CITY OF BRUNSWICK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

Prepared by:
Finance Department

CITY OF BRUNSWICK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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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
Vincent Williams, 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

June 19, 2019

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, 2018, 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 2018. 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

The fiscal climate for Georgia has improved since the "Great Recession" and the outlook for Brunswick and Glynn County in the coming year is slowly and steadily improving. Employment in the Brunswick MSA (Metropolitan Service Area) is expected to increase again 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 increase, however over the last two years we have seen slow steady 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 the 3-year period to provide substantial capital needs. Collection of those funds began in April 2017. This has allowed the City update emergency services equipment and to make improvements to our infrastructure (roads, drainage, and parks). 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 with the construction underway of the Silver Bluff Brewery. Historic building renovations have occurred and some are underway with a City sponsored incentive of a City building stabilization loan/grant. This and additional restaurants that have been 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 a slight increase last year and has since then remained steady over the past 12 months. There has been moderate sales with less marketable properties in the City. However, looking forward to 2020, Brunswick will see a 2% increase in the taxable value of both residential and commercial property. Some of this will reflect new construction/renovation. This will be reflected in very little growth in the local tax digest for Brunswick, especially since the creation of the Tax Allocation District last year will likely capture much of the increased value of taxable property. 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 2018 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 a 3 year period. This tax will end in 2020 and the City and the County are anticipating a new 2020 SPLOST initiative.

The City is currently exploring other revenue sources to diversify our revenue streams (i.e. implementation of a fire assessment fee) for service and infrastructure needs beyond the funding cycle of the current SPLOST VI funds. In FY 2019, the City created a Stormwater Management Utility. This new Utility will provide needed revenue to fund stormwater management maintenance and capital projects. This fee, not being a tax, applies to all properties including the many tax exempt properties in Brunswick. In addition to these funding sources, the City continues to receive the Community Development Block Grant (CDBG) Entitlement funds, which will be applied to continue community programs, housing upgrades and infrastructure improvements.

The City will continue to work to improve the value of our Tax Digest in the 2019 fiscal year. In February 2017 the City partnered with Glynn County in creating the Glynn-Brunswick Land Bank Authority. This provided additional powers under State law to address blighted neighborhoods and redevelopment of housing stock in the City and County. This agency is still in it's early stages, however it 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. Though we will lose increases in General Fund revenue from the TAD designation, the increase from the County and BOE revenues will provide greater overall funding for improvements and economic development within the TAD district. This will offset some General Fund expenses. 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. The creation of a Federal Opportunity Zone in 2018 will attract business opportunities in downtown and elsewhere in the northwest sector of the City, also improving the value of the 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

CITY OF BRUNSWICK, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2018

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***
Municipal Court Judge Pro-Tem	***Melissa Cruthirds***
City Auditor	***Mauldin & Jenkins, Certified Public Accountants***
Finance Director	***Kathy D. Mills, CPA***
Interim Assistant City Manager	***Beatrice Soler***
City Engineer/Public Works Director	***J. Garrow Alberson***
Fire Chief	***Randy D. Mobley***
Police Chief	***Kevin M. Jones***
Planning, Development and Code Enforcement	***Brenda White-Daiss***
Economic Development Director	***Travis Stegall***

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CITY OF BRUNSWICK, GEORGIA

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.

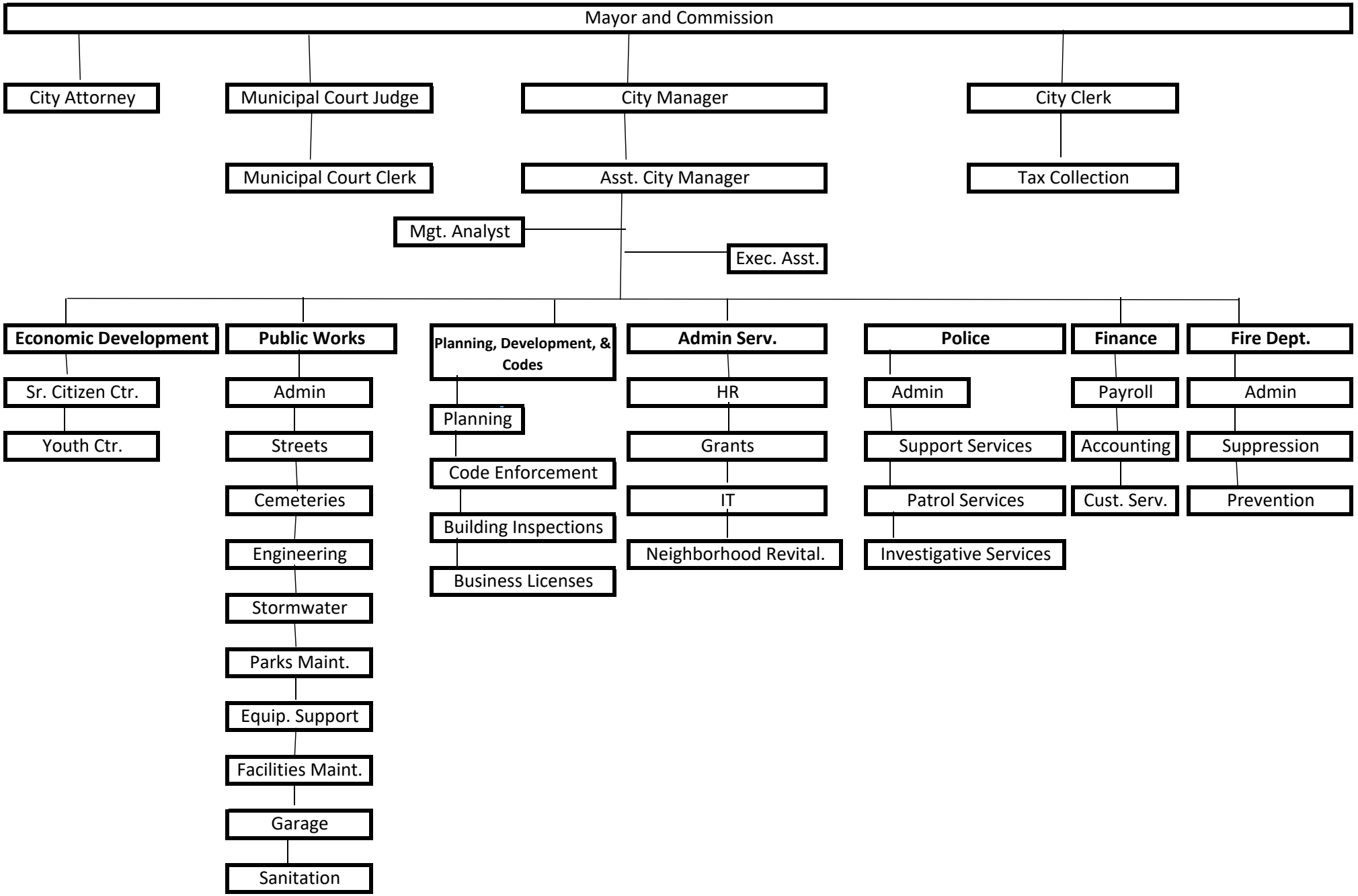
HISTORY (Continued)

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



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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 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, 2018, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, 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 pages 63 – 65), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 66), the Schedule of City Contributions (on page 67) and the Schedule of Investment Returns for the Defined Benefit Plan (on page 68) 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 (OCGA) Section 48-8-121, and is not a required part of the basic financial statements. The accompanying certification of 9-1-1 expenditures is presented for purposes of additional analysis as required by the OCGA Section 36-81-7 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, the certification of 9-1-1 expenditures, 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 June 19, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
June 19, 2019

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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, 2018. 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.

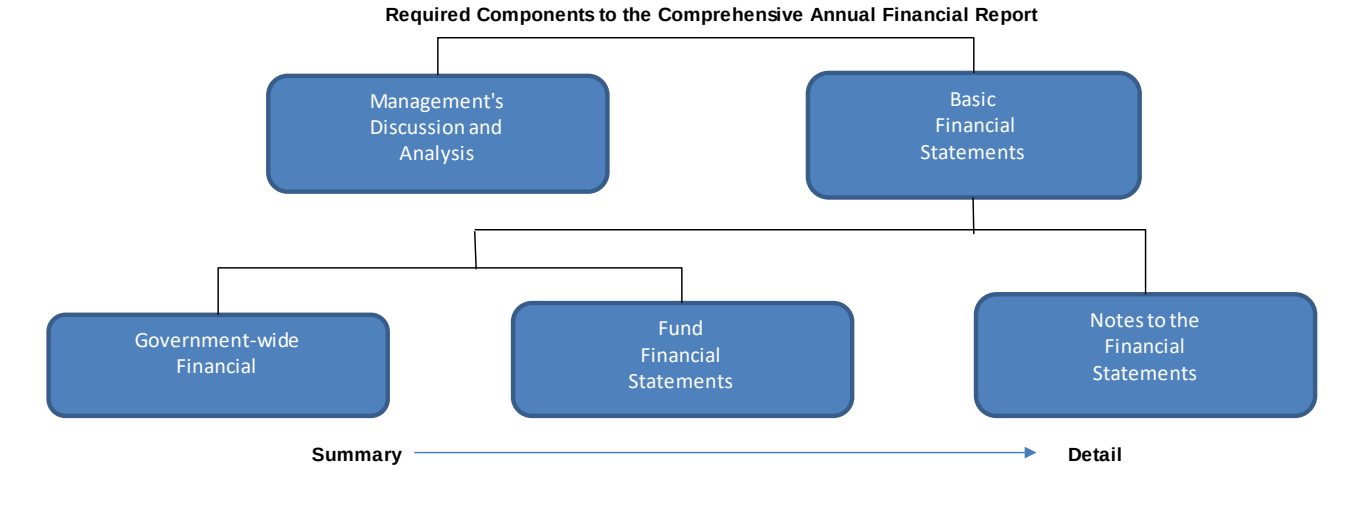
Financial Highlights

- 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 $40,421,196 (*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 $7,416,898 and related deferred outflows of resources related to the pension of $248,953 and deferred inflows related to the pension of $154,248 in the Statement of Net Position. The net pension liability decreased by $250,495 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 56.8%.
- The City's overall financial position increased by $3,805,687 due primarily to an increase in expenditures in capital grants and contributions.
- As of the close of the current fiscal year, the City of Brunswick's governmental funds reported combined ending fund balances of $10,634,456 with a combined increase of $2,427,221 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 $4,665,012. General Fund revenues increased $1,154,910 over the total General Fund revenues for the previous fiscal year.
- The City of Brunswick's total debt decreased $336,381 or 2.31% during the current fiscal year as the result of payments on capital leases and a reduction in net pension liability.
- The Sanitation Fund had an increase in operating revenue of $191,373 or 17% from the previous year and an increase in operating expenses of $642,271 or 56% from the previous year.

Overview of the Financial Statements

This discussion and analysis is 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	
	2018	2017	**2018**	2017	**2018**	2017
Assets						
Cash, investments, and receivables	**$ 15,237,209**	$ 12,215,499	**$ 692,998**	$ 753,352	**$ 15,930,207**	$ 12,968,851
Capital assets	**39,699,007**	38,828,637	**63,157**	64,522	**39,762,164**	38,893,159
Landfill closure costs escrow deposit	**-**	-	**447,472**	105,475	**447,472**	105,475
Prepaid items and other	**268,767**	268,527	**-**	-	**268,767**	268,527
Total assets	**55,204,983**	51,312,663	**1,203,627**	923,349	**56,408,610**	52,236,012
Deferred outflows of resources	**248,953**	488,545	**-**	-	**248,953**	488,545
Liabilities						
Current liabilities	**4,387,904**	3,933,122	**704,138**	504,552	**5,092,042**	4,437,674
Long-term liabilities	**10,758,313**	11,092,396	**-**	-	**10,758,313**	11,092,396
Total liabilities	**15,146,217**	15,025,518	**704,138**	504,552	**15,850,355**	15,530,070
Deferred inflows of resources						
Deferred inflows of resources	**386,012**	578,978	**-**	-	**386,012**	578,978
Net position:						
Net investment in capital assets	**46,484,077**	38,101,485	**63,157**	64,522	**46,547,234**	38,166,007
Restricted	**274,285**	253,562	**447,472**	105,475	**721,757**	359,037
Unrestricted	**(6,836,655)**	(2,158,335)	**(11,140)**	248,800	**(6,847,795)**	(1,909,535)
Total net position	**$ 39,921,707**	$ 36,196,712	**$ 499,489**	$ 418,797	**$ 40,421,196**	$ 36,615,509

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 $40,421,196 as of June 30, 2018. The City's net position increased by $3,805,687 for the fiscal year ended June 30, 2018. The largest portion of the City's net position is $46,547,234 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, $721,757, represents resources that are subject to external restrictions on how they may be used. The remaining balance (deficit) of ($6,847,795) 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 4.54%.
- Total expenses for governmental activities decreased by 1.84% from the previous fiscal year.
- The net position of the Sanitation Fund increased by 21.1% due to transfers from governmental activities.

Government-Wide Financial Analysis (Continued)

City of Brunswick's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	**2018**	2017	**2018**	2017
Revenues:						
Program revenues						
Charges for services	**$ 1,056,455**	$ 1,083,296	**$ 1,334,411**	$ 1,143,038	**$ 2,390,866**	$ 2,226,334
Operating grants and contributions	**2,560,291**	1,771,574		-	**2,560,291**	1,771,574
Capital grants and contributions	**4,555,142**	1,295,195		-	**4,555,142**	1,295,195
General revenues:						
Property taxes	**5,158,426**	4,981,463	**-**	-	**5,158,426**	4,981,463
Franchise taxes	**1,253,287**	1,322,528	**-**	-	**1,253,287**	1,322,528
Hotel/Motel tax	**7,306**	8,391	**-**	-	**7,306**	8,391
Local option sales tax	**5,951,970**	5,507,708	**-**	-	**5,951,970**	5,507,708
Selective sales and use tax	**1,610,232**	1,554,508	**-**	-	**1,610,232**	1,554,508
Unrestricted investment earnings	**55,602**	37,938	**6,941**	3,563	**62,543**	41,501
Gain on sale of capital assets	**-**	88,147		-	**-**	88,147
Miscellaneous	**160,941**	88,244	**-**	-	**160,941**	88,244
Total revenues	**22,369,652**	17,738,992	**1,341,352**	1,146,601	**23,711,004**	18,885,593
Expenses:						
General government	**3,255,474**	3,274,757	**-**	-	**3,255,474**	3,274,757
Judicial	**262,348**	284,306	**-**	-	**262,348**	284,306
Public safety	**8,382,269**	8,567,631	**-**	-	**8,382,269**	8,567,631
Public works	**3,491,459**	4,193,934	**-**	-	**3,491,459**	4,193,934
Culture and recreation	**1,180,224**	651,720	**-**	-	**1,180,224**	651,720
Cemetary	**219,958**	294,779	**-**	-	**219,958**	294,779
Community development	**1,024,546**	955,209	**-**	-	**1,024,546**	955,209
Economic development - (component unit)	**271,563**	206,956	**-**	-	**271,563**	206,956
Debt service	**46,596**	45,560	**-**	-	**46,596**	45,560
Sanitation	**-**	-	**1,770,880**	1,128,159	**1,770,880**	1,128,159
Total expenses	**18,134,437**	18,474,852	**1,770,880**	1,128,159	**19,905,317**	19,603,011
Change in net position before transfers	**4,235,215**	(735,860)	**(429,528)**	18,442	**3,805,687**	(717,418)
Transfers	**(510,220)**	131,267	**510,220**	(131,267)	**-**	-
Payments from component unit	**-**	-	**-**	-	**-**	-
Change in net position	**3,724,995**	(604,593)	**80,692**	(112,825)	**3,805,687**	(717,418)
Net position, beginning	**36,196,712**	36,801,305	**418,797**	531,622	**36,615,509**	37,332,927
Net position, ending	**$ 39,921,707**	$ 36,196,712	**$ 499,489**	$ 418,797	**$ 40,421,196**	$ 36,615,509

Governmental Activities

Governmental activities in the current year increased the City's net position by $3,724,995. Key net elements of the activity are as follows:

- Total governmental revenues increased 25.8% from the previous year.
- Total tax revenue increased slightly by 4.54% from the previous year.
- Total governmental expenses decreased 1.84% from the previous year.
- Total capital expenditures for the current year were $2,292,039 compared to $1,412,850 in the prior year influenced primarily by an increase in SPLOST VI expenditures.

Business-type Activities

Business-type activities increased the City of Brunswick's net position by $80,692. The increase is primarily due to transfers of $510,220 from governmental activities.

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 $8,752,217, total liabilities were $2,894,719 and deferred inflow of resources (property taxes) were $923,719. The ending fund balance in the General Fund was $4,933,779of which $268,767 was nonspendable and $4,665,012 was unassigned.

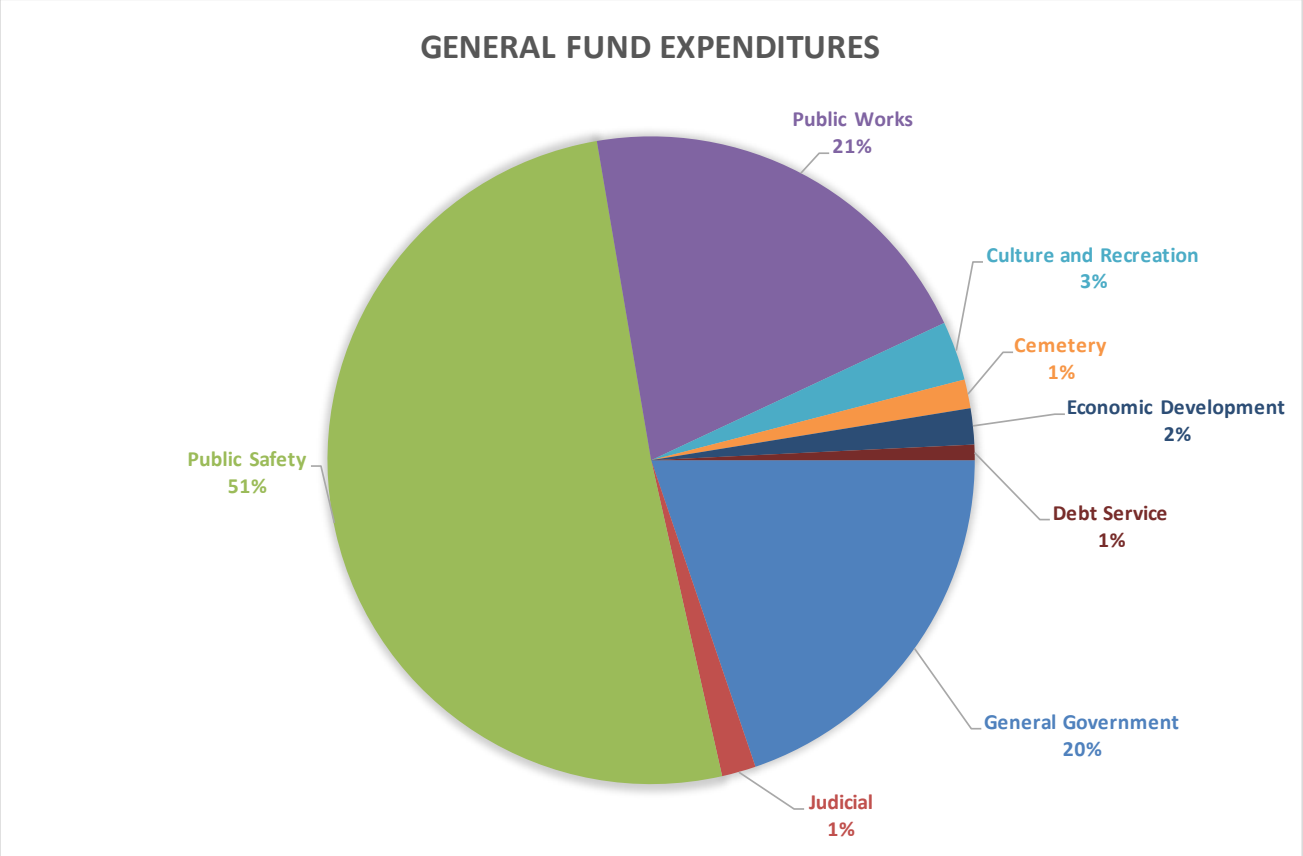
During the current fiscal year, the total revenues and other financing sources in the General Fund were $16,641,204 and the total expenditures and other financing uses in the General Fund were $16,581,307. Of the General Fund revenues, 83.8% come from taxes of which 42.89% is from local option sales tax and 36.46% is from property taxes. Public safety expenditures account for 50.83% of the General Fund expenditures (including capital outlay).

The fund balance in the General Fund increased $59,897 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 increased from $243,075 to $266,489 due primarily to transfers from other funds. The fund received $487,227 in grant income and had expenditures of $532,813 during the current year.

The fund balance in the SPLOST V capital projects fund decreased from $2,355,158 to $1,609,973 due primarily to an increase in expenditures on SPLOST V projects. Expenditures for the fund totaled $1,068,752. The City also received $257,770 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.

The fund balance in the SPLOST VI capital projects fund increased from $889,140 to $4,003,435 due primarily to an increase in SPLOST VI revenues. Revenues for the fund totaled $4,287,582.

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 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 $1,513,819, total liabilities were $1,014,330, and net position was $499,489. Unrestricted net position of the Sanitation Fund at the end of the fiscal year was a deficit of $11,140. The total increase in net position for the Sanitation Fund was $80,692 due primarily to transfers of $552,044 from governmental funds. Operating revenue was $1,334,411 and operating expenses were $1,770,880 resulting in an operating loss of $436,469 compared to $14,879 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 $154,213. Contributions from the City and its employees totaled $1,100,037 during the year. Other additions to the plan including interest and dividends, gain on security sales, and unrealized appreciation/depreciation on investments totaled $442,777. The Defined Benefit Pension Plan paid $1,439,432 in monthly and lump-sum payments to retirees during the plan year. Net position in the plan increased by $103,382 to $9,752,294 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 $7,416,898 and related deferred outflows of resources related to the pension of $248,953 and deferred inflows related to the pension of $154,248 in the Statement of Net Position. The net pension liability decreased by $250,495 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 56.8%.

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, 2018, totaled $39,762,164 (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 $2,243,637 including expenditures of $863,479 and $945,510 on SPLOST V and SPLOST VI projects, respectively.

- Capital expenditures for public works and recreation projects totaled $1,932,658.

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	**2018**	2017	**2018**	2017
Land	**$ 3,013,324**	$ 3,013,324	**$ -**	$ -	**$ 3,013,324**	$ 3,013,324
Land improvements	**4,139,671**	3,701,685	**-**	-	**4,139,671**	3,701,685
Buildings and improvements	**10,787,140**	10,973,653	**-**	-	**10,787,140**	10,973,653
Equipment	**1,662,108**	1,475,203	**63,157**	64,522	**1,725,265**	1,539,725
Infrastructure	**19,075,610**	19,332,765	**-**	-	**19,075,610**	19,332,765
Construction in progress	**1,021,154**	332,007	**-**	-	**1,021,154**	332,007
Total	**$ 39,699,007**	$ 38,828,637	**$ 63,157**	$ 64,522	**$ 39,762,164**	$ 38,893,159

Please see Note 4 in the *notes to the financial statements* for additional information on capital assets.

Long-term Debt. The City of Brunswick's total debt decreased $336,381 or 2.61% during the past fiscal year, as a result of payments on capital lease obligations.

Please see Note 6 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, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 1,202,563	$ 310,248	$ 1,512,811	$ 2,959
Investments	8,480,921	405,169	8,886,090	-
Receivables, net of allowances				
Taxes	982,625	-	982,625	-
Accounts receivable	506,592	275,503	782,095	-
Intergovernmental	3,534,822	-	3,534,822	-
Internal balances	297,922	(297,922)	-	-
Prepaid expenses	268,767	-	268,767	-
Inventories	-	-	-	7,784
Restricted assets:				
Landfill closure costs escrow deposit	-	447,472	447,472	-
Assets held for resale	-	-	-	575,000
Fair value of interest rate swap	231,764	-	231,764	-
Capital assets:				
Land	3,013,324	-	3,013,324	-
Construction-in-progress	1,021,154	-	1,021,154	-
Other capital assets, net	35,664,529	63,157	35,727,686	747,894
Total assets	55,204,983	1,203,627	56,408,610	1,333,637
DEFERRED OUTFLOWS OF RESOURCES				
Pension	248,953	-	248,953	-
Total deferred outflows or resources	248,953	-	248,953	-
LIABILITIES				
Accounts payable	1,662,653	165,607	1,828,260	594,837
Accrued expenses	315,761	1,420	317,181	11,408
Unearned revenues	-	530,881	530,881	-
Claims payable	1,773,122	-	1,773,122	-
Due to other governments	228,114	-	228,114	-
Long-term liabilities				
Due within one year:				
Capital leases payable	77,553	-	77,553	-
Customer deposits payable	-	6,230	6,230	-
Compensated absences	330,701	-	330,701	-
Due in more than one year:				
Certificate of participation	1,116,000	-	1,116,000	-
Notes payable	-	-	-	843,925
Capital leases payable	502,298	-	502,298	-
Compensated absences	330,700	-	330,700	-
Net pension liability	7,416,898	-	7,416,898	-
Landfill post-closure costs	1,392,417	-	1,392,417	-
Total liabilities	15,146,217	704,138	15,850,355	1,450,170
DEFERRED INFLOWS OF RESOURCES				
Deferred charge on fair value of hedging derivative instruments	231,764	-	231,764	-
Pension	154,248	-	154,248	-
Total deferred inflows of resources	386,012	-	386,012	-
NET POSITION				
Net investment in capital assets	46,484,077	63,157	46,547,234	747,894
Restricted for:				
Community development	274,285	-	274,285	-
Landfill closure costs	-	447,472	447,472	-
Unrestricted	(6,836,655)	(11,140)	(6,847,795)	(864,427)
Total net position	$ 39,921,707	$ 499,489	$ 40,421,196	$ (116,533)

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, 2018

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	$ 3,255,474	$ 446,060	$ 1,470,065	$ 4,303,123	$ 2,963,774	$ -	$ 2,963,774	$ -
Judicial	262,348	256,474	-		(5,874)	-	(5,874)	-
Public safety	8,382,269	174,251	65,773	-	(8,142,245)	-	(8,142,245)	-
Public works	3,491,459	-	257,770	-	(3,233,689)	-	(3,233,689)	-
Culture and recreation	1,180,224	29,632	51,251	-	(1,099,341)	-	(1,099,341)	-
Cemetary	219,958	131,165	-	-	(88,793)	-	(88,793)	-
Community development	1,024,546	18,873	715,432	252,019	(38,222)	-	(38,222)	-
Economic development-component unit	271,563	-	-	-	(271,563)	-	(271,563)	-
Interest on long-term debt	46,596	-	-	-	(46,596)	-	(46,596)	-
Total governmental activities	18,134,437	1,056,455	2,560,291	4,555,142	(9,962,549)	-	(9,962,549)	-
Business-type activities:								
Sanitation	1,770,880	1,334,411	-	-	-	(436,469)	(436,469)	-
Total business-type activities	1,770,880	1,334,411	-	-	-	(436,469)	(436,469)	-
Total primary government	$ 19,905,317	$ 2,390,866	$ 2,560,291	$ 4,555,142	(9,962,549)	(436,469)	(10,399,018)	-
Component unit:								
Downtown Development Authority	$ 254,718	$ 10,200	$ 21,345	$ 152,000	-	-	-	(71,173)
Total component unit	$ 254,718	$ 10,200	$ 21,345	$ 152,000	-	-	-	(71,173)
General revenues:								
Property taxes levied for general purposes					5,158,426	-	5,158,426	-
Franchise taxes					1,253,287	-	1,253,287	-
Hotel/Motel taxes					7,306	-	7,306	-
Selective sales and use tax					1,610,232	-	1,610,232	-
Local options sales tax					5,951,970	-	5,951,970	-
Unrestricted investment earnings					55,602	6,941	62,543	37
Miscellaneous					160,941	-	160,941	-
Transfers					(510,220)	510,220	-	-
Total general revenues and transfers					13,687,544	517,161	14,204,705	37
Change in net position					3,724,995	80,692	3,805,687	(71,136)
Net position, beginning of year					36,196,712	418,797	36,615,509	(45,397)
Net position, end of year					$ 39,921,707	$ 499,489	$ 40,421,196	$ (116,533)

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

CITY OF BRUNSWICK, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Community Development Fund	SPLOST V Fund	SPLOST VI Fund	Nonmajor Governmental Funds	Totals Governmental Funds
ASSETS						
Cash and cash equivalents	$ 404,556	$ 94,836	$ 106,965	$ 352,754	$ 180,457	$ 1,139,568
Investments	3,353,489	321,947	1,504,494	3,000,593	-	8,180,523
Receivables, net of allowances						
Taxes	981,875	-	-	-	750	982,625
Accounts receivable	305,588	103,873	1,485	-	51	410,997
Intergovernmental	2,577,246	44,761	103,434	809,381	-	3,534,822
Prepaid expenditures	268,767	-	-	-	-	268,767
Due from other funds	860,696	69,696	-	1,663	109,252	1,041,307
Total assets	$ 8,752,217	$ 635,113	1,716,378	4,164,391	$ 290,510	$ 15,558,609
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 1,396,277	$ 4,675	$ 106,405	$ 114,758	$ 40,538	$ 1,662,653
Accrued expenditures	282,388	3,068	-	-	6,667	292,123
Due to other funds	121,522	360,881	-	1,865	293,468	777,736
Due to other governments	74,488	-	-	44,333	109,293	228,114
Advances from other funds	1,020,044	-	-	-	19,764	1,039,808
Total liabilities	2,894,719	368,624	106,405	160,956	469,730	4,000,434
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	923,719	-	-	-	-	923,719
Total deferred inflows of resources	923,719	-	-	-	-	923,719
FUND BALANCES						
Nonspendable:						
Prepaid expenditures	268,767	-	-	-	-	268,767
Restricted for:						
Community development	-	266,489	-	-	7,796	274,285
Completion of projects	-	-	1,609,973	4,003,435	-	5,613,408
Public safety	-	-	-	-	77,402	77,402
Unassigned	4,665,012	-	-	-	(264,418)	4,400,594
Total fund balances (deficit)	4,933,779	266,489	1,609,973	4,003,435	(179,220)	10,634,456
Total liabilities, deferred inflows of resources and fund balances	$ 8,752,217	$ 635,113	$ 1,716,378	$ 4,164,391	$ 290,510	$ 15,558,609

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

CITY OF BRUNSWICK, GEORGIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances - governmental funds		$ 10,634,456
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds as deferred outflow of resources.		
Taxes not available to finance expenditures		923,719
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Cost of the assets	$ 84,567,067	
Less accumulated depreciation	(44,868,060)	39,699,007
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 liabilities of the internal service funds are included with governmental activities.		
Group health fund	$ 555,306	
Workers compensation fund	(818,919)	(263,613)
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	$ (579,851)	
Certificate of participation	(1,116,000)	
Landfill post-closure costs	(1,392,417)	
Accrued compensated absences	(661,401)	
Net pension liability	(7,416,898)	
Deferred outflows related to pensions	248,953	
Deferred inflows related to pensions	(154,248)	(11,071,862)
Total net position - governmental activities		$ 39,921,707

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, 2018

	General	Community Development Fund	SPLOST V Fund	SPLOST VI Fund	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES						
Taxes:						
Property taxes	$ 5,059,870	$ -	$ -	$ -	$ -	$ 5,059,870
Franchise taxes	1,253,287	-	-	-	-	1,253,287
Local option sales tax	5,951,970	-	-	-	-	5,951,970
Selective sales and use taxes	1,610,232	-	-	-	-	1,610,232
Hotel/Motel taxes	-	-	-	-	7,306	7,306
Licenses and permits	330,500	-	-	-	-	330,500
Fines and forfeitures	351,435	-	-	-	-	351,435
Intergovernmental revenues - special purpose local sales tax	-	-	-	4,270,985	-	4,270,985
Intergovernmental revenues - reimbursement BGJWSC	-	-	257,770	-	-	257,770
Grant revenues	1,512,502	482,590	51,251	-	508,197	2,554,540
Charges for services and assessments	306,909	-	-	-	47,866	354,775
Unrestricted investment earnings	49,603	4,283	15,541	16,597	1,716	87,740
Rental income	19,745	-	-	-	-	19,745
Contributions and donations	12,104	354	-	-	7,260	19,718
Other revenues	141,223	-	-	-	-	141,223
Total revenues	16,599,380	487,227	324,562	4,287,582	572,345	22,271,096
EXPENDITURES						
General government	3,081,818	-	-	-	-	3,081,818
Judicial	265,563	-	-	-	-	265,563
Public safety	7,919,561	-	-	-	528,089	8,447,650
Public works	3,208,512	-	-	-	-	3,208,512
Culture and recreation	461,686	-	-	-	-	461,686
Cemetery	224,459	-	-	-	-	224,459
Community development	-	506,375	-	-	361,074	867,449
Economic development	280,608	-	-	-	-	280,608
Debt service:						
Principal	73,817	-	-	-	-	73,817
Interest	46,596	-	-	-	-	46,596
Capital outlay						
General government	3,825	-	-	-	11,220	15,045
Public safety	12,302	-	-	277,777	5,855	295,934
Public works	23,818	-	863,479	-	-	887,297
Culture and recreation	-	-	99,851	945,510	-	1,045,361
Community development	-	26,438	105,422	-	-	131,860
Total expenditures	15,602,565	532,813	1,068,752	1,223,287	906,238	19,333,655
Excess (deficiency) of revenues over (under) expenditures	996,815	(45,586)	(744,190)	3,064,295	(333,893)	2,937,441
OTHER FINANCING SOURCES (USES)						
Transfers in	41,824	69,000	201,049	50,000	559,742	921,615
Transfers out	(978,742)	-	(202,044)	-	(251,049)	(1,431,835)
Total other financing sources (uses)	(936,918)	69,000	(995)	50,000	308,693	(510,220)
Net change in fund balances	59,897	23,414	(745,185)	3,114,295	(25,200)	2,427,221
Fund balances (deficit), beginning of year	4,873,882	243,075	2,355,158	889,140	(154,020)	8,207,235
Fund balances (deficit), end of year	$ 4,933,779	$ 266,489	$ 1,609,973	$ 4,003,435	$ (179,220)	$ 10,634,456

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, 2018

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 2,427,221
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Capital outlay	$ 2,521,390	
Depreciation expense	(1,651,020)	
		870,370
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		98,556
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.		
Principal retirement of long-term debt		87,750
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.		132,457
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 increase in compensated absences payable.		(15,797)
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.		124,438
Change in net position of governmental activities		$ 3,724,995

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

CITY OF BRUNSWICK, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Enterprise Fund	
	Sanitation	Internal Service Funds
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 310,248	$ 62,995
Investments	-	300,398
Restricted assets, cash	447,472	-
Restricted assets, investments	405,169	-
Accounts receivable, net of allowances	275,503	-
Claims reimbursement receivable	-	95,595
Due from other funds	12,270	-
Advances to other funds	-	1,074,159
Total current assets	1,450,662	1,533,147
NONCURRENT ASSETS		
Capital assets:		
Depreciable, net of accumulated depreciation	63,157	-
Total noncurrent assets	63,157	-
Total assets	1,513,819	1,533,147
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	165,607	-
Accrued expenses	1,420	23,638
Unearned revenue	530,881	-
Due to other funds	275,841	-
Customer deposits payable	6,230	-
Claims payable	-	1,773,122
Total current liabilities	979,979	1,796,760
NONCURRENT LIABILITIES		
Advances to other funds	34,351	-
Total noncurrent liabilities	34,351	-
Total liabilities	1,014,330	1,796,760
NET POSITION		
Investment in capital assets	63,157	-
Restricted	447,472	-
Unrestricted	(11,140)	(263,613)
Total net position	$ 499,489	$ (263,613)

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, 2018

	Enterprise Fund	
	Sanitation	Internal Service Funds
OPERATING REVENUES		
Sanitation fees	$ 1,334,411	$ -
Contributions-employer	-	1,487,500
Contributions-employees	-	231,559
Reimbursements	-	473,325
Total operating revenues	1,334,411	2,192,384
OPERATING EXPENSES		
Personal services - salaries and wages	35,964	-
Personal services - employee benefits	17,032	-
Professional/technical services	1,707,317	-
Education and training	1,870	-
Contractual	-	287,797
Depreciation	1,365	-
Administrative expense	7,332	-
Claims	-	1,782,464
Total operating expenses	1,770,880	2,070,261
Operating income (loss)	(436,469)	122,123
NONOPERATING INCOME		
Investment income	6,941	2,315
Total nonoperating income	6,941	2,315
Income (loss) before transfers	(429,528)	124,438
TRANSFERS		
Transfers out	(41,824)	-
Transfers in	552,044	-
Total transfers	510,220	-
Change in net position	80,692	124,438
NET POSITION, beginning of year	418,797	(388,051)
NET POSITION, end of year	$ 499,489	$ (263,613)

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, 2018

	Enterprise Fund	
	Sanitation	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Sanitation fees	$ 1,418,426	$ -
Employee salaries and benefits	(52,925)	-
Payments to suppliers	(1,589,194)	-
Administrative expenses	(7,332)	-
Receipts for services	-	2,181,891
Payments of claims and expenses	-	(2,036,257)
Net cash provided by (used in) operating activities	(231,025)	145,634
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	(41,824)	-
Transfers in	552,044	-
Net cash provided by noncapital financing activities	510,220	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends received	6,941	2,315
Purchase of investments	(405,169)	(300,398)
Net cash provided by investing activities	(398,228)	(298,083)
Increase in cash and cash equivalents	(119,033)	(152,449)
Cash and cash equivalents:		
Beginning of year	876,753	215,444
End of year	$ 757,720	$ 62,995
Classified as:		
Cash and cash equivalents	$ 310,248	$ 62,995
Restricted assets, cash	447,472	-
	$ 757,720	$ 62,995

(Continued)

CITY OF BRUNSWICK, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Enterprise Fund	Internal
	Sanitation	Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	$ (436,469)	$ 122,123
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,365	-
Changes in assets and liabilities:		
(Increase) in accounts receivable	(54,789)	-
Increase in accrued liabilities	71	23,638
Increase in claims reimbursement receivable	-	(10,493)
Decrease in due from other funds	10,273	-
Increase in claims payable	-	10,366
Increase in accounts payable	60,711	-
Increase in due to other funds	49,009	-
Increase in customer deposits	193	-
Increase in unearned revenue	138,611	-
Net cash provided by (used in) operating activities	$ (231,025)	$ 145,634

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, 2018

Assets	
Cash and cash equivalents	$ 134,942
Receivables:	
Contributions - employer	934,425
Interest and dividends receivable	27,774
Total receivables	962,199
Restricted investments, at fair value:	
U.S. Treasury notes	3,016,514
Corporate bonds	529,922
Domestic equities	5,030,917
Other investments	90,898
Total investments	8,668,251
Total assets	9,765,392
Liabilities	
Due to others	13,098
Total liabilities	13,098
Net position	
Assets restricted for pension benefits	$ 9,752,294

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, 2018

Additions		
Contributions:		
Employer	$	935,051
Participants		164,986
Total contributions		1,100,037
Investment income (expense):		
Interest and dividends		222,482
Loss on security sales		(9,133)
Net increase in fair value of plan investments		229,428
Net investment income		442,777
Total additions		1,542,814
Deductions		
Benefit payments		1,322,926
Contractual and administrative expenses		116,506
Total deductions		1,439,432
Net increase in plan net position		103,382
Net position restricted for pension benefits:		
Net position - beginning of year		9,648,912
Net position - end of year	$	9,752,294

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

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The City of Brunswick, Georgia (the "City") was incorporated by an Act of the General Assembly of Georgia. The City is governed by an elected mayor and a five-member commission with daily operations managed by an appointed city manager. The following services are provided by the City - general administrative services, public safety (police, fire and inspections), public works (streets), 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. The more significant accounting policies of the City are disclosed below.

As required by GAAP, the financial statements of the reporting entity include those of the City and its component unit, the Brunswick Downtown Development Authority.

Discretely Presented Component Unit

Downtown Development Authority - The Authority was established by an Act of the General Assembly of Georgia. The Authority consists of seven members, all of whom are appointed by the City of Brunswick and charged with the development and improvement of the City's downtown area. The Authority receives the majority of its funding from the City. Therefore, the City has concluded that in accordance with GASB Statement No. 14 as amended by GASB statements No. 39 and 61, the Downtown Development Authority should be presented as a discretely presented component unit. The Downtown Development Authority does not issue separate financial statements.

B. 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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.

C. 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Capital Projects Fund (SPLOST VI Fund) – This capital project fund accounts for receipts and disbursements of 1% special purpose local options sales tax collected from 2017-2020 for various capital related projects.

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.

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 Center Fund**, the **Police Seizure Fund**, the **E-911 Fund**, the **DOT TE-21 Fund**, the **City Pier Fund,** and the **Hotel/Motel Tax Fund**.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Other Funds (Continued)

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.

D. 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 City Commission has the authority to amend its budget as follows:

1. Any increase in appropriation in any fund or 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 City Commission.

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 increase the salary appropriation shall require the approval of the City Commission.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

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

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

E. 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.

F. 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, 2018.

State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; and the Georgia local government investment pool (Georgia Fund 1). Georgia Fund 1, created by the Official Code of Georgia Annotated (OCGA) § 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. 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.

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 represent an estimated amount for services rendered but not yet billed as of the close of the June 30, 2018 fiscal year.

H. 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 option 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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, 2018, 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.

J. 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.

K. 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 acquisition value.

GASB Statement No. 34 required the City to account for and record its infrastructure assets for the year ended 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
Equipment	5 - 20
Infrastructure	10 - 20

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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 when earned. The liability for compensated absences as of June 30, 2018, has been recorded in the government-wide statements representing the City's commitment to fund such costs from future operations.

M. 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 and are recorded in the respective fund. Principal payments reduce the liability and interest is recorded as an expense.

N. 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 5 and the required supplementary information (RSI) section immediately following the Notes to Financial Statements), regardless of the amount recognized as pension expenditures in 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 Pension Plan 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, 2017. 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)

O. Deferred Outflow/Inflow of Resources

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category, which are related to pension obligations as follows. The first item is the net difference between the projected and actual earnings on pension plan investments which is deferred and amortized over a closed five-year period. The second item is differences between expected and actual experience which is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants. The last item is changes in assumptions, which will be amortized into pension expense over a closed five-year period.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category, which are related to pension obligations as follows. The first item is the differences between expected and actual experience which is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants. The last item is changes in assumptions, which will be amortized into pension expense over a closed five-year period.

The government also has inflows which arise under the modified accrual basis of accounting that qualify for reporting in this category. The item, unavailable revenue, is reported only in the governmental funds balance sheet. As such, under the modified accrual basis of accounting, the governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amount became available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. 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.

Governmental Funds

Fund balance represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources under the current financial resources measurement focus. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *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 grantors, laws 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 VI 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, 2018.

- *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 assignments on the City’s fund balances at June 30, 2018.
- *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)

P. 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.

Fund Balance Deficits

The following funds had deficit fund balance/net position at June 30, 2018:

The **Roosevelt Harris Center Fund** and the **City Pier Fund** had deficit fund balances of ($252,609) and ($11,809), respectively, due to the excess of expenditures over revenue. The **Workers' Compensation Fund** had deficit net position of ($818,919).

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

Q. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As of June 30, 2018, the City's bank depositories reported government-wide balances held of $2,953,748 and $3,783 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	$ 1,921,278	$ 1,024,467	$ 2,945,745	$ 3,783
Plus petty cash	3,575	-	3,575	957
Less uncleared transactions	(722,290)	(266,747)	(989,037)	(1,781)
Financial statement balance	$ 1,202,563	$ 757,720	$ 1,960,283	$ 2,959

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Collateralization of Deposits (Continued)

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, 2018, the City's bank balance of 1,960,283 was fully collateralized in compliance with state requirements.

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.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose investment in the Georgia Fund 1 within the fair value hierarchy.

The City's investments, excluding the Pension Fund, at June 30, 2018, were as follows:

Investment	Maturities	Fair Value
Georgia Fund I, AAAf	10 - day weighted average	$ 7,776,884
Guaranteed investment contract	10 - 20 Years	1,109,206
Total Investments		$ 8,886,090

Investments are reported in the following activities:	
Governmental	
General Fund	$ 3,353,489
Community Development Fund	321,947
SPLOST V Fund	1,504,494
SPLOST VI Fund	3,000,593
Business-type	
Sanitation Fund	405,169
Internal Service Fund	
Group Health Fund	300,398
	$ 8,886,090

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Fund Investments

As of June 30, 2018, the City had $8,803,193 invested on behalf of a defined benefit pension fund which included cash and cash equivalents of $134,942. The balance of pension investments of $8,668,251 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**	**Rating**
Pension Trust Fund:						
Corporate bonds	$ 25,029	$ 25,029	$ -	$ -	$ -	AA-
Corporate bonds	124,175	51,507	72,668	-	-	A
Corporate bonds	39,310	20,581	18,729	-	-	A-
Corporate bonds	43,285	-	43,285	-	-	BBB+
Corporate bonds	226,080	-	171,420	54,660	-	BBB
Corporate bonds	72,043	72,043	-	-	-	BBB-
Corporate equities	5,030,917	5,030,917	-	-	-	N/A
U.S. Treasury note	798,000	798,000	-	-	-	N/A
U.S. Treasury note	199,219	199,219	-	-	-	N/A
U.S. Treasury note	796,750	796,750	-	-	-	N/A
U.S. Treasury note	248,789	248,789	-	-	-	N/A
U.S. Treasury note	495,781	-	495,781	-	-	N/A
U.S. Treasury note	477,975	-	477,975	-	-	N/A
Other assets	90,898	36,460	-	-	54,438	N/A
Total fair value	$ 8,668,251	$ 7,279,295	$ 1,279,858	$ 54,660	$ 54,438	

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, 2018:

Investment	Level 1	Level 2	Level 3	Fair Value
Corporate Equity Securities	$ 5,030,917	$ -	$ -	$ 5,030,917
Corporate Bonds	239,223	290,699	-	529,922
United States Treasuries	3,016,514	-	-	3,016,514
Other Assets	90,898	-	-	90,898
	$ 8,377,552	$ 290,699	$ -	$ 8,668,251

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, 2018, 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	SPLOST VI	Sanitation	Nonmajor Governmental Funds	Defined Benefit Pension Plan Fund	Total
Receivables:								
Taxes	$ 1,001,913	$ -	$ -	$ -	$ -	$ 750	$ -	$ 1,002,663
Accounts	305,588	103,873	1,485	-	282,338	51	-	693,335
Interest and dividends	-	-	-	-	-	-	27,774	27,774
Intergovernmental	2,577,246	44,761	103,434	809,381	-	-	-	3,534,822
Gross receivables	3,884,747	148,634	104,919	809,381	282,338	801	27,774	5,258,594
Less: allowance for uncollectibles	(20,038)	-	-	-	(6,835)	-	-	(26,873)
Net total receivables	$ 3,864,709	$ 148,634	$ 104,919	$ 809,381	$ 275,503	$ 801	$ 27,774	$ 5,231,721

NOTE 3. RECEIVABLES (CONTINUED)

Property taxes were levied on behalf of the City by Glynn County on September 15, 2017, (Levy Date) based upon property values assessed as of January 1. The billings were mailed on September 16, 2017, and payable on or before November 15, 2017, for the fiscal year 2018 tax. Taxes not paid by December 18 are subject to property tax liens. Property tax revenues are recognized when levied to the extent they result in current receivables. At June 30, 2018, the allowance for uncollectible property taxes was $20,038.

The composition of interfund balances as of June 30, 2018, is as follows:

Receivable Fund	Payable Fund	Total
General Fund	Community Development Fund	$ 360,881
General Fund	Nonmajor Governmental Funds	222,109
General Fund	Sanitation Fund	275,841
General Fund	SPLOST VI	1,865
Community Development Fund	Nonmajor Governmental Funds	69,696
SPLOST VI	Nonmajor Governmental Funds	1,663
Nonmajor Governmental Funds	General Fund	109,252
Sanitation Fund	General Fund	12,270
Total		$ 1,053,577

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, 2018, is as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 3,013,324	$ -	$ -	$ -	$ 3,013,324
Construction in progress	332,007	969,160	-	(280,013)	1,021,154
Total capital assets, not being depreciated	3,345,331	969,160	-	(280,013)	4,034,478
Capital assets, being depreciated:					
Buildings	15,802,095	130,358	-	13,500	15,945,953
Equipment	12,591,566	663,188	(153,727)	-	13,101,027
Land improvements	5,472,822	402,907	-	266,513	6,142,242
Infrastructure	44,987,590	355,777	-	-	45,343,367
Total capital assets, being depreciated	78,854,073	1,552,230	(153,727)	280,013	80,532,589
Less accumulated depreciation for:					
Buildings	(4,828,442)	(330,371)	-	-	(5,158,813)
Equipment	(11,116,363)	(476,283)	153,727	-	(11,438,919)
Land improvements	(1,771,137)	(231,434)	-	-	(2,002,571)
Infrastructure	(25,654,825)	(612,932)	-	-	(26,267,757)
Total accumulated depreciation	(43,370,767)	(1,651,020)	153,727	-	(44,868,060)
Total capital assets, being depreciated, net	35,483,306	(98,790)	-	280,013	35,664,529
Governmental activities capital assets, net	$ 38,828,637	$ 870,370	$ -	$ -	$ 39,699,007

	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	(1,330,563)	(1,365)	-	-	(1,331,928)
Total accumulated depreciation	(1,330,563)	(1,365)	-	-	(1,331,928)
Total capital assets, being depreciated, net	64,522	(1,365)	-	-	63,157
Business-type activities capital assets, net	$ 64,522	$ (1,365)	$ -	$ -	$ 63,157

NOTE 4. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued):

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	$ 237,423
Public safety	393,194
Public works	676,346
Culture and recreation	306,182
Community development	37,875
Total depreciation expense - governmental activities	$ 1,651,020
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, not being depreciated:					
Construction in progress	$ 134,906	$ 612,988	$ -	$ -	$ 747,894
Total capital assets, not being depreciated	134,906	612,988	-	-	747,894
Downtown Development Authority capital assets, net	$ 134,906	$ 612,988	$ -	$ -	$ 747,894

No depreciation was charged as of June 30, 2018, 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 (the "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 the Plan net position at June 30, 2018, (other than those issued or explicitly guaranteed by the U.S. government). Title 47 of the OCGA requires that the Plan investments in equities not exceed more than 55% of the retirement plan assets. As of June 30, 2018, 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 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 25 and 26 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, 2017, the Plan year-end, and the measurement date under GASB Statement No. 67.

Inactive plan members or beneficiaries currently receiving benefits	47
Inactive plan members entitled to, but not receiving benefits	112
Active plan members	132
Total	291

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, 2018, was $984,725 as determined on the actuarial valuation date of January 1, 2017. The total contributions made by the City were $984,725. The total required contribution of $984,775 was paid on December 1, 2017.

I**nvestments**

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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.25%. 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, 2017, 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, 2018, were as follows:

Total pension liability	$ 17,180,100
Less: Plan fidiciary net position	9,763,202
City's net pension liability	$ 7,416,898
Plan fiduciary net position as a percentage of the total pension liability	56.83%

Actuarial Assumptions

The annual required contribution and actuarial accrued liability were determined as part of an actuarial valuation at January 1, 2017. The actuarial methods and significant actuarial assumptions are summarized as follows:

- Valuation date – January 1, 2017
- 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 – 7.75%
- 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.

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 7.75%. 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	$ 16,278,635	$ 8,611,242	$ 7,667,393
Changes for the year:			
Service cost	286,077	-	286,077
Interest	1,295,438	-	1,295,438
Differences between expected and actual experience	75,545	-	75,545
Changes of assumption	2,471	-	2,471
Contributions–employer	-	984,725	(984,725)
Contributions–employee	-	171,195	(171,195)
Net investment income	-	811,145	(811,145)
Benefit payments, including refunds of employee contributions	(758,066)	(758,066)	-
Administrative expense	-	(57,039)	57,039
Other changes	-	-	-
Net changes	901,465	1,151,960	(250,495)
Ending Balance	$ 17,180,100	$ 9,763,202	$ 7,416,898

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 7.75%, 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 (6.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	$ 8,934,574	$ 7,416,898	$ 6,133,163

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, 2018, the City recognized pension expense of $825,268. At June 30, 2018, 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	$ 155,064	$ -
Changes in actuarial assumptions	1,647	88,860
Differences between expected and actual experience	92,242	65,388
Total	$ 248,953	$ 154,248

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 June 30:	
2019	$ 45,303
2020	93,364
2021	(13,812)
2022	(30,150)
Total	$ 94,705

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	$ 653,668	$ -	$ (73,817)	$ 579,851	$ 77,553
Net pension liability	7,667,393	905,425	(1,155,920)	7,416,898	-
Certificate of participation	1,116,000	-	-	1,116,000	-
Compensated absences	645,604	350,437	(334,640)	661,401	330,701
Landfill post-closure costs	1,406,350	-	(13,933)	1,392,417	-
Governmental activity long-term liabilities	$ 11,489,015	$ 1,255,862	$ (1,578,310)	$ 11,166,567	$ 408,254

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
2019	$ 53,010	$ -	$ 53,010
2020	53,010	-	53,010
2021	53,010	-	53,010
2022	53,010	-	53,010
2023	53,010	-	53,010
2024 - 2028	1,381,050	1,116,000	265,050
	$ 1,646,100	$ 1,116,000	$ 530,100

NOTE 6. 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, 2018, the floating rate being paid by the City is 1.22% and the market value of this agreement is $231,765. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2018, 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	(368,333)
Carrying value	$ 736,667

Depreciation expense was approximately $36,833.

Debt service requirements on capital leases at June 30, 2018, were as follows:

Fiscal Year Payable	Total	Principal	Interest
2019	$ 105,588	$ 77,553	$ 28,035
2020	105,588	81,480	24,108
2021	105,588	85,605	19,983
2022	105,588	89,938	15,650
2023	105,588	94,491	11,097
2024 and 2025	158,385	150,784	7,601
	$ 686,325	$ 579,851	$ 106,474

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, 2018, the Authority has drawn down funds of $843,925 for the renovation project.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Downtown Development Authority					
Note payable	$ 227,013	$ 616,912	$ -	$ 843,925	$ -
Downtown Development Authority long-term liabilities	$ 227,013	$ 616,912	$ -	$ 843,925	$ -

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 $8,003. The balance in the escrow account at June 30, 2018, was $447,472. The City's portion of post-closure costs are currently estimated to $1,392,417. The T Street Landfill ceased operations in the late 1970's.

The estimated total current cost of the post-closure care, $1,392,417, 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, 2018. 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, 2018, calculated as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Landfill post-closure costs	$ 1,406,350	$ -	$ (13,933)	$ 1,392,417	$ -
Governmental activity landfill liabilities	$ 1,406,350	$ -	$ (13,933)	$ 1,392,417	$ -

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	SPLOST V Fund	Sanitation Fund	Nonmajor Governmental	Total
General Fund	$ -	$ -	$ 41,824	$ -	$ 41,824
Community Development Fund	69,000	-	-	-	69,000
SPLOST V Fund	-	-	-	201,049	201,049
SPLOST VI Fund	-	-	-	50,000	50,000
Sanitation Fund	350,000	202,044	-	-	552,044
Nonmajor Governmental Funds	559,742	-	-	-	559,742
Total	$ 978,742	$ 202,044	$ 41,824	$ 251,049	$ 1,473,659

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, 2018, is $180,000 and $1,593,122 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, 2017	$ 243,551	$ 1,751,954	$ 1,795,505	$ 200,000
June 30, 2018	200,000	1,272,043	1,292,043	180,000
Worker's Compensation Fund				
June 30, 2017	$ 1,017,728	$ 1,075,570	$ 530,542	$ 1,562,756
June 30, 2018	1,562,756	650,724	620,358	1,593,122

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, 2018.

Project	Contract Amount	Completed to Date	Balance Completed
Mansfield - City of Brunswick	895,215	831,513	63,702
Mansfield - JWSC (1)	1,000,690	732,225	268,465
	$ 1,895,905	$ 1,563,738	$ 332,167

(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 AND VI CAPITAL PROJECTS FUNDS

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.

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 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 Section 48-1351(a)(1). The City received $7,306 from the collection of the hotel/motel tax during fiscal year ended June 30, 2018, and remitted $6,236 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 board member 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.

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, Section 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, 2018. 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 city 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 Section 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 $212,464 under this cost-reimbursement contract during the year ended June 30, 2018.

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, 2018.

NOTE 18. RELATED PARTY TRANSACTIONS

The City received $100,565 from the City of Brunswick Housing Authority for reimbursements of salaries and benefits for police officers assigned specifically to the authority.

The City received $257,770 and $18,519 in reimbursements from the Brunswick-Glynn County Joint Water & Sewer Commission for repayments on SPLOST V and SPLOST VI capital projects, respectively.

The City received $51,251 and $55,860 in reimbursements from Glynn County for repayments on SPLOST V and SPLOST VI capital projects, respectively.

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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, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes:				
Property taxes	$ 4,960,688	$ 5,059,870	$ 5,059,870	$ -
Franchise fees	1,327,000	1,253,287	1,253,287	-
Local option sales tax	5,350,000	5,951,970	5,951,970	-
Selective sales and use taxes	1,516,063	1,610,232	1,610,232	-
Licenses and permits	334,395	330,500	330,500	-
Fines and forfeitures	386,200	351,435	351,435	-
Investment earnings	20,000	49,603	49,603	-
Grant revenues	135,000	1,512,502	1,512,502	-
Charges for services	339,991	306,909	306,909	-
Rental income	21,860	19,745	19,745	-
Contributions and donations	-	12,104	12,104	-
Miscellaneous income	3,500	141,223	141,223	-
Total revenues	14,394,697	16,599,380	16,599,380	-
EXPENDITURES				
General government				
City commission and clerk - operating and capital outlay	42,953	33,983	33,983	-
City commission and clerk - compensation, payroll taxes and benefits	243,594	267,395	267,395	-
City manager - operating and capital outlay	28,730	30,474	30,474	-
City manager - compensation, payroll taxes and benefits	368,779	363,738	363,738	-
Finance administration - operating and capital outlay	74,101	55,154	55,154	-
Finance administration - compensation, payroll taxes and benefits	361,307	391,717	391,717	-
Information and technology - operating and capital outlay	167,365	190,495	190,495	-
Information and technology - compensation, payroll taxes and benefits	3,900	-	-	-
Human resources - operating and capital outlay	32,390	32,047	32,047	-
Human resources - compensation, payroll taxes and benefits	67,061	64,928	64,928	-
General government buildings and plant - operating and capital outlay	208,233	191,736	191,736	-
City engineer - operating and capital outlay	46,775	34,229	34,229	-
City engineer - compensation, payroll taxes and benefits	134,766	132,292	132,292	-
General administration - operating and capital outlay	1,189,626	1,290,921	1,290,921	-
General administration - compensation, payroll taxes and benefits	77,000	6,534	6,534	-
Total general government	3,046,580	3,085,643	3,085,643	-
Judicial				
Legal - operating and capital outlay	98,000	100,665	100,665	-
Municipal court - operating and capital outlay	80,725	75,080	75,080	-
Municipal court - compensation, payroll taxes and benefits	92,019	89,818	89,818	-
Total judicial	270,744	265,563	265,563	-
Public safety				
Police services - operating and capital outlay	725,101	837,472	837,472	-
Police services - compensation, payroll taxes and benefits	4,409,018	4,440,018	4,440,018	-
Fire services - operating and capital outlay	185,212	295,432	295,432	-
Fire services - compensation, payroll taxes and benefits	2,126,145	2,358,941	2,358,941	-
Total public safety	7,445,476	7,931,863	7,931,863	-
Public works				
Administration - operating and capital outlay	156,750	114,260	114,260	-
Administration - compensation, payroll taxes and benefits	148,556	77,865	77,865	-
Infrastructure - operating and capital outlay	219,283	1,121,447	1,121,447	-
Infrastructure - compensation, payroll taxes and benefits	596,799	584,246	584,246	-
Maintenance and shop - operating and capital outlay	213,101	224,672	224,672	-
Maintenance and shop - compensation, payroll taxes and benefits	606,519	653,878	653,878	-
Building inspection - operating and capital outlay	7,220	6,445	6,445	-
Building inspection - compensation, payroll taxes and benefits	110,686	116,737	116,737	-
Planning and zoning - operating and capital outlay	74,358	74,060	74,060	-
Planning and zoning - compensation, payroll taxes and benefits	241,122	258,720	258,720	-
Total public works	2,374,394	3,232,330	3,232,330	-
Cemetery				
Cemetery - operating and capital outlay	99,216	95,127	95,127	-
Cemetery - compensation, payroll taxes and benefits	113,393	129,332	129,332	-
Total cemetery	212,609	224,459	224,459	-

(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, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
EXPENDITURES (CONTINUED)				
Culture and recreation				
Administration - operating and capital outlay	$ -	$ 1,424	$ 1,424	$ -
Leisure services - operating and capital outlay	20,500	42,779	42,779	-
Leisure services - compensation, payroll taxes and benefits	-	7,468	7,468	-
Neighborhood and community service - operating and capital outlay	34,330	41,810	41,810	-
Neighborhood and community service - compensation, payroll taxes and benefits	87,516	80,074	80,074	-
Parks - operating and capital outlay	96,111	100,857	100,857	-
Parks - compensation, payroll taxes and benefits	257,088	187,274	187,274	-
Total culture and recreation	495,545	461,686	461,686	-
Economic development				
Economic development - operating and capital outlay	355,800	197,102	197,102	-
Economic development - compensation, payroll taxes and benefits	84,836	83,506	83,506	-
Total economic development	440,636	280,608	280,608	-
Debt service				
Principal	88,193	73,817	73,817	-
Interest	43,772	46,596	46,596	-
Total debt service	131,965	120,413	120,413	-
Total expenditures	14,417,949	15,602,565	15,602,565	-
Excess (deficiency) of revenues over (under) expenditures	(23,252)	996,815	996,815	-
OTHER FINANCING SOURCES (USES)				
Transfers in	203,796	41,824	41,824	-
Transfers out	(1,175,766)	(978,742)	(978,742)	-
Proceeds from the sale of capital assets	280,000	-	-	-
Total other financing sources, net	(691,970)	(936,918)	(936,918)	-
Prior year resources	948,641	-	-	-
Net change in fund balances	233,419	59,897	59,897	-
FUND BALANCE, beginning of year	4,873,882	4,873,882	4,873,882	-
FUND BALANCE, end of year	$ 5,107,301	$ 4,933,779	$ 4,933,779	$ -

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, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Grant revenues	$ 589,421	$ 482,590	$ 482,590	$ -
Investment earnings	1,595	4,283	4,283	-
Contributions and donations	-	354	354	-
Total revenues	591,016	487,227	487,227	-
EXPENDITURES				
Community development				
CDBG entitlement - operating	196,273	257,086	257,086	-
Economic development - operating	13,635	7,396	7,396	-
Capital outlay	370,507	26,438	26,438	-
Program administration - operating	350,300	137,648	137,648	-
Program administration - compensation and payroll taxes	95,168	104,245	104,245	-
Total community development	1,025,883	532,813	532,813	-
Total expenditures	1,025,883	532,813	532,813	-
Deficiency of revenues under expenditures	(434,867)	(45,586)	(45,586)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	61,130	69,000	69,000	-
Transfers out	(5,990)	-	-	-
Total other financing sources, net	55,140	69,000	69,000	-
Prior year resources	379,727	-	-	-
Net change in fund balances	-	23,414	23,414	-
FUND BALANCE, beginning of year	243,075	243,075	243,075	-
FUND BALANCE, end of year	$ 243,075	$ 266,489	$ 266,489	$ -

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

	2018	2017	2016	2015
Total pension liability				
Service cost	**$ 286,077**	$ 291,779	$ 351,119	$ 348,103
Interest on total pension liability	**1,295,438**	1,253,917	1,212,134	1,197,774
Differences between expected and actual experience	**75,545**	(130,776)	167,513	-
Changes of assumptions	**2,471**	-	(355,440)	-
Benefit payments, including refunds of employee contributions	**(758,066)**	(1,017,358)	(578,484)	(2,130,443)
Net change in total pension liability	**901,465**	397,562	796,842	(584,566)
Total pension liability - beginning	**16,278,635**	15,881,073	15,084,231	15,668,797
Total pension liability - ending (a)	**17,180,100**	16,278,635	15,881,073	15,084,231
Plan fiduciary net position				
Contributions - employer	**984,725**	942,951	964,855	1,023,467
Contributions - employee	**171,195**	159,896	170,903	174,833
Net investment income	**811,145**	641,118	70,374	621,934
Benefit payments, including refunds of member contributions	**(758,066)**	(1,017,358)	(578,484)	(2,130,443)
Administrative expenses	**(57,039)**	(114,695)	(47,456)	(48,348)
Net change in plan fiduciary net position	**1,151,960**	611,912	580,192	(358,557)
Plan fiduciary net position - beginning	**8,611,242**	7,999,330	7,419,138	7,777,695
Plan fiduciary net position - ending (b)	**9,763,202**	8,611,242	7,999,330	7,419,138
City's net pension liability (asset) - ending (a) - (b)	**$ 7,416,898**	$ 7,667,393	$ 7,881,743	$ 7,665,093
Plan fiduciary net position as a percentage of the total pension liability	**56.8%**	52.9%	50.4%	49.2%
Covered payroll	**$ 5,181,425**	$ 5,344,272	$ 5,907,249	$ 5,922,265
Net pension liability as a percentage of covered payroll	**143.1%**	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 PLAN
SCHEDULE OF CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	**$ 984,725**	$ 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
Contributions in relation to the actuarially determined contribution	**984,725**	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
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	**$ 5,803,715**	$ 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
Contributions as a percentage of covered payroll	**17.0%**	17.6%	16.3%	17.3%	17.5%	16.2%	17.6%	17.2%	15.2%	20.2%

Notes to the Schedule:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry age normal, level percentage of pay
Actuarial Asset Valuation Method	Smoothed market value (Five-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	7.25%
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.

CITY OF BRUNSWICK, GEORGIA

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Annual money-weighted rate of return, net of investment expense	**N/A**	8.0%	8.5%	15.1%	7.7%	4.8%	9.1%	13.0%	-14.0%	N/A

Notes to the Schedule:

The actuarial report for 2018 and 2009 did not include a precise percentage on investment return.

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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.

CITY OF BRUNSWICK, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds						
ASSETS	**Roosevelt Harris Center Fund**	**Police Seizure Fund**	**E-911 Fund**	**DOT TE-21 Fund**	**City Pier Fund**	**Hotel/Motel Fund**	**Total Nonmajor Governmental Funds**
Cash and cash equivalents	$ 31,741	$ 83,257	$ 41	$ 134	$ 57,137	$ 8,147	$ 180,457
Accounts receivable, net of allowances							
Taxes	-	-	-	-	750	-	750
Accounts	51	-	-	-	-	-	51
Due from other funds	-	-	109,252	-	-	-	109,252
Total assets	$ 31,792	$ 83,257	$ 109,293	$ 134	$ 57,887	$ 8,147	$ 290,510
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 34,198	$ 5,855	$ -	$ -	$ -	$ 485	$ 40,538
Accrued expenditures	6,667	-	-	-	-	-	6,667
Due to other funds	223,772	-	-	-	69,696	-	293,468
Due to other governments	-	-	109,293	-	-	-	109,293
Advances from other funds	19,764	-	-	-	-	-	19,764
Total liabilities	284,401	5,855	109,293	-	69,696	485	469,730
FUND BALANCES (DEFICITS)							
Restricted for:							
Public safety	-	77,402	-	-	-	-	77,402
Community development	-	-	-	134	-	7,662	7,796
Unassigned	(252,609)	-	-	-	(11,809)	-	(264,418)
Total fund balances (deficits)	(252,609)	77,402	-	134	(11,809)	7,662	(179,220)
Total liabilities and fund balances	$ 31,792	$ 83,257	$ 109,293	$ 134	$ 57,887	$ 8,147	$ 290,510

CITY OF BRUNSWICK, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue Funds						
	Roosevelt Harris Center Fund	Police Seizure Fund	E-911 Fund	DOT TE-21 Fund	City Pier Fund	Hotel/Motel Fund	Total Nonmajor Governmental Funds
Revenues:							
Program fees/revenues	$ 18,873	$ -	$ -	$ -	$ 28,993	$ -	$ 47,866
Hotel/Motel taxes	-	-	-	-	-	7,306	7,306
Grant revenues	214,055	43,715	-	250,427	-	-	508,197
Unrestricted investment earnings	120	563	41	756	236	-	1,716
Contributions and donations	7,260	-	-	-	-	-	7,260
Total revenues	240,308	44,278	41	251,183	29,229	7,306	572,345
Expenditures:							
Current:							
Community development	350,943	-	-	-	-	10,131	361,074
Public safety	-	58,306	469,783	-	-	-	528,089
Capital outlay							
General Government	-	-	-	-	11,220	-	11,220
Public safety	-	5,855	-	-	-	-	5,855
Total expenditures	350,943	64,161	469,783	-	11,220	10,131	906,238
Excess (deficiency) of revenues over (under) expenditures	(110,635)	(19,883)	(469,742)	251,183	18,009	(2,825)	(333,893)
Other financing sources (uses)							
Transfers in	90,000	-	469,742	-	-	-	559,742
Transfers out	-	-	-	(251,049)	-	-	(251,049)
Total other financing sources, net	90,000	-	469,742	(251,049)	-	-	308,693
Net change in fund balances	(20,635)	(19,883)	-	134	18,009	(2,825)	(25,200)
Fund balances (deficits), beginning of year	(231,974)	97,285	-	-	(29,818)	10,487	(154,020)
Fund balances (deficits), end of year	$ (252,609)	$ 77,402	$ -	$ 134	$ (11,809)	$ 7,662	$ (179,220)

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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, 2018

	Group Health Fund	Workers' Compensation Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 36,183	$ 26,812	$ 62,995
Investments	300,398	-	300,398
Advances to other funds	422,363	651,796	1,074,159
Claim reimbursement receivable	-	95,595	95,595
Total assets	$ 758,944	$ 774,203	$ 1,533,147
LIABILITIES			
Current liabilities			
Claims payable	$ 180,000	$ 1,593,122	$ 1,773,122
Accrued expenses	23,638	-	23,638
Total liabilities	203,638	1,593,122	1,796,760
NET POSITION			
Unrestricted	555,306	(818,919)	(263,613)
Total net position	555,306	(818,919)	(263,613)
Total liabilities and net position	$ 758,944	$ 774,203	$ 1,533,147

(Continued)

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, 2018

	Group Health Fund	Workers' Compensation Fund	Total
Operating revenues			
Contributions			
Employer	$ 1,072,500	$ 415,000	$ 1,487,500
Employees	231,559	-	231,559
Reimbursements	292,887	180,438	473,325
Total operating revenues	1,596,946	595,438	2,192,384
Operating expenses			
Contractual	287,797	-	287,797
Claims	1,169,695	612,769	1,782,464
Total operating expenses	1,457,492	612,769	2,070,261
Operating income (loss)	139,454	(17,331)	122,123
Non-operating revenues			
Investment return	2,067	248	2,315
Total non-operating revenues	2,067	248	2,315
Change in net position	141,521	(17,083)	124,438
Net position (deficit), beginning of year	413,785	(801,836)	(388,051)
Net position (deficit), end of year	$ 555,306	$ (818,919)	$ (263,613)

(Continued)

CITY OF BRUNSWICK, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Group Health Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	$ 1,610,134	$ 571,757	$ 2,181,891
Payments for claims	(1,189,695)	(582,403)	(1,772,098)
Payments for other expenses	(264,159)	-	(264,159)
Net cash provided by (used in) operating activities	156,280	(10,646)	145,634
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	2,067	248	2,315
Purchase of investments	(300,398)	-	(300,398)
Net cash provided by investing activities	(298,331)	248	(298,083)
Net increase (decrease) in cash and cash equivalents	(142,051)	(10,398)	(152,449)
Cash and cash equivalents:			
Beginning of year	178,234	37,210	215,444
End of year	$ 36,183	$ 26,812	$ 62,995
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITES			
Operating income (loss)	$ 139,454	$ (17,331)	$ 122,123
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in assets:			
Claims reimbursement receivable	13,188	(23,681)	(10,493)
Increase (decrease) in liabilities:			
Claims payable	(20,000)	30,366	10,366
Accrued liabilities	23,638	-	23,638
Net cash provided by (used in) operating activities	$ 156,280	$ (10,646)	$ 145,634

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, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Program fees/revenues	$ 22,000	$ 18,873	$ 18,873	$ -
Grant revenues	195,457	214,055	214,055	-
Unrestricted investment earnings	35	120	120	-
Contributions and donations	-	7,260	7,260	-
Total revenues	217,492	240,308	240,308	-
EXPENDITURES				
Community development				
Program administration - compensation, payroll taxes and benefits	221,467	214,894	214,894	-
Program administration - operating	141,735	136,049	136,049	-
Total community development expenditures	363,202	350,943	350,943	-
Total expenditures	363,202	350,943	350,943	-
Deficiency of revenues under expenditures	(145,710)	(110,635)	(110,635)	-
Other financing sources				
Transfers in	145,710	90,000	90,000	-
Total other financing sources	145,710	90,000	90,000	-
Net change in fund balance	-	(20,635)	(20,635)	-
FUND BALANCE (DEFICIT), beginning of year	(231,974)	(231,974)	(231,974)	-
FUND BALANCE (DEFICIT), end of year	$ (231,974)	$ (252,609)	$ (252,609)	$ -

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, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Grant revenues/seizure funds	$ 20,000	$ 43,715	$ 43,715	$ -
Unrestricted investment earnings	350	563	563	-
Total revenues	20,350	44,278	44,278	-
EXPENDITURES				
Public safety				
Police - operating	42,711	58,306	58,306	-
Capital outlay	3,300	5,855	5,855	-
Total public safety	46,011	64,161	64,161	-
Total expenditures	46,011	64,161	64,161	-
Deficiency of revenues under expenditures	(25,661)	(19,883)	(19,883)	-
Prior year resources	16,026	-	-	-
Total other financing sources	16,026	-	-	-
Net change in fund balance	(9,635)	(19,883)	(19,883)	-
FUND BALANCE, beginning of year	97,285	97,285	97,285	-
FUND BALANCE, end of year	$ 87,650	$ 77,402	$ 77,402	$ -

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, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Unrestricted investment earnings	$ -	$ 41	$ 41	$ -
Total revenues	-	41	41	-
EXPENDITURES				
Public safety				
E911 expenditures - intergovernmental	597,935	469,783	469,783	-
Total expenditures	597,935	469,783	469,783	-
Deficiency of revenues under expenditures	(597,935)	(469,742)	(469,742)	-
Other financing source				
Transfers in	597,935	469,742	469,742	-
Total other financing source	597,935	469,742	469,742	-
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, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Grant revenues	$ 185,577	$ 250,427	$ 250,427	$ -
Unrestricted investment earnings	575	756	756	-
Total revenues	186,152	251,183	251,183	-
EXPENDITURES				
Capital outlay	43,042	-	-	-
Total expenditures	43,042	-	-	-
Excess of revenues over expenditures	143,110	251,183	251,183	-
Other financing uses				
Transfers out	(143,110)	(251,049)	(251,049)	-
Total other financing uses	(143,110)	(251,049)	(251,049)	-
Net change in fund balance	-	134	134	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ 134	$ 134	$ -

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, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Program fees/revenues	$ 32,000	$ 28,993	$ 28,993	$ -
Investment earnings and interest	175	236	236	-
Total revenues	32,175	29,229	29,229	-
EXPENDITURES				
Community development				
Capital outlay	65,938	11,220	11,220	-
Total community development expenditures	65,938	11,220	11,220	-
Total expenditures	65,938	11,220	11,220	-
Excess (deficiency) of revenues over (under) expenditures	(33,763)	18,009	18,009	-
Prior year resources	33,763	-	-	-
Net change in fund balance	-	18,009	18,009	-
FUND BALANCE (deficit), beginning of year	(29,818)	(29,818)	(29,818)	-
FUND BALANCE (deficit), end of year	$ (29,818)	$ (11,809)	$ (11,809)	$ -

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, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Hotel/Motel tax	$ 17,535	$ 7,306	$ 7,306	$ -
Total revenues	17,535	7,306	7,306	-
EXPENDITURES				
Community development				
Community development - tax disbursements	17,535	10,131	10,131	-
Total community development	17,535	10,131	10,131	-
Total expenditures	17,535	10,131	10,131	-
Deficiency of revenues under expenditures	-	(2,825)	(2,825)	-
Net change in fund balance	-	(2,825)	(2,825)	-
FUND BALANCE, beginning of year	10,487	10,487	10,487	-
FUND BALANCE, end of year	$ 10,487	$ 7,662	$ 7,662	$ -

ADDITIONAL SCHEDULES

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project Number	Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
				Prior Years	Current Year	Total
	SPLOST III					
501	College Park	$ 400,000	$ 400,000	$ 339,501	$ -	$ 339,501
502	Kaiser Street	370,000	370,000	7,651	-	7,651
503	L Street	340,000	340,000	544,380	-	544,380
504	Lanier Blvd. at 5th Ave.	240,000	240,000	393,563	-	393,563
505	Magnolia Park	350,000	350,000	388,806	-	388,806
506	Riverside Drive	250,000	250,000	1,064,801	-	1,064,801
507	Wildwood Drive	350,000	350,000	588	-	588
508	Union Street, F to G Street	350,000	350,000	216,457	-	216,457
509	Albany Street	200,000	200,000	97,408	-	97,408
510	Miscellaneous Small Road Drainage	950,000	950,000	1,138,995	-	1,138,995
601	Multipurpose Community Center	1,000,000	1,000,000	1,297,825	-	1,297,825
602	Three Athletic Fields	400,000	400,000	423,343	-	423,343
603	New Playground Equipment	150,000	150,000	158,149	-	158,149
604	Renovation of Howard Coffin Park	150,000	150,000	396,152	-	396,152
701	Upgrade Academy Creek Wastewater	1,800,000	1,800,000	2,333,587	-	2,333,587
702	South End Sanitary Sewer Improvements	600,000	600,000	1,039,308	-	1,039,308
703	Newcastle Street Sewer Imrovements	440,000	440,000	620,367	-	620,367
704	K Street Sewer Improvements	400,000	400,000	84,045	-	84,045
705	Replace Pump Station #13	100,000	100,000	106,227	-	106,227
706	Replace Pump Station #10	35,000	35,000	-	-	-
707	Repair Pump Station #6	100,000	100,000	293,878	-	293,878
708	Replace Pump Station #19	465,000	465,000	375	-	375
709	Sewer Line Rehabilitation	1,000,000	1,000,000	60,832	-	60,832
710	Repair Pump Station #28	80,000	80,000	125,609	-	125,609
711	Repair Pump Station #48	80,000	80,000	105,253	-	105,253
712	Extension of Water Lines	500,000	500,000	1,030,303	-	1,030,303
713	Overhead Storage Tank I-95/US-341	500,000	500,000	786,633	-	786,633
801	MLK Blvd Utility Relocation/Right of Way	360,000	360,000	93,644	-	93,644
802	I-95/U.S 341 Utility Relocation	390,000	390,000	29,225	-	29,225
803	U.S 17 Utility Relocation	500,000	500,000	1,808,221	-	1,808,221
901	Repair/Replace/Construct Sidewalks	750,000	750,000	569,056	-	569,056
902	Miscellaneous Paving	-	-	90,009	-	90,009
1001	Osborne Street	200,000	200,000	67,676	-	67,676
1201	Construct/Equip Fire Station	560,000	560,000	623,389	-	623,389
1401	Restore Old City Hall	2,500,000	2,500,000	2,831,595	-	2,831,595
1402	Renovate New City Hall	1,700,000	1,700,000	2,346,202	-	2,346,202
1403	Repair Police Station	640,000	640,000	684,930	-	684,930
	SPOLOST IV - Tier I					
601	Sanitary Sewer - K Street	4,650,000	4,650,000	7,115,389	-	7,115,389
602	15" Gravity Sewer - Dixville	2,425,000	2,425,000	1,339,263	-	1,339,263
603	Sludge Dryer	1,750,000	1,750,000	925,955	-	925,955
604	30" Gravity Sewer	535,000	535,000	322,322	-	322,322
605	Gravity Sewer - FLETC	2,000,000	2,000,000	496,944	-	496,944
606	ARCO 12" Water Main	400,000	400,000	155,186	-	155,186
607	Storm Drain - Albany/Howe Street	1,500,000	1,500,000	1,851,138	-	1,851,138
608	City Halls	800,000	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, 2018

Project Number	Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
	SPLOST IV - Tier II/III					
609	Roosevelt Harris Center Upgrade	175,000	175,000	199,195	-	199,195
706	Ritz Theater	1,700,000	1,700,000	134,470	-	134,470
701	Oglethorpe Study	-	-	23,471	-	23,471
N/A	Sanitary Sewer - K Street	3,000,000	3,000,000	-	-	-
704	Water Reclamation Project	1,410,000	1,410,000	1,026,171	-	1,026,171
705	Storm Drain - N Street	1,750,000	1,750,000	1,725,110	-	1,725,110
703	Public Safety Complex	750,000	750,000	641,414	-	641,414
702	Public Works Complex	3,750,000	3,750,000	2,007,138	-	2,007,138
N/A	Water/Wastewater Complex	1,500,000	1,500,000	-	-	-
N/A	Sidewalks	85,000	85,000	-	-	-
N/A	Street Paving	190,000	190,000	-	-	-
	SPLOST V					
N/A	Public Safety Complex	1,750,000	1,750,000	721,730	-	721,730
N/A	Public Works Complex	400,000	400,000	-	-	-
N/A	Fire Truck and Vehicles	610,000	610,000	654,337	-	654,337
N/A	Police Cars	596,918	596,918	273,688	-	273,688
N/A	Contingencies	4,162	4,162	-	-	-
N/A	Roosevelt Harris Center	100,000	100,000	2,538	-	2,538
N/A	Cemetaries	100,000	100,000	87,600	-	87,600
N/A	Aquatics - Site Improvements	1,322,087	1,322,087	892,125	-	892,125
N/A	City Hall Improvements	150,000	150,000	-	-	-
N/A	Howard Coffin Park Site Development I	375,000	375,000	24,842	-	24,842
N/A	Neighborhoods & Community Service	-	-	153,221	-	153,221
N/A	Mary Ross Site Improvements	225,000	225,000	752,304	74,916	827,220
N/A	Oglethorpe Convention Center	1,500,000	1,500,000	1,850	105,423	107,273
N/A	Ritz Theater	180,000	180,000	51,260	130,357	181,617
N/A	Water/wastewater	250,000	250,000	76,292	-	76,292
N/A	Mansfield Street Infrastructure**	1,173,536	1,173,536	261,582	755,468	1,017,050
N/A	Sidewalks and streets	800,000	800,000	1,747,791	-	1,747,791
N/A	Storm Drainage and Infrastructure	6,751,464	6,751,464	8,923,647	2,589	8,926,236
N/A	Urbana Park***	-	-	11,532	-	11,532
	SPLOST VI					
N/A	Police Cars	540,625	540,625	28,742	277,777	306,519
N/A	Howard Coffin Park	431,357	431,357	120,850	62,815	183,665
N/A	E911 Services Radio Equipment	431,357	431,357	-	143,785	143,785
N/A	Streets*****	4,627,750	4,627,750	-	223,689	223,689
N/A	Sidewalks-Replacement and Upgrades	432,500	432,500	-	146,327	146,327
N/A	Sidewalks-Trails	346,000	346,000	-	28,663	28,663
N/A	Storm Drainage and Infrastructure******	3,243,750	3,243,750	-	84,877	84,877
N/A	Historic Squares	86,500	86,500	-	1,285	1,285
N/A	Mary Ross Park	821,750	821,750	-	254,068	254,068
		$ 74,819,756	$ 74,819,756	$ 55,993,099	$ 2,292,039	$ 58,285,138

**Certain costs included in this project are reimbursed by the BGJWSC. Current year reimbursements totaled $257,770.

***Cost reimbursed by DNR.

****Certain costs included in this project are reimbursed by Glynn County. Current year reimbursements totaled $51,251.

*****Certain costs included in this project for L Street paving are reimbursed by the BGJWSC. Current year reimbursements totaled $18,519.

******Certain costs included in this project for College Park are reimbursed by Glynn County. Current year reimbursements totaled $55,860.

*******Certain costs included in this project for the Liberty Ship Connector Trail are reimbursed by the GA Coastal Regional Commission. Current year reimbursements totaled $18,000.

City of Brunswick , Georgia

Certification of 9-1-1 Expenditures

For the Year Ended June 30, 2018

Line No.		O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):		
	_x_ Special Revenue Fund ____ Enterprise Fund		
2	Expenditures (UCOA Activity 3800) Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	_____		$ _____
	_____		$ _____
	_____		$ _____
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
3a	Lease costs	46-5-134(f)(1)(A)	$ _____
3b	Purchase costs	46-5-134(f)(1)(A)	$ _____
3c	Maintenance costs	46-5-134(f)(1)(A)	$ _____
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	$ _____
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(f)(1)(C)	$ _____
5b	Employee benefits	46-5-134(f)(1)(C)	$ _____
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$ _____
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	$ _____
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	$ _____
8b	Purchase costs	46-5-134(f)(1)(F)	$ _____
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(f)(1)(G)	$ _____
9b	Purchase costs	46-5-134(f)(1)(G)	$ _____
9c	Maintenance costs	46-5-134(f)(1)(G)	$ _____
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	$ _____
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		

City of Brunswick , Georgia

Certification of 9-1-1 Expenditures

For the Year Ended June 30, 2018

Line No.		O.C.G.A. Reference:	
11a	Lease costs	46-5-134(f)(1)(I)	$
11b	Purchase costs	46-5-134(f)(1)(I)	$
11c	Maintenance costs	46-5-134(f)(1)(I)	$
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	$
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2(B)(ii)	$
13b	Purchase costs	46-5-134(f)(2(B)(ii)	$
13c	Maintenance costs	46-5-134(f)(2(B)(ii)	$
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	$
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2(B)(iv)	$
15b	Purchase costs	46-5-134(f)(2(B)(iv)	$
15c	Maintenance costs	46-5-134(f)(2(B)(iv)	$
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2(B)(v)	$
16b	Purchase costs	46-5-134(f)(2(B)(v)	$
16c	Maintenance costs	46-5-134(f)(2(B)(v)	$

17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.	
	Glynn County Government Shared Expenditures	$ 4 69,83
		$
		$
		$
		$
		$

City of Brunswick , Georgia

Certification of 9-1-1 Expenditures

For the Year Ended June 30, 2018

Line No.		O.C.G.A. Reference:	
			$
			$
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)		$ 469,783

Certification of Local Government Officials

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

Signature of Chief Elected Official Cornell L. Harvey Date 6/19/19

Print Name of Chief Elected Official CORNELL L. HARVEY

Title of Chief Elected Official MAYOR

Signature of Chief Financial Officer Kathy D. Mills Date 6/19/19

Print Name of Chief Financial Officer KATHY D. MILLS, CPA

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 ..... **86 – 92**

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 ..... **93 – 100**

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

Debt Capacity ..... **101 – 105**

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 ..... **106 and 107**

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 ..... **108 – 111**

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	$ 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	$ 46,484,077
Restricted	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	274,285
Unrestricted	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)	(6,836,655)
Total governmental activities net position	$ 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	$ 39,921,707
Business-type activities										
Net investment in capital assets	$ 151,658	$ 38,895	$ 60,136	$ 49,126	$ 83,294	$ 83,294	$ 67,252	$ 65,887	$ 64,552	$ 63,157
Restricted	-	-	-	-	-	-	-	-	105,248	447,472
Unrestricted	5,978,068	(286,087)	(431,700)	(474,177)	13,488	13,488	550,998	570,856	248,800	(11,140)
Total business-type activities net position	$ 6,129,726	$ (247,192)	$ (371,564)	$ (425,051)	$ 96,782	$ 96,782	$ 618,250	$ 636,743	$ 418,600	$ 499,489
Primary government										
Net investment in capital assets	$ 26,997,427	$ 27,055,458	$ 27,378,362	$ 33,154,811	$ 38,816,201	$ 38,816,201	$ 39,566,761	$ 38,780,770	$ 38,166,037	$ 46,547,234
Restricted	1,845,220	4,445,427	4,400,038	11,406,938	4,571,818	4,571,818	3,026,890	3,033,453	358,810	721,757
Unrestricted	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)	(6,847,795)
Total primary government net position	$ 37,505,542	$ 33,308,197	$ 41,264,500	$ 45,962,612	$ 38,391,408	$ 38,391,408	$ 38,474,044	$ 38,818,263	$ 36,615,312	$ 40,421,196

Note: GASB 68 was implemented during fiscal year 2015

CITY OF BRUNSWICK, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	$ 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	$ 3,255,474
Judicial	852,473	535,515	474,169	420,800	301,340	285,832	276,251	270,506	284,306	262,348
Public safety	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	8,382,269
Public works	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	3,491,459
Culture and recreation	1,418,458	1,318,444	1,126,943	1,093,144	881,828	785,803	849,247	771,853	651,720	1,180,224
Cemetary	325,185	332,905	403,142	178,401	206,992	221,183	241,942	273,850	294,779	219,958
Community development	1,460,778	1,776,366	1,468,904	1,335,525	1,074,371	1,063,830	748,840	656,123	955,209	1,024,546
Economic development - component uni	114,089	103,676	80,000	80,000	70,021	70,326	107,075	139,503	206,956	271,563
Interest and fiscal charges	128,513	117,503	115,244	119,018	101,334	69,569	45,702	43,089	45,560	46,596
Total governmental activities expenses	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	18,134,437
Business-type activities:										
Water and Sewer	969,100	876,356	-	-	-	-	-	-	-	-
Sanitation	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	1,770,880
Total business-type activities expenses	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	1,770,880
Total primary government expenses	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	19,905,317
Program revenues										
Governmental activities:										
Charges for services										
General government	207,280	(343,860)	742,194	929,819	709,044	833,165	107,902	350,528	612,952	446,060
Judicial	602,800	342,442	332,979	416,833	347,518	374,167	451,071	448,271	291,885	256,474
Public safety	-	21,289	21,052	17,401	26,597	32,151	40,525	200,685	12,435	174,251
Public works	-	25,849	25,676	25,646	27,783	25,653	26,529	25,646	-	-
Culture and recreation	53,710	90,784	108,079	97,697	39,279	12,499	15,910	10,535	34,120	29,632
Cemetary	-	92,730	95,340	119,320	150,785	153,840	134,750	131,495	110,115	131,165
Community development	483,558	348,104	65,051	65,505	28,289	50,211	51,394	56,538	21,789	18,873
Operating grants and contributions	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	2,560,291
Capital grants and contributions	-	-	8,620,682	2,036,678	50,795	16,186	82,488	263,473	1,295,195	4,555,142
Total governmental activities program revenues	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	8,171,888
Business-type activities:										
Charges for services										
Water and Sewer	21,431	11	-	-	-	-	-	-	-	-
Sanitation	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	1,334,411
Total business-type activities program revenues	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	1,334,411
Total primary government program revenues	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	9,506,299

(Continued)

CITY OF BRUNSWICK, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Goverenmental activities	$ (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)	$ (9,962,549)
Business-type activities	(1,194,638)	(1,432,759)	(320,196)	(330,093)	(61,091)	370,132	360,624	164,144	14,879	(436,469)
Total primary government net expense	(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)	(10,399,018)
General revenues and other changes in net position										
Governmental activities:										
Property taxes levied for general purposes	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	5,158,426
Franchise taxes	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	1,253,287
Local option sales tax	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	5,951,970
Selectice sales and use tax	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	1,610,232
Hotel/Motel tax	-	-	-	7,499	8,416	8,328	9,110	6,941	8,391	7,306
Restricted investment earnings	-	909	258	-	-	-	-	-	-	-
Unrestricted investment earnings	48,618	3,881	18,001	13,608	17,046	15,830	8,477	21,370	37,938	55,602
Miscellaneous	49,470	130,781	106,774	7,713	57,696	51,149	11,943	76,273	88,244	160,941
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	(244,172)	(1,332)	(271,597)	(241,500)	(143,000)	-	41,824	147,824	131,267	(510,220)
Total governmental activities	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	13,687,544
Business-type activities:										
Restricted investment earnings	237,930	282,991	-	-	-	-	-	-	-	-
Unrestricted investment earnings	830,408	55	24	-	-	-	109	2,173	3,563	6,941
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 Commissior	(45,229)	-	-	-	-	-	-	-	-	-
Transfers	244,172	1,332	271,597	241,500	143,000	-	(41,824)	(147,824)	(131,267)	510,220
Total business type activities	1,267,281	(4,944,159)	195,824	276,606	212,140	652	160,844	(145,651)	(127,704)	517,161
Total primary government	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	14,204,705
Change in net position										
Governmental activities	(912,225)	2,179,573	8,080,675	2,103,455	(7,325)	(255,355)	(438,831)	325,726	(604,593)	3,724,995
Business-type activities	72,643	(6,376,918)	(124,372)	(53,487)	151,049	370,784	521,468	18,493	(112,825)	80,692
Total primary government	$ (2,520,030)	$ (4,197,345)	$ 7,956,303	$ 2,049,968	$ 143,724	$ 115,429	$ 82,637	$ 344,219	$ (717,418)	$ 3,805,687

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

CITY OF BRUNSWICK, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
2009 - 2010

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

CITY OF BRNUSWICK, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS

	Fiscal Year							
	2011	2012	2013	2014	2015	2016	2017	2018
General Fund								
Nonspendable	$ -	$ -	$ -	$ -	$ 23,832	$ 252,296	$ 268,527	$ 268,767
Restricted	5,724	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	6,797	239,903	980,238	1,529,603	2,042,155	3,009,991	4,605,355	4,665,012
Total General fund	$ 12,521	$ 239,903	$ 980,238	$ 1,529,603	$ 2,065,987	$ 3,262,287	$ 4,873,882	$ 4,933,779
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	266,489
Capital projects funds	11,610,922	11,358,019	6,819,904	3,888,534	2,514,136	2,389,049	3,244,298	5,613,408
Other nonmajor governmental funds	63,569	139,801	47,530	56,611	101,069	303,387	107,772	85,198
Unassigned	(229,014)	(105,436)	(182,026)	(157,973)	(161,840)	(216,894)	(261,792)	(264,418)
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	$ 5,700,677
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	$ 10,634,456

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF BRUNSWICK, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Property taxes	$ 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	$ 5,059,870
Franchise fees	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	1,253,287
Local option sales tax	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	5,951,970
Selective sales and use taxes	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	1,610,232
Hotel/Motel taxes	17,571	8,192	7,277	7,499	8,416	8,328	9,110	6,941	8,391	7,306
Licenses and permits	342,183	322,692	374,628	318,993	337,115	335,870	349,719	341,903	308,627	330,500
Fines and forfeitures	602,800	342,442	332,979	416,833	347,518	374,167	451,071	448,271	416,365	351,435
Intergovernmental revenues	1,864,132	4,704,740	8,981,997	2,303,089	236,159	370,031	279,702	249,118	1,043,641	4,270,985
Intergovernmental revenues - Reimbursement BGJWSC	-	-	-	-	-	-	-	240,792	233,663	257,770
Collection on loans	243,112	131,622	22,201	43,810	-	-	-	-	-	-
Grant revenues	902,168	904,799	1,313,728	1,458,423	737,129	927,958	709,279	628,952	1,781,014	2,554,540
Charges for services and assessments	337,002	441,577	459,758	484,759	539,937	436,177	424,751	526,757	338,140	354,775
Unrestricted investment earnings	47,046	3,710	57,333	29,982	28,537	17,259	8,849	24,642	46,389	87,740
Rental income	31,054	30,694	42,227	19,609	25,586	23,554	23,429	19,894	20,164	19,745
Contributions and donations from private sources	-	-	-	-	149,716	30,742	23,712	66,283	35,334	19,718
Miscellaneous and sale of property	646,500	130,511	137,785	34,486	71,274	171,770	90,734	98,582	52,910	141,223
Total revenues	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	22,271,096
Expenditures:										
General government	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	3,081,818
Judicial	858,031	533,324	474,169	420,800	301,340	285,832	278,138	270,506	276,545	265,563
Public safety	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	8,447,650
Public works	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	3,208,512
Culture and recreation	1,227,760	1,181,342	955,295	910,201	705,733	566,711	574,084	523,245	462,324	461,686
Cemetery	362,266	313,050	390,645	179,721	196,483	233,001	224,192	255,885	284,854	224,459
Community development	1,427,714	1,602,642	1,883,203	2,135,516	1,037,548	892,993	813,975	681,639	704,931	867,449
Economic development	114,089	103,676	80,000	80,000	70,021	70,326	107,075	139,503	204,949	280,608
Landfill expense	-	-	-	-	-	-	-	25,340	-	-
Debt service:								-	-	
Principal	2,101,744	1,077,525	564,216	449,259	381,777	702,801	131,463	134,686	70,259	73,817
Interest	128,513	117,503	115,244	119,018	101,334	69,569	45,702	43,089	45,560	46,596
Capital outlay	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	2,375,497
Total expenditures	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	19,333,655
Excess (deficiency) of revenues over expenditures	(3,509,880)	1,567,068	6,634,241	(340,026)	(4,382,424)	(2,951,071)	(1,087,817)	959,985	909,538	2,937,441

(Continued)

CITY OF BRUNSWICK, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Excess (deficiency) of revenues over expenditures	$ (3,509,880)	$ 1,567,068	$ 6,634,241	$ (340,026)	$ (4,382,424)	$ (2,951,071)	$ (1,087,817)	$ 959,985	$ 909,538	$ 2,937,441
Other financing sources (uses)										
Issuance of capital lease	-	1,369,412	-	19,000	39,061	247,414	33,582	-	-	-
Payment from component unit on property sale	-	-	-	-	540,500	-	-	40,000	-	-
Transfers in	2,881,174	1,499,833	343,116	774,646	686,929	777,663	868,615	848,324	1,259,417	921,615
Transfers (out)	(3,125,346)	(2,285,765)	(614,713)	(1,016,146)	(829,929)	(777,663)	(826,791)	(700,500)	(1,128,150)	(1,431,835)
Proceeds from sale of capital assets									118,000	-
Total other financing sources	(244,172)	583,480	(271,597)	(222,500)	436,561	247,414	75,406	187,824	249,267	(510,220)
Net change in fund balances	$ (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	$ 2,427,221
Debt Service as a Percentage of Noncapital Expenditures	3.1%	6.5%	4%	3.6%	3.2%	5.0%	1.2%	1.3%	0.8%	0.7%

CITY OF BRUNSWICK, GEORGIA

PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
General government	$ 396,395	$ (128,945)	$ 742,194	$ 3,023,448	$ 858,600	$ 1,199,446	$ 470,778	$ 1,012,643	$ 2,501,678	$ 6,219,248
Judicial	602,800	342,442	332,979	416,833	347,518	374,167	451,071	448,271	291,885	256,474
Public safety	408,188	437,582	430,850	234,838	188,335	121,782	79,605	221,896	151,634	240,024
Public works	104,568	35,961	25,676	90,646	148,181	25,646	26,529	25,646	233,663	257,770
Culture and recreation	53,710	90,784	124,173	97,697	54,279	97,697	15,910	10,535	65,904	80,883
Cemetary	-	92,730	95,340	119,320	150,785	119,320	134,750	131,495	110,115	131,165
Community development	1,227,635	1,050,061	1,299,405	1,494,115	716,093	873,788	662,593	684,536	795,186	986,324
Subtotal governmental activities	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	8,171,888
Business-type activities:										
Water and Sewer	21,431	11	-	-	-	-	-	-	-	-
Sanitation	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	1,334,411
Subtotal business-type activities	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	1,334,411
Total primary government program revenues	$ 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	$ 9,506,299

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

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
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
2018	5,059,870	1,253,287	5,951,970	4,270,985	1,617,538	18,153,650

Notes: (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
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%
2018	934,425,794	12,958,325	144,800	38,305,695	-	1,770	158,486,742	827,349,642	330,939,857	13.219	40%

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

Note (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.

CITY OF BRUNSWICK, GEORGIA

WATER AND WASTEWATER RATES
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Water Rates										
Customers inside Corporate Limits:										
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
Customers in unincoporated areas:										
Charge per Bill - Admin	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per RUE - Debt	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per thousand - O&M	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Commerical customers in unincoporated 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	6.15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per thousand - O&M	3.25	N/A	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	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
Customers in unincoporated areas:										
Charge per Bill - Admin	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per RUE - Debt	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charge per thousand - O&M	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Commerical customers in unincoporated 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	7.89	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
BOD: chagreg per pound in excess of 200 mg/L	0.39	N/A	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	0.26	N/A	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 actitivity 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

	2009			2010	2011	2012	2013	2014	2015	2016	2017	2018
Water Customers	Amount Paid	Rank	Percentage of Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Federal Lawenforcement Training Center	$ 91,815	1	8.15%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Southeast Georgia Regional Medical Center	42,362	2	3.76%	N/A	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	N/A
Glynn County Maintenaice Department	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ramada Inn	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sea Island Company	4,485	6	0.40%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Days Inn	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MTC Brunswick Job Corps Center	8,182	4	0.73%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LaQuinta Inns	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Whispering Pines	6,721	5	0.60%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Davita Inc.	-	-	-	N/A	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	N/A
College of Coatsal Georgia	3,880	8	0.34%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carker Barrel #54	3,149	9	0.28%	N/A	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	N/A
Wastewater Customers												
Glynn County Utility Manager	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pinova, Inc./Hercules, Inc.	171,276	1	12.81%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Federal Lawenforcement Training Center	85,417	2	6.39%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Southeast Georgia Regional Medical Center	41,113	3	3.07%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rich Products Corp.	38,760	4	2.90%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sea Island Company	4,485	9	0.34%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
King and prince Seafoood	28,776	5	2.15%	N/A	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	N/A
Days Inn	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MTC Brunswick Job Corps Center	8,182	7	0.61%	N/A	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	N/A
LaQuinta Inns	-	-	-	N/A	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	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 actitivity 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	
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
2018	13.219	-	7.873	-	16.157	-	37.249

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

Notes: (1) - Tax rates are per thousand dollars of assessed value.
Notes: (2) - Overlapping rates are the rates of the local and county covernments 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

	2018			2009		
Customer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pinova, Inc.	$ 28,574,845	1	8.63%	$ 20,591,504	1	4.95%
King and Prince Seafood Company	10,982,508	2	3.32%	9,039,362	2	2.17%
Jars at the Cove LLC	5,008,991	3	1.51%	-	-	-
Industrial Insulation Group	2,076,440	4	0.63%	2,300,028	3	0.55%
777 Gloucester LLC	1,330,610	5	0.40%	1,474,678	4	0.35%
Tara Arms Owner LLC	1,037,747	6	0.31%	-	-	0.00%
Lang Planing Mill, Inc.	802,979	7	0.24%	913,500	5	0.22%
Mashland Federal Credit Union	750,461	8	0.23%	720,705	6	0.17%
Seaside Storage	721,403	9	0.22%	-	-	-
South Coast Bank & Trust	666,892	10	0.20%	-	-	-
Brunswick News Publishing Co	-	-	-	606,717	9	0.15%
Atlantic National Bank	-	-	-	682,729	7	0.16%
City Market, Inc.	-	-	-	675,171	8	0.16%
Sears Manor, Inc.	-	-	-	561,702	10	0.14%

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
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%	103,598	3,801,189	96%
2016	4,062,624	3,784,811	93%	267,239	4,052,050	100%
2017	4,251,396	3,938,536	93%	115,142	4,053,678	95%
2018	4,392,696	3,999,356	91%	-	3,999,356	91%

See independnet 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)
2009	4,627,794	99,000	-	-	15,660,000	400,435	20,787,229	3.77%	1,283
2010	2,526,050	99,000	-	-	14,660,000	301,299	17,586,349	3.79%	1,077
2011	2,921,621	-	100,000	-	-	202,164	3,223,785	3.40%	210
2012	2,357,405	-	50,000	-	-	103,029	2,510,434	0.67%	162
2013	1,927,148	-	1,500,000	-	-	22,500	3,449,648	0.48%	221
2014	1,584,432	-	1,500,000	-	-	-	3,084,432	0.64%	195
2015	1,129,045	-	-	-	-	-	1,129,045	0.56%	71
2016	723,927	-	-	1,116,000	-	-	1,839,927	0.21%	58
2017	653,668	-	-	1,116,000	-	-	1,769,668	0.15%	111
2018	579,851	-	-	1,116,000	-	-	1,695,851	0.20%	104

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

(1) See Schedule 18, Demographics and Economic Statistics, for personal income and population statistics. Amounts are calculated form schedule.

CITY OF BRUNSWICK, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Redevelopement Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-

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]									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	$ 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	$ 82,734,964
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 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	$ 82,734,964
Total net debt applicable to the limit as a percentage of debt limit	0.00%	9.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2018

Total assessed value	$ 330,939,857
Debt limit (10% of total taxable assessed value)	33,093,986
Debt applicable to limit	-
Legal debt margin	$ 33,093,986

[a] Digest tax year levied actually fund the following fiscal year (i.e., taxes levied for 2017 are used for fiscal year ending in 2018).

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	
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	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-

Note The operations of the Watewr/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 Government's outstanding debt can be found in the Notes to the Financial Statements. Operating revenues include all charges for serveices 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)
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)
2018	16,357	629,368,289	38,477	3.80% (RE)

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

	2018			2009		
Employer	**Employees (1)**	**Rank**	**Percentage of Total Employment (2)**	**Employees (1)**	**Rank**	**Percentage of Total Employment (2)**
Southeast Georgia Health System	2,580	1	4.91%	1,682	4	3.24%
Glynn County Board of Education	1,928	2	3.67%	1,900	3	3.66%
Sea Island Acquisition Company (formerly Sea Island Co.	1,762	3	3.35%	2,100	2	4.05%
Federal Law Enforcement Training Center	1,051	4	2.00%	3,047	1	5.87%
Glynn County Board of Commissioners	915	5	1.74%	850	5	1.64%
Brunswick Cellulose, LLC (formerly Kock Cellulose, LLC)	610	6	1.16%	790	6	1.52%
Radial (call center)	400	7	0.76%	-	-	-
Walmart Superstore	400	8	0.76%	550	9	1.06%
Rich Products Coporation	350	9	0.67%	600	7	1.16%
Jekyll Island Authority	350	10	0.67%	-	-	-
King and Prince Seafood	-		-	570	8	1.10%
Hercules - Pinova Division	-		-	356	10	0.69%
Total of Top Ten Employers	10,346		19.69%	12,445		23.99%
Total Employees	52,571			51,876		

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017 *	2018
Function										
General government	24.40	27.30	16.90	15.90	16.90	16.90	15.50	14.00	20.00	20.00
Judicial	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public safety	122.00	120.00	110.00	119.50	110.50	111.50	108.50	109.00	108.00	102.00
Public works	51.00	45.00	38.00	36.00	33.00	33.00	32.00	35.00	33.00	33.00
Culture and recreation	34.68	31.00	18.30	21.00	15.20	15.20	14.20	13.00	15.00	13.00
Cemetary	8.00	7.00	2.00	2.00	4.00	4.00	4.00	3.00	2.00	2.00
Community development	9.00	1.00	2.00	2.00	2.00	2.00	3.00	3.00	2.00	2.00
Economic development Component unit	1.00	1.00	1.00	1.00	4.00	4.00	1.50	-	1.00	1.00
Sanitation department	20.00	20.00	17.00	14.00	-	-	1.00	1.00	1.00	1.00
Total	272.08	254.30	207.20	213.40	187.60	188.60	181.70	180.00	184.00	176.00

Source: City Finance Department
* City revised fiscal year 2017 due to more accurate information

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Occupancy Permits Issued	105	123	140	139	99	123	128	131	129	143
Building Permits Issued	82	98	86	108	83	67	92	89	91	92
Plumbing Permits Issued	20	22	85	64	36	46	85	87	66	53
Electrical Permits Issued	126	225	140	115	103	204	242	215	245	260
Mechanical Permits Issued	14	17	28	19	17	25	45	51	43	36
Other Permits Issued	2	4	6	20	20	-	127	131	189	167
Inspections - Percentage of Plans Completed Within 10 Days										
Inspections - Percentage of Plans Completed in 24 Hours										
Judicial										
Dockets Processed	5,222	4,020	3,971	4,203	3,577	3,970	2,257	3,192	2,775	5,918
Public Safety										
Police - Number of Arrests	1,430	1,050	1,006	1,121	950	1,237	734	683	624	752
Police - Jail Bookings	1,482	1,124	990	1,212	1,089	1,192	1,123	1,221	1,186	1,291
Police - Calls Received	61,940	55,790	42,904	42,700	53,081	55,264	42,077	28,648	29,715	42,326
Police - Narcotics Arrests	118	106	141	153	116	173	113	94	90	127
Police - Traffic Citations Total	2,764	2,555	5,194	4,142	3,769	3,961	4,002	4,261	3,369	4,112
Police - Traffic Citations - Moving	2,488	2,219	4,677	3,609	3,105	2,926	3,686	3,153	2,444	2,898
Police - Traffic Citations Non - Moving	276	336	517	533	664	1,095	316	371	268	322
Fire - Calls Received	2358	2,451	2,680	2594	2,445	2,682	3,050	3,457	3,664	3,611
Fire - Inspection and Plan Reveiws	208	691	971	402	159	80	200	366	826	1,127
E911 - Calls Receieved (Note 2)	N/A	44,534	47,536	47658	56,432	58,665	75,474	32,395 *	33,427 *	46,511

Continued.

CITY OF BRUNSWICK, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Works										
Street Sweeping Frequency Per Year (miles per work day)	65.18	55.44	55.63	36.9	31.2	28	36	10.83	20.52	6.27
Ditches Maintained (miles)	22.49	3.68	4.81	12.95	20.96	18.5	11	9.95	12.77	7.06
Feet of Storm Drains Cleaned and Maintained	12,724	11,299	14,097	11,616	22,263	19,500	30,197	20,989	9,632	9,524
Sanitation (note 1)										
Residential Customers	N/A	4,028	3,722	3,482	3,626	4,395	4,936	4,936	4150	4065
Commercial Cunstomers	N/A	969	626	551	520	342	530	530	300	297
Culture & Recreation										
Number of Days Various Facilities Rented	58	43	48	45	18	5	12	9	7	13
Number of Participants in Athletics	125	229	367	266	78	225	136	102	219	297
Cemetary										
Number of New Grave Openings	179	189	150	113	129	149	152	171	174	150
Community Development										
Net Gain of New Downtown Businesses	9	14	17	17	18	27	36	22	19	40

Note (1) Residential and commercial sanitation service was outsourced in December 2012. Prior to January 1, 2009 the 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 year 2009.

Note (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.

* City revised the number of calls due to more accurate information.

Sources: Various City Departments.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
Public Works										
Police - Vehicles	62	61	58	55	60	80	62	80	93	90
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	5	5	5	12	12	14	16
Traffic Signals	28	28	28	28	26	26	25	25	25	25
Public Works										
Miles of Paved Roads Maintained	99.5	99.5	99.5	99.5	99.5	99.5	99.8	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	77	77	77
Sanitation										
Collection Vehicles	12	11	11	12	9	9	9	9	9	9
Culture & 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	10	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										
Cemeteries	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.

(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 Commissic on January 1, 2008. The historical data was also transferred. There was some insignificant activity recorded on the City's books in 200

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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 the 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, 2018, 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 June 19, 2019.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
June 19, 2019

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, 2018. The City's major federal programs are identified in the summary of auditor's 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, 2018.

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
June 19, 2019

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
(Passed through the Coastal Georgia Regional Commission)				
Aging Cluster:				
Special Programs for Aging - Title III, Part B	93.044	2018-17	$ 48,910	$ -
Nutrition Services Incentive Program	93.053	2018-17	71,603	-
Special Programs for Aging - Title III, Part C 2	93.045	2018-17	17,382	-
Subtotal Aging Custer			137,895	-
Total U.S. Department of Health and Human Services			137,895	-
U.S. Department of Housing and Urban Development				
CDBG - Entitlements Grant Cluster				
Community Development Block Grant	14.218	BC-17-MC-130010	364,930	-
(Passed through Georgia Department of Community Affairs)				
Community Home Investment Program	14.228	2013-879	59,380	-
Total U.S. Department of Housing and Urban Development			424,310	-
U.S. Department of Justice				
Equitable Sharing Grant	16.922	N/A	57,796	-
Total U.S. Department of Justice			57,796	-
U.S. Department of Homeland Security				
(Passed through the Georgia Emergency Management Agency)				
Disaster Grants	97.036	Disaster 4338	1,057,206	-
Total U.S. Department of Homeland Security			1,057,206	-
Total Expenditures of Federal Awards			$ 1,677,207	$ -

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, 2018.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended June 30, 2018.

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	_____ Yes __X__ 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, 2018

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
STATUS OF PRIOR YEAR AUDIT FINDINGS

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 cost 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.

Status: Resolved

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.

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION IV
STATUS OF PRIOR YEAR AUDIT FINDINGS (CONTINUED)

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

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.

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.

Status: Resolved.

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.

Status: Resolved

CITY OF BRUNSWICK, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION IV
STATUS OF PRIOR YEAR AUDIT FINDINGS (CONTINUED)

2017-004 – Undercollateralization of City Deposits

Criteria: The Official Code of Georgia (OCGA) Section 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.

Status: Resolved