CITY OF BRUNSWICK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by:
Finance Department

CITY OF BRUNSWICK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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INTRODUCTORY SECTION

CITY OF BRUNSWICK

601 Gloucester Street * Post Office Box 550 * Brunswick * Georgia * 31520-0550 * (912) 267-5500 * Fax (912) 267-5549

Cornell L. Harvey, Mayor
Felicia M. Harris, Mayor Pro-Tem
John A. Cason III, Commissioner
Julie T. Martin, Commissioner
Vincent T. Williams, Commissioner

City Attorney
Brian D. Corry

City Manager
James D. Drumm

November 6, 2018

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

The Comprehensive Annual Financial Report of the City of Brunswick, Georgia, for the Fiscal Year ended June 30, 2017, 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 City. 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 for the government. We believe all disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

This report is presented in six (6) sections – Introductory, Financial, Additional Schedules, Statistical, Compliance and Governmental Auditing Standards Requirements.

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

Management's Discussion and Analysis includes summarized financial information about the City, analysis of the past year's operations of general government and major enterprise activities, and overview of the City's current and future economic picture, as well as its major initiatives and financial accomplishments for the year.

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 Statistical Section includes selected financial information, generally presented on a multi-year basis.

CITY OF BRUNSWICK, GEORGIA GOVERNMENT

Brunswick became the County Seat of Glynn County on February 3, 1797 and was officially chartered as a town in 1836. The City has approximately 17.07 square miles of land area and 8.18 square miles of water area. The population is estimated to be approximately 16,500 in 2017. The City has been a Port of Entry to our Country since 1789.

The City provides a full range of services for its citizens. The governing authority of the City is composed of an elected Mayor and four City Commissioners, all serving on a part-time basis. An appointed City Manager directs the daily operations of the City. Additional information about the current activities of the City can be obtained at the City's website, www.cityofbrunswick-ga.gov.

This report includes all the funds of the City of Brunswick, Georgia (the primary government) and its component unit, the Downtown Development Authority. Additional information about the City as a reporting entity is provided in the Notes to the Basic Financial Statements.

ECONOMIC OUTLOOK

Although the fiscal climate for Georgia has somewhat improved since the "Great Recession" the outlook for Brunswick and Glynn County in the coming year is slightly improving. Employment in the Brunswick MSA (Metropolitan Service Area) is expected to increase by 2 % which will generate modest increases in retail spending, hence increasing Local Option Sales Tax revenue. The LOST revenue for the current fiscal year is anticipated to remain steady, however over the last two years we have seen some increases in revenues as consumers again are more confident in purchasing goods. Voters in November of 2016 passed a SPLOST initiative which will bring in $13.8 million over a 3-year period to provide substantial capital needs. Collection of those funds began in April 2017. It has been found that the trend of increasing revenue for LOST will also benefit the increase in SPLOST. The City recently saw a boost in our downtown business climate with the addition of the Richland Rum Company and expects further growth with the addition a Brew Pub that is planning to locate operations in downtown Brunswick. This and additional restaurants being added to the downtown will expand our entertainment district. Revenues are expected to increase with additional licensing and tax revenues.

The housing market within the local area witnessed an increase last year and has since then remained steady over the past 12 months. There has been increased sales and a shortage of marketable properties in the City. However, looking forward to 2019, Brunswick will see only a 1% increase in the taxable value of both residential and commercial property. This will be reflected in very little growth in the local tax digest for Brunswick. Ad Valorem taxes represent approximately twenty five percent of the annual General Fund revenue budget.

MAJOR INITIATIVES

The City took on major initiatives to address revenue shortages during the recession. A five-year downtrend in General Fund revenue was halted in the 2014 fiscal year with overall revenues being substantially the same as the 2013 fiscal year. Careful overall spending including critical evaluation of key spending accounts, privatization of sanitation services, and delayed hiring for vacant positions has allowed the City of Brunswick to maintain a fund balance sufficient to accommodate a cyclical cash flow without having to participate in a Tax Anticipation Note in the 2014, 2015, 2016 and 2017 fiscal years.

With the use of Special Local Option Sales Tax revenues, the City has been successful in achieving substantial improvements in infrastructure as well as major upgrades to recreational facilities and City buildings. SPLOST V revenue cash balances were reduced in fiscal year 2017 and are scheduled to be nearly depleted over the next two years. The City and the County joined together in the summer of 2016 to present projects in the SPLOST VI referendum. This initiative was passed by voters in November 2016. This allows for major infrastructure and capital improvements to the City of Brunswick over the next 3-4 years.

The City is currently exploring other revenue sources to diversify our revenue streams (i.e. implementation of a storm water utility fee and/or fire assessment fee) for service and infrastructure needs beyond the funding cycle of the current SPLOST VI funds. In addition, the City continues to receive the Community Development Block Grant (CDBG) Entitlement funds, which will be applied to continue community programs and infrastructure upgrades.

The City will continue to work to improve the value of our Tax Digest in the 2018 fiscal year. In February 2017 the City partnered with Glynn County in creating the Glynn-Brunswick Land Bank Authority. This provides additional powers under State law to address blighted neighborhoods and redevelopment of housing stock in the City and County. This agency will work to bring vacant housing and lots back into use for affordable housing and commercial purposes. The improvements will increase neighborhood property values and add new value to the Tax Digest.

The City in December 2017 created a Tax Allocation District (TAD) with the base year being fiscal year 2018. This will add additional revenue for redevelopment improvements within the TAD using the tax increments from the City, County and Board of Education. We also plan to maximize annexation potential and implement benefits to new businesses in City approved Enterprise zones. Resurgence in economic redevelopment initiatives will also play an important role in improving the value of Tax Digest.

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.

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.

Independent Audit – State statutes require an annual audit by an independent Certified Public Accountant. The accounting firm of Mauldin and Jenkins was selected by the Brunswick City Commissioners in compliance with the purchasing policies established by the City of Brunswick. 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.

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brunswick, Georgia for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the third year the City of Brunswick, Georgia has received this prestigious reward. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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,



James D. Drumm, MPA, ICMA-CM
City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brunswick

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morrill

Executive Director/CEO

CITY OF BRUNSWICK, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2017

Mayor	***Cornell L. Harvey***
Mayor Pro-Tem	***Vincent T. Williams***
City Commissioner	***John A. Cason, III***
City Commissioner	***Felicia M. Harris***
City Commissioner	***Julie T. Martin***
City Manager	***James D. Drumm***
City Clerk	***Naomi D. Atkinson***
City Attorney	***Brian D. Corry***
Municipal Court Judge	***Christopher J. O'Donnell***
City Auditor	***Mauldin & Jenkins, Certified Public Accountants***
Finance Director	***Kathy D. Mills, CPA***
City Engineer	***J. Garrow Alberson***
Fire Chief	***Randy D. Mobley***
Police Chief	***Kevin M. Jones***
Planning, Development and Code Enforcement	***Brenda White-Daiss***

HISTORY

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 Tories, 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. Brunswick was officially reincorporated on February 22, 1856. 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.

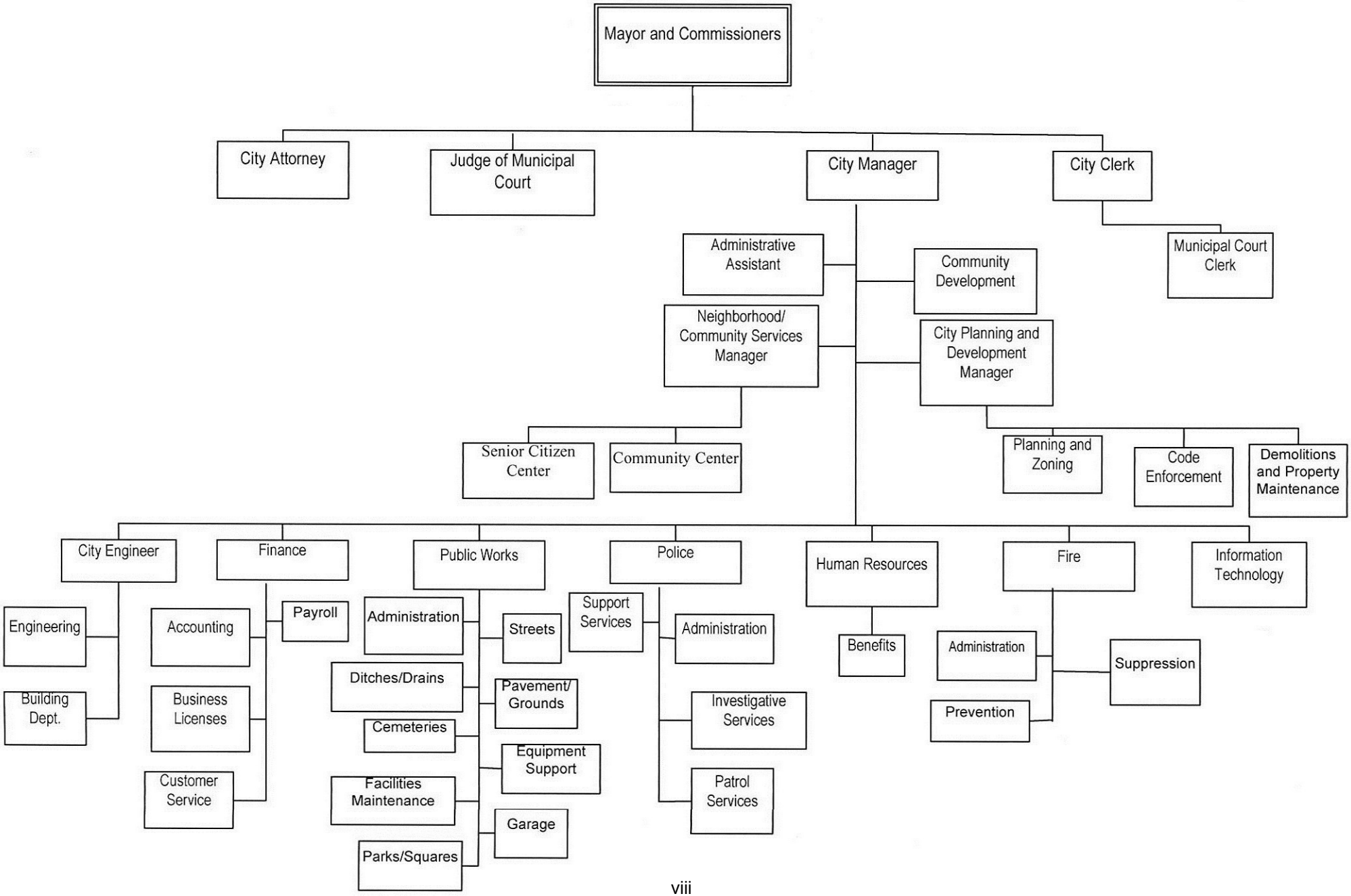
HISTORY (Continued)

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
ORGANIZATIONAL CHART



FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying 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 the **City of Brunswick, Georgia** (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 14), the budgetary comparison information (on page 64), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 67), the Schedule of City Contributions (on page 68) and the Schedule of Investment Returns for the Defined Benefit Plan (on page 69) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the City.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
November 6, 2018

CITY OF BRUNSWICK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

As management of the City of Brunswick, we offer readers of the City of Brunswick's financial statements this narrative overview and analysis of the financial activities of the City of Brunswick for the fiscal year ended June 30, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

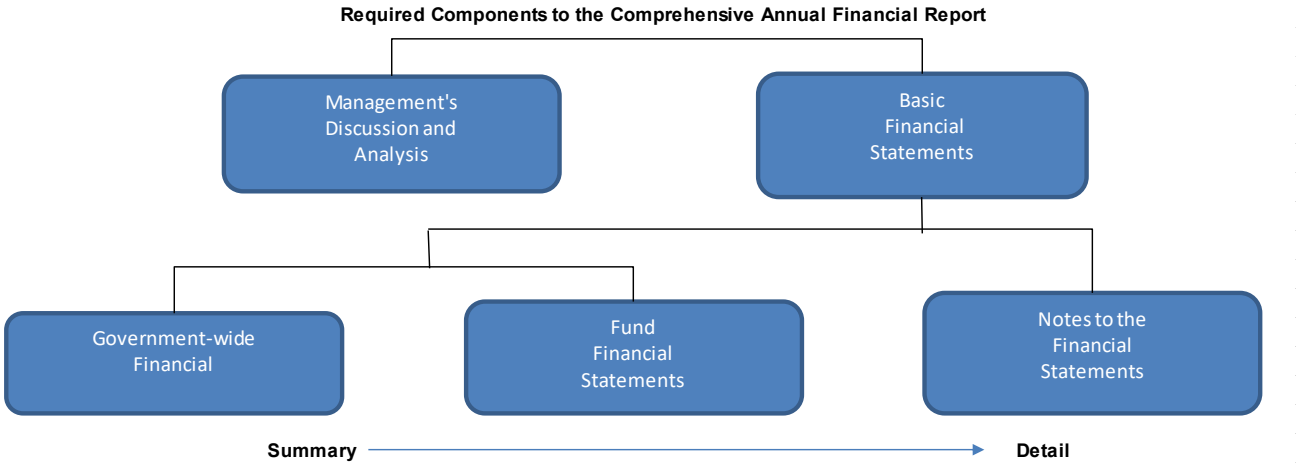
Financial Highlights

- The assets and deferred outflows of resources of the City of Brunswick exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $36,615,509 (*net position*).
- Under Government Accounting Standards Board Statements 67 and 68 (GASB 67 and GASB 68) the City has recorded a net pension liability of $7,667,393 and related deferred outflows of resources related to the pension of $488,545 and deferred inflows related to the pension of $275,802 in the Statement of Net Position. The net pension liability decreased by $214,350 during the current fiscal year. Using the requirements of GASB 67 to measure the total pension liability utilizing the entry age normal actuarial funding method, the funded ratio is 52.9%.
- The City's overall financial position decreased by $717,418 due primarily to an increase in expenditures in general government, public safety, and public works.
- As of the close of the current fiscal year, the City of Brunswick's governmental funds reported combined ending fund balances of $8,207,235 with a combined increase of $1,158,805 in fund balance, influenced primarily by an increase of revenues in the general fund and the SPLOST VI Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $4,605,355. General Fund revenues increased $638,825 over the total General Fund revenues for the previous fiscal year.
- The City of Brunswick's total debt decreased $237,775 or 2.16% during the current fiscal year as the result of payments on capital leases and a reduction in net pension liability.
- The Sanitation Fund had a decrease in operating revenue of $95,024 or 10% from the previous year and an increase in operating expenses of $54,241 or 5% from the previous year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Brunswick's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements.

Overview of the Financial Statements (Continued)



Basic Financial Statements

The Statement of Net Position and Statement of Activities together comprise the *government-wide financial statements*. They provide both short and long-term information about the City's financial status.

The next statements are *Fund Financial Statements*. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the *Fund Financial Statements*: 1) the governmental funds statements, 2) the proprietary funds statements, and 3) a fiduciary fund statement.

The next section of the basic financial statements is the *notes*. The *notes to the financial statements* explain in detail some of the data contained in the basic financial statements.

After the notes, *required supplementary information* is provided to show budgetary schedules of the City's major governmental funds and funding information on the fiduciary fund.

Other *supplementary information* is included after the *required supplementary information* and provides combining fund financial statements of the nonmajor special revenue funds and the internal service funds, as well as the budget schedules of the capital project funds, nonmajor special revenue funds and the internal service funds.

Additional schedules are included after the *supplementary information* to provide information on the City's projects constructed with SPLOST proceeds.

An unaudited *statistical section* follows the *additional schedules. Compliance information* follows the *statistical section.*

Overview of the Financial Statements (Continued)

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances; similar in format to the financial statements of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) the component unit. The governmental activities include most of the City's basic services such as judicial, public safety, public works, community development, culture and recreation, and general administration. Taxes, licenses, fines, charges for services, and intergovernmental and grant revenues finance most of these activities. The business-type activities are those that the City charges customers to provide. These include waste pick-up, recycling, and disposal services offered by the City of Brunswick. The final category is the component unit, the Downtown Development Authority. Although legally separate from the City, the Downtown Development Authority is important to the City. The City exercises control over the Board by appointing its members.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Brunswick, like all other governmental entities in Georgia, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Brunswick can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs.

The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Overview of the Financial Statements (Continued)

Proprietary Funds

The City of Brunswick has two different kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Brunswick uses enterprise funds to account for its waste disposal (sanitation) activity. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the City of Brunswick. The City uses internal service funds to account for two activities – group health and workers' compensation. Because these operations benefit predominantly governmental rather than business-type activities, the internal service funds have been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City of Brunswick has one fiduciary fund, The City of Brunswick Defined Benefit Plan Trust.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary including budgetary comparison schedules of the major governmental funds and the City of Brunswick's progress in funding its obligation to provide pension benefits to its employees.

Interdependence with Other Entities

The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of Georgia. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

City of Brunswick's Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	**2017**	2016	**2017**	2016
Assets						
Cash, investments, and receivables	**$ 12,215,499**	$ 10,180,140	**$ 753,352**	$ 1,198,930	**$ 12,968,851**	$ 11,379,070
Capital assets	**38,828,637**	39,611,361	**64,522**	65,887	**38,893,159**	39,677,248
Landfill closure costs escrow deposit	**-**	112,660	**105,475**	-	**105,475**	112,660
Prepaid items and other	**268,527**	252,296	**-**	-	**268,527**	252,296
Total assets	**51,312,663**	50,156,457	**923,349**	1,264,817	**52,236,012**	51,421,274
Deferred outflows of resources	**488,545**	581,094	**-**	-	**488,545**	581,094
Liabilities						
Current liabilities	**3,933,122**	3,292,770	**504,552**	622,110	**4,437,674**	3,914,880
Long-term liabilities	**11,092,396**	8,993,428	**-**	5,964	**11,092,396**	8,999,392
Total liabilities	**15,025,518**	12,286,198	**504,552**	628,074	**15,530,070**	12,914,272
Deferred inflows of resources	**578,978**	269,833	**-**	-	**578,978**	269,833
Net position:						
Net investment in capital assets	**38,101,485**	38,714,883	**64,522**	65,887	**38,166,007**	38,780,770
Restricted	**253,562**	3,033,453	**105,475**	-	**359,037**	3,033,453
Unrestricted	**(2,158,335)**	(3,566,816)	**248,800**	570,856	**(1,909,535)**	(2,995,960)
Total net position	**$ 36,196,712**	$ 38,181,520	**$ 418,797**	$ 636,743	**$ 36,615,509**	$ 38,818,263

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the City of Brunswick exceeded liabilities and deferred inflows by $36,615,509 as of June 30, 2017. The City's net position decreased by $717,419 for the fiscal year ended June 30, 2017. The largest portion of the City's net position is $38,166,007 which reflects the City's net investment in capital assets (e.g., land, buildings, infrastructure, and machinery and equipment). The City of Brunswick uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Brunswick's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Brunswick's net position, $359,037, represents resources that are subject to external restrictions on how they may be used. The remaining balance (deficit) of ($1,909,535) is unrestricted.

Several particular aspects of the City's financial operations influenced the total unrestricted governmental net position:

- Total government-wide tax revenues increased marginally by 1.79%.
- Total expenses for governmental activities increased by 18.02% from the previous fiscal year.
- The net position of the Sanitation Fund decreased by 34.2% due to transfers to governmental activities.

Government-Wide Financial Analysis (Continued)

City of Brunswick's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	**2017**	2016	**2017**	2016
Revenues:						
Program revenues						
Charges for services	**$ 1,083,296**	$ 1,223,698	**$ 1,143,038**	$ 1,238,062	**$ 2,226,334**	$ 2,461,760
Operating grants and contributions	**1,771,574**	926,365	**-**	-	**1,771,574**	926,365
Capital grants and contributions	**1,295,195**	263,473	**-**	-	**1,295,195**	263,473
General revenues:						
Property taxes	**4,981,463**	4,912,179	**-**	-	**4,981,463**	4,912,179
Franchise taxes	**1,322,528**	1,375,316	**-**	-	**1,322,528**	1,375,316
Hotel/Motel tax	**8,391**	6,941	**-**	-	**8,391**	6,941
Local option sales tax	**5,507,708**	5,390,243	**-**	-	**5,507,708**	5,390,243
Selective sales and use tax	**1,554,508**	1,455,272	**-**	-	**1,554,508**	1,455,272
Unrestricted investment earnings	**37,938**	21,370	**3,563**	2,173	**41,501**	23,543
Gain on sale of capital assets	**88,147**	76,273	**-**	-	**88,147**	76,273
Miscellaneous	**88,244**	22,308	**-**	-	**88,244**	22,308
Total revenues	**17,738,992**	15,673,438	**1,146,601**	1,240,235	**18,885,593**	16,913,673
Expenses:						
General government	**3,274,757**	2,972,748	**-**	-	**3,274,757**	2,972,748
Judicial	**284,306**	270,506	**-**	-	**284,306**	270,506
Public safety	**8,567,631**	7,891,653	**-**	-	**8,567,631**	7,891,653
Public works	**4,193,934**	2,516,211	**-**	-	**4,193,934**	2,516,211
Culture and recreation	**651,720**	771,853	**-**	-	**651,720**	771,853
Cemetery	**294,779**	273,850	**-**	-	**294,779**	273,850
Community development	**955,209**	656,123	**-**	-	**955,209**	656,123
Economic development - (component unit)	**206,956**	139,503	**-**	-	**206,956**	139,503
Debt service	**45,560**	43,089	**-**	-	**45,560**	43,089
Sanitation	**-**	-	**1,128,159**	1,073,918	**1,128,159**	1,073,918
Total expenses	**18,474,852**	15,535,536	**1,128,159**	1,073,918	**19,603,011**	16,609,454
Change in net position before transfers	**(735,860)**	137,902	**18,442**	166,317	**(717,418)**	304,219
Transfers	**131,267**	147,824	**(131,267)**	(147,824)	**-**	-
Payments from component unit	**-**	40,000	**-**	-	**-**	40,000
Change in net position	**(604,593)**	325,726	**(112,825)**	18,493	**(717,418)**	344,219
Net position, beginning	**38,181,520**	37,855,794	**636,743**	618,250	**38,818,263**	38,474,044
Prior period adjustment	**(1,380,215)**	-	**(105,121)**	-	**(1,485,336)**	-
Net position, beginning, as restated	**36,801,305**	37,855,794	**531,622**	618,250	**37,332,927**	38,474,044
Net position, ending	**$ 36,196,712**	$ 38,181,520	**$ 418,797**	$ 636,743	**$ 36,615,509**	$ 38,818,263

Governmental Activities

Governmental activities in the current year decreased the City's net position by $604,593. Key net elements of the activity are as follows:

- Total governmental revenues increased 13.1% from the previous year.
- Total tax revenue decreased slightly by 1.79% from the previous year.
- Total governmental expenses increased 18.91% from the previous year.
- Total capital expenditures for the current year were $1,412,850 compared to $823,688 in the prior year influenced primarily by an increase in SPLOST V expenditures.

Business-type Activities

Business-type activities decreased the City of Brunswick's net position marginally by $112,825. Although operating revenues exceeded operating expenses by $18,442, the decrease is attributable to transfers of $131,267 to governmental funds.

Financial Analysis of the City's Funds

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

Major Governmental Funds

General Fund

The General Fund is the main operating fund for the City and accounts for all financial resources not restricted by federal and state laws, local ordinances, or other outside restrictions. At the end of the current fiscal year, total assets were $8,422,455, total liabilities were $2,723,410 and deferred inflow of resources (property taxes) were $825,163. The ending fund balance in the General Fund was $4,873,882, of which $268,527 was nonspendable and $4,605,355 was unassigned.

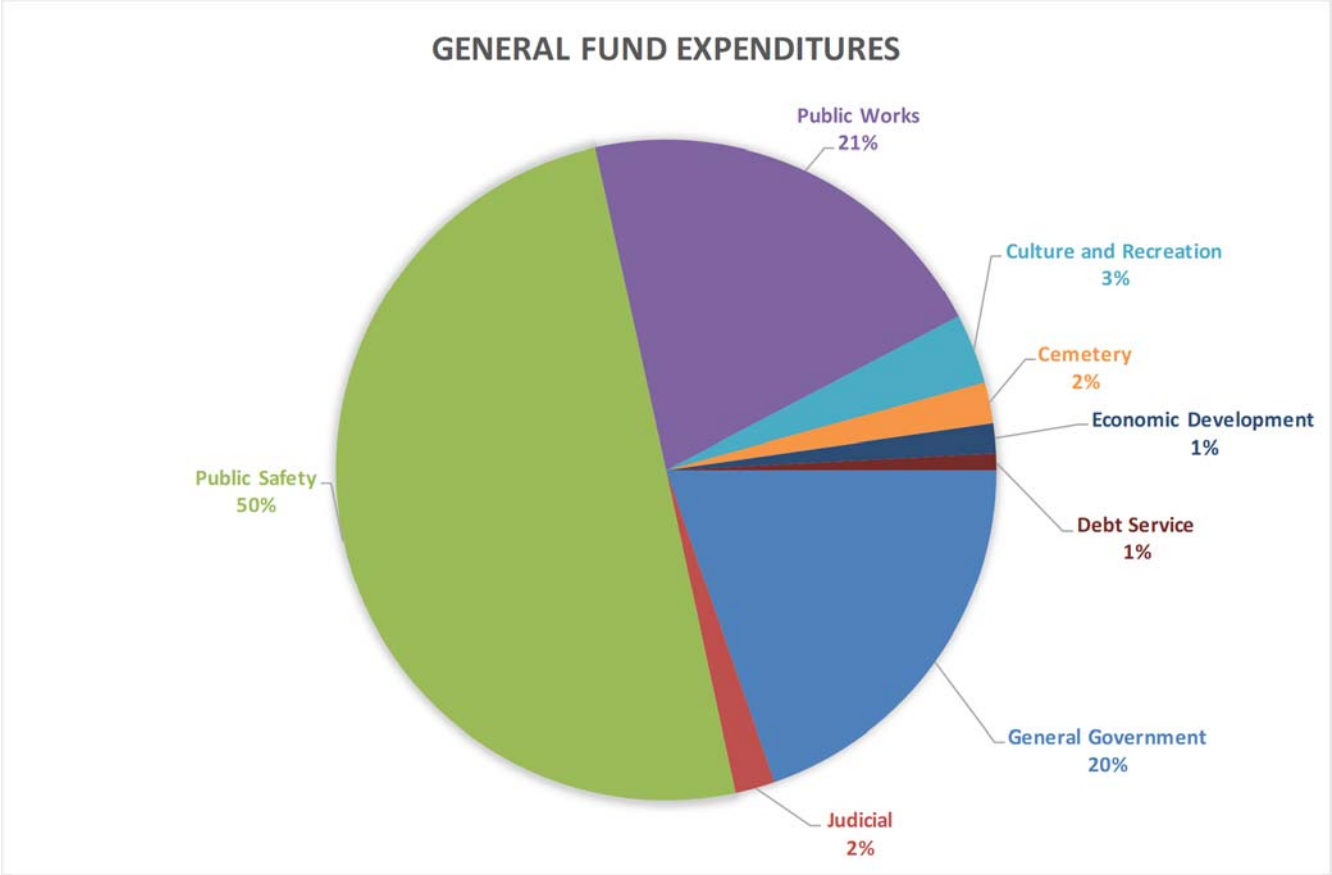
During the current fiscal year, the total revenues and other financing sources in the General Fund were $15,604,294 and the total expenditures and other financing uses in the General Fund were $13,568,653. Of the General Fund revenues, 86.8% come from taxes of which 41.04% is from local option sales tax and 37.52% is from property taxes. Public safety expenditures account for 49.9% of the General Fund expenditures (including capital outlay).

The fund balance in the General Fund increased $642,011 in the current fiscal year due primarily to an increase in overall revenues.

Major Governmental Funds (Continued)

General Fund (Continued)

The percentages (rounded) of General Fund expenditures for the various functions are illustrated in the graph below:



Other Major Governmental Funds

The fund balance for the Community Development Fund decreased from $341,017 to $243,075 due primarily to an excess of program and grant expenses over grant revenues. The fund received $385,960 in grant income and had expenditures of $430,870 during the current year.

The fund balance in the SPLOST V capital projects fund decreased from $2,389,049 to $2,355,158 due primarily to an increase in expenditures on SPLOST V projects. Expenditures for the fund totaled $835,532. The City also received $233,663 in reimbursements from the BGJWSC on joint projects. Certain projects are still under construction, and, as a result, the expenditures are much greater than the tax collected during the year.

Major Governmental Funds (Continued)

Other Major Governmental Funds (Continued)

There are no significant restrictions, commitments, or other limitations of fund resources in all the other governmental funds that could affect availability for future use.

Major Proprietary Funds

The Water/Wastewater Fund

The Water/Wastewater Fund had no activity during the year. Technically, the Water/Wastewater Fund is defunct as the operation of the fund as well as the assets and liabilities were transferred to the Brunswick-Glynn County Joint Water & Sewer Commission in prior years. The Water/Wastewater Fund is still presented as a major fund in the proprietary fund statements because it has not been officially closed.

The Sanitation Fund

The Sanitation Fund is used to account for the waste collection, recycling and disposal services provided to customers in the city limits under the contract with Waste Management of Georgia, Inc. Total assets in the Sanitation Fund at the end of the current fiscal year were $923,349, total liabilities were $504,727, and net position was $418,797. Unrestricted net position of the Sanitation Fund at the end of the fiscal year was a deficit of $454,375. The total decrease in net position for the Sanitation Fund was $112,825 due primarily to transfers of $131,267 to governmental funds. Operating revenue was $1,143,038 and operating expenses were $1,128,159 resulting in operating income of $14,879 compared to $164,144 in operating income in the previous year.

Fiduciary Fund

Defined Benefit Pension Plan Trust

In fiscal year 2015, the City fully implemented GASB Statement 67, Financial Reporting for Pension Plans (GASB 67) and GASB 68, Accounting and Financial Reporting for Pensions (GASB 68). GASB 67 required the use of the entry age normal actuarial valuation method to determine the total pension liability.

The investments (including cash and cash equivalents) held by the City’s defined benefit pension plan increased in fair value by $692,362. Contributions from the City and its employees totaled $1,143,364 during the year. Other additions to the plan including interest and dividends, gain on security sales, and unrealized appreciation/depreciation on investments totaled $540,987. The Defined Benefit Pension Plan paid $963,034 in monthly and lump-sum payments to retirees during the plan year. Net position in the plan increased by $721,317 to $9,648,912 due primarily to the increase in employer and employee contributions during the fiscal year.

Fiduciary Fund (Continued)

Defined Benefit Pension Plan Trust (Continued)

As mentioned earlier, the City has recorded a net pension liability of $7,667,393 and related deferred outflows of resources related to the pension of $488,545 and deferred inflows related to the pension of $275,802 in the Statement of Net Position. The net pension liability decreased by $214,350 during the current fiscal year. Using the requirements of GASB 67 to measure the total pension liability utilizing the entry age normal actuarial funding method, the funded ratio is 52.9%.

Capital Asset and Debt Administration

Capital Assets

The City of Brunswick's investment in capital assets for its governmental and business-type activities as of June 30, 2017 totaled $38,893,159 (net of accumulated depreciation). These assets included land, land improvements, buildings, equipment and infrastructure.

Major capital asset transactions during the year include the following:

- Spending on capital assets of $932,819 including expenditures of $833,532 on SPLOST V projects.
- Capital expenditures for public works and recreation projects totaled $822,062.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	**2017**	2016	**2017**	2016
Land	**$ 3,013,324**	$ 3,036,022	**$ -**	$ -	**$ 3,013,324**	$ 3,036,022
Land improvements	**3,701,685**	3,763,917	**-**	-	**3,701,685**	3,763,917
Buildings and improvements	**10,973,653**	11,289,594	**-**	-	**10,973,653**	11,289,594
Equipment	**1,475,203**	1,714,903	**64,522**	65,887	**1,539,725**	1,780,790
Infrastructure	**19,332,765**	19,666,185	**-**	-	**19,332,765**	19,666,185
Construction in progress	**332,007**	140,737	**-**	-	**332,007**	140,737
Total	**$ 38,828,637**	$ 39,611,358	**$ 64,522**	$ 65,887	**$ 38,893,159**	$ 39,677,245

Please see Note 5 in the *notes to the financial statements* for additional information on capital assets.

Long-term Debt. The City of Brunswick's total debt decreased $237,775 or 2.16% during the past fiscal year, as a result of payments on capital lease obligations.

Please see Note 7 in the *notes to the financial statements* for additional information on the City's debt.

Status of the City of Brunswick Economy

Employment in the area is expected to increase modestly by 2% which will generate slight increases in retail spending and Local Option Sales Tax revenue. The activity in the housing market increased during the current year and created a shortage of marketable properties in the City. The taxable value of both residential and commercial property is projected to increase by 3% in the near future. The Tax Digest is likely to show a minor increase in 2018. Ad Valorem taxes represent approximately 25% of the annual General Fund revenue budget.

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
Kathy D. Mills, CPA, Finance Director
P. O. Box 550
Brunswick, GA 31521

CITY OF BRUNSWICK, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 6,684,996	$ 771,278	$ 7,456,274	$ 53,016
Investments	1,042,516	-	1,042,516	-
Receivables, net of allowances				
Taxes	959,840	-	959,840	-
Accounts receivable	614,013	220,714	834,727	-
Intergovernmental	2,372,318	-	2,372,318	-
Internal balances	238,640	(238,640)	-	-
Prepaid expenses	268,527	-	268,527	-
Inventories	-	-	-	6,027
Restricted assets:				
Landfill closure costs escrow deposit	-	105,475	105,475	-
Assets held for resale	-	-	-	575,000
Fair value of interest rate swap	303,176	-	303,176	-
Capital assets:				
Land	3,013,324	-	3,013,324	-
Construction-in-progress	332,007	-	332,007	-
Other capital assets, net	35,483,306	64,522	35,547,828	134,906
Total assets	51,312,663	923,349	52,236,012	768,949
DEFERRED OUTFLOWS OF RESOURCES				
Pension	488,545	-	488,545	-
Total deferred outflows or resources	488,545	-	488,545	-
LIABILITIES				
Accounts payable	1,332,243	104,896	1,437,139	580,221
Accrued expenses	272,902	1,349	274,251	7,112
Unearned revenues	-	392,270	392,270	-
Claims payable	1,762,756	-	1,762,756	-
Due to other governments	168,602	-	168,602	-
Long-term liabilities				
Due within one year:				
Capital leases payable	73,817	-	73,817	-
Customer deposits payable	-	6,037	6,037	-
Compensated absences	322,802	-	322,802	-
Due in more than one year:				
Certificate of participation	1,116,000	-	1,116,000	
Notes payable	-	-	-	227,013
Capital leases payable	579,851	-	579,851	-
Compensated absences	322,802	-	322,802	-
Net pension liability	7,667,393	-	7,667,393	-
Landfill post-closure costs	1,406,350	-	1,406,350	-
Total liabilities	15,025,518	504,552	15,530,070	814,346
DEFERRED INFLOWS OF RESOURCES				
Deferred change in fair value of hedging derivative instruments	303,176	-	303,176	
Pension	275,802	-	275,802	-
Total deferred inflows of resources	578,978	-	578,978	-
NET POSITION				
Net investment in capital assets	38,101,485	64,522	38,166,007	134,906
Restricted for:				
Community development	253,562	-	253,562	-
Landfill closure costs	-	105,475	105,475	-
Unrestricted	(2,158,335)	248,800	(1,909,535)	(180,303)
Total net position	$ 36,196,712	$ 418,797	$ 36,615,509	$ (45,397)

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, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Downtown Development Authority
Primary government:								
Governmental activities:								
General government	$ 3,274,757	$ 612,952	$ 836,634	$ 1,052,092	$ (773,079)	$ -	$ (773,079)	$ -
Judicial	284,306	291,885	-	-	7,579	-	7,579	-
Public safety	8,567,631	12,435	139,199	-	(8,415,997)	-	(8,415,997)	-
Public works	4,193,934	-	233,663	-	(3,960,271)	-	(3,960,271)	-
Culture and recreation	651,720	34,120	31,784	-	(585,816)	-	(585,816)	-
Cemetery	294,779	110,115	-	-	(184,664)	-	(184,664)	-
Community development	955,209	21,789	530,294	243,103	(160,023)	-	(160,023)	-
Economic development-component unit	206,956	-	-	-	(206,956)	-	(206,956)	-
Interest on long-term debt	45,560	-	-	-	(45,560)	-	(45,560)	-
Total governmental activities	18,474,852	1,083,296	1,771,574	1,295,195	(14,324,787)	-	(14,324,787)	-
Business-type activities:								
Sanitation	1,128,159	1,143,038	-	-	-	14,879	14,879	-
Total business-type activities	1,128,159	1,143,038	-	-	-	14,879	14,879	-
Total primary government	$ 19,603,011	$ 2,226,334	$ 1,771,574	$ 1,295,195	(14,324,787)	14,879	(14,309,908)	-
Component units:								
Downtown Development Authority	$ 248,113	$ 11,250	$ 33,537	$ 143,299	-	-	-	(60,027)
Total component units	$ 248,113	$ 11,250	$ 33,537	$ 143,299	-	-	-	(60,027)
General revenues:								
Property taxes levied for general purposes					4,981,463	-	4,981,463	-
Franchise taxes					1,322,528	-	1,322,528	-
Hotel/Motel taxes					8,391	-	8,391	-
Selective sales and use tax					1,554,508	-	1,554,508	-
Local options sales tax					5,507,708	-	5,507,708	-
Unrestricted investment earnings					37,938	3,563	41,501	25
Miscellaneous					88,244	-	88,244	-
Gain on sale of capital assets					88,147	-	88,147	-
Transfers					131,267	(131,267)	-	-
Total general revenues and transfers					13,720,194	(127,704)	13,592,490	25
Change in net position					(604,593)	(112,825)	(717,418)	(60,002)
Net position, beginning of year, as restated					36,801,305	531,622	37,332,927	14,605
Net position, end of year					$ 36,196,712	$ 418,797	$ 36,615,509	$ (45,397)

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

CITY OF BRUNSWICK, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Community Development Fund	SPLOST V Fund	Nonmajor Governmental Funds	Totals Governmental Funds
ASSETS					
Cash and cash equivalents	$ 3,341,632	$ 412,083	$ 2,373,220	$ 342,617	$ 6,469,552
Investments	1,042,516	-	-	-	1,042,516
Receivables, net of allowances					
Taxes	956,441	-	-	3,399	959,840
Accounts receivable	382,228	109,157	36,713	813	528,911
Intergovernmental	1,647,720	6,993	-	717,605	2,372,318
Prepaid expenditures	268,527	-	-	-	268,527
Due from other funds	783,391	69,696	-	97,235	950,322
Total assets	$ 8,422,455	$ 597,929	$ 2,409,933	$ 1,161,669	$ 12,591,986
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,248,682	$ 6,376	$ 54,775	$ 22,410	$ 1,332,243
Accrued expenditures	263,574	3,037	-	6,291	272,902
Due to other funds	118,266	345,441	-	282,326	746,033
Advances to other funds	1,020,044	-	-	19,764	1,039,808
Due to other governments	72,844	-	-	95,758	168,602
Total liabilities	2,723,410	354,854	54,775	426,549	3,559,588
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	825,163	-	-	-	825,163
Total deferred inflows of resources	825,163	-	-	-	825,163
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	268,527	-	-	-	268,527
Restricted for:					
Community development	-	243,075	-	10,487	253,562
Capital projects	-	-	2,355,158	889,140	3,244,298
Public safety	-	-	-	97,285	97,285
Unassigned (deficit)	4,605,355	-	-	(261,792)	4,343,563
Total fund balances	4,873,882	243,075	2,355,158	735,120	8,207,235
Total liabilities, deferred inflows of resources and fund balances	$ 8,422,455	$ 597,929	$ 2,409,933	$ 1,161,669	$ 12,591,986

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

CITY OF BRUNSWICK, GEORGIA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION JUNE 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances - governmental funds		$ 8,207,235
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds as deferred inflow of resources:		
Taxes not available to finance expenditures of the current period	$ 825,163	
Deferred outflows related to pensions	488,545	1,313,708
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Cost of the assets	$ 82,199,404	
Less accumulated depreciation	(43,370,767)	38,828,637
An internal service fund is used by the City's management to charge the cost of group health and workers' compensation insurance to the individual funds. The assets and liabilites of the internal service funds are included with governmental activities.		
Group health fund	$ 413,785	
Workers compensation fund	(801,836)	(388,051)
Long-term liabilities including net pension liability and related deferred inflows and outflows, are not payable in the current period and, therefore, are not reported as liabilities in the governmental funds:		
Capital leases	$ (653,668)	
Certificate of participation	(1,116,000)	
Landfill post-closure costs	(1,406,350)	
Accrued compensated absences	(645,604)	
Net pension liability	(7,667,393)	
Deferred inflows related to pensions	(275,802)	(11,764,817)
Total net position - governmental activities		$ 36,196,712

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, 2017

	General	Community Development Fund	SPLOST V Fund	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES					
Taxes:					
Property taxes	$ 5,035,576	$ -	$ -	$ -	$ 5,035,576
Franchise taxes	1,322,528	-	-	-	1,322,528
Local option sales tax	5,507,708	-	-	-	5,507,708
Selective sales and use taxes	1,554,508	-	-	-	1,554,508
Hotel/Motel taxes	-	-	-	8,391	8,391
Licenses and permits	308,627	-	-	-	308,627
Fines and forfeitures	416,365	-	-	-	416,365
Intergovernmental revenues - special purpose local sales tax	-	-	4,965	1,038,676	1,043,641
Intergovernmental revenues - reimbursement BGJWSC	-	-	233,663	-	233,663
Grant revenues	875,102	385,960	31,784	488,168	1,781,014
Charges for services and assessments	282,231	-	-	55,909	338,140
Unrestricted investment earnings	33,419	2,566	8,451	1,953	46,389
Rental income	20,164	-	-	-	20,164
Contributions and donations	35,332	2	-	-	35,334
Other revenues	52,910	-	-	-	52,910
Total revenues	15,444,470	388,528	278,863	1,593,097	17,704,958
EXPENDITURES					
General government	2,791,723	-	-	-	2,791,723
Judicial	276,545	-	-	-	276,545
Public safety	7,098,464	-	-	523,047	7,621,511
Public works	2,919,914	-	-	-	2,919,914
Culture and recreation	462,324	-	-	-	462,324
Cemetery	284,854	-	-	-	284,854
Community development	-	359,305	-	345,626	704,931
Economic development	204,949	-	-	-	204,949
Debt service:					
Principal	70,259	-	-	-	70,259
Interest	45,560	-	-	-	45,560
Capital outlay					
General government	16,909	-	-	118,244	135,153
Public safety	22,526	-	-	49,569	72,095
Public works	44,110	-	640,108	-	684,218
Culture and recreation	27,331	-	193,424	120,850	341,605
Community development	-	71,565	-	108,214	179,779
Total expenditures	14,265,468	430,870	833,532	1,265,550	16,795,420
Excess (deficiency) of revenues under expenditures	1,179,002	(42,342)	(554,669)	327,547	909,538
OTHER FINANCING SOURCES (USES)					
Transfers in	41,824	57,000	520,778	639,815	1,259,417
Transfers out	(696,815)	(112,600)	-	(318,735)	(1,128,150)
Proceeds from the sale of capital assets	118,000	-	-	-	118,000
Total other financing sources (uses)	(536,991)	(55,600)	520,778	321,080	249,267
Net change in fund balances	642,011	(97,942)	(33,891)	648,627	1,158,805
Fund balances, beginning of year, as restated	4,231,871	341,017	2,389,049	86,493	7,048,430
Fund balances, end of year	$ 4,873,882	$ 243,075	$ 2,355,158	$ 735,120	$ 8,207,235

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, 2017

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 1,158,805
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		
Capital outlay	$ 932,819	
Depreciation expense	(1,685,687)	
		(752,868)
In the statement of activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds report only proceeds from disposal of capital assets. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold or disposed.		
Cost of capital assets	$ (86,392)	
Accumulated depreciation	56,539	
		(29,853)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(54,113)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Proceeds from issuance of long-term debt	$ -	
Principal retirement on long-term debt	70,259	
		70,259
Pension expense related to the net pension liability as recorded in the statement of activities is based on the City's proportionate share of pension expense of the retirement system as a whole, whereas pension expenditures recorded in the funds are based on the use of financial resource (e.g., required contributions). Thus, the change in net position differs from the change in fund balance by the amount in which the City's proportionate share of pension expense exceeds actual contributions.		115,832
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the decrease in compensated absences payable.		(46,834)
An internal service fund is used by the City's management to charge the costs of group health and workers compensation insurance to the individual funds. The change in net position of the internal service funds is reported with governmental activities.		(1,065,821)
Change in net position of governmental activities		$ (604,593)

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

CITY OF BRUNSWICK, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Enterprise Funds			
	Water/Waste-Water System	Sanitation	Totals	Internal Service Fund
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ -	$ 771,278	$ 771,278	$ 215,444
Restricted assets, cash	-	105,475	105,475	-
Accounts receivable, net of allowances	-	220,714	220,714	-
Claims reimbursement receivable	-	-	-	85,102
Due from other funds	-	22,543	22,543	-
Advances from other funds	-	-	-	1,074,159
Total current assets	-	1,120,010	1,120,010	1,459,807
NONCURRENT ASSETS				
Depreciable, net of accumulated depreciation	-	64,522	64,522	-
Total noncurrent assets	-	64,522	64,522	-
Total assets	-	1,184,532	1,184,532	1,459,807
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	-	104,896	104,896	-
Accrued expenses	-	1,349	1,349	-
Unearned revenue	-	392,270	392,270	-
Due to other funds	-	226,832	226,832	-
Customer deposits payable	-	6,037	6,037	-
Claims payable	-	-	-	1,762,756
Total current liabilities	-	731,384	731,384	1,762,756
NONCURRENT LIABILITIES				
Advances to other funds	-	34,351	34,351	-
Total noncurrent liabilities	-	34,351	34,351	-
Total liabilities	-	765,735	765,735	1,762,756
NET POSITION				
Net investment in capital assets	-	64,522	64,522	-
Restricted for debt service	-	105,475	105,475	-
Unrestricted	-	248,800	248,800	(388,051)
Total net position	$ -	$ 418,797	$ 418,797	$ (388,051)

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

CITY OF BRUNSWICK, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Enterprise Funds			
	Water/Waste-Water System	Sanitation	Totals	Internal Service Fund
OPERATING REVENUES				
Sanitation fees	$ -	$ 1,143,038	$ 1,143,038	$ -
Contributions-employer	-	-	-	1,495,956
Contributions-employees	-	-	-	234,861
Miscellaneous income and reimbursements	-	-	-	266,698
Total operating revenues	-	1,143,038	1,143,038	1,997,515
OPERATING EXPENSES				
Personal services - salaries and wages	-	33,783	33,783	-
Personal services - employee benefits	-	17,644	17,644	-
Professional/technical services	-	1,065,995	1,065,995	-
Repairs and maintenance	-	2,886	2,886	-
Education and training	-	1,555	1,555	-
Contractual and other expenses	-	-	-	283,207
Provision for bad debts	-	2,888	2,888	-
Depreciation	-	1,365	1,365	-
Administrative expense	-	2,043	2,043	-
Claims	-	-	-	2,781,463
Total operating expenses	-	1,128,159	1,128,159	3,064,670
Operating income (loss)	-	14,879	14,879	(1,067,155)
NONOPERATING INCOME				
Investment income	-	3,563	3,563	1,334
Total nonoperating income	-	3,563	3,563	1,334
Income (loss) before transfers	-	18,442	18,442	(1,065,821)
Transfers out	-	(243,867)	(243,867)	-
Transfers in	-	112,600	112,600	-
Total transfers	-	(131,267)	(131,267)	-
Change in net position	-	(112,825)	(112,825)	(1,065,821)
NET POSITION, beginning of year, as restated	-	531,622	531,622	677,770
NET POSITION, end of year	$ -	$ 418,797	$ 418,797	$ (388,051)

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

CITY OF BRUNSWICK, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Enterprise Funds			
	Water/Waste-Water System	Sanitation	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Sanitation fees	$ -	$ 1,146,799	$ 1,146,799	$ -
Employee salaries and benefits	-	(51,147)	(51,147)	-
Payments to suppliers	-	(1,065,287)	(1,065,287)	-
Administrative expenses	-	(2,043)	(2,043)	-
Receipts for services	-	-	-	2,097,380
Payments of claims and expenses	-	-	-	(2,563,193)
Net cash provided by (used in) operating activities	-	28,322	28,322	(465,813)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	-	(243,867)	(243,867)	-
Transfers in	-	112,600	112,600	-
Net cash used in noncapital financing activities	-	(131,267)	(131,267)	-
CASH FLOWS FROM CAPITAL AND				
Interest and dividends received	-	3,563	3,563	1,334
Net cash provided by investing activities	-	3,563	3,563	1,334
Decrease in cash and cash equivalents	-	(99,382)	(99,382)	(464,479)
Cash and cash equivalents:				
Beginning of year	-	976,135	976,135	679,923
End of year	$ -	$ 876,753	$ 876,753	$ 215,444
Classified as:				
Cash and cash equivalents	$ -	$ 771,278	$ 771,278	$ 215,444
Restricted assets, cash	-	105,475	105,475	-
	$ -	$ 876,753	$ 876,753	$ 215,444
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ -	$ 14,879	$ 14,879	$ (1,067,155)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	1,365	1,365	-
Changes in assets and liabilities:				
Decrease in accounts receivable	-	2,081	2,081	-
Increase in accrued liabilities	-	280	280	-
Decrease in claims reimbursement receivable	-	-	-	99,865
(Increase) decrease in due from other funds	-	(6,918)	(6,918)	45,065
Increase in claims payable	-	-	-	501,477
Increase in accounts payable	-	17,960	17,960	-
Decrease in due to other funds	-	(3,005)	(3,005)	(45,065)
Increase in customer deposits	-	73	73	-
Increase in unearned revenue	-	1,607	1,607	-
Net cash provided by (used in) operating activities	$ -	$ 28,322	$ 28,322	$ (465,813)

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

CITY OF BRUNSWICK, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
DEFINED BENEFIT PENSION PLAN
JUNE 30, 2017

Assets	
Cash and cash equivalents	$ 1,119,998
Receivables:	
Contributions - employer	984,428
Interest and dividends receivable	23,934
Total receivables	1,008,362
Investments, at fair value:	
U.S. Treasury Notes	2,147,032
Corporate bonds	709,992
Domestic equities	4,610,797
Other investments	61,161
Total investments	7,528,982
Total assets	9,657,342
Liabilities	
Due to others	8,430
Total liabilities	8,430
Net position	
Assets restricted for pension benefits	$ 9,648,912

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

CITY OF BRUNSWICK, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DEFINED BENEFIT PENSION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Additions		
Contributions:		
Employer	$	984,860
Participants		158,504
Total contributions		1,143,364
Investment income:		
Interest and dividends		195,205
Gain on security sales		224,120
Net increase in fair value of plan investments		121,662
Net investment income		540,987
Total additions		1,684,351
Deductions		
Benefit payments		855,040
Contractual and administrative expenses		107,994
Total deductions		963,034
Net increase in plan net position		721,317
Net position restricted for pension benefits:		
Net position - beginning of year		8,927,595
Net position - end of year	$	9,648,912

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of the City of Brunswick, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The City has used GASB Statement No. 34 minimum criteria for major fund determination. The Community Development Fund, SPLOST V Capital Projects Fund and the Sanitation Fund are still considered major funds and are presented in their respective financial statements. The nonmajor funds are combined in a column in the fund financial statements and are detailed in the combining section of this report.

The fiscal year of the City and its component unit is June 30th.

The more significant accounting policies of the City are described below.

B. The Financial Reporting Entity

The City of Brunswick, Georgia (primary government) 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), culture and recreation, cemetery, community development and historic preservation.

The financial statements of the City have been prepared in accordance with GAAP as applied to governmental units. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. The Financial Reporting Entity (Continued)

Discretely Presented Component Units

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. The Authority receives the majority of its funding from the City. Therefore, the City has concluded that in accordance with GASB Statement No. 14, the Downtown Development Authority should be presented as a discrete component unit. The Downtown Development Authority does not issue separate financial statements.

C. Government-wide and Fund Financial Statements

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities report information about the primary government and its component unit. These financial statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal transactions. Governmental activities, which are normally supported by program fees and charges, taxes and intergovernmental revenues, are reported separately from business-type activities, which are financed by fees charged to external parties for goods and services. Likewise, the primary government is reported separately from its legally separate discretely presented component unit for which the primary government is financially accountable.

The Statement of Activities shows the degree to which the direct expense of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges for services, fines and forfeitures and 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*.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide and Fund Financial Statements (Continued)

Government-wide Financial Statements (Continued)

The effect of interfund activity has been mostly eliminated from the government-wide financial statements. Exceptions include interfund services and the allocation of administrative services.

Fund Financial Statements

The City's accounting system is operated using separate funds, each of which is considered to be a distinct accounting entity. The operations of each fund are accounted for with its own set of accounting records and accounts that consist of its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. The City's resources are allocated to and accounted for in the individual funds based upon the purposes for which the resources are to be expended and the means by which disbursement activities are controlled.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund although the fiduciary fund is excluded from the government-wide statements. Major individual governmental funds and major proprietary funds are reported as separate columns in the fund financial statements. The remaining governmental funds are aggregated and reported as nonmajor funds. The internal service funds are also aggregated and reported in a separate column in the proprietary funds financial statements.

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

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

The government-wide financial statements and the proprietary and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 cash flows. 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) liabilities (including long-term liabilities) and deferred inflow and deferred outflow of resources are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 – *Accounting and Financial Reporting for Nonexchange Transactions*. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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, major revenues such as property taxes are recorded when susceptible to accrual, i.e., both measurable and available. “Measurable” means the amount of the transaction can be determined and “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.

Property tax revenues are considered measurable and available if they are collected during the current period or within 60 days after the end of the period. Property taxes not collected within 60 days are recorded as receivable; however, the related revenue is deferred and recognized when subsequently collected. Sales tax revenue is considered measurable and available when collected from the customer at the time that a taxable transaction occurs, if collected within 60 days of year end. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other grant requirements have been met.

Interest revenue and charges for service revenues, are considered measurable and available if collected during the current period or within 12 months of the end of the period. The City has determined that fines and forfeitures, in compliance with GASB Statement No. 33, *Accounting and Financial Report for Nonexchange Transactions*, are not deemed to be susceptible to accrual as they are not measurable until received in cash.

Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

A proprietary fund separates 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 fund and of the City’s internal service funds are charges for services. Operating expenses for the enterprise fund and the 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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.

The City reports the following major funds:

Major Governmental Funds

General Fund - This is the City's principal operating fund and accounts for all financial resources and activities of the general government not otherwise required to be reported in other funds.

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 V Fund) - This capital project 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 (SPLOST) and other City funds.

Major Proprietary Fund

Sanitation Enterprise Fund - This fund is used to finance and account for the cost of providing both residential and commercial garbage pick-up to the residents and businesses of the City.

Waste/Wastewater Fund - Although this fund is technically defunct, it is still presented in the financial statements because the fund has not been officially closed.

Other Funds

Other Nonmajor Funds Aggregated - All other nonmajor governmental funds are aggregated and reported in a separate column in the governmental funds financial statements and are presented in separate columns by fund in the Combining Nonmajor Fund Financial Statements. The aggregated nonmajor funds are the **Roosevelt Harris Fund**, the **Police Seizure Fund**, the **E-911 Fund**, the **DOT TE-21 Fund**, the **City Pier Fund,** the **Hotel/Motel Tax Fund** and the **SPLOST VI Fund**.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Internal Service Funds Aggregated – The internal service funds are used to account for the financing of goods or services provided to other departments of the City. These goods or services are provided on a cost reimbursement basis. The internal service funds are also aggregated and reported in a separate column in the proprietary funds financial statements and are presented in separate columns by fund in the Combining Nonmajor Fund Financial Statements.

The internal service funds are described below:

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

Workers' Compensation Fund – The Workers' Compensation Fund accounts for the transactions related to worker compensation claims incurred by City employees.

Fiduciary Fund

Defined Benefit Pension Plan – The Defined Benefit Pension Plan accounts for the assets and funding of retirement benefits for which employees are entitled.

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 unassigned/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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting (Continued)

Budgets are adopted for the General Fund, Community Development Fund, SPLOST V Fund and nonmajor governmental funds on the modified accrual basis method of accounting. Budgets for nonmajor governmental funds are not required by generally accepted accounting principles; however, Georgia Budget Statutes require budgets to be adopted for nonmajor governmental funds.

The Georgia statutes define legal level of control at a minimum to be the departmental level.

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 value. Securities traded on public exchanges are valued at the last reported sales price at current exchange rates as of June 30, 2017.

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

   Amounts reported include 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. 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 a deferred inflow of resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Receivables (Continued)

2. Accounts Receivable

Amounts reported include services performed by various departments and 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 a deferred inflow of resources. Accounts receivable for sanitation charges are recognized when earned, with an allowance for uncollectible accounts recorded against the receivables.

Amounts reported as unbilled services receivable within the City's Enterprise Fund represents an estimated amount for services rendered but not yet billed as of the close of the June 30, 2017 fiscal year.

I. Due from Other Governments and Agencies

Due from other governments includes local option sales taxes due from the Georgia Department of Revenue and special purpose local options sales taxes through Glynn County, and amounts from grantors for grants for specific programs and capital projects. Program grants and capital grants for governmental capital 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 capital asset additions in the proprietary fund 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 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, 2017, balances of interfund amounts receivable or payable have been recorded. To the extent that these balances are between governmental funds, they are eliminated on the statement of net position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Prepaid Items and Inventories

Prepaid items in the governmental funds and inventories in the component unit are accounted for using the consumption method and are valued at lower of cost or market. 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. There are no inventory items reported in the governmental funds.

L. 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.

GASB Statement No. 34 required 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, had not taken place as of that date. However, the City capitalized the infrastructure assets retroactively as of the end of the 2012 fiscal year. Prospective capitalization of infrastructure assets began on July 1, 2002. 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 on the retroactive infrastructure assets is computed using the composite method on a straight-line basis. Depreciation on the prospective assets is provided on the straight-line basis over the estimated useful lives. The estimated useful lives are as follows:

	Years
Land improvements	15-30
Buildings	50
Machinery and Equipment	5-20
Vehicles	5-20
Infrastructure	10-20

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

It is the City's policy to permit employees to accumulate varying days of vacation benefits depending on length of service, 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, 2017, has been recorded in the government-wide statements representing the City's commitment to fund such costs from future operations.

N. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

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.

O. Pension Plan

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 6 and the required supplementary information (RSI) section immediately following the Notes to Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's Defined Benefit Plan Pension Trust and additions to/deductions from the City's Defined Benefit Pension Plan Trust fiduciary net position have been measured as of the Plan's year end date of December 31, 2016. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflow/Inflow of Resources

GASB Statement No. 63 - ***Financial Reporting and Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*** This statement provides guidance for reporting deferred outflows of resources and deferred inflows of resources within the financial statements of governmental entities. Additionally, it renames the statement of net assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Deferred outflow of resources is defined as consumption of net position by the City that is applicable to a future reporting period. Deferred inflow of resources is defined as the acquisition of net position by the City that is applicable to a future reporting period.

GASB Statement No. 65 - ***Items Previously Reported as Assets and Liabilities.*** This Statement provides guidance and establishes the accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of recourses, certain items that were previously reported as assets and liabilities.

The only item that affects the City's governmental funds is the reclassification of unavailable tax revenues of $825,163 as a deferred inflow of resources on the governmental funds balance sheet in the General Fund. There were no items of deferred outflow. The government-wide statement of position reflects a deferred outflow related to pensions of $488,545 and a deferred inflow related to pension of $275,802.

Q. Fund Equity

Government-wide/Proprietary Presentation

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position." Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in reporting, which utilizes the economic resources measurement focus.

"Net investment in capital assets" measures the entity's value of capital assets, the cost of capital assets, less accumulated depreciation and outstanding debt related to asset acquisition. Restricted net position indicates the amount of funds subject to restrictions, either externally or internally-imposed, and beyond the City's control. All other net positon is reported as unrestricted.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Equity (Continued)

Governmental Funds

Fund balances, presented in the governmental fund financial statements, represent the difference between assets and deferred outflow of resources and liabilities and deferred inflow of resources reported in a governmental fund. **GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions***, established new criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. This new standard has not affected the total amount of reported fund balances but has substantially changed the categories and terminology used to describe their components. The City implemented GASB Statement No. 54 in 2011. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds.

The City evaluated each of its funds at June 30, 2017, and classified fund balances in the following five categories:

- *Nonspendable* - items that cannot be spent because they are not in spendable form, such as prepaid items, are reported in the General Fund.

- *Restricted* - items that are restricted by external parties such as creditors or imposed by grants, law or legislation. The City has restrictions on grant revenues and expenditures in the General Fund, Police Seizure Fund, Hotel/Motel Tax Fund, and Community Development Fund as well as legislative restrictions on collection and expenditures in SPLOST IV and SPLOST V.

- *Committed* - items that have been committed by formal action by the entity's "highest level of decision-making authority," which the City considers to be Commission resolutions. The City had no committed fund balances at June 30, 2017.

- *Assigned* - items that have been allocated by committee action where the City's intent is to use the funds for a specific purpose. The City considers this level of authority to be the Budget Committee. There are no such allocations on the City's fund balances at June 30, 2017.

- *Unassigned* - this category is for any balances with no restrictions placed upon them as well as (deficit) fund balances in nonmajor governmental funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Equity (Continued)

The City reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. The City reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Governmental fund types under GASB Statement No. 54 are as follows at June 30, 2017:

	General Fund	Community Development Fund	SPLOST V Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:					
Nonspendable	$ 268,527	$ -	$ -	$ -	$ 268,527
Restricted for:					
Community Development	-	243,075	-	10,487	253,562
SPLOST - capital projects	-	-	2,355,158	889,140	3,244,298
Public safety	-	-	-	97,285	97,285
Unassigned (deficit)	4,605,355	-	-	(261,792)	4,343,563
Total fund balance:	$ 4,873,882	$ 243,075	$ 2,355,158	$ 735,120	$ 8,207,235

Deficit fund balances in nonmajor governmental funds are classified as unassigned fund balance.

Fund Balance Deficits

The following funds had deficit fund balance/net position at June 30, 2017:

The **Roosevelt Harris Center Fund** and the **City Pier Fund** had deficit fund balances of ($231,974) and ($29,818), respectively, due to the excess of expenditures over revenue. The **Workers' Compensation Fund** had deficit net position of ($388,051).

The over expenditures in these funds were funded by other financing resources and available fund balance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Revenue and Expenditures/Expenses

1. Program revenues

   Amounts reported as 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 (e.g., licenses and permits), 2) fines and forfeitures, and 3) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All other taxes and fees, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues.

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

   Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the sanitation fund are sanitation charges to customers for services. Operating expenses for the enterprise fund include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

S. 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 AND INVESTMENTS

Collateralization of Deposits

The Official Code of Georgia Annotated (OCGA), §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% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA §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% of the daily pool balance. OCGA §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.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Collateralization of Deposits (Continued)

As of June 30, 2017, the City's bank depositories reported government-wide balances held of $7,995,050 and $96,365 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	$ 7,116,195	$ 878,855	$ 7,995,050	$ 96,365
Plus petty cash	4,138	-	4,138	54
Less uncleared transactions	(435,337)	(2,102)	(437,439)	(43,403)
Financial statement balance	$ 6,684,996	$ 876,753	$ 7,561,749	$ 53,016

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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. As of June 30, 2017, the deposits maintained by the City at two financial institutions were under collateralized by $1,522,024 and $956,652, respectively, as defined by GASB pronouncements and the State of Georgia.

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.

General Fund Investments

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1 - 10	10-20	Rating
General Fund:					
Guaranteed investment contract	$ 1,042,516	$ -	$ -	$ 1,042,516	AAA
Total fair value	$ 1,042,516	$ -	$ -	$ 1,042,516	

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Fund Investments

As of June 30, 2017, the City had $8,648,980 invested on behalf of a defined benefit pension fund which included cash and cash equivalents of $1,119,998. The balance of pension investments of $7,528,982 is invested based on a separate policy for pension assets adopted by the City in compliance with state law. The City's pension fund assets are invested in domestic common stocks, international stocks, U.S. government obligations, and domestic bonds and notes as follows:

		Investment Maturities (in Years)							
Investment Type	**Fair Value**	**Less than 1**	**1 - 10**	**10-20**	**20-30**	**30-40**	**40-50**	**50-60**	**Rating**
Pension Trust Fund:									
Corporate bonds	$ 110,975	$ 41,377	$ 69,598	$ -	$ -	$ -	$ -	$ -	AA-
Corporate bonds	66,123	-	66,123	-	-	-	-	-	A
Corporate bonds	104,185	40,977	63,208	-	-	-	-	-	A-
Corporate bonds	104,002	-	45,295	58,707	-	-	-	-	BBB+
Corporate bonds	221,791	-	221,791	-	-	-	-	-	BBB
Corporate bonds	76,167	76,167	-	-	-	-	-	-	BBB-
Corporate bonds	26,749	26,749	-	-	-	-	-	-	BB+
Corporate equities	4,610,797	4,610,797	-	-	-	-	-	-	N/A
U.S. Treasury note	249,922	249,922	-	-	-	-	-	-	N/A
U.S. Treasury note	998,594	998,594	-	-	-	-	-	-	N/A
U.S. Treasury note	798,750	798,750	-	-	-	-	-	-	N/A
U.S. Treasury note	99,766	99,766	-	-	-	-	-	-	N/A
Other assets	61,161	-	-	-	-	-	-	61,161	N/A
Total fair value	$ 7,528,982	$ 6,943,099	$ 466,015	$ 58,707	$ -	$ -	$ -	$ 61,161	

Credit Risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Fund Investments (Continued)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2017:

Investment	Level 1	Level 2	Level 3	Fair Value
Corporate equities	$ 4,610,797	$ -	$ -	$ 4,610,797
Corporate bonds	380,002	329,990	-	709,992
United States Treasuries	2,147,032	-	-	2,147,032
Other assets	61,161	-	-	61,161
	$ 7,198,992	$ 329,990	$ -	$ 7,528,982

The United States Treasuries, corporate equities, and the corporate bonds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investment in corporate bonds classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 3. RECEIVABLES

Receivables as of June 30, 2017, consisted of the following balances for the City's individual major funds, and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	Community Development	SPLOST V	Sanitation	Nonmajor and Other Funds	Total
Receivables:						
Taxes	$ 975,960	$ -	$ -	$ -	$ 3,399	$ 979,359
Accounts	382,228	109,157	36,713	231,714	813	760,625
Intergovernmental	1,647,720	6,993	-	-	717,605	2,372,318
Gross receivables	3,005,908	116,150	36,713	231,714	721,817	4,112,302
Less: allowance for uncollectibles	(19,519)	-	-	(11,000)	-	(30,519)
Net total receivables	$ 2,986,389	$ 116,150	$ 36,713	$ 220,714	$ 721,817	$ 4,081,783

NOTE 3. RECEIVABLES (CONTINUED)

Property taxes were levied on behalf of the City by Glynn County on September 15, 2016 (Levy Date) based upon property values assessed as of January 1. The billings were mailed on September 15, 2016, and payable on or before November 15, 2016, for the fiscal year 2017 tax. Taxes not paid by December 15 are subject to property tax liens. Property tax revenues are recognized when levied to the extent they result in current receivables. At June 30, 2017, the allowance for uncollectible property taxes was $19,519.

The composition of interfund balances as of June 30, 2017, is as follows:

Receivable Fund	Payable Fund	Total
General Fund	Community Development Fund	$ 343,929
General Fund	Nonmajor Governmental Funds	212,630
General Fund	Sanitation Fund	226,832
Community Development Fund	Nonmajor Governmental Funds	69,696
Nonmajor Governmental Funds	General Fund	95,723
Nonmajor Governmental Funds	Community Development Fund	1,512
Sanitation Fund	General Fund	22,543
Total		$ 972,865

In prior years, cash was transferred to the Internal Service Funds to cover claims expense. The Internal Service Funds have recorded a receivable of $1,074,159 to cover this shortfall, repayment of which is unscheduled. The amount is due from the following funds:

Receivable Fund	Payable Fund	Total
Internal Service Funds	General Fund	$ 1,020,044
Internal Service Funds	Nonmajor Governmental Funds	19,764
Internal Service Funds	Sanitation Fund	34,351
Total		$ 1,074,159

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 if possible.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, is as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 3,036,019	$ -	$ (22,695)	$ -	$ 3,013,324
Construction in progress	140,737	267,529	-	(76,259)	332,007
Total capital assets, not being depreciated	3,176,756	267,529	(22,695)	(76,259)	3,345,331
Capital assets, being depreciated:					
Buildings	15,787,845	14,250	-	-	15,802,095
Equipment	12,480,043	175,220	(63,697)	-	12,591,566
Land improvements	5,284,464	118,650	-	69,708	5,472,822
Infrastructure	44,623,869	357,170	-	6,551	44,987,590
Total capital assets, being depreciated	78,176,221	665,290	(63,697)	76,259	78,854,073
Less accumulated depreciation for:					
Buildings	(4,498,248)	(330,194)	-	-	(4,828,442)
Equipment	(10,765,140)	(407,762)	56,539	-	(11,116,363)
Land improvements	(1,520,547)	(250,590)	-	-	(1,771,137)
Infrastructure	(24,957,684)	(697,141)	-	-	(25,654,825)
Total accumulated depreciation	(41,741,619)	(1,685,687)	56,539	-	(43,370,767)
Total capital assets, being depreciated, net	36,434,602	(1,020,397)	(7,158)	76,259	35,483,306
Governmental activities capital assets, net	$ 39,611,358	$ (752,868)	$ (29,853)	$ -	$ 38,828,637

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, being depreciated:					
Equipment	$ 1,395,085	$ -	$ -	$ -	$ 1,395,085
Total capital assets, being depreciated	1,395,085	-	-	-	1,395,085
Less accumulated depreciation for:					
Equipment	(1,329,198)	(1,365)	-	-	(1,330,563)
Total accumulated depreciation	(1,329,198)	(1,365)	-	-	(1,330,563)
Total capital assets, being depreciated, net	65,887	(1,365)	-	-	64,522
Business-type activities capital assets, net	$ 65,887	$ (1,365)	$ -	$ -	$ 64,522

NOTE 4. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued):

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	$ 237,951
Public safety	313,010
Public works	812,294
Culture and recreation	284,557
Community development	37,875
Total depreciation expense - governmental activities	$ 1,685,687
Business-type activities:	
Sanitation	$ 1,365
Total depreciation expense - business-type activities	$ 1,365

Component Unit:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, being depreciated:					
Buildings	$ -	$ 134,906	$ -	$ -	$ 134,906
Total capital assets, being depreciated	-	134,906	-	-	134,906
Less accumulated depreciation for:					
Buildings	-	-	-	-	-
Total accumulated depreciation	-	-	-	-	-
Total capital assets, being depreciated, net	-	134,906	-	-	134,906
Downtown Development Authority capital assets, net	$ -	$ 134,906	$ -	$ -	$ 134,906

No depreciation was charged as of June 30, 2017, to the component unit.

NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST

The City sponsors a single-employer pension plan covering substantially all City employees. The Plan does not provide for other post-employment benefits (OPEB). The pension plan is further described below.

Summary of Significant Accounting Policies

Basis of Accounting – The City accounts for the Defined Benefit Pension Plan on the accrual basis. Contributions from the City are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized by the Plan when earned.

Investment Valuation Method – Investments are recorded at fair value based on quoted market prices. Securities traded on exchanges are valued at last reported sales price. No investments represented more than 5% of Plan net position at June 30, 2017 (other than those issued or explicitly guaranteed by the U.S. government). 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 plan assets. As of June 30, 2017, investments in equities comprised 48% of total Plan assets. The method used to determine the actuarial value of plan assets was a five-year smoothed market value. The actuarial cost for the Plan is determined using the entry age normal cost, level percentage of pay method.

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 Plan had two major amendments effective April 1, 2012. The Plan provides retirement and death benefits to plan members and beneficiaries. The Plan's audited financial statements are included on pages 24 and 25 in the City's Comprehensive Annual Financial Report as a Pension Trust Fund. The Plan does not issue a stand-alone financial 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. There were no major Plan amendments during the current year.

NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

Plan Membership

There is one class of employees covered by the Plan. Membership of the Plan consisted of the following at December 31, 2016, the Plan year-end, and the measurement date under GASB Statement No. 67.

Inactive plan members or beneficiaries currently receiving benefits	39
Inactive plan members entitled to, but not receiving benefits	113
Active plan members	150
Total	302

Benefits

A summary of the key benefits for the Defined Benefit Pension Plan is as follows:

- All regular full time common-law employees of the City with one year of service and working at least 30 hours per week, excluding nonresident aliens, independent contractors, and employees whose employment is governed by a collective bargaining agreement are eligible to participate in the plan.

- Active member contributions of 3% of a member's compensation are required beginning on April 1, 2012. Members who terminate after March 31, 2012, and are not vested will be entitled to a refund of their contributions to the plan with interest at 7.5% per annum.

- Members with five years or more of service are 100% vested in the Plan.

- Upon total and permanent disability for six months, the member becomes 100% vested in his accrued benefit. The member is entitled to an immediate retirement benefit calculated as though the member retired upon termination of employment.

- For members first hired before January 1, 2011, upon death prior to termination of employment, the member's beneficiary is entitled to a death benefit equal to the present value of the member's accrued benefit. For members first hired after December 31, 2010, upon death prior to termination of employment, the member's beneficiary is entitled to a death benefit equal to 50% of the present value of the member's accrued benefit.

- Upon termination of employment prior to normal or early retirement, the member is entitled to the vested interest of the accrued benefit. If the member is non-vested they are entitled to a refund of cash contributions to the plan with interest at 7.5% per annum.

NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

Benefits (Continued)

- The normal retirement age is 65. The monthly accrued benefit is 1.8% of average monthly compensation multiplied by years of benefit service. The minimum monthly accrued benefit for a member is $150.

Contributions

The City's funding policy requires employer contributions to be determined actuarially under the entry age normal cost, level percentage of pay method and to be expressed as percentages of annual covered payroll and that accumulate sufficient assets to pay timely benefits. The minimum required contribution for the current fiscal year ended June 30, 2017, was $942,951 as determined on the actuarial valuation date of January 1, 2016. The total contributions made by the City were $942,951. The total required contribution of $942,519 was paid on December 1, 2016. An additional amount of $432 was contributed to the Plan on December 21, 2016, to fund the total amount to the actuarial valuation for employee contributions.

Investments

The Plan has no formal investment policy for the allocation of plan assets. See Note 2 for a summary of Plan investments.

Concentrations

The Plan had no concentrations of investments in any one organization greater than 5% of the Plan's fiduciary net position (other than those issued or explicitly guaranteed by the U.S. government).

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.0%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

Net Pension Liability

The City's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability of the City at June 30, 2017, were as follows:

Total pension liability	$ 16,278,635
Less: Plan fidiciary net position	8,611,242
City's net pension liability	$ 7,667,393
Plan fiduciary net position as a percentage of the total pension liability	52.90%

Actuarial Assumptions

The annual required contribution and actuarial accrued liability were determined as part of an actuarial valuation at January 1, 2016. The actuarial methods and significant actuarial assumptions are summarized as follows:

- Valuation date - January 1, 2016
- Actuarial cost method - Entry Age Normal
- Amortization Period - Actuarial Gains and Losses: 15 years; Change in Plan Provisions: 20 years; Change in Actuarial Assumptions: 30 years
- Asset valuation method - Smoothed Market Value (5-year smoothing)
- Investment rate of return - 8.00%
- Projected Salary increases - 3.00% through 2017 and 3.50% thereafter
- Inflation rate - 3.50%
- Administration expenses - none

NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

Actuarial Assumptions (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Fully Generational Table. The table used reflects an assumption about mortality improvement after the valuation date.

For the Plan year ended December 31, 2016, the actual return on the market value of assets was approximately 0.9%. To reduce the volatility in costs due to year-to-year fluctuations in market value, an actuarial value of assets is determined by spreading investment gains and losses over a five-year period. For the Plan year ended December 31, 2016, the return on actuarial value of assets was approximately 7.8%.

The net actuarial loss for 2017 from all sources was $126,078. The primary drivers of this loss were larger salary increases than expected.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Beginning Balance	$ 15,881,073	$ 7,999,330	$ 7,881,743
Changes for the year:			
Service cost	291,779	-	291,779
Interest	1,253,917	-	1,253,917
Differences between expected and actual experience	(130,776)	-	(130,776)
Contributions - employer	-	942,951	(942,951)
Contributions - employee	-	159,896	(159,896)
Net investment income	-	641,118	(641,118)
Benefit payments, including refunds of employee contributions	(1,017,358)	(1,017,358)	-
Administrative expense	-	(114,695)	114,695
Other changes	-	-	-
Net changes	397,562	611,912	(214,350)
Ending Balance	$ 16,278,635	$ 8,611,242	$ 7,667,393

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 8.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's net pension liability	$ 8,911,920	$ 7,667,393	$ 6,609,291

NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the City recognized pension expense of $827,119. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 404,788	$ -
Changes in actuarial assumptions	-	177,720
Differences between expected and actual experience	83,757	98,082
Contributions subsequent to the measurement date	-	-
Total	$ 488,545	$ 275,802

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	
2018	$ 49,445
2019	49,448
2020	97,511
2021	16,339
Total	$ 212,743

NOTE 6. LONG-TERM DEBT AND CAPITAL LEASES

Primary Government

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:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
GMA capital leases	$ 723,927	$ -	$ (70,259)	$ 653,668	$ 73,817
Net pension liability	7,881,743	888,497	(1,102,847)	7,667,393	-
Certificate of participation	1,116,000	-	-	1,116,000	-
Compensated absences	598,770	427,481	(380,647)	645,604	322,802
Landfill post-closure costs	1,406,350	-	-	1,406,350	-
Governmental activity long-term liabilities	$ 11,726,790	$ 1,315,978	$ (1,553,753)	$ 11,489,015	$ 396,619

The net pension liability and the accrued compensated absences payable are generally liquidated by the General Fund.

Certificates of Participation

In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of $150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City's participation totaling $1,116,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

Annual Debt service requirements are as follows:

Fiscal Year Payable	Total	Principal	Interest
2018	$ 53,010	$ -	$ 53,010
2019	53,010	-	53,010
2020	53,010	-	53,010
2021	53,010	-	53,010
2022	53,010	-	53,010
2023-2027	265,050	-	265,050
2028	1,169,010	1,116,000	53,010
	$ 1,699,110	$ 1,116,000	$ 583,110

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Certificates of Participation (Continued)

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semi-annual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (2) a one-time Swap Premium to be paid on the effective date of the Swap Agreement.

The semi-annual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At June 30, 2017, the floating rate being paid by the City is 1.22% and the market value of this agreement is $303,176. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2017, based on the derivative contract. This market value is reported as an asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred inflow in the statement of net position.

Capital Leases Payable

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.

NOTE 6. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Capital Leases Payable (Continued)

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

The assets acquired through capital leases are as follows:

	Governmental Activities
Equipment	$ 1,105,000
Less accumulated depreciation	(331,500)
Carrying value	$ 773,500

Amortization expense was approximately $36,833.

Debt service requirements on capital leases at June 30, 2017, were as follows:

Fiscal Year Payable	Total	Principal	Interest
2018	$ 105,589	$ 73,817	$ 31,772
2019	105,589	77,554	28,035
2020	105,588	81,480	24,108
2021	105,589	85,605	19,984
2022	105,588	89,938	15,650
2023-2024	263,972	245,274	18,698
	$ 791,915	$ 653,668	$ 138,247

Component Unit

The Downtown Development Authority has entered into a note payable for the purchase and renovation of 1406 Newcastle property. No payments on the note are required until completion of the renovation project. As of June 30, 2017, the Authority has drawn down funds of $227,013 for the renovation project.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Downtown Development Authority Note payable	$ -	$ 227,013	$ -	$ 227,013	$ -
Downtown Development Authority long-term liabilities	$ -	$ 227,013	$ -	$ 227,013	$ -

NOTE 7. T STREET LANDFILL CLOSURE COSTS ESCROW DEPOSIT

In November 2015, the City deposited $138,000 into the T Street Landfill Group's T Street Landfill Escrow Account from the Community Development Fund as the initial cash call for the City's share of closure costs under a corrective action plan approved in 2015 by the Environmental Protection Division (EPD) of the Georgia Department of Natural Resources to close the landfill. The total amount of expenditures paid from the escrow account during the current year was $7,125. The balance in the escrow account at June 30, 2016, was $105,475. The City's portion of post-closure costs are currently estimated to $1,406,350. The T Street Landfill ceased operations in the late 1970's.

The estimated total current cost of the post-closure care, $1,406,350, is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2017. However, the actual cost of closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City has recorded a liability in the government-wide statement of net position for the total estimated post-closure care costs for the landfill at June 30, 2017, calculated as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Landfill post-closure costs	$ 1,406,350	$ -	$ -	$ 1,406,350	$ -
Governmental activity landfill liabilities	$ 1,406,350	$ -	$ -	$ 1,406,350	$ -

NOTE 8. INTERFUND TRANSFERS

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.

NOTE 8. INTERFUND TRANSFERS (CONTINUED)

	Transfer From				
Transfer To	General Fund	Community Development Fund	Sanitation Fund	Nonmajor Governmental	Total
General Fund	$ -	$ -	$ 41,824	$ -	$ 41,824
Community Development Fund	57,000	-	-	-	57,000
SPLOST V Fund	-	-	202,043	318,735	520,778
Sanitation Fund	-	112,600	-	-	112,600
Nonmajor Governmental Funds	639,815	-	-	-	639,815
Total	$ 696,815	$ 112,600	$ 243,867	$ 318,735	$ 1,372,017

Transfers are used to (1) move revenues from a fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. 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 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. There are no longer any annual or lifetime dollar limits as stipulated under the Affordable Care Act.

NOTE 9. RISK MANAGEMENT (CONTINUED)

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 $450,000. 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.

There were no settlements during the past three years that exceeded the City's insurance coverage.

The claims liability as of June 30, 2017, is $200,000 and $1,562,756 for the Group Health Fund and the Workers' Compensation Fund, respectively. Unpaid claims in the Group Health Plan are calculated by annualizing the claims processed for the six most recent months. Unpaid claims in the Workers' Compensation Fund are calculated by the third-party administrator of the plan based on the known claims payable normally settled within a 12-month period. Changes in the respective funds' claims liability amount were:

	Unpaid Claims Beginning of Fiscal Year	Claims (Including IBNR)	Claims Payments	Unpaid Claims End of Fiscal Year
Group Health Fund				
June 30, 2016	$ 225,512	$ 1,075,991	$ 1,057,952	$ 243,551
June 30, 2017	243,551	1,751,954	1,795,505	200,000
Worker's Compensation Fund				
June 30, 2016	$ 918,450	$ 622,267	$ 522,989	$ 1,017,728
June 30, 2017	1,017,728	1,075,570	530,542	1,562,756

NOTE 10. 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 11. COMMITMENTS AND CONTINGENCIES

Construction Commitments

The City had the following construction commitments as of June 30, 2017.

Project	Contract Amount	Completed to Date	Balance Completed
Mary Ross Park Dock Repair	$ 515,379	$ 227,645	$ 287,734
Mansfield - City of Brunswick	698,776	262,843	435,933
Mansfield - JWSC (1)	919,026	437,742	481,284
	$ 2,133,181	$ 928,230	$ 1,204,951

(1) JWSC reimburses the City for one-half of the cost of the project.

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 12. SPLOST V CAPITAL PROJECTS FUND

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, 2011, or until the City's pro-rata share is fully collected.

On July 21, 2016, the voters of Glynn County voted to continue the 1% Special Purpose Local Option Sales Tax (SPLOST VI) 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 19.32% of the proceeds up to a maximum of $13,832,154 to the City of Brunswick. The tax is scheduled to be collected until September 30, 2020, or until the City's pro-rata share is fully collected.

NOTE 12. SPLOST V CAPITAL PROJECTS FUND (CONTINUED)

The following revenues have been reported by the Capital Projects Funds as of June 30:

Fiscal Year End	
2009	$ 1,408,631
2010	4,243,993
2011	8,620,682
2012	2,020,304
2013	39,303
2014	14,757
2015	17,026
2016	8,239
2017	1,043,641
	$ 17,416,576

NOTE 13. HOTEL AND MOTEL TAX

The City is required to disburse 70% of the funds received from the collection of hotel/motel taxes pursuant to OCGA §48-1351(a)(1). The City received $8,391 from the collection of the hotel/motel tax during fiscal year ended June 30, 2017, and remitted $5,116 to the Golden Isles Convention and Visitors Bureau, which is a non-profit organization whose purpose is to create and coordinate the promotion of tourism in Brunswick and the Golden Isles.

NOTE 14. 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.

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 15. RELATED ORGANIZATIONS

City of Brunswick Housing Authority

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.

Brunswick-Glynn County Joint Water & Sewerage Commission

The City's Board of Commissioners appoints one of its board members to the Board of Commissioners of the Brunswick-Glynn County Joint Water & Sewerage Commission, but the City's accountability for this organization does not extend beyond making the appointments. The City has no control over the budgets, fee structure, management or other powers of its governing authority. Complete financial statements can be obtained from its administrative offices at 700 Gloucester Street, Suite 300, Brunswick, Georgia.

NOTE 16. JOINT VENTURES

The Glynn-Brunswick Memorial Hospital Authority

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.

Brunswick and Glynn County Development Authority

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.

NOTE 16. JOINT VENTURES (CONTINUED)

Coastal Georgia Regional Commission

The City, in conjunction with 35 cities and 10 counties in the Coastal Georgia area are members of the Coastal Georgia Regional Commission (RC), formerly the Coastal Georgia Regional Development Center (RDC). Membership in an RC is automatic for each municipality and county in the state. The Official Code of Georgia, §50-8-34 (Georgia Planning Act of 1989, amended in July 2009) provides for the organizational structure of an RC. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The City paid annual dues in the amount of $19,998 to the RC for the year ended June 30, 2017. The RC Board membership consists of members from the respective cities and counties that comprise the RC, including at least one elected city official from each county and at least one elected county official from each county. An RC is defined as a multi-county planning and development organization that partners with local governments on their planning and development efforts and can also serve as a service delivery organization. Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources (OCGA §50-8-39.1). Complete financial statements for Coastal Georgia RC can be obtained from the RC office at 118 Coastal Drive SW, Darien, Georgia 31305. The City of Brunswick has a cost-reimbursement contract with Coastal Georgia RC to administer Special Programs for the Aging (Title III). The City received $173,329 under this cost-reimbursement contract during the year ended June 30, 2017.

NOTE 17. 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 jointly govern the Glynn-Brunswick Regional Library. The City appoints 5 of the 18 Board members. The State of Georgia provides 60% of the library's funding. The City did not provide funding to the library for the year ended June 30, 2017.

NOTE 18. RELATED PARTY TRANSACTIONS

The City received $96,275 from the City of Brunswick Housing Authority for reimbursements of salaries and benefits for police officers assigned specifically to the authority.

The City received $233,663 in reimbursements from the Brunswick-Glynn County Joint Water & Sewer Commission for repayments on SPLOST V capital projects.

NOTE 19. RESTATEMENT FOR ERRORS IN PRIOR YEAR REPORTING

The City has determined that a restatement to beginning net position of governmental activities, business-type activities, the Sanitation Fund, and beginning fund balance of the General Fund, is required to reflect corrections of errors in the June 30, 2016 financial report. These restatements are as follows:

	Governmental Activities	Business-type Activities
Net position, as previously reported	$ 38,181,520	$ 636,743
Adjustments to beginning net position to reflect corrections of errors, net	(2,349,799)	(105,121)
Adjustments to restate fund level	969,584	-
Net position, as restated	$ 36,801,305	$ 531,622

	General Fund	Sanitation Fund
Fund balance, as previously reported	$ 3,262,287	$ 636,743
Adjustments to beginning fund balance/net position to reflect corrections of errors, net	969,584	(105,121)
Fund balance/net position, as restated	$ 4,231,871	$ 531,622

Restatement No. 1. – Proper reporting of post-closure care cost. The City has determined that a restatement to the beginning net position for its governmental activities is required to properly record landfill closure and post-closure costs related to the T Street Landfill. In prior years, the City has not recorded the liability. Adjustments to decrease the City's net position for governmental activities by $1,406,350 was required as of July 1, 2016.

Restatement No. 2. – Recording of unearned revenue. The City has determined that a restatement to the beginning net position for business-type activities and the Sanitation Fund is required to decrease net position in the amount of $105,121 and properly report unearned revenue, previously reported as earned, as of July 1, 2016.

Restatement No. 3. – Proper reporting of certificates of participation. The City has determined that a restatement to the beginning net position for its governmental activities and to beginning fund balance for the General Fund is required to properly record GMA lease investments and certificates of participation relating to the 1998 GMA Lease Pool, in which the City participates. Adjustments to decrease the City's net position for governmental activities by $943,449 was required as of July 1, 2016. Adjustments to increase net position for the General Fund by $969,584 was required as of July 1, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes:				
Property taxes	$ 4,871,597	$ 5,035,576	$ 5,035,576	$ -
Franchise fees	1,378,120	1,322,528	1,322,528	-
Local option sales tax	5,386,042	5,507,708	5,507,708	-
Selective sales and use taxes	1,435,375	1,554,508	1,554,508	-
Licenses and permits	353,305	308,627	308,627	-
Fines and forfeitures	412,200	416,365	416,365	-
Investment earnings	18,000	33,419	33,419	-
Grant revenues	127,000	875,102	875,102	-
Charges for services	372,044	282,231	282,231	-
Rental income	21,700	20,164	20,164	-
Contributions and donations	-	35,332	35,332	-
Miscellaneous income	2,500	52,910	52,910	-
Total revenues	14,377,883	15,444,470	15,444,470	-
EXPENDITURES				
General government				
City commission and clerk - operating and capital outlay	57,160	27,850	27,850	-
City commission and clerk - compensation, payroll taxes and benefits	210,840	228,721	228,721	-
City manager - operating and capital outlay	13,730	22,670	22,670	-
City manager - compensation, payroll taxes and benefits	233,211	209,515	209,515	-
Finance administration - operating and capital outlay	83,150	82,271	82,271	-
Finance administration - compensation, payroll taxes and benefits	302,941	272,347	272,347	-
Information and technology - operating and capital outlay	141,859	120,126	120,126	-
Information and technology - compensation, payroll taxes and benefits	5,673	-	-	-
Human resources - operating and capital outlay	33,985	25,036	25,036	-
Human resources - compensation, payroll taxes and benefits	63,116	103,383	103,383	-
General government buildings and plant - operating and capital outlay	159,329	125,153	125,153	-
City engineer - operating and capital outlay	34,375	43,095	43,095	-
City engineer - compensation, payroll taxes and benefits	119,758	117,333	117,333	-
General administration - operating and capital outlay	1,173,833	1,312,417	1,312,417	-
General administration - compensation, payroll taxes and benefits	182,781	118,715	118,715	-
Total general government	2,815,741	2,808,632	2,808,632	-
Judicial				
Legal - operating and capital outlay	98,150	93,112	93,112	-
Municipal court - operating and capital outlay	96,205	87,497	87,497	-
Municipal court - compensation, payroll taxes and benefits	96,355	95,936	95,936	-
Total judicial	290,710	276,545	276,545	-
Public safety				
Police services - operating and capital outlay	656,570	608,271	608,271	-
Police services - compensation, payroll taxes and benefits	4,389,938	4,076,351	4,076,351	-
Fire services - operating and capital outlay	751,224	227,925	227,925	-
Fire services - compensation, payroll taxes and benefits	2,110,905	2,208,443	2,208,443	-
Total public safety	7,908,637	7,120,990	7,120,990	-
Public works				
Administration - operating and capital outlay	103,580	150,249	150,249	-
Administration - compensation, payroll taxes and benefits	153,410	65,820	65,820	-
Infrastructure - operating and capital outlay	306,537	999,985	999,985	-
Infrastructure - compensation, payroll taxes and benefits	564,630	586,006	586,006	-
Maintenance and shop - operating and capital outlay	125,825	187,712	187,712	-
Maintenance and shop - compensation, payroll taxes and benefits	576,217	603,645	603,645	-
Building inspection - operating and capital outlay	10,900	11,675	11,675	-
Building inspection - compensation, payroll taxes and benefits	98,856	92,680	92,680	-
Planning and zoning - operating and capital outlay	75,913	44,416	44,416	-
Planning and zoning - compensation, payroll taxes and benefits	228,405	221,836	221,836	-
Total public works	2,244,273	2,964,024	2,964,024	-
Cemetery				
Cemetery - operating and capital outlay	95,896	94,906	94,906	-
Cemetery - compensation, payroll taxes and benefits	161,114	189,948	189,948	-
Total cemetery	257,010	284,854	284,854	-

(Continued)

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
EXPENDITURES (CONTINUED)				
Culture and recreation				
Administration - operating and capital outlay	$ 6,500	$ 4,800	$ 4,800	$ -
Leisure services - operating and capital outlay	36,000	29,875	29,875	-
Leisure services - compensation, payroll taxes and benefits	-	6,660	6,660	-
Neighborhood and community service - operating and capital outlay	42,154	32,993	32,993	-
Neighborhood and community service - compensation, payroll taxes and benefits	147,188	73,935	73,935	-
Parks - operating and capital outlay	118,056	138,775	138,775	-
Parks - compensation, payroll taxes and benefits	254,811	202,617	202,617	-
Total culture and recreation	604,709	489,655	489,655	-
Economic development				
Economic development - operating and capital outlay	160,200	171,747	171,747	-
Economic development - compensation, payroll taxes and benefits	75,774	33,202	33,202	-
Total economic development	235,974	204,949	204,949	-
Debt service				
Principal	96,248	70,259	70,259	-
Interest	39,029	45,560	45,560	-
Total debt service	135,277	115,819	115,819	-
Total expenditures	14,492,331	14,265,468	14,265,468	-
Excess (deficiency) of revenues over (under) expenditures	(114,448)	1,179,002	1,179,002	-
OTHER FINANCING SOURCES (USES)				
Transfers in	153,000	41,824	41,824	-
Transfers out	(1,108,765)	(696,815)	(696,815)	-
Issuance of debt	415,650	-	-	-
Proceeds from the sale of capital assets	45,000	118,000	118,000	-
Total other financing uses, net	(495,115)	(536,991)	(536,991)	-
Prior year resources	609,563	-	-	-
Net change in fund balances	-	642,011	642,011	-
FUND BALANCE, beginning of year, restated	4,231,871	4,231,871	4,231,871	-
FUND BALANCE, end of year	$ 4,231,871	$ 4,873,882	$ 4,873,882	$ -

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

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
COMMUNITY DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Grant revenues	$ 773,421	$ 385,960	$ 385,960	$ -
Investment earnings	2,225	2,566	2,566	-
Contributions and donations	-	2	2	-
Total revenues	775,646	388,528	388,528	-
EXPENDITURES				
Community development				
CDBG entitlement - operating	400,437	122,808	122,808	-
Economic development - operating	-	9,369	9,369	-
Capital outlay	319,374	71,565	71,565	-
Program administration - operating	319,981	170,386	170,386	-
Program administration - compensation and payroll taxes	95,168	56,742	56,742	-
Total general government	1,134,960	430,870	430,870	-
Total expenditures	1,134,960	430,870	430,870	-
Deficiency of revenues over expenditures	(359,314)	(42,342)	(42,342)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	49,298	57,000	57,000	-
Transfers out	(52,990)	(112,600)	(112,600)	-
Total other financing sources, (uses)	(3,692)	(55,600)	(55,600)	-
Prior year resources	363,006	-	-	-
Net change in fund balances	-	(97,942)	(97,942)	-
FUND BALANCE, beginning of year	341,017	341,017	341,017	-
FUND BALANCE, end of year	$ 341,017	$ 243,075	$ 243,075	$ -

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

CITY OF BRUNSWICK, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30

	2017	2016	2015
Total pension liability			
Service cost	**$ 291,779**	$ 351,119	$ 348,103
Interest on total pension liability	**1,253,917**	1,212,134	1,197,774
Differences between expected and actual experience	**(130,776)**	167,513	-
Changes of assumptions	**-**	(355,440)	-
Benefit payments, including refunds of employee contributions	**(1,017,358)**	(578,484)	(2,130,443)
Net change in total pension liability	**397,562**	796,842	(584,566)
Total pension liability - beginning	**15,881,073**	15,084,231	15,668,797
Total pension liability - ending (a)	**16,278,635**	15,881,073	15,084,231
Plan fiduciary net position			
Contributions - employer	**942,951**	964,855	1,023,467
Contributions - employee	**159,896**	170,903	174,833
Net investment income	**641,118**	70,374	621,934
Benefit payments, including refunds of member contributions	**(1,017,358)**	(578,484)	(2,130,443)
Administrative expenses	**(114,695)**	(47,456)	(48,348)
Net change in plan fiduciary net position	**611,912**	580,192	(358,557)
Plan fiduciary net position - beginning	**7,999,330**	7,419,138	7,777,695
Plan fiduciary net position - ending (b)	**8,611,242**	7,999,330	7,419,138
City's net pension liability (asset) - ending (a) - (b)	**$ 7,667,393**	$ 7,881,743	$ 7,665,093
Plan fiduciary net position as a percentage of the total pension liability	**52.9%**	50.4%	49.2%
Covered-employee payroll	**$ 5,344,272**	$ 5,907,249	$ 5,922,265
Net pension liability as a percentage of covered-employee payroll	**143.5%**	133.4%	129.4%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF BRUNSWICK, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	**$ 942,519**	$ 960,041	$ 1,021,967	$ 1,068,542	$ 1,029,095	$ 1,242,458	$ 1,441,219	$ 1,205,200	$ 1,345,000	$ 1,290,791
Contributions in relation to the actuarially determined contribution	**942,519**	960,041	1,021,967	1,068,542	1,029,095	1,242,458	1,441,219	1,205,200	1,345,000	1,290,791
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	**$ 5,344,272**	$ 5,907,249	$ 5,922,265	$ 6,089,059	$ 6,351,487	$ 7,078,841	$ 8,371,467	$ 7,939,460	$ 6,672,357	$ 8,223,426
Contributions as a percentage of covered-employee payroll	**17.6%**	16.3%	17.3%	17.5%	16.2%	17.6%	17.2%	15.2%	20.2%	15.7%

Notes to the Schedule:

Valuation Date	January 1, 2016
Actuarial Cost Method	Entry age normal, level percentage of pay
Actuarial Asset Valuation Method	Smoothed market value (5-year smoothing)
Amortization Period	Actuarial gains and losses: 15 years; Change in plan provisions: 20 years; Change in actuarial assumptions: 30 years.
Investment Rate of Return	8.00%
Projected Salary Increases	3.00% through 2017 and 3.50% thereafter.
Inflation Rate	3.50%

Mortality rates were based on the RP-2000 Combined Mortality Fully Generational Table using Scale AA.

The schedule will present 10 years of information once it is accumulated.

CITY OF BRUNSWICK, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS
FOR THE FISCAL YEAR ENDED JUNE 30

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Annual money-weighted rate of return, net of investment expense	**8.0%**	8.5%	15.1%	7.7%	4.8%	9.1%	13.0%	-14.0%	N/A	11.3%

Notes to the Schedule:

The actuarial report for 2009 did not include a precise percentage on investment return.

SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS
AND SCHEDULES

CITY OF BRUNSWICK, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Roosevelt Harris Center Fund - to account for money received under a Title III grant, a community development block grant, and program fees that are expended to meet the nutritional and respite care needs of senior citizens in a congregate setting.

Police Seizure Fund - to account for funds confiscated and collected by the City of Brunswick Police Department, Glynn County Police and from federal seizure funds.

E-911 Fund - to account for the City's portion of shared expenditures for the "911" Emergency Telephone System operated by Glynn County, Georgia.

DOT TE-21 Fund - to account for the 2013 LMIG (Local Maintenance and Improvement Grant) money received for patching, leveling, and resurfacing various roads within the City.

City Pier Fund - to account for the collection of funds received for docking fees received from cruise lines and individual berth rentals.

Hotel/Motel Tax Fund - established to account for the collection of the 3% excise tax collected on hotel/motel accommodations in the City of Brunswick and the disbursement of 70% of the tax collected to the Golden Isles Convention and Visitors Bureau.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the financing and construction of various capital related expenditures and projects.

SPLOST VI Fund - to account for receipts and disbursements of 1% special purpose local option sales tax collected from 2017-2020 for various capital related projects.

CITY OF BRUNSWICK, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds					
ASSETS	**Roosevelt Harris Center Fund**	**Police Seizure Fund**	**E-911 Fund**	**DOT TE-21 Fund**	**City Pier Fund**	**Hotel/Motel Tax Fund**
Cash and cash equivalents	$ 5,893	$ 97,179	$ 35	$ -	$ 37,152	$ 9,838
Accounts receivable, net of allowances						
Taxes	-	-	-	-	2,750	649
Accounts	813	-	-	-	-	-
Intergovernmental	18,680	106	-	-	-	-
Due from other funds	1,512	-	95,723	-	-	-
Total assets	$ 26,898	$ 97,285	$ 95,758	$ -	$ 39,902	$ 10,487
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 20,187	$ -	$ -	$ -	$ 24	$ -
Accrued expenditures	6,291	-	-	-	-	-
Due to other funds	212,630	-	-	-	69,696	-
Due to other governments	-	-	95,758	-	-	-
Advances to other funds	19,764	-	-	-	-	-
Total liabilities	258,872	-	95,758	-	69,720	-
FUND BALANCES (DEFICITS)						
Restricted for:						
Public safety	-	97,285	-	-	-	-
Completion of projects	-	-	-	-	-	-
Community development	-	-	-	-	-	10,487
Unassigned, reported in nonmajor special revenue funds	(231,974)	-	-	-	(29,818)	-
Total fund balances (deficits)	(231,974)	97,285	-	-	(29,818)	10,487
Total liabilities and fund balances	$ 26,898	$ 97,285	$ 95,758	$ -	$ 39,902	$ 10,487

Capital Projects SPLOST VI Fund	Total Nonmajor Governmental Funds
$ 192,520	$ 342,617
-	3,399
-	813
698,819	717,605
-	97,235
$ 891,339	$ 1,161,669
$ 2,199	$ 22,410
-	6,291
-	282,326
-	95,758
-	19,764
2,199	426,549
-	97,285
889,140	889,140
-	10,487
-	(261,792)
889,140	735,120
$ 891,339	$ 1,161,669

CITY OF BRUNSWICK, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Special Revenue Funds					
	Roosevelt Harris Center Fund	Police Seizure Fund	E-911 Fund	DOT TE-21 Fund	City Pier Fund	Hotel/Motel Tax Fund
Revenues:						
Program fees/revenues	$ 21,789	$ -	$ -	$ -	$ 34,120	$ -
Hotel/Motel taxes	-	-	-	-	-	8,391
Intergovernmental	-	-	-	-	-	-
Grant revenues	183,549	119,041	-	185,578	-	-
Unrestricted investment earnings	42	445	73	950	415	-
Total revenues	205,380	119,486	73	186,528	34,535	8,391
Expenditures:						
Current:						
Community development	337,460	-	-	-	-	8,166
Public safety	-	55,832	467,215	-	-	-
Capital outlay						
General government	-	-	-	-	118,244	-
Culture and recreation	-	-	-	-	-	-
Community development	-	-	-	108,214	-	-
Public safety	-	20,855	-	-	-	
Total expenditures	337,460	76,687	467,215	108,214	118,244	8,166
Excess (deficiency) of revenues over (under) expenditures	(132,080)	42,799	(467,142)	78,314	(83,709)	225
Other financing sources (uses)						
Transfers in	117,000	-	467,142	55,673	-	-
Transfers out	-	-	-	(318,735)	-	-
Total other financing sources (uses)	117,000	-	467,142	(263,062)	-	-
Net change in fund balances	(15,080)	42,799	-	(184,748)	(83,709)	225
Fund balances (deficits), beginning of year	(216,894)	54,486	-	184,748	53,891	10,262
Fund balances (deficits), end of year	$ (231,974)	$ 97,285	$ -	$ -	$ (29,818)	$ 10,487

Capital Projects SPLOST VI Fund	Total Nonmajor Governmental Funds
$ -	$ 55,909
-	8,391
1,038,676	1,038,676
-	488,168
28	1,953
1,038,704	1,593,097
-	345,626
-	523,047
-	118,244
120,850	120,850
-	108,214
28,714	49,569
149,564	1,265,550
889,140	327,547
-	639,815
-	(318,735)
-	321,080
889,140	648,627
-	86,493
$ 889,140	$ 735,120

CITY OF BRUNSWICK, GEORGIA

INTERNAL SERVICE FUNDS

Group Health Fund - Established to account for employer and employee contributions for self-funded health insurance coverage, and the payment of claims from the fund. The liabilities in this fund are based on known claims, probable and reasonably determinable.

Workers' Compensation Fund - Established to provide self-insurance for worker's compensation benefits and coverage. The Government operates its insured general liability program in this fund. The liabilities in this fund are based on known claims, probable and reasonably determinable.

CITY OF BRUNSWICK, GEORGIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017

	Group Health Fund	Workers' Compensation Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 178,234	$ 37,210	$ 215,444
Advances from other funds	422,363	651,796	1,074,159
Claim reimbursement receivable	13,188	71,914	85,102
Total assets	$ 613,785	$ 760,920	$ 1,374,705
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Current liabilities			
Claims payable	$ 200,000	$ 1,562,756	$ 1,762,756
Total liabilities	200,000	1,562,756	1,762,756
NET POSITION (DEFICITS)			
Unrestricted	413,785	(801,836)	(388,051)
Total net position (deficits)	413,785	(801,836)	(388,051)
Total liabilities and net position	$ 613,785	$ 760,920	$ 1,374,705

CITY OF BRUNSWICK, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Group Health Fund	Workers' Compensation Fund	Total
Operating revenues			
Contributions			
Employer	$ 1,155,700	$ 340,256	$ 1,495,956
Employee	234,861	-	234,861
Reimbursements	123,463	143,235	266,698
Total operating revenues	1,514,024	483,491	1,997,515
Operating expenses			
Contractual	283,207	-	283,207
Claims	1,752,312	1,029,151	2,781,463
Total operating expenses	2,035,519	1,029,151	3,064,670
Operating (loss)	(521,495)	(545,660)	(1,067,155)
Non-operating revenues			
Investment return	1,162	172	1,334
Total non-operating revenues	1,162	172	1,334
Change in net position	(520,333)	(545,488)	(1,065,821)
Net position (deficit), beginning of year	934,118	(256,348)	677,770
Net position (deficit), end of year	$ 413,785	$ (801,836)	$ (388,051)

CITY OF BRUNSWICK, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Group Health Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	$ 1,533,839	$ 563,541	$ 2,097,380
Payments for claims	(1,795,863)	(484,123)	(2,279,986)
Payments for other expenses	(283,207)	-	(283,207)
Internal activity-payments from (to) other funds	45,065	(45,065)	-
Net cash provided by (used in) operating activities	(500,166)	34,353	(465,813)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	1,162	172	1,334
Net cash provided by investing activities	1,162	172	1,334
Net increase (decrease) in cash and cash equivalents	(499,004)	34,525	(464,479)
Cash and cash equivalents:			
Beginning of year	677,238	2,685	679,923
End of year	$ 178,234	$ 37,210	$ 215,444
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITES			
Operating loss	$ (521,495)	$ (545,660)	$ (1,067,155)
(Increase) decrease in assets			
Claims reimbursement receivable	19,815	80,050	99,865
Due from other funds	45,065	-	45,065
Increase (decrease) in liabilities			
Claims payable	(43,551)	545,028	501,477
Due to others	-	(45,065)	(45,065)
Net cash provided by (used in) operating activities	$ (500,166)	$ 34,353	$ (465,813)

CITY OF BRUNSWICK, GEORGIA
ROOSEVELT HARRIS CENTER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts, Budgetary	
	Original	Final	Basis	Variance
REVENUES				
Program fees/revenues	$ 28,000	$ 21,789	$ 21,789	$ -
Grant revenues	172,657	183,549	183,549	-
Unrestricted investment earnings	30	42	42	-
Total revenues	200,687	205,380	205,380	-
EXPENDITURES				
Community development				
Program administration - compensation, payroll taxes and benefits	221,467	214,894	214,894	-
Program administration - operating	128,620	122,566	122,566	-
Total community development expenditures	350,087	337,460	337,460	-
Total expenditures	350,087	337,460	337,460	-
Deficiency of revenues under expenditures	(149,400)	(132,080)	(132,080)	-
Other financing sources				
Transfers in	149,400	117,000	117,000	-
Total other financing sources	149,400	117,000	117,000	-
Net change in fund balance	-	(15,080)	(15,080)	-
FUND BALANCE (DEFICIT), beginning of year	(216,894)	(216,894)	(216,894)	-
FUND BALANCE (DEFICIT), end of year	$ (216,894)	$ (231,974)	$ (231,974)	$ -

CITY OF BRUNSWICK, GEORGIA
POLICE SEIZURE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance
	Original	Final		
REVENUES				
Grant revenues/seizure funds	$ 25,000	$ 119,041	$ 119,041	$ -
Unrestricted investment earnings	125	445	445	-
Total revenues	25,125	119,486	119,486	-
EXPENDITURES				
Public safety				
Police - operating	71,399	55,832	55,832	-
Capital outlay	8,202	20,855	20,855	-
Total public safety	79,601	76,687	76,687	-
Total expenditures	79,601	76,687	76,687	-
Excess (deficiency) of revenues over (under) expenditures	(54,476)	42,799	42,799	-
Prior year resources	54,476	-	-	-
Total other financing sources	54,476	-	-	-
Net change in fund balance	-	42,799	42,799	-
FUND BALANCE, beginning of year	54,486	54,486	54,486	-
FUND BALANCE, end of year	$ 54,486	$ 97,285	$ 97,285	$ -

CITY OF BRUNSWICK, GEORGIA
E-911 FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance
	Original	Final		
REVENUES				
Unrestricted investment earnings	$ -	$ 73	$ 73	$ -
Total revenues	-	73	73	-
EXPENDITURES				
Public safety				
E-911 expenditures - intergovernmental	710,729	467,215	467,215	-
Total expenditures	710,729	467,215	467,215	-
Deficiency of revenues under expenditures	(710,729)	(467,142)	(467,142)	-
Other financing sources				
Transfers in	710,729	467,142	467,142	-
Total other financing sources	710,729	467,142	467,142	-
Net change in fund balance	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

CITY OF BRUNSWICK, GEORGIA
DOT TE-21 FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance
	Original	Final		
REVENUES				
Grant revenues	$ 184,426	$ 185,578	$ 185,578	$ -
Unrestricted investment earnings	-	950	950	-
Total revenues	184,426	186,528	186,528	-
EXPENDITURES				
Community development				
Capital outlay	-	108,214	108,214	-
Total expenditures	-	108,214	108,214	-
Excess of revenues over expenditures	184,426	78,314	78,314	-
Other financing sources (uses)				
Transfers in	55,328	55,673	55,673	-
Transfers out	(424,180)	(318,735)	(318,735)	-
Total other financing sources (uses)	(368,852)	(263,062)	(263,062)	-
Prior year resources	184,426	-	-	-
Net change in fund balance	-	(184,748)	(184,748)	-
FUND BALANCE, beginning of year	184,748	184,748	184,748	-
FUND BALANCE, end of year	$ 184,748	$ -	$ -	$ -

CITY OF BRUNSWICK, GEORGIA
CITY PIER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts, Budgetary	
	Original	Final	Basis	Variance
REVENUES				
Program fees/revenues	$ 32,000	$ 34,120	$ 34,120	$ -
Investment earnings and interest	175	415	415	-
Total revenues	32,175	34,535	34,535	-
EXPENDITURES				
Community development				
Capital outlay	154,296	118,244	118,244	-
Total community development expenditures	154,296	118,244	118,244	-
Total expenditures	154,296	118,244	118,244	-
Deficiency of revenues under expenditures	(122,121)	(83,709)	(83,709)	-
Prior year resources	122,121	-	-	-
Net change in fund balance	-	(83,709)	(83,709)	-
FUND BALANCE, beginning of year	53,891	53,891	53,891	-
FUND BALANCE (DEFICIT), end of year	$ 53,891	$ (29,818)	$ (29,818)	$ -

CITY OF BRUNSWICK, GEORGIA
HOTEL/MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts, Budgetary	
	Original	Final	Basis	Variance
REVENUES				
Hotel/Motel tax	$ 6,700	$ 8,391	$ 8,391	$ -
Investment earnings and interest	20	-	-	-
Total revenues	6,720	8,391	8,391	-
EXPENDITURES				
Communty development				
Community development - tax disbursements	16,762	8,166	8,166	-
Total community development	16,762	8,166	8,166	-
Total expenditures	16,762	8,166	8,166	-
Excess (deficiency) of revenues over (under) expenditures	(10,042)	225	225	-
Prior year resources	10,042	-	-	-
Net change in fund balance	-	225	225	-
FUND BALANCE, beginning of year	10,262	10,262	10,262	-
FUND BALANCE, end of year	$ 10,262	$ 10,487	$ 10,487	$ -

ADDITIONAL SCHEDULES

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Project Number	Project Description	Original Estimated Cost	Revised 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	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 Imrovements	440,000	-	620,367	-	620,367
704	K Street Sewer Improvements	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
	SPOLOST IV - Tier I					
601	Sanitary Sewer - K Street	4,650,000	-	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

(Continued)

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Project Number	Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
				Prior Years	Current Year	Total
	SPLOST IV - Tier II/III					
609	Roosevelt Harris Center Upgrade	$ 175,000	$ -	$ 199,195	$ -	$ 199,195
706	Ritz Theater	1,700,000	-	134,470	-	134,470
701	Oglethorpe Study	-	-	23,471	-	23,471
N/A	Sanitary Sewer - K Street	3,000,000	-	-	-	-
704	Water Reclamation Project	1,410,000	-	1,026,171	-	1,026,171
705	Storm Drain - N Street	1,750,000	-	1,725,110	-	1,725,110
703	Public Safety Complex	750,000	-	641,414	-	641,414
702	Public Works Complex	3,750,000	-	2,007,138	-	2,007,138
N/A	Water/Wastewater Complex	1,500,000	-	-	-	-
N/A	Sidewalks	85,000	-	-	-	-
N/A	Street Paving	190,000	-	-	-	-
	SPLOST V					
N/A	Public Safety Complex	1,750,000	-	721,730	-	721,730
N/A	Public Works Complex	400,000	-	-	-	-
N/A	Fire Truck and Vehicles	610,000	-	654,337	-	654,337
N/A	Police Cars	596,918	-	273,688	-	273,688
N/A	Contingencies	4,162	-	-	-	-
N/A	Roosevelt Harris Center	100,000	-	2,538	-	2,538
N/A	Cemeteries	100,000	-	87,600	-	87,600
N/A	Aquatics - Site Improvements	1,322,087	-	892,125	-	892,125
N/A	City Hall Improvements	150,000	-	-	-	-
N/A	Howard Coffin Park Site Development I	375,000	-	24,842	-	24,842
N/A	Neighborhoods & Community Service	-	-	153,221	-	153,221
N/A	Mary Ross Site Improvements	225,000	-	603,250	149,054	752,304
N/A	Oglethorpe Convention Center	1,500,000	-	1,850	-	1,850
N/A	Ritz Theater	180,000	-	6,890	44,370	51,260
N/A	Water/wastewater	250,000	-	76,292	-	76,292
N/A	Mansfield Street Infrastructure**	1,173,536	-	261,582	-	261,582
N/A	Sidewalks and streets	800,000	-	1,738,794	8,997	1,747,791
N/A	Storm Drainage and Infrastructure	6,751,464	-	8,304,068	619,579	8,923,647
N/A	Urbana Park***	-	-	-	11,532	11,532
	SPLOST VI					
N/A	Police Cars	540,625	-	-	28,714	28,714
N/A	Howard Coffin Park	431,357	-	-	120,850	120,850
		$ 64,830,149	$ -	$ 55,009,975	$ 983,096	$ 55,993,071

** Certain costs included in this project are reimbursed by the BGJWSC. Current year reimbursements totaled $233,663.

*** Costs reimbursed by DNR.

STATISTICAL SECTION

This part of the City of Brunswick's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends ..... **85 – 93**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity ..... **94 – 99**

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity ..... **100 – 104**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information ..... **105 and 106**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **107– 110**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

CITY OF BRUNSWICK, GEORGIA

NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	$ 21,725,262	$ 26,845,769	$ 27,016,563	$ 27,318,226	$ 33,105,685	$ 38,732,907	$ 38,732,907	$ 39,499,509	$ 38,714,883	$ 38,101,485
Restricted	4,032,407	1,845,220	4,445,427	4,400,038	11,406,938	4,571,818	4,571,818	3,026,890	3,033,453	253,562
Unrestricted	4,635,498	2,684,827	2,093,399	9,917,800	1,875,040	(5,010,099)	(5,010,099)	(4,670,605)	(3,566,816)	(2,158,335)
Total governmental activities net position	$ 30,393,167	$ 31,375,816	$ 33,555,389	$ 41,636,064	$ 46,387,663	$ 38,294,626	$ 38,294,626	$ 37,855,794	$ 38,181,520	$ 36,196,712
Business-type activities										
Net investment in capital assets	$ 36,353,623	$ 151,658	$ 38,895	$ 60,136	$ 49,126	$ 83,294	$ 83,294	$ 67,252	$ 65,887	$ 64,522
Restricted	-	-	-	-	-	-	-	-	-	105,475
Unrestricted	5,890,528	5,978,068	(286,087)	(431,700)	(474,177)	13,488	13,488	550,998	570,856	248,800
Total business-type activities net position	$ 42,244,151	$ 6,129,726	$ (247,192)	$ (371,564)	$ (425,051)	$ 96,782	$ 96,782	$ 618,250	$ 636,743	$ 418,797
Primary government										
Net investment in capital assets	$ 58,078,885	$ 26,997,427	$ 27,055,458	$ 27,378,362	$ 33,154,811	$ 38,816,201	$ 38,816,201	$ 39,566,761	$ 38,780,770	$ 38,166,007
Restricted	4,032,407	1,845,220	4,445,427	4,400,038	11,406,938	4,571,818	4,571,818	3,026,890	3,033,453	359,037
Unrestricted	10,526,026	8,662,895	1,807,312	9,486,100	1,400,863	(4,996,611)	(4,996,611)	(4,119,607)	(2,995,960)	(1,909,535)
Total primary government net position	$ 72,637,318	$ 37,505,542	$ 33,308,197	$ 41,264,500	$ 45,962,612	$ 38,391,408	$ 38,391,408	$ 38,474,044	$ 38,818,263	$ 36,615,509

Note: GASB Statement No. 68 was implemented during fiscal year 2015.

CITY OF BRUNSWICK, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	$ 7,312,099	$ 3,816,719	$ 3,081,465	$ 2,537,928	$ 3,123,919	$ 3,086,926	$ 3,184,920	$ 2,915,378	$ 2,972,748	$ 3,274,757
Judicial	490,180	852,473	535,515	474,169	420,800	301,340	285,832	276,251	270,506	284,306
Public safety	7,065,253	8,676,124	8,092,528	7,758,165	7,467,780	7,720,009	8,091,480	7,938,713	7,891,653	8,567,631
Public works	1,646,292	3,207,038	2,749,412	2,945,394	2,737,629	2,915,374	2,701,352	2,610,716	2,516,211	4,193,934
Culture and recreation	1,079,520	1,418,458	1,318,444	1,126,943	1,093,144	881,828	785,803	849,247	771,853	651,720
Cemetery	285,453	325,185	332,905	403,142	178,401	206,992	221,183	241,942	273,850	294,779
Community development	1,640,286	1,460,778	1,776,366	1,468,904	1,335,525	1,074,371	1,063,830	748,840	656,123	955,209
Economic development - component unit	120,000	114,089	103,676	80,000	80,000	70,021	70,326	107,075	139,503	206,956
Interest and fiscal changes	157,878	128,513	117,503	115,244	119,018	101,334	69,569	45,702	43,089	45,560
Total governmental activities expenses	19,796,961	19,999,377	18,107,814	16,909,889	16,556,216	16,358,195	16,474,295	15,733,864	15,535,536	18,474,852
Business-type activities:										
Water and sewer	8,401,834	969,100	876,356	-	-	-	-	-	-	-
Sanitation	1,664,208	1,815,126	1,945,859	1,462,792	1,444,944	1,191,566	967,565	1,074,225	1,073,918	1,128,159
Total business-type activities expenses	10,066,042	2,784,226	2,822,215	1,462,792	1,444,944	1,191,566	967,565	1,074,225	1,073,918	1,128,159
Total primary government expenses	29,863,003	22,783,603	20,930,029	18,372,681	18,001,160	17,549,761	17,441,860	16,808,089	16,609,454	19,603,011
Program revenues										
Governmental activities:										
Charges for services										
General government	(331,530)	207,280	(343,860)	742,194	929,819	709,044	833,165	107,902	350,528	612,952
Judicial	603,119	602,800	342,442	332,979	416,833	347,518	374,167	451,071	448,271	291,885
Public safety	-	-	21,289	21,052	17,401	26,597	32,151	40,525	200,685	12,435
Public works	-	-	25,849	25,676	25,646	27,783	25,653	26,529	25,646	-
Culture and recreation	50,374	53,710	90,784	108,079	97,697	39,279	12,499	15,910	10,535	34,120
Cemetery	-	-	92,730	95,340	119,320	150,785	153,840	134,750	131,495	110,115
Community development	(543,015)	483,558	348,104	65,051	65,505	28,289	50,211	51,394	56,538	21,789
Operating grants and contributions	1,509,190	1,445,948	1,343,277	1,660,246	1,767,998	1,083,701	1,313,974	930,667	926,365	1,771,574
Capital grants and contributions	-	-	-	8,620,682	2,036,678	50,795	16,186	82,488	263,473	1,295,195
Total governmental activities program revenues	1,288,138	2,793,296	1,920,615	11,671,299	5,476,897	2,463,791	2,811,846	1,841,236	2,413,536	4,150,065
Business-type activities:										
Charges for services										
Water and sewer	7,644,792	21,431	11	-	-	-	-	-	-	-
Sanitation	1,333,121	1,568,157	1,389,445	1,142,596	1,114,851	1,130,475	1,337,697	1,434,849	1,238,062	1,143,038
Total business-type activities program revenues	8,977,913	1,589,588	1,389,456	1,142,596	1,114,851	1,130,475	1,337,697	1,434,849	1,238,062	1,143,038
Total primary government program revenues	10,266,051	4,382,884	3,310,071	12,813,895	6,591,748	3,594,266	4,149,543	3,276,085	3,651,598	5,293,103

(Continued)

CITY OF BRUNSWICK, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental activities	$ (18,508,823)	$ (17,206,081)	$ (16,187,199)	$ (5,238,590)	$ (11,079,319)	$ (13,894,404)	$ (13,662,449)	$ (13,892,628)	$ (13,122,000)	$ (14,324,787)
Business-type activities	(1,088,129)	(1,194,638)	(1,432,759)	(320,196)	(330,093)	(61,091)	370,132	360,624	164,144	14,879
Total primary government net expense	(19,596,952)	(18,400,719)	(17,619,958)	(5,558,786)	(11,409,412)	(13,955,495)	(13,292,317)	(13,532,004)	(12,957,856)	(14,309,908)
General revenues and other changes in net position										
Governmental activities:										
Property taxes levied for general purposes	4,381,256	4,809,870	5,077,795	4,417,789	4,246,279	4,449,903	4,750,513	4,906,597	4,912,179	4,981,463
Franchise taxes	1,462,055	1,451,384	1,360,043	1,390,541	1,438,127	1,344,975	1,340,636	1,390,492	1,375,316	1,322,528
Local option sales tax	7,827,430	8,249,984	10,677,987	3,809,103	6,462,660	6,247,444	5,771,626	5,614,749	5,390,243	5,507,708
Selective sales and use tax	1,437,852	1,428,702	1,370,142	1,380,501	1,248,388	1,350,546	1,348,392	1,391,815	1,455,272	1,554,508
Hotel/Motel tax	-	-	-	-	7,499	8,416	8,328	9,110	6,941	8,391
Restricted investment earnings	-	-	909	258	-	-	-	-	-	-
Unrestricted investment earnings	458,040	48,618	3,881	18,001	13,608	17,046	15,830	8,477	21,370	37,938
Miscellaneous	452,083	49,470	130,781	106,774	7,713	57,696	51,149	11,943	76,273	88,244
Gain on sale of capital assets	-	500,000	-	-	-	13,553	120,620	78,790	22,308	88,147
Special items	-	-	(253,434)	2,467,895	-	-	-	-	-	-
Payment from component unit	-	-	-	-	-	540,500	-	-	40,000	-
Transfers	(1,485,822)	(244,172)	(1,332)	(271,597)	(241,500)	(143,000)	-	41,824	147,824	131,267
Total governmental activities	14,532,894	16,293,856	18,366,772	13,319,265	13,182,774	13,887,079	13,407,094	13,453,797	13,447,726	13,720,194
Business-type activities:										
Restricted investment earnings	608,706	237,930	282,991	-	-	-	-	-	-	-
Unrestricted investment earnings	-	830,408	55	24	-	-	-	109	2,173	3,563
Elimination of water fund net position balance	-	-	-	(84,447)	-	-	-	-	-	-
Miscellaneous	-	-	-	-	16,122	-	-	215	-	-
Gain on sale of capital assets	-	-	-	8,650	18,984	69,140	652	202,344	-	-
Special items	-	-	(5,228,537)	-	-	-	-	-	-	-
Transfer of water fund assets to Brunswick - Glynn County Joint W&S Commission	(4,200,883)	(45,229)	-	-	-	-	-	-	-	-
Transfers	1,485,822	244,172	1,332	271,597	241,500	143,000	-	(41,824)	(147,824)	(131,267)
Total business-type activities	(2,106,355)	1,267,281	(4,944,159)	195,824	276,606	212,140	652	160,844	(145,651)	(127,704)
Total primary government	12,426,539	17,561,137	13,422,613	13,515,089	13,459,380	14,099,219	13,407,746	13,614,641	13,302,075	13,592,490
Change in net position										
Governmental activities	(3,975,929)	(912,225)	2,179,573	8,080,675	2,103,455	(7,325)	(255,355)	(438,831)	325,726	(604,593)
Business-type activities	(3,194,484)	72,643	(6,376,918)	(124,372)	(53,487)	151,049	370,784	521,468	18,493	(112,825)
Total primary government	$ (7,170,413)	$ (2,520,030)	$ (4,197,345)	$ 7,956,303	$ 2,049,968	$ 143,724	$ 115,429	$ 82,637	$ 344,219	$ (717,418)

Note: The operations of the Water/Wastewater Fund were transferred to the Brunswick - Glynn County Joint Water & Sewer Commission on January 1, 2008. There was some insignificant activity recorded on the City's books in 2009.

CITY OF BRUNSWICK, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
2008 - 2010

	Fiscal Year		
	2008	2009	2010
General Fund			
Reserved	$ -	$ 55,204	$ 51,113
Unreserved	1,264,855	20,569	278,743
Total General Fund	$ 1,264,855	$ 75,773	$ 329,856
All Other Governmental Funds			
Reserved	$ 4,032,407	$ 1,790,016	$ 4,394,336
Unreserved, reported in:			
Special revenue funds	1,915,475	1,592,896	868,658
Capital projects funds	-	-	-
Total all other governmental funds	$ 5,947,882	$ 3,382,912	$ 5,262,994
Total all governmental funds	$ 7,212,737	$ 3,458,685	$ 5,592,850

CITY OF BRUNSWICK, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS

	Fiscal Year						
	2011	2012	2013	2014	2015	2016	2017
General Fund							
Nonspendable	$ -	$ -	$ -	$ -	$ 23,832	$ 252,296	$ 268,527
Restricted	5,724	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	6,797	239,903	980,238	1,529,603	2,042,155	3,009,991	4,605,355
Total General Fund	$ 12,521	$ 239,903	$ 980,238	$ 1,529,603	$ 2,065,987	$ 3,262,287	$ 4,873,882
All Other Governmental Funds							
Restricted, reported in:							
Community development fund	$ 1,697,396	$ 960,681	$ 981,459	$ 626,673	$ 411,685	$ 341,017	$ 243,075
Capital projects funds	11,610,922	11,358,019	6,819,904	3,888,534	2,514,136	2,389,049	3,244,298
Other nonmajor governmental funds	63,569	139,801	47,530	56,611	101,069	303,387	107,772
Unassigned	(229,014)	(105,436)	(182,026)	(157,973)	(161,840)	(216,894)	(261,792)
Total all other governmental funds	$ 13,142,873	$ 12,353,065	$ 7,666,867	$ 4,413,845	$ 2,865,050	$ 2,816,559	$ 3,333,353
Total all governmental funds	$ 13,155,394	$ 12,592,968	$ 8,647,105	$ 5,943,448	$ 4,931,037	$ 6,078,846	$ 8,207,235

Note: GASB Statement No. 54 was implemented during fiscal year 2011.

CITY OF BRUNSWICK, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Property taxes	$ 4,356,558	$ 4,870,321	$ 4,802,245	$ 4,379,301	$ 4,206,413	$ 4,449,903	$ 4,633,705	$ 4,969,883	$ 4,912,179	$ 5,035,576
Franchise fees	1,462,055	1,451,384	1,360,952	1,390,799	1,438,127	1,344,975	1,340,636	1,390,492	1,375,316	1,322,528
Local option sales tax	7,827,430	6,841,353	6,433,994	6,221,815	6,462,660	6,247,444	5,771,626	5,614,749	5,390,243	5,507,708
Selective sales and use taxes	1,437,852	1,411,131	1,378,334	1,373,224	1,248,388	1,350,546	1,348,392	1,391,815	1,455,272	1,554,508
Hotel/Motel taxes	24,698	17,571	8,192	7,277	7,499	8,416	8,328	9,110	6,941	8,391
Licenses and permits	357,655	342,183	322,692	374,628	318,993	337,115	335,870	349,719	341,903	308,627
Fines and forfeitures	603,119	602,800	342,442	332,979	416,833	347,518	374,167	451,071	448,271	416,365
Intergovernmental revenues	712,574	1,864,132	4,704,740	8,981,997	2,303,089	236,159	370,031	279,702	249,118	1,043,641
Intergovernmental revenues - Reimbursement BGJWSC	-	-	-	-	-	-	-	-	240,792	233,663
Collection on loans	1,383,951	243,112	131,622	22,201	43,810	-	-	-	-	-
Grant revenues	796,616	902,168	904,799	1,313,728	1,458,423	737,129	927,958	709,279	628,952	1,781,014
Charges for services and assessments	287,447	337,002	441,577	459,758	484,759	539,937	436,177	424,751	526,757	338,140
Unrestricted investment earnings	449,821	47,046	3,710	57,333	29,982	28,537	17,259	8,849	24,642	46,389
Rental income	24,577	31,054	30,694	42,227	19,609	25,586	23,554	23,429	19,894	20,164
Contributions and donations from private sources	-	-	-	-	-	149,716	30,742	23,712	66,283	35,334
Miscellaneous and sale of property	452,083	646,500	130,511	137,785	34,486	71,274	171,770	90,734	98,582	52,910
Total revenues	20,176,436	19,607,757	20,996,504	25,095,052	18,473,071	15,874,255	15,790,215	15,737,295	15,785,145	17,704,958
Expenditures:										
General government	4,127,572	3,947,204	2,981,666	2,847,904	1,930,277	2,709,762	2,680,557	2,551,776	2,467,870	2,791,723
Judicial	490,180	858,031	533,324	474,169	420,800	301,340	285,832	278,138	270,506	276,545
Public safety	7,735,049	8,330,174	7,922,940	7,395,846	7,207,413	7,578,851	7,780,553	7,785,676	7,581,166	7,621,511
Public works	2,632,052	2,821,400	2,563,397	2,361,533	2,308,594	2,192,159	2,273,599	2,153,023	2,073,658	2,919,914
Culture and recreation	1,178,175	1,227,760	1,181,342	955,295	910,201	705,733	566,711	574,084	523,245	462,324
Cemetery	365,219	362,266	313,050	390,645	179,721	196,483	233,001	224,192	255,885	284,854
Community development	1,658,300	1,427,714	1,602,642	1,883,203	2,135,516	1,037,548	892,993	813,975	681,639	704,931
Economic develoopment	120,000	114,089	103,676	80,000	80,000	70,021	70,326	107,075	139,503	204,949
Landfill expense	-	-	-	-	-	-	-	-	25,340	-
Debt service:										
Principal	429,067	2,101,744	1,077,525	564,216	449,259	381,777	702,801	131,463	134,686	70,259
Interest	157,878	128,513	117,503	115,244	119,018	101,334	69,569	45,702	43,089	45,560
Capital outlay	4,649,921	1,798,742	1,032,371	1,392,756	3,072,298	4,981,671	3,185,344	2,160,008	628,573	1,412,850
Total expenditures	23,543,413	23,117,637	19,429,436	18,460,811	18,813,097	20,256,679	18,741,286	16,825,112	14,825,160	16,795,420
Excess (deficiency) of revenues over expenditures	(3,366,977)	(3,509,880)	1,567,068	6,634,241	(340,026)	(4,382,424)	(2,951,071)	(1,087,817)	959,985	909,538

(Continued)

CITY OF BRUNSWICK, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess (deficiency) of revenues over expenditures	$ (3,366,977)	$ (3,509,880)	$ 1,567,068	$ 6,634,241	$ (340,026)	$ (4,382,424)	$ (2,951,071)	$ (1,087,817)	$ 959,985	$ 909,538
Other financing sources (uses)										
Issuance of capital lease	1,564,628	-	1,369,412	-	19,000	39,061	247,414	33,582	-	-
Payment from component unit on property sale	-	-	-	-	-	540,500	-	-	40,000	-
Transfers in	2,262,683	2,881,174	1,499,833	343,116	774,646	686,929	777,663	868,615	848,324	1,259,417
Transfers (out)	(4,858,505)	(3,125,346)	(2,285,765)	(614,713)	(1,016,146)	(829,929)	(777,663)	(826,791)	(700,500)	(1,128,150)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	118,000
Total other financing sources	(1,031,194)	(244,172)	583,480	(271,597)	(222,500)	436,561	247,414	75,406	187,824	249,267
Net change in fund balances	$ (4,398,171)	$ (3,754,052)	$ 2,150,548	$ 6,362,644	$ (562,526)	$ (3,945,863)	$ (2,703,657)	$ (1,012,411)	$ 1,147,809	$ 1,158,805
Debt service as a percentage of noncapital expenditures	2.6%	3.1%	6.5%	4%	3.6%	3.2%	5.0%	1.2%	1.3%	0.8%

Note: Beginning in fiscal year 2011, building inspection and planning expenditures have been combined with public works.

CITY OF BRUNSWICK, GEORGIA

PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
Governmental activities:										
General government	$ 381,044	$ 396,395	$ (128,945)	$ 742,194	$ 3,023,448	$ 858,600	$ 1,199,446	$ 470,778	$ 1,012,643	$ 2,501,678
Judicial	603,119	602,800	342,442	332,979	416,833	347,518	374,167	451,071	448,271	291,885
Public safety	45,942	408,188	437,582	430,850	234,838	188,335	121,782	79,605	221,896	151,634
Public works	-	104,568	35,961	25,676	90,646	148,181	25,646	26,529	25,646	233,663
Culture and recreation	801,048	53,710	90,784	124,173	97,697	54,279	97,697	15,910	10,535	65,904
Cemetery	-	-	92,730	95,340	119,320	150,785	119,320	134,750	131,495	110,115
Community development	(543,015)	1,227,635	1,050,061	1,299,405	1,494,115	716,093	873,788	662,593	684,536	795,186
Subtotal governmental activities	1,288,138	2,793,296	1,920,615	3,050,617	5,476,897	2,463,791	2,811,846	1,841,236	2,535,022	4,150,065
Business-type activities:										
Water and sewer	7,644,792	21,431	11	-	-	-	-	-	-	-
Sanitation	1,333,121	1,568,157	1,389,445	1,142,596	1,114,851	1,130,475	1,337,697	1,434,849	1,238,062	1,143,038
Subtotal business-type activities	8,977,913	1,589,588	1,389,456	1,142,596	1,114,851	1,130,475	1,337,697	1,434,849	1,238,062	1,143,038
Total primary government program revenues	$ 10,266,051	$ 4,382,884	$ 3,310,071	$ 4,193,213	$ 6,591,748	$ 3,594,266	$ 4,149,543	$ 3,276,085	$ 3,773,084	$ 5,293,103

Note: The operations of the Water/Wastewater Fund were transferred to the Brunswick - Glynn County Joint Water & Sewer Commission on January 1, 2008. There was some insignificant activity recorded on the City's books ir

CITY OF BRUNSWICK, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Franchise Taxes	General Sales Tax	Special Purpose Local Option Sales Tax (SPLOST)	Other (1)	Total
2008	$ 4,381,256	$ 1,462,055	$ 7,827,430	$ -	$ 1,437,852	$ 15,108,593
2009	4,809,870	1,451,384	6,841,353	1,408,631	1,428,702	15,939,940
2010	5,077,795	1,360,043	6,433,994	4,243,993	1,370,142	18,485,967
2011	4,415,789	1,390,541	3,769,716	8,620,682	1,380,501	19,577,229
2012	4,246,279	1,438,127	6,462,660	2,020,304	1,255,887	15,423,257
2013	4,449,903	1,344,975	6,247,444	39,303	1,358,962	13,440,587
2014	4,750,513	1,340,636	5,771,626	14,757	1,356,720	13,234,252
2015	4,906,597	1,390,492	5,614,749	82,026	1,400,925	13,394,789
2016	4,912,179	1,375,316	5,390,243	258,780	1,462,213	13,398,731
2017	5,035,576	1,322,528	5,507,708	1,043,641	1,562,899	14,472,352

Note: (1) Includes selective sales and use taxes, and hotel/motel taxes.

CITY OF BRUNSWICK, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real and Personal Property	Motor Vehicles	Mobile Homes	Public Utilities	Timber	Heavy Equipment	Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Net Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a % of Actual Value
2008	$ 1,053,530,440	$ 70,257,050	$ 126,575	$ 35,881,945	$ -	$ -	$ 159,845,198	$ 999,950,812	$ 399,980,325	12.250	40%
2009	1,114,209,645	57,678,425	172,300	33,660,160	-	19,835	154,282,395	1,051,457,970	420,583,188	12.250	40%
2010	1,094,881,965	60,136,000	170,600	35,460,165	-	34,470	151,375,143	1,039,308,057	415,723,223	12.250	40%
2011	977,528,655	51,619,000	140,500	30,156,813	-	-	164,828,625	894,616,343	357,846,537	12.250	40%
2012	936,471,835	53,070,775	342,500	30,669,180	-	-	165,825,740	854,728,550	341,891,420	12.719	40%
2013	910,062,360	51,085,550	136,200	34,744,883	-	-	182,407,078	813,621,915	325,448,766	12.719	40%
2014	900,495,060	54,545,675	135,700	36,588,903	-	-	177,298,335	814,467,003	325,786,801	12.719	40%
2015	880,590,568	49,830,650	135,400	37,418,578	-	-	166,310,015	801,665,181	320,666,072	13.219	40%
2016	899,478,350	32,047,350	135,200	37,964,590	-	1,000	165,805,075	803,821,415	321,528,566	13.219	40%
2017	900,869,483	22,906,275	143,700	39,542,920	-	2,750	159,433,770	804,031,358	321,612,543	13.219	40%

Source: City of Brunswick Tax Digest/Georgia Department of Revenue

Notes: (1) Property assessed at 40% of FMV under Georgia Law.
(2) The direct tax rate is applied against the total net taxable assessed value to levy property taxes.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

WATER AND WASTEWATER RATES
LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Water Rates										
Customers inside corporate limits:										
Charge per Bill - Admin	2.15	2.15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per RUE - Debt	3.85	3.85	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per thousand - O&M	2.03	2.03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Customers in unincorporated areas:										
Charge per Bill - Admin	2.15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per RUE - Debt	3.85	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per thousand - O&M	2.03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Commerical customers in unincorporated areas:										
Charge per Bill - Admin	2.15	2.15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per RUE - Debt	6.15	6.15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per thousand - O&M	3.25	3.25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater Rates										
Customers inside corporate limits:										
Charge per Bill - Admin	2.41	2.41	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per RUE - Debt	4.93	4.93	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per thousand - O&M	3.56	3.56	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Customers in unincorporated areas:										
Charge per Bill - Admin	2.41	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per RUE - Debt	4.93	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per thousand - O&M	3.56	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Commerical customers in unincorporated areas:										
Charge per Bill - Admin	2.41	2.41	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per RUE - Debt	7.89	7.89	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per thousand - O&M	3.56	3.56	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BOD: charge per pound in excess of 200 mg/L	0.59	0.39	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TSS: charge per pound in excess of 200 mg/L	0.39	0.26	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: The operations of the Water/Wastewater Fund were transferred to Brunswick - Glynn County Joint Water & Sewer Commission on January 1, 2008. There was some insignificant activity recorded on the City's books in 2009.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

PRINCIPAL WATER/WASTEWATER CUSTOMERS
LAST TEN FISCAL YEARS

	2008			2009			2010	2011	2012	2013	2014	2015	2016	2017
	Amount Paid	Rank	Percentage of Total	Amount Paid	Rank	Percentage of Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water Customers														
Federal Law Enforcement Training Center	$ 37,648	1	1.63%	$ 91,815	1	8.15%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Southeast Georgia Regional Medical Center	20,126	2	0.87%	42,362	2	3.76%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City of Brunswick	-	-	-	19,755	3	1.75%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Glynn County Maintenance Department	12,338	3	0.53%	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ramada Inn	3,844	8	0.16%	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sea Island Company	6,769	4	0.29%	4,485	6	0.40%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Days Inn	3,940	7	0.17%	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MTC Brunswick Job Corps Center	5,768	5	-	8,182	4	0.73%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LaQuinta Inns	5,611	6	0.24%	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Whispering Pines	3,659	9	0.16%	6,721	5	0.60%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Davita Inc.	3,185	10	0.13%	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Golden Isles Laundry	-	-	-	4,104	7	0.36%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
College of Coastal Georgia	-	-	-	3,880	8	0.34%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cracker Barrel #54	-	-	-	3,149	9	0.28%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Travel Lodge	-	-	-	3,033	10	0.27%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater Customers														
Glynn County Utility Manager	107,433	1	2.86%	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pinova, Inc./Hercules, Inc.	34,247	2	0.91%	171,276	1	12.81%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Federal Law Enforcement Training Center	29,893	3	0.79%	85,417	2	6.39%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Southeast Georgia Regional Medical Center	20,126	4	0.53%	41,113	3	3.07%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rich Products Corp.	7,364	5	0.20%	38,760	4	2.90%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sea Island Company	6,769	6	0.18%	4,485	9	0.34%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
King and Prince Seafoood	5,860	7	0.15%	28,776	5	2.15%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City of Brunswick	-	-	-	17,725	6	1.33%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Days Inn	3,940	10	0.10%	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MTC Brunswick Job Corps Center	5,768	8	0.15%	8,182	7	0.61%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Whispering Pines	-	-	-	6,721	8	50.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LaQuinta Inns	5,611	9	0.15%	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Golden Isles Laundry	-	-	-	4,104	10	0.03%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: The City of Brunswick

N/A - The Water/Wastewater Fund was inactive during these years.

Note: The operations of the Water/Wastewater Fund were transferred to Brunswick - Glynn County Joint Water & Sewer Commission on January 1, 2008. There was some insignificant activity recorded on the City's books in 2009.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES (1)
LAST TEN FISCAL YEARS

Fiscal Year	City of Brunswick	Overlapping Rates (2)					Total
		State	Glynn County M&O	Glynn County Bond	Glynn County School District M&O	Glynn County School District Bond	
2008	12.250	0.250	5.860	-	15.230	-	33.590
2009	12.250	0.250	5.860	-	15.230	-	33.590
2010	12.250	0.250	5.673	-	15.230	-	33.403
2011	12.250	0.250	5.673	-	15.230	-	33.403
2012	12.719	0.250	5.673	-	15.230	-	33.872
2013	12.719	0.200	5.673	-	16.230	-	34.822
2014	12.719	0.150	5.673	-	16.230	-	34.772
2015	13.219	0.100	5.673	-	16.157	-	35.149
2016	13.219	0.050	5.673	-	16.157	-	35.099
2017	13.219	-	5.673	-	16.157	-	35.049

Source: Glynn County Tax Commissioner's Office and Georgia Department of Revenue

Notes: (1) Tax rates are per thousand dollars of assessed value.
(2) Overlapping rates are the rates of the local and county governments that apply to property owners within the City of Brunswick.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Customer	2017 Taxable Assessed Value	2017 Rank	2017 Percentage of Total Taxable Assessed Value	2008 Taxable Assessed Value	2008 Rank	2008 Percentage of Total Taxable Assessed Value
Pinova, Inc.	$ 21,746,854	1	2.70%	$ 20,211,804	1	1.92%
King and Prince Seafood Company	11,262,487	2	1.40%	9,102,640	2	0.87%
Industrial Insulation Group	1,984,778	3	0.25%	2,543,131	3	0.24%
777 Gloucester LLC	1,330,865	4	0.17%	1,471,467	4	0.14%
Lang Planning Mill, Inc.	802,979	5	0.10%	997,516	5	0.09%
Marshland Federal Credit Union	738,672	6	0.09%	769,961	6	0.07%
Seaside Storage	722,046	7	0.09%	-	-	-
Sweat's Furniture, Inc.	607,056	8	0.08%	-	-	-
Brunswick News Publishing Co.	547,142	9	0.07%	589,415	9	0.06%
First Chatham Bank	485,223	10	0.06%	-	-	-
Atlantic National Bank	-	-	-	720,073	7	0.07%
City Market, Inc.	-	-	-	682,634	8	0.06%
Sears Manor, Inc.	-	-	-	564,820	10	0.05%

Source: Glynn County Board of Assessors

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	$ 4,899,759	$ 3,797,808	$ 78%	$ 345,423	$ 4,143,231	85%
2009	5,152,144	4,258,470	83%	192,380	4,450,850	86%
2010	5,092,609	4,371,756	86%	263,986	4,635,742	91%
2011	4,383,620	3,813,236	87%	232,248	4,045,484	92%
2012	4,384,517	3,705,933	85%	187,019	3,892,952	89%
2013	4,139,383	3,502,292	85%	191,503	3,693,795	89%
2014	3,810,530	3,516,175	92%	193,493	3,709,668	97%
2015	3,942,430	3,697,591	94%	98,518	3,796,109	96%
2016	4,062,624	3,784,811	93%	-	3,784,811	93%
2017	4,251,396	3,938,536	93%	-	3,938,536	93%

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities				Business-type Activities				
Fiscal Year	Capital Leases	Housing Development Grant Settlement Agreement Payable	Note Payables	Certificates of Participation	Water/Sewer Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Capital Per Capita (1)
2008	$ 3,492,233	$ 99,000	$ -	$ -	$ 16,615,000	$ -	$ 20,206,233	3.77%	$ 1,269
2009	4,627,794	99,000	-	-	15,660,000	400,435	20,787,229	3.79%	1,283
2010	2,526,050	99,000	-	-	14,660,000	301,299	17,586,349	3.40%	1,077
2011	2,921,621	-	100,000	-	-	202,164	3,223,785	0.67%	210
2012	2,357,405	-	50,000	-	-	103,029	2,510,434	0.48%	162
2013	1,927,148	-	1,500,000	-	-	22,500	3,449,648	0.64%	221
2014	1,584,432	-	1,500,000	-	-	-	3,084,432	0.56%	195
2015	1,129,045	-	-	-	-	-	1,129,045	0.21%	71
2016 (2)	723,927	-	-	1,116,000	-	-	1,839,927	0.15%	58
2017	653,668	-	-	1,116,000	-	-	1,769,668	0.22%	111

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Page 105, Demographic Statistics, for personal income and population statistics. Amounts are calculated from schedule.

(2) Difference in 2016 data due to GMA lease prior period adjustment. See notes to the financial statements for details.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

RATIOS OF GENERAL BONDED BEDT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Redevelopment Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-

Note: The City has no general bonded debt outstanding.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes	N/A	N/A	N/A

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year[a]									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	$ 99,995,081	$ 105,145,797	$ 103,930,806	$ 89,461,634	$ 85,472,855	$ 81,362,192	$ 81,446,700	$ 80,166,518	$ 80,382,142	$ 80,403,136
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 99,995,081	$ 105,145,797	$ 103,930,806	$ 89,461,634	$ 85,472,855	$ 81,362,192	$ 81,446,700	$ 80,166,518	$ 80,382,142	$ 80,403,136
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	9.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2017

Total assessed value	$ 321,612,543
Debt limit (10% of total taxable assessed value)	32,161,254
Debt applicable to limit:	-
Legal debt margin	$ 32,161,254

Note: (a) Digest tax year levied actually fund the following fiscal year (i.e., taxes levied for 2016 are used for fiscal year ending in 2017).

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

REVENUE BOND COVERAGE
WATER/WASTEWATER REVENUE BONDS
LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	$ 7,644,792	$ 7,473,917	$ 170,875	$ 955,000	$ 915,545	$ 1,870,545	0.09
2009	21,431	91,339	(69,908)	1,000,000	868,145	1,868,145	(0.04)
2010	11	21,569	(21,558)	1,055,000	586,155	1,641,155	(0.01)
2011	-	-	-	-	-		3.85
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-

Notes: The operations of the Water/Wastewater Fund were transferred to the Brunswick - Glynn Joint Water & Sewer Commission on January 1, 2008. There was some insignificant activity recorded on the City's books in 2009 and 2010. The City paid the obligations of the revenue bonds until the bonds, related investment accounts and obligations were transfered to the Brunswick - Glynn Joint Water & Sewer Commission during the 2010 fiscal year.

Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. Operating revenues include all charges for services and other revenue. Operating expenses do not include interest, amortization or depreciation.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1&2)	Personal Income (1)	Per Capital Personal Income (1)	Unemployment Rate (3)
2008	15,924	$ 536,336,244	$ 33,681	3.90%
2009	16,208	547,797,984	33,798	5.40% (S)
2010	16,326	516,930,138	31,663	8.80% (S)
2011	15,383	483,764,584	31,448	10.30% (S)
2012	15,525	518,969,700	33,428	10.70% (RE)
2013	15,640	539,235,920	34,478	10.00% (RE)
2014	15,813	553,929,390	35,030	8.30% (RE)
2015	15,903	543,787,182	34,194	6.70% (RE)
2016	15,383	612,458,762	39,814	5.60% (RE)
2017	15,997	592,832,823	37,059	4.70% (RE)

Source: (1) U.S. Bureau of Economic Analysis: Regional Economic Accounts
(2) U.S. Bureau of the Census: American Community Survey
(3) U.S. Bureau of Labor Statistics

Notes: (S) Reflects adjustment to new state control totals.
(RE) Reflects revised inputs, re-estimation, and adjustment to new state control totals.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2016 Employees (1)	2016 Rank	2016 Percentage of Total Employment (2)	2008 Employees (1)	2008 Rank	2008 Percentage of Total Employment (2)
Southeast Georgia Health System	2,397	1	4.85%	1,682	4	3.42%
Sea Island Acquisition (formerly Seaisland Co.)	1,767	2	3.57%	2,100	2	4.27%
Glynn County Board of Education	1,928	3	3.90%	1,900	3	3.86%
Federal Law Enforcement Training Center	1,051	4	2.12%	3,047	1	6.19%
Glynn County Board of Commissioners	915	5	1.85%	850	5	1.73%
Brunswick Cellulose, LLC (formerly Kock Cellulose, LLC)	525	6	1.06%	790	6	1.60%
eBay Enterprises	400	7	0.81%	-	-	-
Walmart Superstore	400	8	0.81%	550	9	1.12%
Rich Products Coporation	350	9	0.71%	600	7	1.22%
Jekyll Island Authority	350	10	0.71%	-	-	-
King and Prince Seafood	-		-	570	8	1.16%
Hercules - Pinova Division	-		-	356	10	0.72%
Total of Top Ten Employees	10,083		20.39%	12,445		25.29%
Total Employees	49,463			49,229		

Source: (1) Brunswick Golden Isles Chamber of Commerce
(2) U.S. Bureau of Labor Statistics

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30th									
Function	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General government	26.90	24.40	27.30	16.90	15.90	16.90	16.90	15.50	14.00	17.00
Judicial	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Public safety	116.00	122.00	120.00	110.00	119.50	110.50	111.50	108.50	109.00	138.00
Public works	53.00	51.00	45.00	38.00	36.00	33.00	33.00	32.00	35.00	43.00
Culture and recreation	39.64	34.68	31.00	18.30	21.00	15.20	15.20	14.20	13.00	4.00
Cemetery	9.00	8.00	7.00	2.00	2.00	4.00	4.00	4.00	3.00	3.00
Community development	10.00	9.00	1.00	2.00	2.00	2.00	2.00	3.00	3.00	7.00
Economic development Component unit	1.00	1.00	1.00	1.00	1.00	4.00	4.00	1.50	-	1.00
Sanitation department	20.00	20.00	20.00	17.00	14.00	-	-	1.00	1.00	1.00
Total	277.54	272.08	254.30	207.20	213.40	187.60	188.60	181.70	180.00	217.00

Source: City Finance Department

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Occupancy Permits Issued	N/A	105	123	140	139	99	123	128	131	129
Building Permits Issued	172	82	98	86	108	83	67	92	89	91
Plumbing Permits Issued	N/A	20	22	85	64	36	46	85	87	66
Electrical Permits Issued	N/A	126	225	140	115	103	204	242	215	245
Mechanical Permits Issued	N/A	14	17	28	19	17	25	45	51	43
Other Permits Issued	N/A	2	4	6	20	20	-	127	131	189
Judicial										
Dockets Processed	5,455	5,222	4,020	3,971	4,203	3,577	3,970	2,257	3,192	2,775
Public Safety										
Police - Number of Arrests	1,994	1,430	1,050	1,006	1,121	950	1,237	734	683	624
Police - Jail Bookings	N/A	1,482	1,124	990	1,212	1,089	1,192	1,123	1,221	1,186
Police - Calls Received	41,790	61,940	55,790	42,904	42,700	53,081	55,264	42,077	28,648	29,715
Police - Narcotics Arrests	175	118	106	141	153	116	173	113	94	90
Police - Traffic Citations Total	2,693	2,764	2,555	5,194	4,142	3,769	3,961	4,002	4,261	3,369
Police - Traffic Citations - Moving	2,600	2,488	2,219	4,677	3,609	3,105	2,926	3,686	3,153	2,444
Police - Traffic Citations - Non-Moving	93	276	336	517	533	664	1,095	316	371	268
Fire - Calls Received	2313	2358	2,451	2,680	2594	2,445	2,682	3,050	3,457	3,664
Fire - Inspection and Plan Reviews	345	208	691	971	402	159	80	200	366	826
E911 - Calls Received (Note 2)	N/A	N/A	44,534	47,536	47658	56,432	58,665	75,474	29,308	29,716

(Continued)

CITY OF BRUNSWICK, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Works										
Street Sweeping Frequency Per Year (miles per work day)	51.66	65.18	55.44	55.63	36.9	31.2	28	36	10.83	20.52
Ditches Maintained (miles)	50.15	22.49	3.68	4.81	12.95	20.96	18.5	11	9.95	12.77
Feet of Storm Drains Cleaned and Maintained	10,876	12,724	11,299	14,097	11,616	22,263	19,500	30,197	20,989	9,632
Sanitation (Note 1)										
Residential Customers	N/A	N/A	4,028	3,722	3,482	3,626	4,395	4,936	4,936	4,150
Commercial Customers	N/A	N/A	969	626	551	520	342	530	530	300
Culture and Recreation										
Number of Days Various Facilities Rented	56	58	43	48	45	18	5	12	9	7
Number of Participants in Athletics	327	125	229	367	266	78	225	136	102	219
Cemetery										
Number of New Grave Openings	188	179	189	150	113	129	149	152	171	174
Community Development										
Net Gain of New Downtown Businesses	25	9	14	17	17	18	27	36	22	19

Notes: (1) Residential and commercial sanitation service was outsourced in December 2012. Prior to January 1, 2009, the City of Brunswick also provided water service to city residents. Billing for both services was combined on the same bill. Therefore, statistically comparable numbers are not avaliable for the years 2008-2009.
(2) City was unable to track calls prior to 2010. Difference in 2016 calls is due to updated software that allows the City to more accurately track calls.

Sources: Various City Departments

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
Public Works										
Police - Vehicles	64	62	61	58	55	60	80	62	80	93
Police - Stations/Substations	4	4	4	4	4	4	4	4	4	4
Police - Jails	-	-	-	-	-	-	-	-	-	-
Fire - Stations	2	2	2	2	2	2	2	2	2	2
Fire - Trucks and Other Vehicles	4	4	4	4	5	5	5	12	12	14
Traffic Signals	28	28	28	28	28	26	26	25	25	25
Public Works										
Miles of Paved Roads Maintained	99.5	99.5	99.5	99.5	99.5	99.5	99.5	99.8	99.8	99.8
Miles of Unimproved Roads Maintained	76.7	76.7	76.7	76.7	76.7	76.7	76.7	76.7	77	77
Sanitation										
Collection Vehicles	12	12	11	11	12	9	9	9	9	9
Culture and Recreation										
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Parks	28	28	28	28	28	28	28	28	28	28
Tennis Courts	11	11	11	11	11	11	11	11	10	10
Community Centers	2	2	2	2	2	2	2	2	2	2
Ball Fields	4	4	4	4	4	4	4	4	4	4
Cemetery										
Cemetaries	3	3	3	3	3	3	3	3	3	3
Water (1)										
Water Mains (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire Hydrants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Storage Capacity (gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater (1)										
Sanitary Sewers (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Treatment Capacity (gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: Various City departments

Note: (1) Statistical information is no longer available for the Water/Wastewater Fund. The operations of the fund were transferred to the Brunswick - Glynn Joint Water & Sewer Commission on January 1, 2008. The historical data was also transferred. There was some insignificant activity recorded on the City's books in 2009.

COMPLIANCE SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S 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
Brunswick, Georgia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Brunswick, Georgia (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Brunswick, Georgia's basic financial statements and have issued our report thereon dated November 6, 2018.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001 through 2017-004 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2017-004.

City of Brunswick, Georgia's Response to Findings

City of Brunswick, Georgia's response to the findings identified in out audit is described in the accompanying schedule of findings and questioned costs. City of Brunswick, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
November 6, 2018

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Brunswick, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2017. The City's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the City'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
November 6, 2018

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
CDBG - Entitlements Grant Cluster				
Community Development Block Grant	14.218	B16-MC-130010	$ 370,619	$ -
(Passed through Georgia Department of Community Affairs)				
Community Home Investment Program	14.228	2013-879	8,369	-
Total U.S. Department of Housing and Urban Development			378,988	-
U.S. Department of Justice				
(Passed through the Equitable Sharing Program)				
Equitable Sharing Grant	16.922	N/A	25,725	-
Total U.S. Department of Justice			25,725	-
U.S. Department of Homeland Security				
(Passed through the Georgia Emergency Management Authority)				
Disaster Grants	97.036	N/A	764,292	-
Total U.S. Department of Homeland Security			764,292	-
Total Expenditures of Federal Awards			$ 1,169,005	$ -

CITY OF BRUNSWICK, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Brunswick, Georgia (the "City"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the 10% de minimis cost rate for the year ended June 30, 2017.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended June 30, 2017.

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ Yes _____ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	__X__ Yes _____ No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ Yes __X__ No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
97.036	**U.S. Department of Homeland Security** Georgia Emergency Management Agency Disaster Grant

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	___ Yes __X__ No

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2017-001 – Proper Reporting of Post-Closure Care Costs

Criteria: Generally accepted accounting principles require long-term obligations to be recorded in the accounting period in which they are incurred.

Condition: The City has determined that a restatement to the beginning net position for its governmental activities is required to properly record landfill closure and post-closure costs related to the T Street landfill. In prior years, the City has not recorded the liability.

Context: We have addressed this matter with the City officials and they were able to determine the appropriate amounts to be recorded for the landfill post-closure care costs liability relative to the governmental activities as of July 1, 2016.

Effects: A prior period adjustment to increase the landfill post-closure care cost liability and decrease net position in governmental activities by $1,406,350 was required as of July 1, 2016.

Cause: The City did not implement the necessary controls to ensure that all long-term debt activity was properly recorded.

Recommendation: We recommend the City implement controls and procedures to ensure that all long-term obligations of the City are properly recorded in the appropriate accounting period.

View of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures and implement controls to ensure that long-term obligations are properly recorded in the appropriate accounting period and are properly recognized in accordance with the measurement focus of the individual funds.

2017-002 – Recording of Revenues and Unearned Revenue

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: During fiscal year 2016, the City did not properly record revenues and unearned revenues for the year ended June 30, 2016. Consequently, the respective revenues and unearned revenue balances of the Sanitation Fund were not properly stated and reflected as of and for the year ended June 30, 2016, and prior period adjustments were required to correct such amounts and balances.

Context: We addressed the matter with the City to determine the appropriate amounts to record as of July 1, 2016.

Effect: A prior period adjustment was required to increase unearned revenues and decrease net position for the Sanitation Fund in the amount of $105,121 as of July 1, 2016.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2017-002 – Recording of Revenues and Unearned Revenue (Continued)

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to ensure that revenue, and unearned revenue balances were properly reconciled and recorded.

Recommendation: We recommend the City review all income statement and balance sheet accounts throughout the fiscal year, and ensure all respective revenues, and unearned revenues are properly identified and stated at the end of each accounting period.

View of Responsible Officials and Planned Corrective Action: We concur with the finding. We will implement the necessary controls and procedures to ensure that revenues, receivables, and unavailable revenues are properly identified, recorded, and reconciled in a timely manner and ensure that all transactions are being properly recognized during the correct period.

2017-003 – Management of Certificates of Participation

Criteria: Generally accepted accounting principles require long-term obligations to be recorded in the accounting period in which they are incurred. Additionally, generally accepting accounting principles require that investments be recorded at fair market value.

Condition: The City did not properly record all activity related to the GMA Lease Pool, including the certificates of participation liability, and investment for its GMA Lease Pool as of June 30, 2016.

Context: We have addressed this matter with the City officials and they were able to determine the appropriate amounts to be recorded for the certificate of participation liability and GMA Lease Pool investments relative to the governmental activities and the General Fund and as of July 1, 2016.

Effects: A prior period adjustment to increase certificates of participation liability, decrease capital lease payable, and decrease net position in governmental activities in the amount of $943,449 was required as of July 1, 2016. Additionally, a prior period adjustment to increase fund balance in the General Fund by $969,584 was required as of July 1, 2016, to record the investments held by the City restricted for repayment of the certificates of participation.

Cause: The City did not establish the necessary procedures that all long-term obligations were properly recorded in the accounting period in which they were incurred. Additionally, the City did not establish the necessary controls to ensure that all investments were recorded at fair market value.

Recommendation: We recommend the City implement controls and procedures to ensure that all long-term obligations of the City are properly recorded in the appropriate accounting period and that all investment activity is properly reported in the appropriate fund.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2017-003 – Management of Certificates of Participation (Continued)

View of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures and implement controls to ensure that long-term obligations and investments are properly recorded in the appropriate accounting period and are properly recognized in accordance with the measurement focus of the individual funds.

2017-004 – Undercollateralization of City Deposits

Criteria: The Official Code of Georgia (OCGA) §45-8-12(c) requires all depositories of public funds to pledge securities of not less than 110% of the uninsured deposited public funds.

Condition: For the year ended June 30, 2017, the City's deposits with two financial institutions were not properly collateralized.

Context: Two financial institution holding the deposits of the City did not pledge sufficient collateral for the City's deposits to comply with state law.

Effect: The City's total deposits in excess of depository insurance were not properly collateralized, allowing for the possibility of loss of assets if the financial institution were to become insolvent.

Cause: See above context.

Recommendation: We recommend the City obtain monthly pledging reports from all financial institutions holding City deposits. Additionally, we recommend the City compare the monthly pledging report to the deposits held by each financial institution to ensure compliance with the 110% collateral pledge requirement of the OCGA.

Views of Responsible Officials and Planned Corrective Action: We concur. This collateralization issue will be resolved for fiscal year 2018. We will begin monitoring the pledging of collateral on a regular basis to ensure compliance with state law.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF BRUNSWICK, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

STATUS OF PRIOR YEAR AUDIT FINDINGS

2016-001 – Segregation of Duties

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Due to the limited number of employees in a number of the City offices, including the Finance Department and City Manager, there was not a proper separation of duties to create an effective system of internal control.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The lack of segregation of duties was due to the lack of a properly developed integrated work plan with appropriate controls and an improper allocation of available resources. In addition, in certain circumstances there are a limited number of trained individuals in each office available to perform all of the duties which can result in an overlap of managerial duties.

Status: Resolved.