CITY OF BRUNSWICK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

Prepared by:
Finance Department

CITY OF BRUNSWICK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

City Attorney
Brian D. Corry

City Manager
James D. Drumm

December 31, 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, 2019, 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, an 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 2019. 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 units, the Downtown Development Authority, and the Urban Redevelopment Agency. 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 steadily improved since the "Great Recession" and the outlook for Brunswick and Glynn County in the coming year is now improving with a strong economy and business incentive zones. Employment in the Brunswick MSA (Metropolitan Service Area) is expected to increase by 3% 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 to 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 and Glynn County are again working toward the creation of a SPLOST initiative to be placed on the ballot in May 2020, which if approved will provide an estimated $15,826,000 to continue capital improvements within the City.

The City has seen over the last three years a tremendous boost in our downtown business climate. There has been an investment of $36 million and the creation of 276 new jobs. We have seen the addition of the Richland Rum Company, the Rabbit-eye Winery, and construction is underway on the Silver Bluff Brewery. Historic building renovations have taken place and some are currently underway through a City sponsored incentive of building stabilization loans/grants. Also, specialty shops and restaurants that have been added to the downtown will expand our entertainment district. Revenues are expected to increase with additional licensing and tax collections.

The housing market within the local area witnessed a minor increase last year and has since then remained steady over the past 12 months. There have been moderate sales with less marketable properties in the City. There is a resurgence of interest in renovations of older historic homes in the Oldtown Historic District. Looking forward to 2020, Brunswick will see a 3% increase in the taxable value of both residential and commercial property. Some of this will reflect new construction/renovation. This will be reflected in little growth in the local tax digest for Brunswick, especially since the creation of the Tax Allocation District in 2018 will likely capture much of the increased value of taxable property. Ad Valorem taxes represent approximately twenty percent of the annual General Fund revenue budget.

MAJOR INITIATIVES

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 2019 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 three-year period. This tax will end in 2020 and the City and the County are preparing legislation for 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 has provided 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 has also been awarded CDBG-DR (Disaster Recovery) funding that will be offered to residents to address unmet repair needs form Hurricane Irma. Additionally, there will be funding for mitigation to better prepare for storms.

The City will continue to work to improve the value of our Tax Digest in the 2020 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, while still in its early stages, 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 the City approved Enterprise zones. Resurgence in economic redevelopment initiatives will also play an important role in improving the value of the 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 had 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. The City will again seek this designation with this comprehensive annual report for the fiscal year ending June 30, 2019.

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

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

CITY OF BRUNSWICK, GEORGIA

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2019

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***

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.

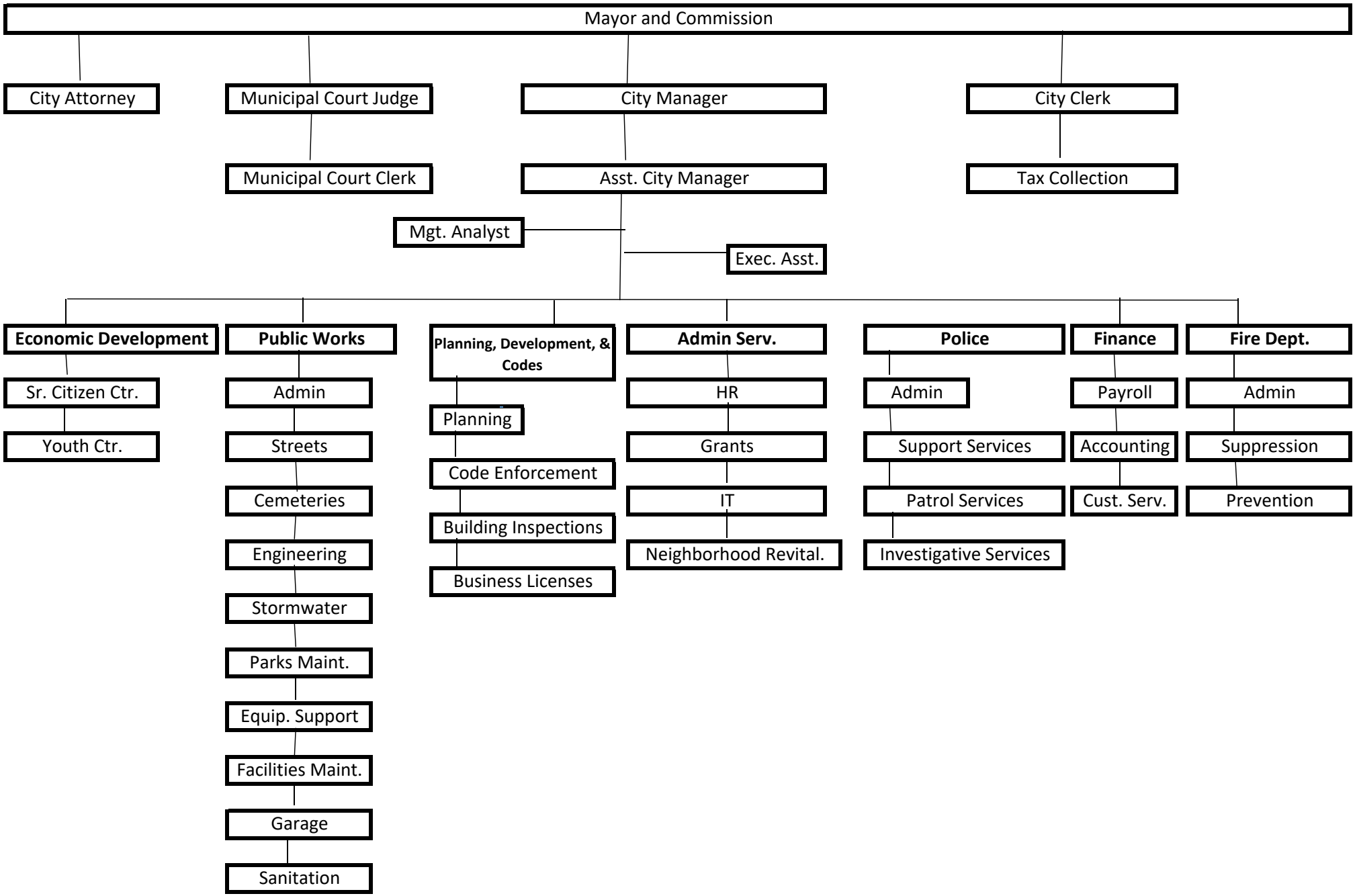
HISTORY (Continued)

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



FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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, 2019, 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 opinion.

Opinion

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, 2019, 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 Schedule of Revenues, Expenditures and Changes in Fund Balances – Budgets (GAAP BASIS) and Actual General Fund (on pages 68 through 69), the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budgets (GAAP BASIS) and Actual Community Development Fund (page 70), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 71), the Schedule of Contributions (on page 72) and the Schedule of Investment Returns for the Defined Benefit Plan (on page 73) 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 (GASB), 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 combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the certification of 9-1-1 expenditures 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 certification of 9-1-1 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 December 31, 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

Savannah, Georgia
December 31, 2019

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, 2019. 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.

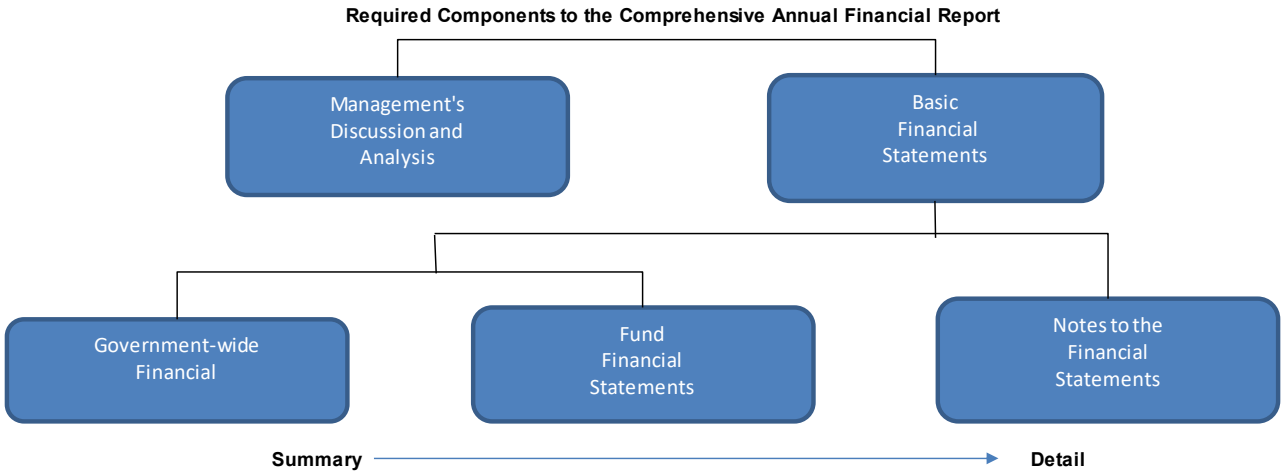
Financial Highlights

- 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 $45,218,653 (*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 $7,604,597 and related deferred outflows of resources related to the pension of $796,647 and deferred inflows related to the pension of $354,527 in the Statement of Net Position. The net pension liability increased by $187,699 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 55.2%.
- The City's overall financial position increased by $4,797,457 due primarily to an increase in charges for services and 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 $14,881,417 with a combined increase of $4,246,961 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 $6,661,649. General Fund revenues increased $138,147 over the total General Fund revenues for the previous fiscal year.
- The City of Brunswick's total debt decreased $135,299 or 1.21% during the current fiscal year as the result of payments on capital leases and an increase in net pension liability.
- The Sanitation Fund had an increase in operating revenue of $350,022 or 21% from the previous year and an increase in operating expenses of $8,185 or 0.5% from the previous year.
- The City started a Stormwater Fund for providing stormwater services to its citizens. Operating revenues were $900,747 while operating expenses were $665,047.

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, disposal services, and stormwater 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) and stormwater 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	
	2019	2018	**2019**	2018	**2019**	2018
Assets						
Cash, investments, and receivables	**$ 18,996,438**	$ 15,237,209	**$ 874,274**	$ 692,998	**$ 19,870,712**	$ 15,930,207
Capital assets	**40,636,061**	39,699,007	**481,469**	63,157	**41,117,530**	39,762,164
Landfill closure costs escrow deposit	**-**	-	**422,130**	447,472	**422,130**	447,472
Prepaid items and other	**301,197**	268,767	**-**	-	**301,197**	268,767
Total assets	**59,933,696**	55,204,983	**1,777,873**	1,203,627	**61,711,569**	56,408,610
Deferred outflows of resources	**796,647**	248,953	**-**	-	**796,647**	248,953
Liabilities						
Current liabilities	**4,967,150**	4,387,904	**792,225**	704,138	**5,759,375**	5,092,042
Long-term liabilities	**10,874,716**	10,758,313	**-**	-	**10,874,716**	10,758,313
Total liabilities	**15,841,866**	15,146,217	**792,225**	704,138	**16,634,091**	15,850,355
Deferred inflows of resources						
Deferred inflows of resources	**655,472**	386,012	**-**	-	**655,472**	386,012
Net position:						
Net investment in capital assets	**51,336,772**	46,484,077	**481,469**	63,157	**51,818,241**	46,547,234
Restricted	**7,918,571**	274,285	**422,130**	447,472	**8,340,701**	721,757
Unrestricted	**(15,022,338)**	(6,836,655)	**82,049**	(11,140)	**(14,940,289)**	(6,847,795)
Total net position	**$ 44,233,005**	$ 39,921,707	**$ 985,648**	$ 499,489	**$ 45,218,653**	$ 40,421,196

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 $45,218,653 as of June 30, 2019. The City's net position increased by $4,797,457 for the fiscal year ended June 30, 2019. The largest portion of the City's net position is $51,818,241 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, $8,340,701, represents resources that are subject to external restrictions on how they may be used. The remaining balance (deficit) of ($14,940,289) 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 4.47%.
- Total expenses for governmental activities increased by 2.27% from the previous fiscal year.
- The net position of the Sanitation Fund decreased by 16% due to an excess of expenditures over revenues.

Government-Wide Financial Analysis (Continued)

City of Brunswick's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	**2019**	2018	**2019**	2018
Revenues:						
Program revenues						
Charges for services	**$ 1,745,642**	$ 1,056,455	**$ 2,585,180**	$ 1,334,411	**$ 4,330,822**	$ 2,390,866
Operating grants and contributions	**1,018,190**	2,560,291		-	**1,018,190**	2,560,291
Capital grants and contributions	**5,439,443**	4,555,142		-	**5,439,443**	4,555,142
General revenues:						
Property taxes	**5,181,686**	5,158,426	**-**	-	**5,181,686**	5,158,426
Franchise taxes	**1,301,212**	1,253,287	**-**	-	**1,301,212**	1,253,287
Hotel/Motel tax	**7,654**	7,306	**-**	-	**7,654**	7,306
Local option sales tax	**6,415,905**	5,951,970	**-**	-	**6,415,905**	5,951,970
Selective sales and use tax	**1,699,764**	1,610,232	**-**	-	**1,699,764**	1,610,232
Unrestricted investment earnings	**158,812**	55,602	**17,245**	6,941	**176,057**	62,543
Gain on sale of capital assets	**5,789**	-		-	**5,789**	-
Miscellaneous	**210,609**	160,941	**-**	-	**210,609**	160,941
Total revenues	**23,184,706**	22,369,652	**2,602,425**	1,341,352	**25,787,131**	23,711,004
Expenses:						
General government	**3,097,624**	3,255,474	**-**	-	**3,097,624**	3,255,474
Judicial	**328,090**	262,348	**-**	-	**328,090**	262,348
Public safety	**7,742,182**	8,382,269	**-**	-	**7,742,182**	8,382,269
Public works	**2,206,200**	3,491,459	**-**	-	**2,206,200**	3,491,459
Culture and recreation	**3,386,937**	1,180,224	**-**	-	**3,386,937**	1,180,224
Cemetary	**210,948**	219,958	**-**	-	**210,948**	219,958
Community development	**1,215,958**	1,024,546	**-**	-	**1,215,958**	1,024,546
Economic development - (component unit)	**310,157**	271,563	**-**	-	**310,157**	271,563
Debt service	**47,466**	46,596	**-**	-	**47,466**	46,596
Business-type	**-**	-	**2,444,112**	1,770,880	**2,444,112**	1,770,880
Total expenses	**18,545,562**	18,134,437	**2,444,112**	1,770,880	**20,989,674**	19,905,317
Change in net position before transfers	**4,639,144**	4,235,215	**158,313**	(429,528)	**4,797,457**	3,805,687
Transfers	**(327,846)**	(510,220)	**327,846**	510,220	**-**	-
Payments from component unit	**-**	-	**-**	-	**-**	-
Change in net position	**4,311,298**	3,724,995	**486,159**	80,692	**4,797,457**	3,805,687
Net position, beginning	**39,921,707**	36,196,712	**499,489**	418,797	**40,421,196**	36,615,509
Net position, ending	**$ 44,233,005**	$ 39,921,707	**$ 985,648**	$ 499,489	**$ 45,218,653**	$ 40,421,196

Governmental Activities

Governmental activities in the current year increased the City's net position by $4,311,298. Key net elements of the activity are as follows:

- Total governmental revenues increased 4.66% from the previous year.
- Total tax revenue increased slightly by 4.47% from the previous year.
- Total governmental expenses increased 2.27% from the previous year.

Business-type Activities

Business-type activities increased the City of Brunswick's net position by $486,159. The increase is primarily due to transfers of $369,670 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 $9,819,394, total liabilities were $1,936,894 and deferred inflow of resources (property taxes) were $919,654. The ending fund balance in the General Fund was $6,962,846 of which $301,197 was nonspendable and $6,661,649 was unassigned.

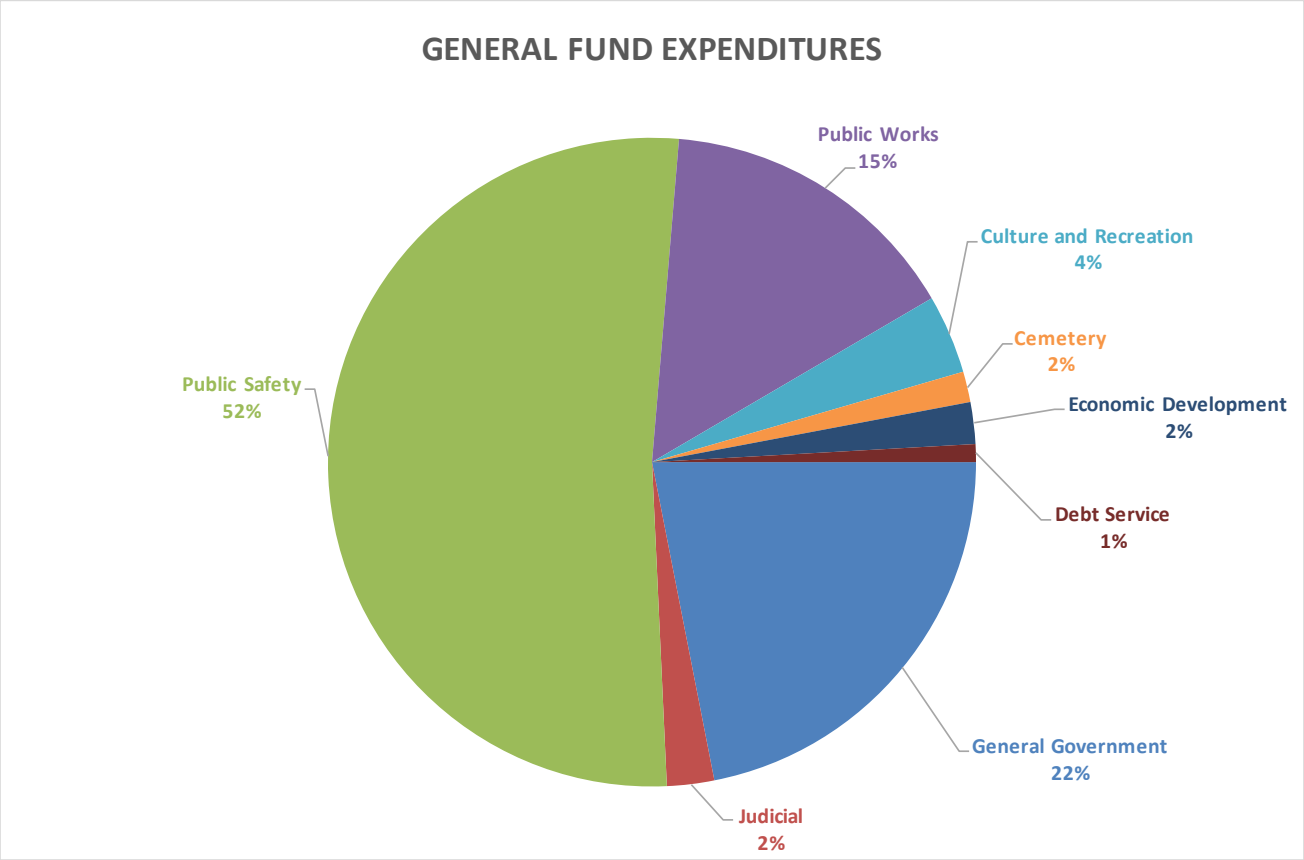
During the current fiscal year, the total revenues and other financing sources in the General Fund were $17,805,509 and the total expenditures and other financing uses in the General Fund were $15,776,442. Of the General Fund revenues, 87.2% come from taxes of which 43.9% is from local option sales tax and 35.5% is from property taxes. Public safety expenditures account for 52.1% of the General Fund expenditures (including capital outlay).

The fund balance in the General Fund increased $2,029,067 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 $266,489 to $545,079 due primarily to transfers from other funds. The fund received $414,869 in grant income and had expenditures of $536,050 during the current year.

The fund balance in the SPLOST VI capital projects fund increased from $4,003,435 to $5,683,450 due primarily to an increase in SPLOST VI revenues. Revenues for the fund totaled $5,144,191.

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 $1,462,986, total liabilities were $1,043,420, and net position was $419,566. Unrestricted net position of the Sanitation Fund at the end of the fiscal year was a deficit of $64,356. The total decrease in net position for the Sanitation Fund was $79,923. Operating revenue was $1,684,433 and operating expenses were $1,779,065 resulting in an operating loss of $94,632.

The Stormwater Fund

The Stormwater Fund is used to account stormwater service provided to City citizens. Total assets in the Stormwater Fund at the end of the current fiscal year were $689,983, total liabilities were $123,901, and net position was $566,082. Unrestricted net position of the Stormwater Fund at the end of the fiscal year was $146,405. The total increase in net position for the Stormwater Fund was $566,082. Operating revenue was $900,747 and operating expenses were $665,047 resulting in operating income of $235,700.

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 $1,216,296. Contributions from the City and its employees totaled $1,126,378 during the year. Other additions to the plan including interest and dividends, gain on security sales, and unrealized appreciation/depreciation on investments totaled $767,558. The Defined Benefit Pension Plan paid $662,370 in monthly and lump-sum payments to retirees during the plan year. Net position in the plan increased by $1,231,566 to $10,983,860 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 $7,604,597 and related deferred outflows of resources related to the pension of $796,647 and deferred inflows related to the pension of $354,527 in the Statement of Net Position. The net pension liability increased by $187,669 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 55.2%.

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, 2019, totaled $41,117,530 (net of accumulated depreciation). These assets included land, land improvements, buildings, equipment and infrastructure.

Major capital asset transactions during the year include the following:

- The city purchased two rescue pumper trucks in the amount of $849,778
- Capital expenditures for the public works and public safety departments totaled $876,633 and $1,416,633, respectively.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	**2019**	2018	**2019**	2018
Land	**$ 3,013,324**	$ 3,013,324	**$ -**	$ -	**$ 3,013,324**	$ 3,013,324
Land improvements	**4,171,140**	4,139,671	**-**	-	**4,171,140**	4,139,671
Buildings and improvements	**10,653,191**	10,787,140	**-**	-	**10,653,191**	10,787,140
Equipment	**2,631,002**	1,662,108	**424,271**	63,157	**3,055,273**	1,725,265
Infrastructure	**19,285,441**	19,075,610	**57,198**	-	**19,342,639**	19,075,610
Construction in progress	**881,963**	1,021,154	**-**	-	**881,963**	1,021,154
Total	**$ 40,636,061**	$ 39,699,007	**$ 481,469**	$ 63,157	**$ 41,117,530**	$ 39,762,164

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 $135,299 or 1.21% 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.

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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	$ 1,637,096	$ 71,354	$ 1,708,450	$ 2,141
Investments	12,319,009	679,283	12,998,292	-
Receivables, net of allowances				
Taxes	1,090,815	-	1,090,815	-
Accounts receivable	509,615	473,544	983,159	13,472
Intergovernmental	2,789,051	-	2,789,051	-
Internal balances	349,907	(349,907)	-	-
Prepaid expenses	301,197	-	301,197	-
Inventories	-	-	-	7,413
Restricted assets:				
Landfill closure costs escrow deposit	-	422,130	422,130	-
Assets held for resale	-	-	-	575,000
Fair value of interest rate swap	300,945	-	300,945	-
Capital assets:				
Land	3,013,324	-	3,013,324	-
Construction-in-progress	881,963	-	881,963	-
Depreciable assets, net	36,740,774	481,469	37,222,243	732,707
Total assets	59,933,696	1,777,873	61,711,569	1,330,733
DEFERRED OUTFLOWS OF RESOURCES				
Pension	796,647	-	796,647	-
Total deferred outflows or resources	796,647	-	796,647	-
LIABILITIES				
Accounts payable	2,240,182	227,607	2,467,789	590,700
Accrued expenses	303,536	8,369	311,905	10,667
Unearned revenues	-	549,709	549,709	8,877
Claims payable	1,813,537	-	1,813,537	-
Due to other governments	182,745	-	182,745	-
Long-term liabilities				
Due within one year:				
Notes from direct borrowings	-	-	-	41,338
Capital leases payable	81,480	-	81,480	-
Customer deposits payable	-	6,540	6,540	-
Compensated absences	345,670	-	345,670	-
Due in more than one year:				
Certificate of participation	1,116,000	-	1,116,000	-
Notes from direct borrowings	-	-	-	824,499
Capital leases payable	420,818	-	420,818	-
Compensated absences	345,670	-	345,670	-
Net pension liability	7,604,597	-	7,604,597	-
Landfill post-closure costs	1,387,631	-	1,387,631	-
Total liabilities	15,841,866	792,225	16,634,091	1,476,081
DEFERRED INFLOWS OF RESOURCES				
Deferred charge on fair value of hedging derivative instruments	300,945	-	300,945	-
Pension	354,527	-	354,527	-
Total deferred inflows of resources	655,472	-	655,472	-
NET POSITION				
Net investment in capital assets	51,336,772	481,469	51,818,241	732,707
Restricted for:				
Community development	584,451	-	584,451	-
Capital of projects	7,277,805	-	7,277,805	-
Public safety	56,315	-	56,315	-
Landfill closure costs	-	422,130	422,130	-
Unrestricted	(15,022,338)	82,049	(14,940,289)	(878,055)
Total net position	$ 44,233,005	$ 985,648	$ 45,218,653	$ (145,348)

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, 2019

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	$ 3,097,624	$ 828,480	$ 59,990	$ 5,233,508	$ 3,024,354	$ -	$ 3,024,354	$ -
Judicial	328,090	541,191	-		213,101	-	213,101	-
Public safety	7,742,182	188,810	93,874	-	(7,459,498)	-	(7,459,498)	-
Public works	2,206,200	-	-	-	(2,206,200)	-	(2,206,200)	-
Culture and recreation	3,386,937	53,183	139,627	-	(3,194,127)	-	(3,194,127)	-
Cemetery	210,948	111,495	-	-	(99,453)	-	(99,453)	-
Community development	1,215,958	22,483	724,699	205,935	(262,841)	-	(262,841)	-
Economic development-component unit	310,157	-	-	-	(310,157)	-	(310,157)	-
Interest on long-term debt	47,466	-	-	-	(47,466)	-	(47,466)	-
Total governmental activities	18,545,562	1,745,642	1,018,190	5,439,443	(10,342,287)	-	(10,342,287)	-
Business-type activities:								
Sanitation	1,779,065	1,684,433	-	-	-	(94,632)	(94,632)	-
Stormwater	665,047	900,747	-	-	-	235,700	235,700	-
Total business-type activities	2,444,112	2,585,180	-	-	-	141,068	141,068	-
Total primary government	$ 20,989,674	$ 4,330,822	$ 1,018,190	$ 5,439,443	(10,342,287)	141,068	(10,201,219)	-
Component unit:								
Downtown Development Authority	$ 342,587	$ 14,205	$ 125,553	$ 174,000	-	-	-	(28,829)
Total component unit	$ 342,587	$ 14,205	$ 125,553	$ 174,000	-	-	-	(28,829)
General revenues:								
Property taxes levied for general purposes					5,181,686	-	5,181,686	-
Franchise taxes					1,301,212	-	1,301,212	-
Hotel/Motel taxes					7,654	-	7,654	-
Selective sales and use tax					1,699,764	-	1,699,764	-
Local options sales tax					6,415,905	-	6,415,905	-
Unrestricted investment earnings					158,812	17,245	176,057	14
Miscellaneous					210,609	-	210,609	-
Gain on sale of capital assets					5,789	-	5,789	-
Transfers					(327,846)	327,846	-	-
Total general revenues and transfers					14,653,585	345,091	14,998,676	14
Change in net position					4,311,298	486,159	4,797,457	(28,815)
Net position, beginning of year					39,921,707	499,489	40,421,196	(116,533)
Net position, end of year					$ 44,233,005	$ 985,648	$ 45,218,653	$ (145,348)

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

CITY OF BRUNSWICK, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Community Development Fund	SPLOST VI Fund	Nonmajor Governmental Funds	Totals Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,107,023	$ 155,972	$ 155,683	$ 140,340	$ 1,559,018
Investments	4,943,660	329,482	5,112,179	1,617,612	12,002,933
Receivables, net of allowances					
Taxes	1,089,667	-	-	1,148	1,090,815
Accounts receivable	397,638	91,090	-	-	488,728
Intergovernmental	1,562,225	8,368	1,156,034	62,424	2,789,051
Prepaid expenditures	301,197	-	-	-	301,197
Due from other funds	417,984	70,171	-	38,278	526,433
Total assets	$ 9,819,394	$ 655,083	6,423,896	$ 1,859,802	$ 18,758,175
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,480,911	$ 16,128	$ 707,294	$ 35,849	$ 2,240,182
Accrued expenditures	296,080	1,283	-	6,173	303,536
Due to other funds	48,588	92,593	-	69,696	210,877
Due to other governments	111,315	-	33,152	38,278	182,745
Advances from other funds	-	-	-	19,764	19,764
Total liabilities	1,936,894	110,004	740,446	169,760	2,957,104
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	919,654	-	-	-	919,654
Total deferred inflows of resources	919,654	-	-	-	919,654
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	301,197	-	-	-	301,197
Restricted for:					
Community development	-	545,079	-	39,372	584,451
Capital projects	-	-	5,683,450	1,594,355	7,277,805
Public safety	-	-	-	56,315	56,315
Unassigned	6,661,649	-	-	-	6,661,649
Total fund balances	6,962,846	545,079	5,683,450	1,690,042	14,881,417
Total liabilities, deferred inflows of resources and fund balances	$ 9,819,394	$ 655,083	$ 6,423,896	$ 1,859,802	$ 18,758,175

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, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances - governmental funds		$ 14,881,417
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		919,654
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Cost of the assets	$ 87,357,500	
Less accumulated depreciation	(46,721,439)	40,636,061
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	$ 300,424	
Workers compensation fund	(1,441,805)	(1,141,381)
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	$ (502,298)	
Claims payable	(203,000)	
Certificate of participation	(1,116,000)	
Landfill post-closure costs	(1,387,631)	
Accrued compensated absences	(691,340)	
Net pension liability	(7,604,597)	
Deferred outflows related to pensions	796,647	
Deferred inflows related to pensions	(354,527)	(11,062,746)
Total net position - governmental activities		$ 44,233,005

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, 2019

	General	Community Development Fund	SPLOST VI Fund	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES					
Taxes:					
Property taxes	$ 5,185,751	$ -	$ -	$ -	$ 5,185,751
Franchise taxes	1,301,212	-	-	-	1,301,212
Local option sales tax	6,415,905	-	-	-	6,415,905
Selective sales and use taxes	1,699,764	-	-	-	1,699,764
Hotel/Motel taxes	-	-	-	7,654	7,654
Licenses and permits	647,570	-	-	-	647,570
Fines and forfeitures	697,363	-	-	-	697,363
Intergovernmental revenues - special purpose local sales tax	-	-	4,523,011	89,317	4,612,328
Intergovernmental revenues - other	-	-	513,757	-	513,757
Grant revenues	128,543	414,869	881	680,713	1,225,006
Charges for services and assessments	321,744	-	-	57,339	379,083
Unrestricted investment earnings	111,694	9,652	106,542	37,466	265,354
Rental income	21,626	-	-	-	21,626
Contributions and donations	4,114	4	-	4,250	8,368
Other revenues	202,241	-	-	-	202,241
Total revenues	16,737,527	424,525	5,144,191	876,739	23,182,982
EXPENDITURES					
General government	2,877,427	-	-	-	2,877,427
Judicial	331,027	-	-	-	331,027
Public safety	7,320,454	-	-	402,790	7,723,244
Public works	2,063,556	-	-	-	2,063,556
Culture and recreation	552,979	-	-	-	552,979
Cemetery	215,881	-	-	-	215,881
Community development	-	534,747	-	371,542	906,289
Economic development	292,320	-	-	-	292,320
Debt service:					
Principal	77,553	-	-	-	77,553
Interest	47,466	-	-	-	47,466
Capital outlay					
General government	206,397	-	-	11	206,408
Public safety	5,815	-	1,087,505	13,000	1,106,320
Public works	81,595	-	-	-	81,595
Culture and recreation	-	-	2,855,405	-	2,855,405
Economic development	-	-	15,980	-	15,980
Community development	-	1,303	-	279,255	280,558
Total expenditures	14,072,470	536,050	3,958,890	1,066,598	19,634,008
Excess (deficiency) of revenues over (under) expenditures	2,665,057	(111,525)	1,185,301	(189,859)	3,548,974
OTHER FINANCING SOURCES (USES)					
Transfers in	1,062,193	390,301	494,714	656,059	2,603,267
Transfers out	(1,703,972)	(186)	-	(206,911)	(1,911,069)
Proceeds from the sale of capital assets	5,789	-	-	-	5,789
Total other financing sources (uses)	(635,990)	390,115	494,714	449,148	697,987
Net change in fund balances	2,029,067	278,590	1,680,015	259,289	4,246,961
Fund balances, beginning of year	4,933,779	266,489	4,003,435	1,430,753	10,634,456
Fund balances, end of year	$ 6,962,846	$ 545,079	$ 5,683,450	$ 1,690,042	$ 14,881,417

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, 2019

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds		$ 4,246,961
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	$ 2,813,401	
Depreciation expense	(1,876,347)	
		937,054
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(4,065)
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		82,339
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.		159,716
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 and claims payable.		(232,939)
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.		(877,768)
Change in net position of governmental activities		$ 4,311,298

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

CITY OF BRUNSWICK, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Sanitation	Nonmajor Stormwater	Total Enterprise Funds	Internal Service Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 69,898	$ 1,456	71,354	$ 78,078
Investments	-	-	-	316,076
Restricted assets, cash	422,130	-	422,130	-
Restricted assets, investments	558,204	121,079	679,283	-
Accounts receivable, net of allowances	326,225	147,319	473,544	-
Claims reimbursement receivable	-	-	-	20,887
Due from other funds	24,737	452	25,189	-
Advances to other funds	-	-	-	54,115
Total current assets	1,401,194	270,306	1,671,500	469,156
NONCURRENT ASSETS				
Capital assets:				
Depreciable, net of accumulated depreciation	61,792	419,677	481,469	-
Total noncurrent assets	61,792	419,677	481,469	-
Total assets	1,462,986	689,983	2,152,969	469,156
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	140,806	86,801	227,607	-
Accrued expenses	1,534	6,835	8,369	-
Unearned revenue	549,709	-	549,709	-
Due to other funds	310,480	30,265	340,745	-
Customer deposits payable	6,540	-	6,540	-
Claims payable	-	-	-	1,610,537
Total current liabilities	1,009,069	123,901	1,132,970	1,610,537
NONCURRENT LIABILITIES				
Advances to other funds	34,351	-	34,351	-
Total noncurrent liabilities	34,351	-	34,351	-
Total liabilities	1,043,420	123,901	1,167,321	1,610,537
NET POSITION				
Investment in capital assets	61,792	419,677	481,469	-
Restricted	422,130	-	422,130	-
Unrestricted	(64,356)	146,405	82,049	(1,141,381)
Total net position	$ 419,566	$ 566,082	$ 985,648	$ (1,141,381)

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, 2019

	Sanitation	Nonmajor Stormwater	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Sanitation fees	$ 1,684,433	$ -	$ 1,684,433	$ -
Stormwater fees	-	900,747	900,747	-
Contributions-employer	-	-	-	1,618,900
Contributions-employees	-	-	-	252,155
Reimbursements	-	-	-	312,449
Total operating revenues	1,684,433	900,747	2,585,180	2,183,504
OPERATING EXPENSES				
Personal services - salaries and wages	33,208	301,507	334,715	-
Personal services - employee benefits	17,906	-	17,906	-
Professional/technical services	1,719,868	215,476	1,935,344	-
Supplies	-	72,826	72,826	-
Education and training	1,542	-	1,542	-
Contractual	-	-	-	304,590
Provision for bad debts	3,264	-	3,264	-
Depreciation	1,365	32,446	33,811	-
Administrative expense	1,912	42,792	44,704	-
Claims	-	-	-	1,743,276
Total operating expenses	1,779,065	665,047	2,444,112	2,047,866
Operating income (loss)	(94,632)	235,700	141,068	135,638
NONOPERATING INCOME				
Investment income	14,709	2,536	17,245	6,638
Total nonoperating income	14,709	2,536	17,245	6,638
Income (loss) before transfers	(79,923)	238,236	158,313	142,276
TRANSFERS				
Transfers out	-	(41,824)	(41,824)	(1,020,044)
Transfers in	-	369,670	369,670	-
Total transfers	-	327,846	327,846	(1,020,044)
Change in net position	(79,923)	566,082	486,159	(877,768)
NET POSITION, beginning of year	499,489	-	499,489	(263,613)
NET POSITION, end of year	$ 419,566	$ 566,082	$ 985,648	$ (1,141,381)

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, 2019

	Sanitation	Nonmajor Stormwater	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Sanitation fees	$ 1,652,849	$ 753,428	$ 2,406,277	$ -
Stormwater fees				
Employee salaries and benefits	(51,000)	(294,672)	(345,672)	-
Payments to suppliers	(1,727,303)	(171,688)	(1,898,991)	-
Administrative expenses	(1,912)	(42,792)	(44,704)	-
Receipts for services	-	-	-	2,258,212
Payments of claims and expenses	-	-	-	(2,234,089)
Net cash provided by (used in) operating activities	(127,366)	244,276	116,910	1,044,167
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	-	369,670	369,670	-
Transfers in	-	(41,824)	(41,824)	-
Net cash provided by noncapital financing activities	-	327,846	327,846	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(452,123)	(452,123)	-
Net cash used in capital and related financing activities	-	(452,123)	(452,123)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	14,709	2,536	17,245	6,638
Purchase of investments	(153,035)	(121,079)	(274,114)	(15,678)
Net cash provided by investing activities	(138,326)	(118,543)	(256,869)	(9,040)
Increase (decrease) in cash and cash equivalents	(265,692)	1,456	(264,236)	1,035,127
Cash and cash equivalents:				
Beginning of year	757,720	-	757,720	62,995
End of year	$ 492,028	$ 1,456	$ 493,484	$ 1,098,122
Classified as:				
Cash and cash equivalents	$ 69,898	$ 1,456	$ 71,354	$ 78,078
Restricted assets, cash	422,130	-	422,130	-
	$ 492,028	$ 1,456	$ 493,484	$ 78,078

(Continued)

CITY OF BRUNSWICK, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Sanitation	Nonmajor Stormwater	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (94,632)	$ 235,700	$ 141,068	$ 135,638
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,365	32,446	33,811	-
Changes in assets and liabilities:				
(Increase) in accounts receivable	(50,722)	(147,319)	(198,041)	-
Increase (decrease) in accrued liabilities	114	6,835	6,949	(23,638)
Decrease in claims reimbursement receivable	-	-	-	74,708
Increase (decrease) in due from other funds	(12,467)	(452)	(12,919)	1,020,044
(Decrease) in claims payable	-	-	-	(162,585)
Increase (decrease)in accounts payable	(24,801)	86,801	62,000	-
Increase in due to other funds	34,639	30,265	64,904	-
Increase in customer deposits	310	-	310	-
Increase in unearned revenue	18,828	-	18,828	-
Net cash provided by (used in) operating activities	$ (127,366)	$ 244,276	$ 116,910	$ 1,044,167

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, 2019

ASSETS	
Cash and cash equivalents	$ 771,703
Receivables:	
Contributions - employer	949,631
Interest and dividends receivable	24,380
Total receivables	974,011
Restricted investments, at fair value:	
U.S. Treasury notes	3,008,177
Corporate bonds	668,898
Domestic equities	5,513,885
Other investments	56,826
Total investments	9,247,786
Total assets	10,993,500
LIABILITIES	
Due to others	9,640
Total liabilities	9,640
NET POSITION	
Assets restricted for pension benefits	$ 10,983,860

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, 2019

Additions		
Contributions:		
Employer	$	949,631
Participants		176,747
Total contributions		1,126,378
Investment income (expense):		
Interest and dividends		239,885
Gain on security sales		24,059
Net increase in fair value of plan investments		503,614
Net investment income		767,558
Total additions		1,893,936
Deductions		
Benefit payments		602,745
Contractual and administrative expenses		59,625
Total deductions		662,370
Net increase in plan net position		1,231,566
Net position restricted for pension benefits:		
Net position - beginning of year		9,752,294
Net position - end of year	$	10,983,860

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

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 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.

Nonmajor Proprietary Fund

Stormwater Enterprise Fund – This fund is used to account for revenues collected through a stormwater fee for the cost of providing both residential and commercial services 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,** the **Hotel/Motel Tax Fund,** and the **SPLOST V Fund**.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Other Funds (Continued)

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

The internal service funds are described below:

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

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

Fiduciary Fund

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

i. 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.

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, 2019.

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, 2019 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, 2019, 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, 2019, 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, 2018. 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 City's pension plan 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 two items that qualify for reporting in this category. The first, which is related to pension obligations as follows. The item is the difference 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 second item is the deferred charge on fair value of hedging derivative instruments which is related to the City's certificate of participation.

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 City Commission resolutions. The City had no committed fund balances at June 30, 2019.

- *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, 2019.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

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

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 fund had deficit net position at June 30, 2019:

The **Workers' Compensation Fund** had deficit net position of ($1,441,805).

The deficit will be eliminated through future General Fund transfers

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Revenue and Expenditures/Expenses (Continued)

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.

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.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Collateralization of Deposits (Continued)

As of June 30, 2019, the City's bank depositories reported government-wide balances held of $2,307,521, $771,703 for the Pension Fund, and $9,954 for the Component Unit. These amounts are reconciled to the financial statements as shown below:

	Governmental Activities	Business-type Activities	Total	Pension Fund	Component Unit
Reported bank balances	$ 1,796,788	$ 510,733	$ 2,307,521	$ 771,703	$ 9,954
Plus petty cash	3,575	-	3,575	-	1,374
Less uncleared transactions	(163,267)	(17,249)	(180,516)	-	(9,187)
Financial statement balance	$ 1,637,096	$ 493,484	$ 2,130,580	$ 771,703	$ 2,141

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, 2019, the City's bank balance of 2,307,521 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.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

The City's investments, excluding the Pension Fund, at June 30, 2019, were as follows:

Investment	Maturities	Fair Value
Georgia Fund I, AAAf	39 - days weighted average	$ 12,213,688
Guaranteed investment contract	10 - 20 Years	784,604
Total Investments		$ 12,998,292
Investments are reported in the following activities:		
Governmental		
General Fund		$ 4,943,660
Community Development Fund		329,482
SPLOST VI Fund		5,112,179
Nonmajor Governmental Funds		1,617,612
Business-type		
Sanitation Fund		558,204
Stormwater Fund		121,079
Internal Service Fund		
Group Health Fund		316,076
		$ 12,998,292

Pension Fund Investments

As of June 30, 2019, the City had $10,019,489 invested on behalf of a defined benefit pension fund which included cash and cash equivalents of $771,703. The balance of pension investments of $9,247,786 is invested based on a separate policy for pension assets adopted by the City in compliance with state law.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Fund Investments (Continued)

The City's pension fund assets are invested in domestic common 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	$ 142,204	$ 8,296	$ 133,908	$ -	$ -	A-
Corporate bonds	174,838	40,035	134,803	-	-	BBB+
Corporate bonds	251,188	70,135	181,053	-	-	BBB
Corporate bonds	100,668	-	100,668	-	-	BBB-
Corporate equities	5,513,885	5,513,885	-	-	-	N/A
U.S. Treasuries	3,008,177	980,053	2,028,124	-	-	N/A
Other assets	56,826	-	-	-	56,826	N/A
Total fair value	$ 9,247,786	$ 6,612,404	$ 2,578,556	$ -	$ 56,826	

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.

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.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Fund Investments (Continued)

Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2019:

Investment	Level 1	Level 2	Level 3	Fair Value
Corporate Equity Securities	$ 5,513,885	$ -	$ -	$ 5,513,885
Corporate Bonds	628,863	40,035	-	668,898
United States Treasuries	3,008,177	-	-	3,008,177
Other Assets	56,826	-	-	56,826
	$ 9,207,751	$ 40,035	$ -	$ 9,247,786

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, 2019, consisted of the following balances for the City's governmental funds, including the applicable allowances for uncollectible accounts:

	General	Community Development	SPLOST VI	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:					
Taxes	$ 1,111,905	$ -	$ -	$ 1,148	$ 1,113,053
Accounts	397,638	91,090	-	-	488,728
Intergovernmental	1,562,225	8,368	1,156,034	62,424	2,789,051
Gross receivables	3,071,768	99,458	1,156,034	63,572	4,390,832
Less: allowance for uncollectibles	(22,238)	-	-	-	(22,238)
Net total receivables	$ 3,049,530	$ 99,458	$ 1,156,034	$ 63,572	$ 4,368,594

NOTE 3. RECEIVABLES (CONTINUED)

Receivables as of June 30, 2019, consisted of the following balances for the City's enterprise funds, and internal service funds, including the applicable allowances for uncollectible accounts:

	Sanitation	Stormwater	Internal Service Funds	Total
Receivables:				
Accounts	$ 336,324	$ 150,325	$ -	$ 486,649
Claims reimbursement receivable	-	-	20,887	20,887
Gross receivables	336,324	150,325	20,887	507,536
Less: allowance for uncollectibles	(10,099)	(3,006)	-	(13,105)
Net total receivables	$ 326,225	$ 147,319	$ 20,887	$ 494,431

Property taxes were levied on behalf of the City by Glynn County on September 18, 2018, (Levy Date) based upon property values assessed as of January 1. The billings were mailed on September 19, 2018, and payable on or before November 18, 2018, for the fiscal year 2019 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, 2019, the allowance for uncollectible property taxes was $22,238.

The composition of interfund balances as of June 30, 2019, is as follows:

Receivable Fund	Payable Fund	Total
General Fund	Community Development Fund	$ 92,593
General Fund	Sanitation Fund	310,480
General Fund	Stormwater Fund	14,911
Community Development Fund	Nonmajor Governmental Funds	69,696
Community Development Fund	General Fund	475
Nonmajor Governmental Funds	General Fund	38,278
Sanitation Fund	General Fund	9,383
Sanitation Fund	Stormwater Fund	15,354
Stormwater Fund	General Fund	452
Total		$ 551,622

NOTE 3. RECEIVABLES (CONTINUED)

In prior years, cash was transferred to the Internal Service Funds to cover claims expense. The Internal Service Funds have recorded a receivable of $54,115 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	Nonmajor Governmental Funds	19,764
Internal Service Funds	Sanitation Fund	34,351
Total		$ 54,115

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.

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NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, 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	1,021,154	430,064	-	(569,255)	881,963
Total capital assets, not being depreciated	4,034,478	430,064	-	(569,255)	3,895,287
Capital assets, being depreciated:					
Buildings	15,945,953	202,354	-	-	16,148,307
Equipment	13,101,027	1,583,363	(22,968)	-	14,661,422
Land improvements	6,142,242	268,012	-	-	6,410,254
Infrastructure	45,343,367	329,608	-	569,255	46,242,230
Total capital assets, being depreciated	80,532,589	2,383,337	(22,968)	569,255	83,462,213
Less accumulated depreciation for:					
Buildings	(5,158,813)	(336,303)	-	-	(5,495,116)
Equipment	(11,438,919)	(614,469)	22,968	-	(12,030,420)
Land improvements	(2,002,571)	(236,543)	-	-	(2,239,114)
Infrastructure	(26,267,757)	(689,032)	-	-	(26,956,789)
Total accumulated depreciation	(44,868,060)	(1,876,347)	22,968	-	(46,721,439)
Total capital assets, being depreciated, net	35,664,529	506,990	-	569,255	36,740,774
Governmental activities capital assets, net	$ 39,699,007	$ 937,054	$ -	$ -	$ 40,636,061

NOTE 4. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued):

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, being depreciated:					
Equipment	$ 1,395,085	$ 394,660	$ -	$ -	$ 1,789,745
Infrastructure	-	57,463	-	-	57,463
Total capital assets, being depreciated	1,395,085	452,123	-	-	1,847,208
Less accumulated depreciation for:					
Equipment	(1,331,928)	(33,546)	-	-	(1,365,474)
Infrastructure	-	(265)	-	-	(265)
Total accumulated depreciation	(1,331,928)	(33,811)	-	-	(1,365,739)
Total capital assets, being depreciated, net	63,157	418,312	-	-	481,469
Business-type activities capital assets, net	$ 63,157	$ 418,312	$ -	$ -	$ 481,469

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	$ 242,209
Public safety	504,668
Public works	782,810
Culture and recreation	309,095
Community development	37,565
Total depreciation expense - governmental activities	$ 1,876,347
Business-type activities:	
Sanitation	$ 1,365
Stormwater	32,446
Total depreciation expense - business-type activities	$ 33,811

NOTE 4. CAPITAL ASSETS (CONTINUED)

Component Unit:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Downtown Development Authority					
Capital assets, not being depreciated:					
Construction in progress	$ 747,894	$ -	$ -	$ (747,894)	$ -
Total capital assets, not being depreciated	747,894	-	-	(747,894)	-
Capital assets, being depreciated:					
Buildings	-	-	-	746,623	746,623
Equipment	-			1,271	1,271
Total capital assets, being depreciated	-	-	-	747,894	747,894
Less accumulated depreciation for:					
Buildings	-	(14,933)	-	-	(14,933)
Equipment	-	(254)	-	-	(254)
Total accumulated depreciation	-	(15,187)	-	-	(15,187)
Total capital assets, being depreciated, net	-	(15,187)	-	747,894	732,707
Downtown Development Authority capital assets, net	$ 747,894	$ (15,187)	$ -	$ -	$ 732,707

Depreciation expense of $15,187 was charged to the component unit in fiscal year 2019.

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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, 2019, (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, 2019, investments in equities comprised 50% 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 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 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 15 and 16 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, 2018, the Plan year-end, and the measurement:

Inactive plan members or beneficiaries currently receiving benefits	52
Inactive plan members entitled to, but not receiving benefits	120
Active plan members	130
Total	302

Benefits

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

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

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

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

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

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

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

NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

Benefits (Continued)

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

Contributions

The City's funding policy requires employer contributions to be determined actuarially under the entry age normal cost, level percentage of pay method and to be expressed as percentages of annual covered payroll and that accumulate sufficient assets to pay timely benefits. The minimum required contribution for the current fiscal year ended June 30, 2019, was $935,051 as determined on the actuarial valuation date of January 1, 2018. The total contributions made by the City were $935,051. The total required contribution of $935,051 was paid on December 1, 2018.

Investments

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

Concentrations

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

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was negative 1.88%. 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, 2018, 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, 2019, were as follows:

Total pension liability	$	16,966,802
Less: Plan fidiciary net position		9,362,205
City's net pension liability	$	7,604,597
Plan fiduciary net position as a percentage of the total pension liability		55.18%

Actuarial Assumptions

The annual required contribution and actuarial accrued liability were determined as part of an actuarial valuation at January 1, 2018. The actuarial methods and significant actuarial assumptions are summarized as follows:

- Valuation date – January 1, 2018
- 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 – 7.25%
- Projected Salary increases – 3.50%
- 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 – 2014 Total Employee and Health Annuitant Mortality Tables with Mortality Improvement using the Buck Modified Scale MP – 2016.

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 (a) - (b)
Beginning Balance	$ 17,180,100	$ 9,763,202	$ 7,416,898
Changes for the year:			
Service cost	242,650	-	242,650
Interest	1,300,696	-	1,300,696
Change in benefit terms	5,251	-	5,251
Differences between expected and actual experience	(482,750)	-	(482,750)
Contributions–employer	-	935,051	(935,051)
Contributions–employee	-	175,888	(175,888)
Net investment income	-	(181,288)	181,288
Benefit payments, including refunds of employee contributions	(1,279,145)	(1,279,145)	-
Administrative expense	-	(51,503)	51,503
Net changes	(213,298)	(400,997)	187,699
Ending Balance	$ 16,966,802	$ 9,362,205	$ 7,604,597

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 (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	$ 9,220,306	$ 7,604,597	$ 6,240,765

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, 2019, the City recognized pension expense of $775,335. At June 30, 2019, 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	$ 25,181	$ (354,527)
Changes in actuarial assumptions	823	-
Differences between expected and actual experience	770,643	-
Total	$ 796,647	$ (354,527)

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:	
2020	$ 111,085
2021	3,910
2022	148,488
2023	178,637
Total	$ 442,120

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:					
Capital leases	$ 579,851	$ -	$ (77,553)	$ 502,298	$ 81,480
Net pension liability	7,416,898	1,298,638	(1,110,939)	7,604,597	-
Certificate of participation	1,116,000	-	-	1,116,000	-
Compensated absences	661,401	421,764	(391,825)	691,340	345,670
Landfill post-closure costs	1,392,417	-	(4,786)	1,387,631	-
Governmental activities long-term liabilities	$ 11,166,567	$ 1,720,402	$ (1,585,103)	$ 11,301,866	$ 427,150

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
2020	$ 53,010	$ -	$ 53,010
2021	53,010	-	53,010
2022	53,010	-	53,010
2023	53,010	-	53,010
2024	53,010	-	53,010
2025 - 2028	1,328,040	1,116,000	212,040
	$ 1,593,090	$ 1,116,000	$ 477,090

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, 2019, the floating rate being paid by the City is 2.21% and the market value of this agreement is $300,945 The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2019, 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.

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

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 $4,786. The balance in the escrow account at June 30, 2019, was $422,130. The City's portion of post-closure costs are currently estimated to $1,387,631. The T Street Landfill ceased operations in the late 1970's.

The estimated total current cost of the post-closure care, $1,387,631, 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, 2019. 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, 2019.

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.

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	(405,166)
Carrying value	$ 699,834

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

Capital Leases Payable (Continued)

Debt service requirements on capital leases at June 30, 2019, were as follows:

Fiscal Year Payable		
2020	$	105,588
2021		105,588
2022		105,588
2023		105,588
2024		105,588
2025		52,796
Total		580,736
Less amounts representing interest		(78,438)
		502,298
Less current portion		(81,480)
Total	$	420,818

Component Unit

The Downtown Development Authority has entered into a note from direct borrowing for the purchase and renovation of 1406 Newcastle property. The Authority has pledged property as collateral for the notes from direct borrowing. The note from direct borrowing contains a provision that changes the timing of repayment of outstanding amounts to become immediately due if the Authority is unable to make payment.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Downtown Development Authority Notes from direct borrowings	$ 843,925	$ 58,133	$ (36,221)	$ 865,837	$ 41,338
Downtown Development Authority long-term liabilities	$ 843,925	$ 58,133	$ (36,221)	$ 865,837	$ 41,338

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

Component Unit (Continued)

Debt service requirements on note from direct borrowing at June 30, 2019, were as follows:

Fiscal Year Payable	Total	Principal	Interest
2020	$ 88,868	$ 41,338	$ 47,530
2021	88,868	43,833	45,035
2022	88,868	46,340	42,528
2023	88,868	48,992	39,876
2024	88,868	51,693	37,175
2025 - 2029	444,342	306,862	137,480
2030 - 2034	370,284	326,779	43,505
	$ 1,258,966	$ 865,837	$ 393,129

NOTE 7. 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.

	Transfer From					
Transfer To	General Fund	Community Development Fund	Stormwater Fund	Nonmajor Governmental	Internal Service Funds	Total
General Fund	$ -	$ 186	$ 41,824	$ 139	$ 1,020,044	$ 1,062,193
Community Development Fund	390,301	-	-	-	-	390,301
SPLOST VI Fund	287,942	-	-	206,772	-	494,714
Stormwater Fund	369,670	-	-	-	-	369,670
Nonmajor Governmental Funds	656,059	-	-	-	-	656,059
Total	$ 1,703,972	$ 186	$ 41,824	$ 206,911	$ 1,020,044	$ 2,972,937

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 8. 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 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.

On November 1, 1991, the City 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.

NOTE 8. RISK MANAGEMENT (CONTINUED)

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

The claims liability as of June 30, 2019, is $130,000 and $1,480,537 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, 2018	$ 200,000	$ 1,272,043	$ 1,292,043	$ 180,000
June 30, 2019	180,000	1,177,907	1,227,907	130,000
Worker's Compensation Fund				
June 30, 2018	$ 1,562,756	$ 650,724	$ 620,358	$ 1,593,122
June 30, 2019	1,593,122	402,788	515,373	1,480,537

NOTE 9. 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 10. COMMITMENTS AND CONTINGENCIES

Construction Commitments

The City had the following construction commitments as of June 30, 2019.

Project	Contract Amount	Completed to Date	Balance to be Completed
L Street - City of Brunswick	$ 1,675,455	$ 38,700	$ 1,636,755
L Street - JWSC (1)	711,080	32,400	678,680
Glynn Middle School Walk Route	120,244	-	120,244
Roadway Resurfacing	1,983,307	1,525,584	457,723
	$ 4,490,086	$ 1,596,684	$ 2,893,402

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. During July 2019 the City settled an arbitration claim dating back to May of 2015 in the amount of $203,000 and has accrued this amount as claims payable in the government-wide statement of net position.

NOTE 11. 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 12. 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 $7,654 from the collection of the hotel/motel tax during fiscal year ended June 30, 2019, and remitted $6,999 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 13. 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 14. 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 15. 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, 2019. 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 $285,850 under this cost-reimbursement contract during the year ended June 30, 2019.

NOTE 16. 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, 2019.

NOTE 17. RELATED PARTY TRANSACTIONS

The City received $115,291 from the City of Brunswick Housing Authority for reimbursements of salaries and benefits for police officers assigned specifically to the authority.

The City received $485,180 in reimbursements from the Brunswick-Glynn County Joint Water & Sewer Commission for repayments on SPLOST VI capital projects, respectively.

The City received $139,627 and $12,350 in reimbursements from Glynn County for repayments on SPLOST V and SPLOST VI capital projects, respectively.

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, 2019

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes:				
Property taxes	$ 5,220,170	$ 5,185,751	$ 5,185,751	$ -
Franchise fees	2,384,947	1,301,212	1,301,212	-
Local option sales tax	5,550,000	6,415,905	6,415,905	-
Selective sales and use taxes	480,000	1,699,764	1,699,764	-
Licenses and permits	322,647	647,570	647,570	-
Fines and forfeitures	304,000	697,363	697,363	-
Investment earnings	40,000	111,694	111,694	-
Grant revenues	23,982	128,543	128,543	-
Charges for services	636,498	321,744	321,744	-
Rental income	21,370	21,626	21,626	-
Contributions and donations	-	4,114	4,114	-
Miscellaneous income	7,135,730	202,241	202,241	-
Total revenues	22,119,344	16,737,527	16,737,527	-
EXPENDITURES				
General government				
City commission and clerk - operating and capital outlay	47,995	26,613	26,613	-
City commission and clerk - compensation, payroll taxes and benefits	222,939	234,741	234,741	-
City manager - operating and capital outlay	29,280	32,346	32,346	-
City manager - compensation, payroll taxes and benefits	378,100	314,033	314,033	-
Finance administration - operating and capital outlay	71,200	25,780	25,780	-
Finance administration - compensation, payroll taxes and benefits	308,840	304,621	304,621	-
Information and technology - operating and capital outlay	171,471	177,600	177,600	-
Human resources - operating and capital outlay	38,850	26,288	26,288	-
Human resources - compensation, payroll taxes and benefits	62,999	56,743	56,743	-
General government buildings and plant - operating and capital outlay	600,985	355,183	355,183	-
City engineer - operating and capital outlay	42,675	42,742	42,742	-
City engineer - compensation, payroll taxes and benefits	137,789	56,510	56,510	-
General administration - operating and capital outlay	1,395,696	1,423,985	1,423,985	-
General administration - compensation, payroll taxes and benefits	77,000	6,639	6,639	-
Total general government	3,585,819	3,083,824	3,083,824	-
Judicial				
Legal - operating and capital outlay	155,571	142,999	142,999	-
Municipal court - operating and capital outlay	147,650	110,521	110,521	-
Municipal court - compensation, payroll taxes and benefits	91,892	77,507	77,507	-
Total judicial	395,113	331,027	331,027	-
Public safety				
Police services - operating and capital outlay	670,017	761,535	761,535	-
Police services - compensation, payroll taxes and benefits	4,298,088	4,171,401	4,171,401	-
Fire services - operating and capital outlay	199,247	213,081	213,081	-
Fire services - compensation, payroll taxes and benefits	2,195,865	2,180,252	2,180,252	-
Total public safety	7,363,217	7,326,269	7,326,269	-
Public works				
Administration - operating and capital outlay	68,730	154,290	154,290	-
Administration - compensation, payroll taxes and benefits	159,817	159,169	159,169	-
Infrastructure - operating and capital outlay	190,670	207,202	207,202	-
Infrastructure - compensation, payroll taxes and benefits	354,254	361,483	361,483	-
Maintenance and shop - operating and capital outlay	268,456	184,342	184,342	-
Maintenance and shop - compensation, payroll taxes and benefits	659,072	616,560	616,560	-
Building inspection - operating and capital outlay	7,650	5,673	5,673	-
Building inspection - compensation, payroll taxes and benefits	106,601	102,594	102,594	-
Planning and zoning - operating and capital outlay	44,138	54,348	54,348	-
Planning and zoning - compensation, payroll taxes and benefits	169,386	299,490	299,490	-
Total public works	2,028,774	2,145,151	2,145,151	-
Cemetery				
Cemetery - operating and capital outlay	76,910	89,684	89,684	-
Cemetery - compensation, payroll taxes and benefits	123,030	126,197	126,197	-
Total cemetery	199,940	215,881	215,881	-

(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, 2019

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
EXPENDITURES (CONTINUED)				
Culture and recreation				
Administration - operating and capital outlay	$ 21,000	$ 14,395	$ 14,395	$ -
Leisure services - operating and capital outlay	11,970	81,631	81,631	-
Leisure services - compensation, payroll taxes and benefits	135,898	259	259	-
Neighborhood and community service - operating and capital outlay	36,930	32,842	32,842	-
Neighborhood and community service - compensation, payroll taxes and benefits	80,005	89,463	89,463	-
Parks - operating and capital outlay	110,311	141,453	141,453	-
Parks - compensation, payroll taxes and benefits	272,116	192,936	192,936	-
Total culture and recreation	668,230	552,979	552,979	-
Economic development				
Economic development - operating and capital outlay	26,450	202,179	202,179	-
Economic development - compensation, payroll taxes and benefits	86,775	90,141	90,141	-
Total economic development	113,225	292,320	292,320	-
Debt service				
Principal	73,817	77,553	77,553	-
Interest	31,772	47,466	47,466	-
Total debt service	105,589	125,019	125,019	-
Total expenditures	14,459,907	14,072,470	14,072,470	-
Excess of revenues over expenditures	7,659,437	2,665,057	2,665,057	-
OTHER FINANCING SOURCES (USES)				
Transfers in	1,062,193	1,062,193	1,062,193	-
Transfers out	(7,707,375)	(1,703,972)	(1,703,972)	-
Proceeds from the sale of capital assets	5,789	5,789	5,789	-
Total other financing uses, net	(6,639,393)	(635,990)	(635,990)	-
Net change in fund balances	1,020,044	2,029,067	2,029,067	-
FUND BALANCE, beginning of year	4,933,779	4,933,779	4,933,779	-
FUND BALANCE, end of year	$ 5,953,823	$ 6,962,846	$ 6,962,846	$ -

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, 2019

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Grant revenues	$ -	$ 414,869	$ 414,869	$ -
Investment earnings	-	9,652	9,652	-
Contributions and donations	-	4	4	-
Total revenues	-	424,525	424,525	-
EXPENDITURES				
Community development				
CDBG entitlement - operating	-	229,224	229,224	-
Economic development - operating	33,000	6,200	6,200	-
Capital outlay	700	1,303	1,303	-
Program administration - operating	5,950	220,305	220,305	-
Program administration - compensation and payroll taxes	103,095	79,018	79,018	-
Total community development	142,745	536,050	536,050	-
Total expenditures	142,745	536,050	536,050	-
Deficiency of revenues under expenditures	(142,745)	(111,525)	(111,525)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	142,745	390,301	390,301	-
Transfers out	-	(186)	(186)	-
Total other financing sources, net	142,745	390,115	390,115	-
Net change in fund balances	-	278,590	278,590	-
FUND BALANCE, beginning of year	266,489	266,489	266,489	-
FUND BALANCE, end of year	$ 266,489	$ 545,079	$ 545,079	$ -

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

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	**$ 242,650**	$ 286,077	$ 291,779	$ 351,119	$ 348,103
Interest on total pension liability	**1,300,696**	1,295,438	1,253,917	1,212,134	1,197,774
Changes in benefit terms and plan amendments	**5,251**	-	-	-	-
Differences between expected and actual experience	**(482,750)**	75,545	(130,776)	167,513	-
Changes of assumptions	**-**	2,471	-	(355,440)	-
Benefit payments, including refunds of employee contributions	**(1,279,145)**	(758,066)	(1,017,358)	(578,484)	(2,130,443)
Net change in total pension liability	**(213,298)**	901,465	397,562	796,842	(584,566)
Total pension liability - beginning	**17,180,100**	16,278,635	15,881,073	15,084,231	15,668,797
Total pension liability - ending (a)	**16,966,802**	17,180,100	16,278,635	15,881,073	15,084,231
Plan fiduciary net position					
Contributions - employer	**935,051**	984,725	942,951	964,855	1,023,467
Contributions - employee	**175,888**	171,195	159,896	170,903	174,833
Net investment income	**(181,288)**	811,145	641,118	70,374	621,934
Benefit payments, including refunds of member contributions	**(1,279,145)**	(758,066)	(1,017,358)	(578,484)	(2,130,443)
Administrative expenses	**(51,503)**	(57,039)	(114,695)	(47,456)	(48,348)
Net change in plan fiduciary net position	**(400,997)**	1,151,960	611,912	580,192	(358,557)
Plan fiduciary net position - beginning	**9,763,202**	8,611,242	7,999,330	7,419,138	7,777,695
Plan fiduciary net position - ending (b)	**9,362,205**	9,763,202	8,611,242	7,999,330	7,419,138
City's net pension liability (asset) - ending (a) - (b)	**$ 7,604,597**	$ 7,416,898	$ 7,667,393	$ 7,881,743	$ 7,665,093
Plan fiduciary net position as a percentage of the total pension liability	**55.2%**	56.8%	52.9%	50.4%	49.2%
Covered payroll	**$ 5,348,166**	$ 5,181,425	$ 5,344,272	$ 5,907,249	$ 5,922,265
Net pension liability as a percentage of covered payroll	**142.2%**	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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	**$ 935,051**	$ 984,725	$ 942,519	$ 960,041	$ 1,021,967	$ 1,068,542	$ 1,029,095	$ 1,242,458	$ 1,441,219	$ 1,205,200
Contributions in relation to the actuarially determined contribution	**935,051**	984,725	942,519	960,041	1,021,967	1,068,542	1,029,095	1,242,458	1,441,219	1,205,200
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	**$ 6,103,761**	$ 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
Contributions as a percentage of covered payroll	**15.3%**	17.0%	17.6%	16.3%	17.3%	17.5%	16.2%	17.6%	17.2%	15.2%

Notes to the Schedule:

Valuation Date	January 1, 2018
Actuarial Cost Method	Entry age normal, level percentage of pay
Amortization Method	Level dollar, closed
Asset Valuation Method	Actuarial value with investment gains and losses recognized over a 5 year period.
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%
Inflation Rate	3.50%
Mortality Rates	RP-2014 Total Employee and Health annuitant Mortality Tables with Mortality Improvement using the Buck Modified Scale MP-2016.

CITY OF BRUNSWICK, GEORGIA

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Annual money-weighted rate of return, net of investment expense	**-1.9%**	9.2%	8.0%	8.5%	15.1%	7.7%	4.8%	9.1%	13.0%	-14.0%

SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS
AND SCHEDULES

CITY OF BRUNSWICK, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

CAPITAL PROJECTS FUND

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.

CITY OF BRUNSWICK, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds						Capital Project Fund	
ASSETS	**Roosevelt Harris Center Fund**	**Police Seizure Fund**	**E-911 Fund**	**DOT TE-21 Fund**	**City Pier Fund**	**Hotel/Motel Fund**	**SPLOST V Fund**	**Total Nonmajor Governmental Funds**
Cash and cash equivalents	$ 5,904	$ 56,255	$ 60	$ -	$ 33,106	$ 7,646	$ 37,369	$ 140,340
Investments	-	-	-	-	60,626	-	1,556,986	1,617,612
Accounts receivable, net of allowances								
Taxes	-	-	-	-	-	1,148	-	1,148
Intergovernmental	62,424	-	-	-	-	-	-	62,424
Due from other funds	-	-	38,278	-	-	-	-	38,278
Total assets	$ 68,328	$ 56,255	$ 38,338	$ -	$ 93,732	$ 8,794	$ 1,594,355	$ 1,859,802
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ 35,372	$ -	$ -	$ -	$ -	$ 477	$ -	$ 35,849
Accrued expenditures	6,173	-	-	-	-	-	-	6,173
Due to other funds	-	-	-	-	69,696	-	-	69,696
Due to other governments	-	-	38,278	-	-	-	-	38,278
Advances from other funds	19,764	-	-	-	-	-	-	19,764
Total liabilities	61,309	-	38,278	-	69,696	477	-	169,760
FUND BALANCES (DEFICITS)								
Restricted for:								
Public safety	-	56,255	60	-	-	-	-	56,315
Capital projects	-	-	-	-	-	-	1,594,355	1,594,355
Community development	7,019	-	-	-	24,036	8,317	-	39,372
Total fund balances (deficits)	7,019	56,255	60	-	24,036	8,317	1,594,355	1,690,042
Total liabilities and fund balances	$ 68,328	$ 56,255	$ 38,338	$ -	$ 93,732	$ 8,794	$ 1,594,355	$ 1,859,802

CITY OF BRUNSWICK, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds						Capital Project Fund	
	Roosevelt Harris Center Fund	Police Seizure Fund	E-911 Fund	DOT TE-21 Fund	City Pier Fund	Hotel/Motel Fund	SPLOST V Fund	Total Nonmajor Governmental Funds
Revenues:								
Program fees/revenues	$ 22,483	$ -	$ -	$ -	$ 34,856	$ -	$ -	$ 57,339
Hotel/Motel taxes	-	-	-	-	-	7,654	-	7,654
Intergovernmental	-	-	-	-	-	-	89,317	89,317
Grant revenues	285,850	49,301	-	205,935	-	-	139,627	680,713
Investment earnings	137	734	60	842	989	-	34,704	37,466
Contributions and donations	4,250	-	-	-	-	-	-	4,250
Total revenues	312,720	50,035	60	206,777	35,845	7,654	263,648	876,739
Expenditures:								
Current:								
Community development	364,543	-	-	-	-	6,999	-	371,542
Public safety	-	58,182	344,608	-	-	-	-	402,790
Capital outlay								
General Government	-	-	-	-	-	-	11	11
Community development	-	-	-	-	-	-	279,255	279,255
Public safety	-	13,000	-	-	-	-	-	13,000
Total expenditures	364,543	71,182	344,608	-	-	6,999	279,266	1,066,598
Excess (deficiency) of revenues over (under) expenditures	(51,823)	(21,147)	(344,548)	206,777	35,845	655	(15,618)	(189,859)
Other financing sources (uses)								
Transfers in	311,451	-	344,608	-	-	-	-	656,059
Transfers out	-	-	-	(206,911)	-	-	-	(206,911)
Total other financing sources, net	311,451	-	344,608	(206,911)	-	-	-	449,148
Net change in fund balances	259,628	(21,147)	60	(134)	35,845	655	(15,618)	259,289
Fund balances (deficits), beginning of year	(252,609)	77,402	-	134	(11,809)	7,662	1,609,973	1,430,753
Fund balances, end of year	$ 7,019	$ 56,255	$ 60	$ -	$ 24,036	$ 8,317	$ 1,594,355	$ 1,690,042

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, 2019

	Group Health Fund	Workers' Compensation Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 73,375	$ 4,703	$ 78,078
Investments	316,076	-	316,076
Advances to other funds	40,973	13,142	54,115
Claim reimbursement receivable	-	20,887	20,887
Total assets	$ 430,424	$ 38,732	$ 469,156
LIABILITIES			
Current liabilities			
Claims payable	$ 130,000	$ 1,480,537	$ 1,610,537
Total liabilities	130,000	1,480,537	1,610,537
NET POSITION			
Unrestricted	300,424	(1,441,805)	(1,141,381)
Total net position	300,424	(1,441,805)	(1,141,381)
Total liabilities and net position	$ 430,424	$ 38,732	$ 469,156

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, 2019

	Group Health Fund	Workers' Compensation Fund	Total
Operating revenues			
Contributions			
Employer	$ 1,223,300	$ 395,600	$ 1,618,900
Employees	252,155	-	252,155
Reimbursements	177,153	135,296	312,449
Total operating revenues	1,652,608	530,896	2,183,504
Operating expenses			
Contractual	304,590	-	304,590
Claims	1,227,902	515,374	1,743,276
Total operating expenses	1,532,492	515,374	2,047,866
Operating income	120,116	15,522	135,638
Non-operating revenues			
Transfers out	(381,390)	(638,654)	(1,020,044)
Investment return	6,392	246	6,638
Total non-operating revenues	(374,998)	(638,408)	(1,013,406)
Change in net position	(254,882)	(622,886)	(877,768)
Net position (deficit), beginning of year	555,306	(818,919)	(263,613)
Net position (deficit), end of year	$ 300,424	$ (1,441,805)	$ (1,141,381)

CITY OF BRUNSWICK, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Group Health Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	$ 1,652,608	$ 605,604	$ 2,258,212
Payments for claims	(1,277,902)	(627,959)	(1,905,861)
Payments for other expenses	(328,228)	-	(328,228)
Internal activity-payments from (to) other funds	381,390	638,654	1,020,044
Net cash provided by (used in) operating activities	427,868	616,299	1,044,167
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(381,390)	(638,654)	(1,020,044)
Net cash provided by (used in) noncapital financing activities	(381,390)	(638,654)	(1,020,044)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	6,392	246	6,638
Purchase of investments	(15,678)	-	(15,678)
Net cash provided by (used in) investing activities	(9,286)	246	(9,040)
Net increase (decrease) in cash and cash equivalents	37,192	(22,109)	15,083
Cash and cash equivalents:			
Beginning of year	36,183	26,812	62,995
End of year	$ 73,375	$ 4,703	$ 78,078
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITES			
Operating income	$ 120,116	$ 15,522	$ 135,638
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Decrease in assets:			
Claims reimbursement receivable	-	74,708	74,708
Due from other funds	381,390	638,654	1,020,044
Decrease in liabilities:			
Claims payable	(50,000)	(112,585)	(162,585)
Accrued liabilities	(23,638)	-	(23,638)
Net cash provided by (used in) operating activities	$ 427,868	$ 616,299	$ 1,044,167

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, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Program fees/revenues	$	$ 22,483	$ 22,483	$ -
Grant revenues	201,211	285,850	285,850	-
Unrestricted investment earnings	-	137	137	-
Contributions and donations	5,000	4,250	4,250	-
Total revenues	206,211	312,720	312,720	-
EXPENDITURES				
Community development				
Program administration - compensation, payroll taxes and benefits	230,344	234,297	234,297	-
Program administration - operating	113,560	130,246	130,246	-
Total community development expenditures	343,904	364,543	364,543	-
Total expenditures	343,904	364,543	364,543	-
Deficiency of revenues under expenditures	(137,693)	(51,823)	(51,823)	-
Other financing sources				
Transfers in	122,633	311,451	311,451	-
Total other financing sources	122,633	311,451	311,451	-
Net change in fund balance	(15,060)	259,628	259,628	-
FUND BALANCE (DEFICIT), beginning of year	(252,609)	(252,609)	(252,609)	-
FUND BALANCE (DEFICIT), end of year	$ (267,669)	$ 7,019	$ 7,019	$ -

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, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Grant revenues/seizure funds	$ 107,363	$ 49,301	$ 49,301	$ -
Unrestricted investment earnings	350	734	734	-
Total revenues	107,713	50,035	50,035	-
EXPENDITURES				
Public safety				
Police - operating	57,962	58,182	58,182	-
Capital outlay	49,751	13,000	13,000	-
Total public safety	107,713	71,182	71,182	-
Total expenditures	107,713	71,182	71,182	-
Net change in fund balance	-	(21,147)	(21,147)	-
FUND BALANCE, beginning of year	77,402	77,402	77,402	-
FUND BALANCE, end of year	$ 77,402	$ 56,255	$ 56,255	$ -

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, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Unrestricted investment earnings	$ -	$ 60	$ 60	$ -
Total revenues	-	60	60	-
EXPENDITURES				
Public safety				
E911 expenditures - intergovernmental	534,689	344,608	344,608	-
Total expenditures	534,689	344,608	344,608	-
Deficiency of revenues under expenditures	(534,689)	(344,548)	(344,548)	-
Other financing sources				
Transfers in	534,689	344,608	344,608	-
Total other financing sources	534,689	344,608	344,608	-
Net change in fund balance	-	60	60	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ 60	$ 60	$ -

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, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Grant revenues	$ 200,000	$ 205,935	$ 205,935	$ -
Unrestricted investment earnings	500	842	842	-
Total revenues	200,500	206,777	206,777	-
EXPENDITURES				
Capital outlay	500	-	-	-
Total expenditures	500	-	-	-
Excess of revenues over expenditures	200,000	206,777	206,777	-
Other financing uses				
Transfers out	(200,000)	(206,911)	(206,911)	-
Total other financing uses	(200,000)	(206,911)	(206,911)	-
Net change in fund balance	-	(134)	(134)	-
FUND BALANCE, beginning of year	134	134	134	-
FUND BALANCE, end of year	$ 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, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Program fees/revenues	$ 77,763	$ 34,856	$ 34,856	$ -
Investment earnings and interest	125	989	989	-
Total revenues	77,888	35,845	35,845	-
EXPENDITURES				
Community development				
Capital outlay	77,888	-	-	-
Total community development expenditures	77,888	-	-	-
Total expenditures	77,888	-	-	-
Net change in fund balance	-	35,845	35,845	-
FUND BALANCE (deficit), beginning of year	(11,809)	(11,809)	(11,809)	-
FUND BALANCE, end of year	$ (11,809)	$ 24,036	$ 24,036	$ -

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, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Hotel/Motel tax	$ 15,361	$ 7,654	$ 7,654	$ -
Total revenues	15,361	7,654	7,654	-
EXPENDITURES				
Community development				
Community development - tax disbursements	15,361	6,999	6,999	-
Total community development	15,361	6,999	6,999	-
Total expenditures	15,361	6,999	6,999	-
Net change in fund balance	-	655	655	-
FUND BALANCE, beginning of year	7,662	7,662	7,662	-
FUND BALANCE, end of year	$ 7,662	$ 8,317	$ 8,317	$ -

ADDITIONAL SCHEDULES

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 Improvements	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
	SPLOST 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, 2019

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	Cemeteries	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	827,220	-	827,220
N/A	Oglethorpe Convention Center*	1,500,000	1,500,000	107,273	279,255	386,528
N/A	Ritz Theater	180,000	180,000	181,617	11	181,628
N/A	Water/wastewater	250,000	250,000	76,292	-	76,292
N/A	Mansfield Street Infrastructure	1,173,536	1,219,094 (1)	1,219,094 (1)	-	1,219,094
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	8,926,236	-	8,926,236
N/A	Urbana Park	-	-	11,532	-	11,532
	SPLOST VI					
N/A	Police Cars	540,625	540,625	306,519	159,530	466,049
N/A	Howard Coffin Park	431,357	431,357	183,665	28,565	212,230
N/A	E911 Services Radio Equipment	431,357	431,357	143,785	132,602	276,387
N/A	Streets*** ******	4,627,750	4,627,750	223,689	2,289,390	2,513,079
N/A	Sidewalks-Replacement and Upgrades	432,500	432,500	146,327	86,244	232,571
N/A	Sidewalks-Trails**	346,000	346,000	28,663	36,756	65,419
N/A	Storm Drainage and Infrastructure****	3,243,750	3,243,750	84,877	40,811	125,688
N/A	Historic Squares	86,500	86,500	1,285	400	1,685
N/A	Mary Ross Park	821,750	821,750	254,068	217,035	471,103
N/A	Roosevelt Harris Senior Center	151,375	-	-	15,980	15,980
N/A	Fire Station One Improvements	346,000	-	-	12,975	12,975
N/A	*****Fire Trucks and Rescue Vehicle	627,058	-	-	915,000	915,000
N/A	Cemetery Improvements	259,500	-	-	19,672	19,672
N/A	Highway 17 Infrastructure	215,107	-	-	3,930	3,930
		$ 76,418,796	$ 74,865,314	$ 58,487,182	$ 4,238,156	$ 62,725,338

(1) Includes fiscal year 2018 transfers to the Sanitation Fund for the Mansfield Street Infrastructure project in the amount of $202,044 that was excluded from the prior year schedule.

*Certain costs incurred in this project are reimbursed by Glynn County. Current year reimbursements totaled $139,627

** Certain costs incurred in this project are reimbursed by a DNR Trail Grant. Current year reimbursements totaled $882

*** Certain costs included in this project are reimbursed by the BGJWSC. Current year reimbursements totaled $485,180

****Certain costs included in this project are reimbursed by Glynn County. Current year reimbursements totaled $12,350

*****Certain costs included in this project are subsidized by a transfer of revenues from the General Fund. Current year transfer totaled $287,942

******Certain costs included in this project are reimbursed by the DOT. Current year reimbursements totaled $206,772

City of Brunswick, Georgia
Certification of 9-1-1 Expenditures
For the Year Ended June 30, 2019

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)	$ _____

City of Brunswick, Georgia
Certification of 9-1-1 Expenditures
For the Year Ended June 30, 2019

Line No.		O.C.G.A. Reference:	
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:		
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)	$ _____

City of Brunswick, Georgia
Certification of 9-1-1 Expenditures
For the Year Ended June 30, 2019

Line No.		O.C.G.A. Reference:	
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.		
	Glynn County Shared Government Expenditures		$ 344,608
			$
			$
			$
			$
			$
			$
			$
			$
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)		$ 344,608

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 12/31/19

Print Name of Chief Elected Official Cornell L. Harvey

Title of Chief Elected Official Mayor

Signature of Chief Financial Officer Kathy D. Mills Date 12/31/19

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 ..... **90 - 98**

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 ..... **99 - 102**

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

Debt Capacity ..... **103 - 107**

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 ..... **108 and 109**

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 ..... **110 - 113**

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	$ 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	$ 51,336,772
Restricted	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	7,918,571
Unrestricted	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)	(15,022,338)
Total governmental activities net position	$ 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	$ 44,233,005
Business-type activities										
Net investment in capital assets	$ 38,895	$ 60,136	$ 49,126	$ 83,294	$ 83,294	$ 67,252	$ 65,887	$ 64,552	$ 63,157	$ 481,469
Restricted	-	-	-	-	-	-	-	105,248	447,472	422,130
Unrestricted	(286,087)	(431,700)	(474,177)	13,488	13,488	550,998	570,856	248,800	(11,140)	82,049
Total business-type activities net position	$ (247,192)	$ (371,564)	$ (425,051)	$ 96,782	$ 96,782	$ 618,250	$ 636,743	$ 418,600	$ 499,489	$ 985,648
Primary government										
Net investment in capital assets	$ 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	$ 51,818,241
Restricted	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	8,340,701
Unrestricted	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)	(14,940,289)
Total primary government net position	$ 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	$ 45,218,653

Note: GASB 68 was implemented during fiscal year 2015

CITY OF BRUNSWICK, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	$ 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	$ 3,097,624
Judicial	535,515	474,169	420,800	301,340	285,832	276,251	270,506	284,306	262,348	328,090
Public safety	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	7,742,182
Public works	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	2,206,200
Culture and recreation	1,318,444	1,126,943	1,093,144	881,828	785,803	849,247	771,853	651,720	1,180,224	3,386,937
Cemetery	332,905	403,142	178,401	206,992	221,183	241,942	273,850	294,779	219,958	210,948
Community development	1,776,366	1,468,904	1,335,525	1,074,371	1,063,830	748,840	656,123	955,209	1,024,546	1,215,958
Economic development - component uni	103,676	80,000	80,000	70,021	70,326	107,075	139,503	206,956	271,563	310,157
Interest and fiscal charges	117,503	115,244	119,018	101,334	69,569	45,702	43,089	45,560	46,596	47,466
Total governmental activities expenses	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	18,545,562
Business-type activities:										
Water and Sewer	876,356	-	-	-	-	-	-	-	-	-
Sanitation	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	1,779,065
Stormwater	-	-	-	-	-	-	-	-	-	665,047
Total business-type activities expenses	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	2,444,112
Total primary government expenses	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	20,989,674
Program revenues										
Governmental activities:										
Charges for services										
General government	(343,860)	742,194	929,819	709,044	833,165	107,902	350,528	612,952	446,060	828,480
Judicial	342,442	332,979	416,833	347,518	374,167	451,071	448,271	291,885	256,474	541,191
Public safety	21,289	21,052	17,401	26,597	32,151	40,525	200,685	12,435	174,251	188,810
Public works	25,849	25,676	25,646	27,783	25,653	26,529	25,646	-	-	-
Culture and recreation	90,784	108,079	97,697	39,279	12,499	15,910	10,535	34,120	29,632	53,183
Cemetery	92,730	95,340	119,320	150,785	153,840	134,750	131,495	110,115	131,165	111,495
Community development	348,104	65,051	65,505	28,289	50,211	51,394	56,538	21,789	18,873	22,483
Operating grants and contributions	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	1,018,190
Capital grants and contributions	-	8,620,682	2,036,678	50,795	16,186	82,488	263,473	1,295,195	4,555,142	5,439,443
Total governmental activities program revenues	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	8,203,275
Business-type activities:										
Charges for services										
Water and Sewer	11	-	-	-	-	-	-	-	-	-
Sanitation	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	1,684,433
Stormwater	-	-	-	-	-	-	-	-	-	900,747
Total business-type activities program revenues	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	2,585,180
Total primary government program revenues	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	10,788,455

(Continued)

CITY OF BRUNSWICK, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental activities	$ (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)	$ (10,342,287)
Business-type activities	(1,432,759)	(320,196)	(330,093)	(61,091)	370,132	360,624	164,144	14,879	(436,469)	141,068
Total primary government net expense	(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)	(10,201,219)
General revenues and other changes in net position										
Governmental activities:										
Property taxes levied for general purposes	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	5,181,686
Franchise taxes	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	1,301,212
Local option sales tax	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	6,415,905
Selective sales and use tax	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	1,699,764
Hotel/Motel tax	-	-	7,499	8,416	8,328	9,110	6,941	8,391	7,306	7,654
Restricted investment earnings	909	258	-	-	-	-	-	-	-	-
Unrestricted investment earnings	3,881	18,001	13,608	17,046	15,830	8,477	21,370	37,938	55,602	158,812
Miscellaneous	130,781	106,774	7,713	57,696	51,149	11,943	76,273	88,244	160,941	210,609
Gain on sale of capital assets	-	-	-	13,553	120,620	78,790	22,308	88,147	-	5,789
Special items	(253,434)	2,467,895	-	-	-	-	-	-	-	-
Payment from component unit	-	-	-	540,500	-	-	40,000	-	-	-
Transfers	(1,332)	(271,597)	(241,500)	(143,000)	-	41,824	147,824	131,267	(510,220)	(327,846)
Total governmental activities	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	14,653,585
Business-type activities:										
Restricted investment earnings	282,991	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	55	24	-	-	-	109	2,173	3,563	6,941	17,245
Elimination of Water Fund net position balance	-	(84,447)	-	-	-	-	-	-	-	-
Miscellaneous	-	-	16,122	-	-	215	-	-	-	-
Gain on sale of capital assets	-	8,650	18,984	69,140	652	202,344	-	-	-	-
Special items	(5,228,537)	-	-	-	-	-	-	-	-	-
Transfer of water fund assets to Brunswick - Glynn County Joint W&S Commission	-	-	-	-	-	-	-	-	-	-
Transfers	1,332	271,597	241,500	143,000	-	(41,824)	(147,824)	(131,267)	510,220	327,846
Total business type activities	(4,944,159)	195,824	276,606	212,140	652	160,844	(145,651)	(127,704)	517,161	345,091
Total primary government	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	14,998,676
Change in net position										
Governmental activities	2,179,573	8,080,675	2,103,455	(7,325)	(255,355)	(438,831)	325,726	(604,593)	3,724,995	4,311,298
Business-type activities	(6,376,918)	(124,372)	(53,487)	151,049	370,784	521,468	18,493	(112,825)	80,692	486,159
Total primary government	$ (4,197,345)	$ 7,956,303	$ 2,049,968	$ 143,724	$ 115,429	$ 82,637	$ 344,219	$ (717,418)	$ 3,805,687	$ 4,797,457

CITY OF BRUNSWICK, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
2010

	Fiscal Year 2010
General Fund	
Reserved	$ 51,113
Unreserved	278,743
Total General fund	$ 329,856
All Other Governmental Funds	
Reserved	$ 4,394,336
Unreserved, reported in:	
Special revenue funds	868,658
Capital projects funds	-
Total all other governmental funds	$ 5,262,994
Total all governmental funds	$ 5,592,850

CITY OF BRUNSWICK, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS

	Fiscal Year								
	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund									
Nonspendable	$ -	$ -	$ -	$ -	$ 23,832	$ 252,296	$ 268,527	$ 268,767	$ 301,197
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	6,661,649
Total General fund	$ 12,521	$ 239,903	$ 980,238	$ 1,529,603	$ 2,065,987	$ 3,262,287	$ 4,873,882	$ 4,933,779	$ 6,962,846
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	545,079
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	5,683,450
Other nonmajor governmental funds	63,569	139,801	47,530	56,611	101,069	303,387	107,772	85,198	1,690,042
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	$ 7,918,571
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	$ 14,881,417

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Property taxes	$ 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	$ 5,185,751
Franchise fees	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	1,301,212
Local option sales tax	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	6,415,905
Selective sales and use taxes	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	1,699,764
Hotel/Motel taxes	8,192	7,277	7,499	8,416	8,328	9,110	6,941	8,391	7,306	7,654
Licenses and permits	322,692	374,628	318,993	337,115	335,870	349,719	341,903	308,627	330,500	647,570
Fines and forfeitures	342,442	332,979	416,833	347,518	374,167	451,071	448,271	416,365	351,435	697,363
Intergovernmental revenues	4,704,740	8,981,997	2,303,089	236,159	370,031	279,702	249,118	1,043,641	4,270,985	4,612,328
Intergovernmental revenues - Reimbursement BGJWSC	-	-	-	-	-	-	240,792	233,663	257,770	513,757
Collection on loans	131,622	22,201	43,810	-	-	-	-	-	-	-
Grant revenues	904,799	1,313,728	1,458,423	737,129	927,958	709,279	628,952	1,781,014	2,554,540	1,225,006
Charges for services and assessments	441,577	459,758	484,759	539,937	436,177	424,751	526,757	338,140	354,775	379,083
Unrestricted investment earnings	3,710	57,333	29,982	28,537	17,259	8,849	24,642	46,389	87,740	265,354
Rental income	30,694	42,227	19,609	25,586	23,554	23,429	19,894	20,164	19,745	21,626
Contributions and donations from private sources	-	-	-	149,716	30,742	23,712	66,283	35,334	19,718	8,368
Miscellaneous and sale of property	130,511	137,785	34,486	71,274	171,770	90,734	98,582	52,910	141,223	202,241
Total revenues	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	23,182,982
Expenditures:										
General government	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	2,877,427
Judicial	533,324	474,169	420,800	301,340	285,832	278,138	270,506	276,545	265,563	331,027
Public safety	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	7,723,244
Public works	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	2,063,556
Culture and recreation	1,181,342	955,295	910,201	705,733	566,711	574,084	523,245	462,324	461,686	552,979
Cemetery	313,050	390,645	179,721	196,483	233,001	224,192	255,885	284,854	224,459	215,881
Community development	1,602,642	1,883,203	2,135,516	1,037,548	892,993	813,975	681,639	704,931	867,449	906,289
Economic development	103,676	80,000	80,000	70,021	70,326	107,075	139,503	204,949	280,608	292,320
Landfill expense	-	-	-	-	-	-	25,340	-	-	-
Debt service:							-	-	-	
Principal	1,077,525	564,216	449,259	381,777	702,801	131,463	134,686	70,259	73,817	77,553
Interest	117,503	115,244	119,018	101,334	69,569	45,702	43,089	45,560	46,596	47,466
Capital outlay	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	4,546,266
Total expenditures	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	19,634,008
Excess (deficiency) of revenues over expenditures	1,567,068	6,634,241	(340,026)	(4,382,424)	(2,951,071)	(1,087,817)	959,985	909,538	2,937,441	3,548,974

(Continued)

CITY OF BRUNSWICK, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess (deficiency) of revenues over expenditures	$ 1,567,068	$ 6,634,241	$ (340,026)	$ (4,382,424)	$ (2,951,071)	$ (1,087,817)	$ 959,985	$ 909,538	$ 2,937,441	$ 3,548,974
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	1,499,833	343,116	774,646	686,929	777,663	868,615	848,324	1,259,417	921,615	2,603,267
Transfers (out)	(2,285,765)	(614,713)	(1,016,146)	(829,929)	(777,663)	(826,791)	(700,500)	(1,128,150)	(1,431,835)	(1,911,069)
Proceeds from sale of capital assets								118,000	-	5,789
Total other financing sources	583,480	(271,597)	(222,500)	436,561	247,414	75,406	187,824	249,267	(510,220)	697,987
Net change in fund balances	$ 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	$ 4,246,961
Debt Service as a Percentage of Noncapital Expenditures	6.5%	4%	3.6%	3.2%	5.0%	1.2%	1.3%	0.8%	0.7%	0.8%

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

CITY OF BRUNSWICK, GEORGIA

PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
General government	$ (128,945)	$ 742,194	$ 3,023,448	$ 858,600	$ 1,199,446	$ 470,778	$ 1,012,643	$ 2,501,678	$ 6,219,248	$ 6,121,978
Judicial	342,442	332,979	416,833	347,518	374,167	451,071	448,271	291,885	256,474	541,191
Public safety	437,582	430,850	234,838	188,335	121,782	79,605	221,896	151,634	240,024	282,684
Public works	35,961	25,676	90,646	148,181	25,646	26,529	25,646	233,663	257,770	-
Culture and recreation	90,784	124,173	97,697	54,279	97,697	15,910	10,535	65,904	80,883	192,810
Cemetery	92,730	95,340	119,320	150,785	119,320	134,750	131,495	110,115	131,165	111,495
Community development	1,050,061	1,299,405	1,494,115	716,093	873,788	662,593	684,536	795,186	986,324	953,117
Subtotal governmental activities	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	8,203,275
Business-type activities:										
Water and Sewer	11	-	-	-	-	-	-	-	-	-
Sanitation	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	1,684,433
Stormwater	-	-	-	-	-	-	-	-	-	900,747
Subtotal business-type activities	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	2,585,180
Total primary government program revenues	$ 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	$ 10,788,455

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
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
2019	5,185,751	1,301,212	6,415,905	4,612,328	1,707,418	19,222,614

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
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%
2019	928,408,660	10,337,125	144,900	42,555,790	-	-	139,546,597	841,899,878	336,759,951	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.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

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

		Overlapping Rates (2)					
Fiscal Year	City of Brunswick	State	Glynn County M&O	Glynn County Bond	Glynn County School District M&O	Glynn County School District Bond	Total
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
2019	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 governments that apply to property owners within the City of Brunswick.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2019			2010		
Customer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pinova, Inc.	$ 28,128,006	1	3.34%	$ 19,036,116	1	1.83%
King and Prince Seafood Company	10,870,164	2	1.29%	9,093,646	2	0.87%
Jars at the Cove LLC	5,005,480	3	0.59%	-	-	-
777 Gloucester LLC	1,329,040	4	0.16%	2,540,538	3	0.24%
Industrial Insulation Group	1,320,960	5	0.16%	1,474,486	4	0.14%
Tara Arms Apartments	1,038,080	6	0.12%	813,247	5	0.08%
Seaside Storage	713,080	7	0.08%	698,396	7	0.07%
Lang Planing Mill	547,577	8	0.07%	602,500	10	0.06%
South Coast Bank & Trust	519,280	9	0.06%	723,559	6	0.07%
Marshland Federal Credit Union	348,096	10	0.04%	675,068	8	0.06%
City Market, Inc.	-	-	-	644,893	9	0.06%

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
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%	138,630	4,077,166	96%
2018	4,392,696	3,999,356	91%	211,395	4,210,751	96%
2019	4,374,456	4,063,559	93%	-	4,063,559	93%

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities				Business-Type Activities				
Fiscal Year	Capital Leases	Housing Development Grant Settlement Agreement Payable	Note Payables	Certificates of Participation	Water/Sewer Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Capital Per Capita (1)
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
2019	502,298	-	-	1,116,000	-	-	1,618,298	0.19%	97

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	Redevelopment Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	$ 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	$ 84,189,988
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 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	$ 84,189,988
Total net debt applicable to the limit as a percentage of debt limit	9.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2019

Total assessed value	$ 336,759,951
Debt limit (10% of total taxable assessed value)	33,675,995
Debt applicable to limit	-
Legal debt margin	$ 33,675,995

[(a)] Digest tax year levied actually fund the following fiscal year (i.e., taxes levied for 2018 are used for fiscal year ending in 2019).

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	
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	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-

Note The operations of the Water/Wastewater Fund were transferred to the Brunswick - Glynn Joint Water & Sewer Commission on January 1, 2008. There was some insignificant activity recorded on the City's books in 2009 and 2010. The City paid the obligations of the revenue bonds until the bonds, related investment accounts and obligations were transferred 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 services and other revenue. Operating expenses do not include interest, amortization or depreciation.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1&2)	Personal Income (1)	Per Capital Personal Income (1)	Unemployment Rate (3)
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)
2019	16,609	682,497,028	41,092	3.60% (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) Reflects adjustment to new state control totals.
(RE) Reflects revised inputs, re-estimation, and adjustment to new state control totals.

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2019			2010		
Employer	**Employees (1)**	**Rank**	**Percentage of Total Employment (2)**	**Employees (1)**	**Rank**	**Percentage of Total Employment (2)**
Southeast Georgia Health System	2,691	1	5.12%	1982	4	3.93%
Glynn County Board of Education	1,941	2	3.69%	1957	3	3.88%
Sea Island Acquisition Company (formerly Sea Island Co.	1,762	3	3.35%	1500	2	2.97%
Federal Law Enforcement Training Center	1,051	4	2.00%	4426	1	8.78%
Glynn County Board of Commissioners	900	5	1.71%	885	5	1.75%
Brunswick Cellulose, LLC (formerly Kock Cellulose, LLC)	550	6	1.05%	600	6	1.19%
Radial (call center)	400	7	0.76%	-	-	-
Walmart Superstore	400	8	0.76%	565	9	1.12%
Rich Products Corporation	350	9	0.67%	400	7	0.79%
Jekyll Island Authority	350	10	0.67%	363	-	-
King & Prince Seafood	-		-	450	8	0.89%
Total of Top Ten Employers	10,395		19.78%	13,128		25.31%
Total Employees	52,559			50,432		

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									
	2010	2011	2012	2013	2014	2015	2016	2017 *	2018	2019
Function										
General government	27.30	16.90	15.90	16.90	16.90	15.50	14.00	20.00	20.00	22.00
Judicial	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public safety	120.00	110.00	119.50	110.50	111.50	108.50	109.00	108.00	102.00	109.00
Public works	45.00	38.00	36.00	33.00	33.00	32.00	35.00	33.00	33.00	33.00
Culture and recreation	31.00	18.30	21.00	15.20	15.20	14.20	13.00	15.00	13.00	12.00
Cemetery	7.00	2.00	2.00	4.00	4.00	4.00	3.00	2.00	2.00	3.00
Community development	1.00	2.00	2.00	2.00	2.00	3.00	3.00	2.00	2.00	3.00
Economic development Component unit	1.00	1.00	1.00	4.00	4.00	1.50	-	1.00	1.00	1.00
Sanitation department	20.00	17.00	14.00	-	-	1.00	1.00	1.00	1.00	1.00
Stormwater department	-	-	-	-	-	-	-	-	-	10.00
Total	254.30	207.20	213.40	187.60	188.60	181.70	180.00	184.00	176.00	196.00

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Occupancy Permits Issued	123	140	139	99	123	128	131	129	143	157
Building Permits Issued	98	86	108	83	67	92	89	91	92	101
Plumbing Permits Issued	22	85	64	36	46	85	87	66	53	50
Electrical Permits Issued	225	140	115	103	204	242	215	245	260	265
Mechanical Permits Issued	17	28	19	17	25	45	51	43	36	37
Other Permits Issued	4	6	20	20	-	127	131	189	167	163
Inspections - Percentage of Plans Completed Within 10 Days										
Inspections - Percentage of Plans Completed in 24 Hours										
Judicial										
Dockets Processed	4,020	3,971	4,203	3,577	3,970	2,257	3,192	2,775	5,918	4,326
Public Safety										
Police - Number of Arrests	1,050	1,006	1,121	950	1,237	734	683	624	752	1,357
Police - Jail Bookings	1,124	990	1,212	1,089	1,192	1,123	1,221	1,186	1,291	1,623
Police - Calls Received	55,790	42,904	42,700	53,081	55,264	42,077	28,648	29,715	42,326	43,212
Police - Narcotics Arrests	106	141	153	116	173	113	94	90	127	121
Police - Traffic Citations Total	2,555	5,194	4,142	3,769	3,961	4,002	4,261	3,369	4,112	5,938
Police - Traffic Citations - Moving	2,219	4,677	3,609	3,105	2,926	3,686	3,153	2,444	2,898	3,617
Police - Traffic Citations Non - Moving	336	517	533	664	1,095	316	371	268	322	1,031
Fire - Calls Received	2,451	2,680	2594	2,445	2,682	3,050	3,457	3,664	3,611	3,132
Fire - Inspection and Plan Reviews	691	971	402	159	80	200	366	826	1,127	1,136
E911 - Calls Received (Note 2)	44,534	47,536	47658	56,432	58,665	75,474	32,395 *	33,427 *	46,511	48,326

Continued.

CITY OF BRUNSWICK, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Works										
Street Sweeping Frequency Per Year (miles per work day)	55.44	55.63	36.9	31.2	28	36	10.83	20.52	6.27	6.27
Ditches Maintained (miles)	3.68	4.81	12.95	20.96	18.5	11	9.95	12.77	7.06	10.75
Feet of Storm Drains Cleaned and Maintained	11,299	14,097	11,616	22,263	19,500	30,197	20,989	9,632	9,524	12,133
Sanitation (note 1)										
Residential Customers	4,028	3,722	3,482	3,626	4,395	4,936	4,936	4150	4065	4132
Commercial Customers	969	626	551	520	342	530	530	300	297	325
Stormwater										
Residential Customers	-	-	-	-	-	-	-	-	-	5123
Commercial Customers	-	-	-	-	-	-	-	-	-	1737
Culture & Recreation										
Number of Days Various Facilities Rented	43	48	45	18	5	12	9	7	13	3
Number of Participants in Athletics	229	367	266	78	225	136	102	219	297	286
Cemetery										
Number of New Grave Openings	189	150	113	129	149	152	171	174	150	156
Community Development										
Net Gain of New Downtown Businesses	14	17	17	18	27	36	22	19	40	14

* 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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Works										
Police - Vehicles	61	58	55	60	80	62	80	93	90	84
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	5	5	5	12	12	14	16	18
Traffic Signals	28	28	28	26	26	25	25	25	25	25
Public Works										
Miles of Paved Roads Maintained	99.5	99.5	99.5	99.5	99.5	99.8	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	77	77	77	77
Sanitation										
Collection Vehicles	11	11	12	9	9	9	9	9	9	2
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	10	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

Sources: Various City departments.

See independent auditor's report.

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 31, 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

Savannah, Georgia
December 31, 2019

CITY OF BRUNSWICK, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

Not applicable as a single audit was not performed for the fiscal year ended June 30, 2019, due to the City not expending $750,000 or more of federal funds

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.