning

methodologies, design criteria, construction activities, and the operation, maintenance, and financing of facilities. The City is complying with all such grant-related regulations.

To comply with federally mandated effluent quality and disposal criteria, the City must operate its wastewater treatment facility according to discharge limitations and reporting requirements set forth in National Pollutant Discharge Elimination System ("NPDES") discharge permits. At the present time, the City's wastewater treatment plant is successfully meeting the requirements of its NPDES permit.

Operating Statistics (SEC 152-12 Disclosure)

The Brunswick – Glynn County JWSC provides water to estimated population served of 35,000. Of these accounts, 49% are inside the City Limits. The population served, which includes wastewater received for treatment from the Glynn County system in the northern part of the mainland, is estimated at 34,000.

Number of System Customers for year end

Tabulated below are the water and sewer customers for the City.

Fiscal Year	Water Customers	Sewer Customers
1999	11,636	9,769
2000	11,756	9,825
2001	11,803	9,842
2002	11,694	10,064
2003	12,133	10,484
2004	12,525	10,864
2005	12,733	11,031
2006	12,922	12,233
2007	12,886	11,230
2008	12,886	11,230
2009	14,160	13,936
Source: Brunswick-Glynn County JWSC		

Ten Largest Water and Sewer Customers

Water Customers. The following table shows the ten largest water customers of the City for the fiscal year ended June 30, 2009:

Customer	2009	2009 Revenues as a Percent of Total 2008 Water Revenues
FLETC	91,815	8.15%
SE GEORGIA HEALTH SYSTEM	42,362	3.76%
CITY OF BRUNSWICK	19,755	1.75%

MTC-BWK JOB CORPS CTR	8,182	0.73%
WHISPERING PINES	6,721	0.60%
SEA ISLAND COMPANY	4,485	0.40%
GOLDEN ISLES LAUNDRY	4,104	0.36%
COLLEGE OF COASTAL GA	3,880	0.34%
CRACKER BARREL #54	3,149	0.28%
TRAVEL LODGE	3,033	0.27%
Source: Brunswick-Glynn County JWSC		

Sewer Customers. The following table shows the ten largest sewer customers of the City for the fiscal year ended June 30, 2009:

Customer	2009	2009 Revenues as a Percent of Total 2009 Sewer Revenues
PINOVA, INC. (Hercules)	171,276	12.81%
FLETC	85,417	6.39%
SE GEORGIA HEALTH SYSTEM	41,113	3.07%
RICH PRODUCTS CORPORATION	38,760	2.90%
KING & PRINCE SEAFOOD	28,776	2.15%
CITY OF BRUNSWICK	17,725	1.33%
MTC-BWK JOB CORPS CTR	8,182	0.61%
WHISPERING PINES	6,721	0.50%
SEA ISLAND COMPANY	4,485	0.34%
GOLDEN ISLES LAUNDRY	4,104	0.31%
Source: Brunswick-Glynn County JWSC		

Historical Water and Sewer Usage

	City's Daily Water Consumption		Daily Sewer Consumption	
	Peak MGD	Average MGD	Peak MGD	Average MGD
Fiscal Year				
2009	5.9	4.12	10.5	7.2
Source: Brunswick-Glynn County JWSC				

Current Water and Sewer Rates

The City Commission approved the latest recommended water rates requested by the Brunswick – Glynn County JWSC in June 2008.. Residential Equivalent Units were established in November, 1988 for the purpose of establishing equitable allocation of fixed charges. A residential Equivalent Unit ("REU") is defined as having the equivalent impact of a single residence, which is further defined as 300 gallons per day peak demand.

Wastewater charges are based on the User Charge System and were effective as of July 1, 2008. Stantec Consulting prepared a new Water and Sewer System Rate Study and supplied the City a report dated June 2005 detailing the recommendations. The commission implemented the rates recommended in that report by Resolution in June 2008.

City of Brunswick, Georgia
Water/Wastewater Operating Information
For the Fiscal Year Ended June 30, 2009

Water Rates: The City bills monthly for water service based on water consumed. The rate of charges for water service inside the City limits, furnished per unit, is as follows:

Water Rates

Year	2009
Residential Customers	
Charge per Bill-Admin	2.15
Charge per REU-Debt	3.85
Charge per thousand-O&M	2.03
Commercial customers	
Charge per Bill-Admin	2.15
Charge per REU-Debt	6.15
Charge per thousand-O&M	3.25

Sewer Rates

Year	2009
Residential Customers	
Charge per Bill-Admin	2.41
Charge per REU-Debt	4.93
Charge per thousand-O&M	3.56
Commercial customers	
Charge per Bill-Admin	2.41
Charge per REU-Debt	7.89
Charge per thousand-O&M	3.56

Overstrength Charges: In addition, non-domestic users are charged for Biochemical Oxygen Demand (BOD) and suspended solids (TSS) in excess of 200 milligrams per liter (mg/L) as follows:

BOD: charge per pound in excess of 200 mg/L:	0.39
TSS: charge per pound in excess of 200 mg/L:	0.26

Debt Service Schedule

	Series 1992 Bonds			Series 2001 bonds			
Sinking Fund Year Ending October 1	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Combined Total Debt Service
2006	$ 565,000	$785,465	$1,350,465	$ 345,000	$173,765	$518,765	$1,869,230
2007	595,000	752,130	1,347,130	360,000	163,415	523,415	1,870,545
2008	630,000	716,430	1,346,430	370,000	151,715	521,715	1,868,145
2009	670,000	678,630	1,348,630	385,000	138,950	523,950	1,872,580
2010	710,000	638,430	1,348,430	395,000	125,090	520,090	1,868,520
2011	750,000	595,830	1,345,830	410,000	110,475	520,475	1,866,305
2012	795,000	550,830	1,345,830	425,000	94,895	519,895	1,865,725

2013	845,000	502,335	1,347,335	445,000	78,320	523,320	1,870,655
2014	895,000	450,790	1,345,790	460,000	60,520	520,520	1,866,310
2015	950,000	396,195	1,346,195	480,000	41,660	521,660	1,867,855
2016	1,010,000	338,245	1,348,245	500,000	21,500	521,500	1,869,745
2017	1,595,000	276,635	1,871,635				1,871,635
2018	1,695,000	179,340	1,874,340				1,874,340
2019	1,245,000	75,945	1,320,945				
Totals:	$12,950,000	$6,937,230	$19,887,230	$4,575,000	$1,160,305	$5,735,305	$25,622,535

Historical Debt Service Coverage Ratios

The City's Water and Sewerage Revenue Bonds, Series 1992 and Series 2001 were outstanding in fiscal year 2009. Set forth below are the System's historical debt service coverage ratios of Net Revenues Available for Debt Service on the Series 1992 and Series 2001 bonds for the past year.

	Fiscal Year Ended June 30, 2008 (audited)	Fiscal Year Ended June 30, 2009 (unaudited)
Historical Net Revenues Available for Debt Service[1]	2,143,586	2,343,380
Historical Debt Service on Series 1992 and 2001 Bonds[2]	4,564,490	5,564,490
Historical Total Debt Service Coverage Ratio	.47	.42
[1]Represents income (loss) before operating transfers plus (i) depreciation and (ii) interest expense on bonds.		
[2]Extracted from the City's audited financial statements for fiscal years ended June 30, 2008 and from the unaudited financial statements of the Brunswick-Glynn County JWSC for the year ended June 30, 2009. The operations of the City's Water/Wastewater Fund were transferred to the Brunswick-Glynn County JWSC on January 1, 2008		

Operating Budget of the System

The operations of the Water/Wastewater Fund were transferred to the Brunswick – Glynn County Joint Water & Sewer Commission on January 1, 2008. The City is not responsible for preparing a budget.

SINGLE AUDIT

FH R&S

Fowler, Holley, Rambo & Stalvey, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Commission
City of Brunswick, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Brunswick, Georgia, as of and for the year ended June 30, 2009, which collectively comprise the City of Brunswick, Georgia's basic financial statements and have issued our report thereon dated April 5, 2010. The report on the City of Brunswick, Georgia was qualified for the effects of not capitalizing certain infrastructure assets and recording depreciation in the governmental funds. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Brunswick, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Brunswick, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Brunswick, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the City of Brunswick, Georgia's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Brunswick, Georgia's financial statements that are more than inconsequential will not be prevented or detected by the

City of Brunswick, Georgia's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Item 09-01 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Brunswick, Georgia's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Item 09-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Brunswick, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Governmental Auditing Standards*.

City of Brunswick, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of Brunswick, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, City Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Fowler, Holley, Rambo & Stalvey, P.C.
Fowler, Holley, Rambo & Stalvey, P.C.

Valdosta, Georgia
April 5, 2010

FH R&S

Fowler, Holley, Rambo & Stalvey, P.C.
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and Members of the City Commission
City of Brunswick, Georgia

Compliance

We have audited the compliance of City of Brunswick, Georgia, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. City of Brunswick, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Brunswick, Georgia's management. Our responsibility is to express an opinion on City of Brunswick, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Brunswick, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Brunswick, Georgia's compliance with those requirements.

In our opinion, City of Brunswick, Georgia, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of City of Brunswick, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Brunswick,

Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Brunswick Georgia's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, City Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Fowler, Holley, Rambo & Stalvey, P.C.
Fowler, Holley, Rambo & Stalvey, P.C.

Valdosta, Georgia
April 5, 2010

A. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

1. The auditor's opinion on the City of Brunswick, Georgia's financial statements was qualified due to the City not recording certain infrastructure assets and related depreciation expense in governmental activities.

2. A significant deficiency in internal control over financial reporting was disclosed during the audit of the financial statements.

3. The audit of the City of Brunswick, Georgia disclosed no instances of noncompliance.

4. A material weakness was identified.

FEDERAL AWARDS

5. No significant deficiencies in the internal control over major programs were identified.

6. The auditor's report on compliance for the major federal award programs for the City of Brunswick, Georgia expresses an unqualified opinion.

7. The audit disclosed no findings relating to major programs that are required to be reported under Section 510(a) of OMB Circular A-133.

8. The following programs were tested as major programs:

	CFDA Number	Amount
Type A – High Risk Programs		
Community Dev Block Grants/Entitlement Grants	14.218	$ 416,330
Brownsfield Assessment and Cleanup Agreements	66.818	$ 82,797

9. The threshold for distinguishing between Types A and B programs was $300,000.

10. The City of Brunswick, Georgia did not qualify as a low-risk auditee as defined by Section .530 of OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

09-01 Recording of Infrastructure Assets per GASB 34 (Repeat violation No. 08-04 from June 30, 2008)

Criteria – The Governmental Accounting Standards Board (GASB) requires the City to account for and record its infrastructure assets per Statement 34.

Condition - The City has not accumulated the necessary information concerning certain infrastructure assets in governmental activities. As a result, certain infrastructure assets have not been capitalized and the associated depreciation expense related to governmental activities has not been recorded.

Effect – Understatement of assets, depreciation expense and net assets on the government-wide statement of net assets and government-wide statement of activities.

Cause – Failure to implement GASB Statement 34 related to certain infrastrusture assets and associated depreciation expense for governmental activities.

Recommendation – The City should record infrastructure assets and related depreciation expense related to governmental activities to comply with the guidelines set forth in GASB 34.

Management's Response – Concur. Due to staff limitations and other issues that take priority, the City has not gathered all of the necessary information to record its infrastructure assets per GASB 34. The City intends to have this completed by fiscal year ending June 30, 2011.

C. NON-COMPLIANCE WITH LAWS AND REGULATIONS

The audit of the City of Brunswick, Georgia disclosed no instances of noncompliance.

D. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No significant deficiencies in the internal control over major programs were identified.

CITY OF BRUNSWICK, GEORGIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

SIGNIFICANT DEFICIENCIES

No significant deficiencies related to major federal awards programs were noted for period ended June 30, 2008.

CITY OF BRUNSWICK, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2009

Federal grantor/Pass-through grantor/ Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services		
Passed through Coastal Georgia Regional Development Center		
FEIN: 58-0951360		
Aging Cluster:		
Special Programs for the Aging - Title III, Part C	93.045	$ 67,285
Nutrition Services Incentive Program	93.053	8,924
Subtotal Aging Cluster		76,209
Total-U.S. Department of Health and Human Services		76,209
U.S. Department of Justice		
Pass-Through U.S. Department of Treasury Federsl		
Seizure Equitable Sharing - Glynn County - NCIC No. GA0630200	16.710	35,631
OJP - Weed & Seed 2007	16.595	79,577
OJP - Great Grant 2007	16.737	48,728
OJP - TVCI 2007	16.580	24,883
OJP - Weed & Seed 2008	16.595	71,867
OJP - JAG 2008	16.738	13,456
Total-U.S. Department of Justice		274,142
U.S. Department of Housing and Urban Development		
Community Development Block Grants/Entitlement Grants	14.218	416,330
Total U.S. Department of Housing & Urban Development		416,330
Environmental Protection Agency		
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818	82,797
Total		$ 849,478

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Brunswick, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.