

CITY OF BRUNSWICK, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

Prepared by:
Finance Department

CITY OF BRUNSWICK, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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CITY OF BRUNSWICK, GEORGIA

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INTRODUCTORY SECTION



CITY OF BRUNSWICK

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

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

City Attorney
Brian D. Corry

City Manager
Regina M. McDuffie

March 18, 2021

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, 2020, 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 MD&A compliments this letter of transmittal and should be read in conjunction with it. The MD&A can be found on pages 4 – 14 of this report.

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

The City of Brunswick was founded in 1771 and will celebrate its 250th anniversary in 2021. 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.



CITY OF BRUNSWICK

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City Manager
Regina M. McDuffie

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.cityofbrunswickga.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

Calendar year 2020 was witness to an unprecedented level of economic uncertainty as the COVID-19 pandemic overtook the nation in early spring. The fiscal climate for Georgia was shaken by the closing of businesses, schools, and government operations. Sales tax was expected to be down more than 20% by the end of the fiscal year, however, as evident in the financial statements, year-end revenues were not severely impacted. The outlook for Brunswick and Glynn County in the coming year is now improving with businesses reopening and employment strengthening.

Despite the pandemic, the City's downtown development continued with the opening of the Silver Bluff Brewery, additional residential development, and new building renovations. Business growth was up 7.5% in the city including 20 new retail establishments. The city has secured over \$40 million in development since 2018. Historic building renovations have taken place, and some are currently underway through a City sponsored incentive of building stabilization loans/ grants. The entertainment district will expand with new specialty shops and restaurants that have been added. Revenues are expected to increase with additional licensing, permitting and tax collections.

The housing market within the local area has continued to improve. There is a resurgence of interest in renovations of older historic homes in the Oldtown Historic District and revitalization of the Norwich Corridor is a top priority. The 2020 tax digest for the city increased 3.8% in the taxable value of both residential and commercial property. A portion is attributable to new construction/ renovation, the remaining results from increased value of existing properties. Ad Valorem taxes represent approximately forty-one (41) 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 are virtually depleted with the funds for the Oglethorpe Convention Center only remaining. The SPLOST VI referendum was approved by the voters in 2016. As of mid-2020, 68% of the projects were completed or under construction. Major road and drainage improvements in the College Park and Magnolia Park neighborhoods and the L Street corridor were primary infrastructure projects which were underway. The City and Glynn County did not pursue a SPLOST referendum in 2020 which will leave a slight gap in capital funding until the next election in 2021.



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The City continues to explore other revenue sources to diversify our revenue streams. Slow growth in property taxes and fluctuations in sales taxes are of constant concern. 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 from Hurricane Irma. Additionally, there will be funding for mitigation to better prepare for storms.

In 2018, the City began collecting its own property taxes and fees which were previously collected by the Glynn County Tax Commissioners Office. The City has worked diligently to ensure that the percentages of taxes collected remained high. Collections for real and personal taxes for the 2018 and 2019 tax years were 99% and 98%, respectively. The City will continue to work to improve the value of our Tax Digest in the 2021 fiscal year. In 2017, the City partnered with Glynn County in creating the Glynn-Brunswick Land Bank Authority. Its responsibility is to address blighted neighborhoods and 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.

In 2020, the City in conjunction with the Urban Redevelopment Agency (URA) finalized the Perry Place Residential Development Project. The project consists of a multifamily community with approximately fifty-four (54) townhome units. The development is along the Altama/MLK corridor with an estimated construction cost of \$12.0 million. Construction is scheduled to begin in late 2020. In December 2017 the City created a Tax Allocation District (TAD) which will add additional revenue for redevelopment improvements within the TAD using the tax increments from the City, County and Board of Education. The creation of the Federal Opportunity Zone in 2018 works to 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 all 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.

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Brian D. Corry

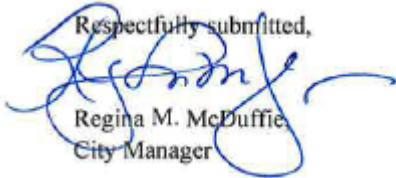
City Manager
Regina M. McDuffie

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, 2020.

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,



Regina M. McDuffie
City Manager

CITY OF BRUNSWICK, GEORGIA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2020

Mayor.....	<i>Cornell L. Harvey</i>
Mayor Pro-Tem	<i>Julie T. Martin</i>
City Commissioner	<i>John A. Cason, III</i>
City Commissioner	<i>Felicia M. Harris</i>
City Commissioner.....	<i>Vincent T. Williams</i>
City Manager	<i>Regina M. McDuffie</i>
City Clerk.....	<i>Naomi D. Atkinson</i>
City Attorney.....	<i>Brian D. Corry</i>
Municipal Court Judge	<i>Christopher J. O'Donnell</i>
Municipal Court Judge Pro-Tem.....	<i>Melissa Cruthirds</i>
City Auditor.....	<i>Mauldin & Jenkins, Certified Public Accountants</i>
Finance Director	<i>Kathy D. Mills, CPA</i>
Assistant City Manager	<i>Tanet Myers</i>
City Engineer/Public Works Director	<i>J. Garrow Alberson</i>
Fire Chief	<i>Randy D. Mobley</i>
Police Chief	<i>Kevin M. Jones</i>
Planning, Development and Code Enforcement.....	<i>John Hunter</i>
Economic Development Director	<i>Travis Stegall</i>
Downtown Development Director	<i>Matthew Hill</i>
Neighborhood Services Director.....	<i>Dominique Mack</i>



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.

The council of the Royal Province of Georgia at a meeting held in the capital city of Savannah in 1771, laid off the town of Brunswick and named the street and parks.

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.

CITY OF BRUNSWICK, GEORGIA

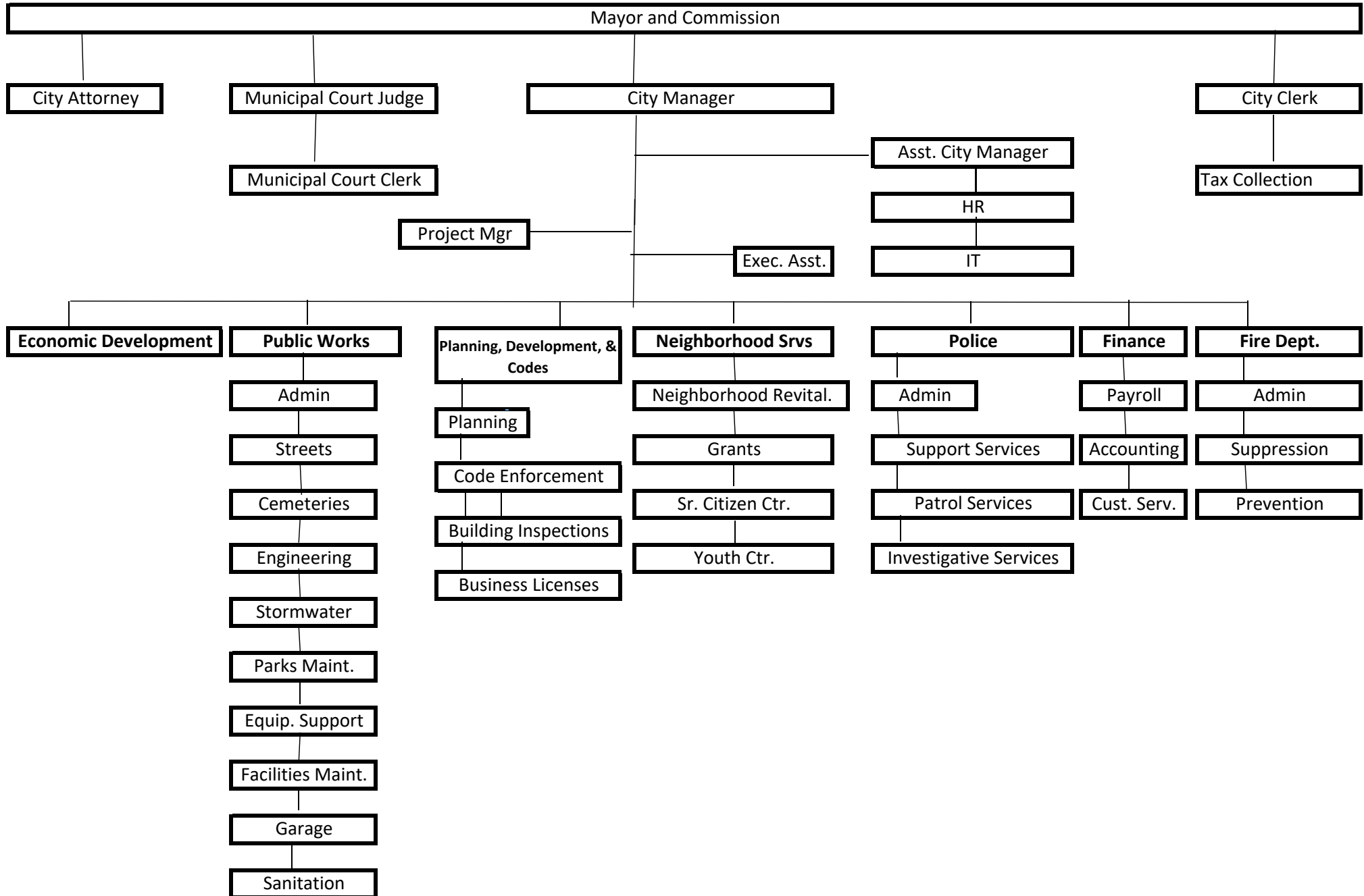
HISTORY (Continued)

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



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, 2020, 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, 2020, 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 67 through 68), the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budgets (GAAP BASIS) and Actual – Community Development Fund (page 69), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on page 70), the Schedule of Contributions (on page 71) and the Schedule of Investment Returns for the Defined Benefit Plan (on page 72) 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 March 18, 2021, 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
March 18, 2021

CITY OF BRUNSWICK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

As management of the City of Brunswick (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. 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 exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$48,280,937 (*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 \$7,020,584 and related deferred outflows of resources related to the pension of \$521,513 and deferred inflows related to the pension of \$523,168 in the Statement of Net Position. The net pension liability decreased by \$584,013 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 61.1%.
- The City's overall financial position increased by \$3,061,711 due primarily to an increase in capital and operating grants.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,776,689 with a combined increase of \$894,699 in fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,945,098. General Fund revenues decreased \$1,006,219 over the total General Fund revenues for the previous fiscal year.
- The City's total debt decreased \$658,485 during the current fiscal year as the result of payments on capital leases and a decrease in net pension liability.
- The Sanitation Fund had a decrease in operating revenue of \$121,370 or 7.2% from the previous year and an increase in operating expenses of \$67,984 or 3.8% from the previous year.
- The Stormwater Fund had an increase in operating revenue of \$169,999 or 18.9% from the previous year and an increase in operating expenses of \$138,241 or 20.8% from the previous year.

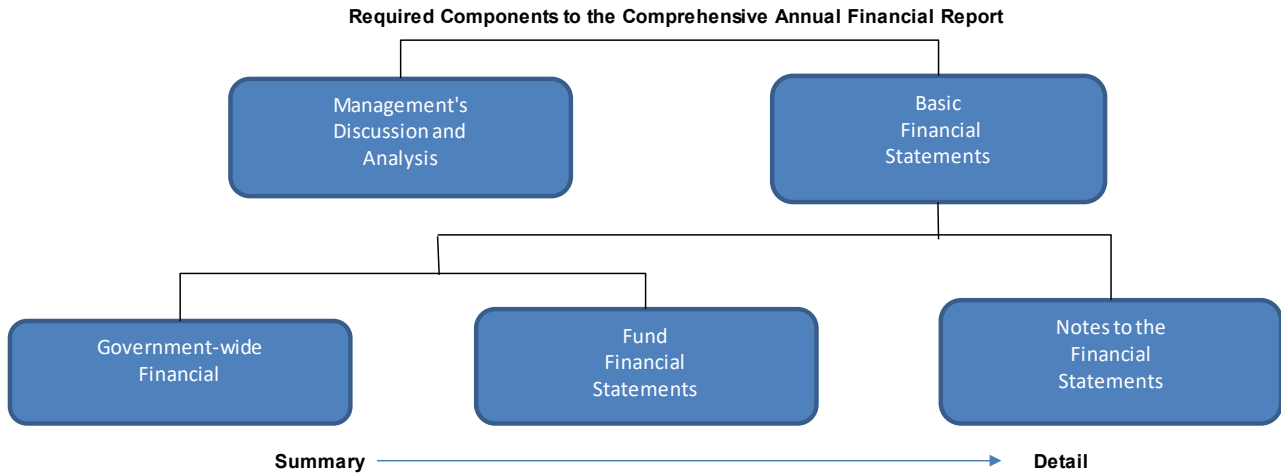
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City'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.

CITY OF BRUNSWICK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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*.

CITY OF BRUNSWICK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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. 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, 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 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.

CITY OF BRUNSWICK, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (Continued)

Proprietary Funds

The City 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 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. 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 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'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.

CITY OF BRUNSWICK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

City of Brunswick's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Cash, investments, and receivables	\$ 19,840,459	\$ 18,997,011	\$ 1,160,353	\$ 874,274	\$ 21,000,812	\$ 19,871,285
Capital assets	41,079,882	40,636,061	605,807	481,469	41,685,689	41,117,530
Landfill closure costs escrow deposit	-	-	1,095,014	422,130	1,095,014	422,130
Prepaid items and other	331,427	301,197	-	-	331,427	301,197
Total assets	61,251,768	59,934,269	2,861,174	1,777,873	64,112,942	61,712,142
Deferred outflows of resources	521,513	796,647	-	-	521,513	796,647
Liabilities						
Current liabilities	4,503,439	4,967,150	759,408	792,225	5,262,847	5,759,375
Long-term liabilities	10,195,235	10,874,716	-	-	10,195,235	10,874,716
Total liabilities	14,698,674	15,841,866	759,408	792,225	15,458,082	16,634,091
Deferred inflows of resources	895,436	655,472	-	-	895,436	655,472
Net position:						
Net investment in capital assets	39,543,063	51,336,772	605,807	481,469	40,148,870	51,818,241
Restricted	9,500,164	7,918,571	1,095,014	422,130	10,595,178	8,340,701
Unrestricted	(2,864,056)	(15,021,765)	400,945	82,049	(2,463,111)	(14,939,716)
Total net position	\$ 46,179,171	\$ 44,233,578	\$ 2,101,766	\$ 985,648	\$ 48,280,937	\$ 45,219,226

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 exceeded liabilities and deferred inflows by \$48,280,937 as of June 30, 2020. The City's net position increased by \$3,061,711 for the fiscal year ended June 30, 2020. The largest portion of the City's net position is \$40,148,870 which reflects the City's net investment in capital assets (e.g., land, buildings, infrastructure, and machinery and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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's net position, \$10,595,178, represents resources that are subject to external restrictions on how they may be used. The remaining balance (deficit) of (\$2,463,111) is unrestricted.

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

- Total government-wide tax revenues decreased by 0.82%.
- Total expenses for governmental activities increased by 6.17% from the previous fiscal year.
- The net position of the Sanitation Fund increased by 173% due to a transfer in of \$1,000,000.

CITY OF BRUNSWICK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

	City of Brunswick's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues						
Charges for services	\$ 1,431,063	\$ 1,745,642	\$ 2,633,809	\$ 2,585,180	\$ 4,064,872	\$ 4,330,822
Operating grants and contributions	829,020	1,018,190	-	-	829,020	1,018,190
Capital grants and contributions	5,263,857	5,439,443	-	-	5,263,857	5,439,443
General revenues:						
Property taxes	5,108,268	5,181,686	-	-	5,108,268	5,181,686
Franchise taxes	1,293,382	1,301,212	-	-	1,293,382	1,301,212
Hotel/Motel tax	4,805	7,654	-	-	4,805	7,654
Local option sales tax	6,370,970	6,415,905	-	-	6,370,970	6,415,905
Selective sales and use tax	1,708,499	1,699,764	-	-	1,708,499	1,699,764
Unrestricted investment earnings	114,405	158,812	12,945	17,245	127,350	176,057
Gain on sale of capital assets	571,428	5,789	-	-	571,428	5,789
Miscellaneous	59,069	210,609	-	-	59,069	210,609
Total revenues	<u>22,754,766</u>	<u>23,184,706</u>	<u>2,646,754</u>	<u>2,602,425</u>	<u>25,401,520</u>	<u>25,787,131</u>
Expenses:						
General government	2,904,759	3,097,624	-	-	2,904,759	3,097,624
Judicial	344,178	328,090	-	-	344,178	328,090
Public safety	9,570,547	7,742,182	-	-	9,570,547	7,742,182
Public works	1,801,656	2,206,200	-	-	1,801,656	2,206,200
Culture and recreation	2,904,323	3,386,937	-	-	2,904,323	3,386,937
Cemetery	302,208	210,948	-	-	302,208	210,948
Community development	1,112,067	1,215,958	-	-	1,112,067	1,215,958
Economic development - (component unit)	708,614	310,157	-	-	708,614	310,157
Debt service	41,120	47,466	-	-	41,120	47,466
Business-type	-	-	2,650,337	2,444,112	2,650,337	2,444,112
Total expenses	<u>19,689,472</u>	<u>18,545,562</u>	<u>2,650,337</u>	<u>2,444,112</u>	<u>22,339,809</u>	<u>20,989,674</u>
Change in net position before transfers	<u>3,065,294</u>	4,639,144	<u>(3,583)</u>	158,313	<u>3,061,711</u>	4,797,457
Transfers	(1,119,701)	(327,846)	1,119,701	327,846	-	-
Payments from component unit	-	-	-	-	-	-
Change in net position	<u>1,945,593</u>	4,311,298	<u>1,116,118</u>	486,159	<u>3,061,711</u>	4,797,457
Net position, beginning, as restated	<u>44,233,578</u>	39,922,280	<u>985,648</u>	499,489	<u>45,219,226</u>	40,421,769
Net position, ending	<u>\$ 46,179,171</u>	<u>\$ 44,233,578</u>	<u>\$ 2,101,766</u>	<u>\$ 985,648</u>	<u>\$ 48,280,937</u>	<u>\$ 45,219,226</u>

CITY OF BRUNSWICK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities in the current year increased the City's net position by \$1,945,593. Key net elements of the activity are as follows:

- Gain on sale of capital assets of \$571,428.
- Total tax revenue decreased slightly by 0.82% from the previous year.
- Total governmental expenses increased 6.17% from the previous year.

Business-type Activities

Business-type activities increased the City's net position by \$1,116,118. The increase is primarily due to transfers of \$1,119,701 from governmental activities.

Financial Analysis of the City's Funds

As noted earlier, the City 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 \$9,494,374, total liabilities were \$2,040,972 and deferred inflow of resources (property taxes) were \$1,176,877. The ending fund balance in the General Fund was \$6,276,525 of which \$331,427 was nonspendable and \$5,495,098 was unassigned.

During the current fiscal year, the total revenues and other financing sources in the General Fund were \$16,453,716 and the total expenditures and other financing uses in the General Fund were \$17,140,037. Of the General Fund revenues, 89% come from taxes. Public safety expenditures account for 50% of the General Fund expenditures.

The fund balance in the General Fund decreased \$686,321 in the current fiscal year due primarily to a transfer out of \$1,902,630.

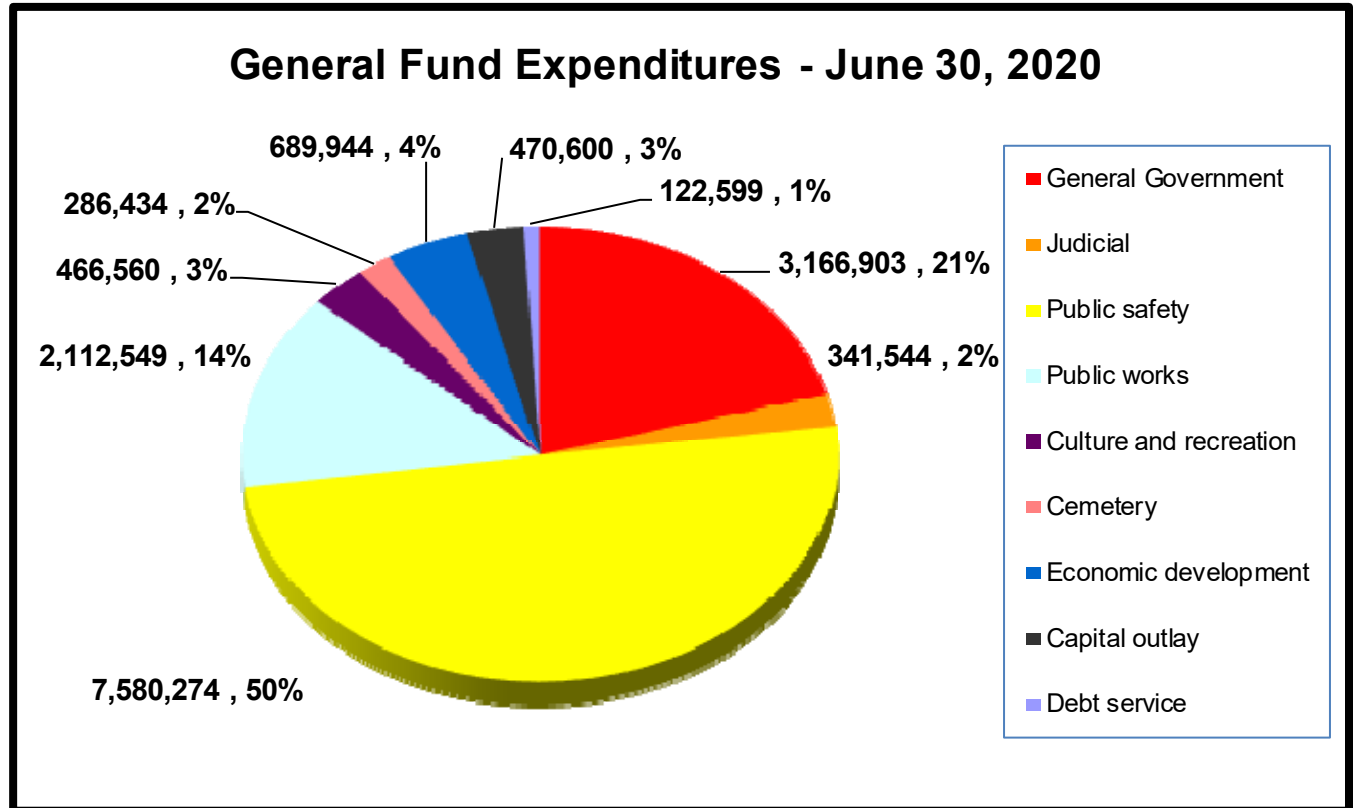
CITY OF BRUNSWICK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Major Governmental Funds (Continued)

General Fund (Continued)

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



Other Major Governmental Funds

The fund balance for the Community Development Fund decreased from \$545,079 to \$536,866 due primarily to an excess of expenditures over revenues. The fund received \$418,121 in grant income and had expenditures of \$513,334 during the current year.

The fund balance in the SPLOST VI capital projects fund increased from \$5,683,450 to \$7,178,787 due primarily to a decrease in SPLOST VI expenditures. Expenditures for the fund totaled \$3,473,587.

CITY OF BRUNSWICK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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 \$2,198,778, total liabilities were \$1,053,555, and net position was \$1,145,223. Unrestricted net position of the Sanitation Fund at the end of the fiscal year was a deficit of \$10,332. The total increase in net position for the Sanitation Fund was \$725,657. Operating revenue was \$1,563,063 and operating expenses were \$1,847,049 resulting in an operating loss of \$283,986.

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 \$1,129,570, total liabilities were \$173,027, and net position was \$956,543. Unrestricted net position of the Stormwater Fund at the end of the fiscal year was \$411,277. The total increase in net position for the Stormwater Fund was \$390,461. Operating revenue was \$1,070,746 and operating expenses were \$803,288 resulting in operating income of \$267,458.

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 assets held by the City's defined benefit pension plan increased in fair value by \$352,819. Contributions from the City and its employees totaled \$1,174,037 during the year. Other additions to the plan including interest and dividends, gain on security sales, and unrealized appreciation/depreciation on investments totaled \$668,561. The Defined Benefit Pension Plan paid \$989,447 in monthly and lump-sum payments to retirees during the plan year. Net position in the plan increased by \$352,819 to \$11,336,679 due primarily to the increase in employer and employee contributions during the fiscal year.

CITY OF BRUNSWICK, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary Fund (Continued)

Defined Benefit Pension Plan Trust (Continued)

As mentioned earlier, the City has recorded a net pension liability of \$7,020,584 and related deferred outflows of resources related to the pension of \$521,513 and deferred inflows related to the pension of \$523,168 in the Statement of Net Position. The net pension liability decreased by \$584,013 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 61.1%.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totaled \$41,685,689 (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 an addition to the Fire Station in the amount of \$395,706
- Capital expenditures for the public works and culture and recreation departments totaled \$1,128,973 and \$753,122, respectively.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,984,747	\$ 3,013,324	\$ -	\$ -	\$ 2,984,747	\$ 3,013,324
Land improvements	4,047,218	4,171,140	-	-	4,047,218	4,171,140
Buildings and improvements	10,904,939	10,653,191	-	-	10,904,939	10,653,191
Equipment	2,441,524	2,631,002	550,046	424,271	2,991,570	3,055,273
Infrastructure	19,413,626	19,285,441	55,761	57,198	19,469,387	19,342,639
Construction in progress	1,287,828	881,963	-	-	1,287,828	881,963
Total	\$ 41,079,882	\$ 40,636,061	\$ 605,807	\$ 481,469	\$ 41,685,689	\$ 41,117,530

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

Long-term Debt. The City's total debt decreased \$658,485 during the past fiscal year, as a result of payments on capital lease obligations and a decrease in the net pension liability.

Please see Note 6 in the *notes to the financial statements* for additional information on the City's debt.

CITY OF BRUNSWICK, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Cash and cash equivalents	\$ 890,426	\$ 179,693	\$ 1,070,119	\$ 33,275
Investments	13,633,175	-	13,633,175	-
Receivables, net of allowances				
Taxes	1,047,555	-	1,047,555	-
Accounts receivable	407,508	558,047	965,555	-
Intergovernmental	3,034,652	-	3,034,652	-
Internal balances	454,875	(454,875)	-	-
Prepaid expenses	331,427	-	331,427	-
Inventories	-	-	-	8,943
Restricted assets:				
Cash and cash equivalents	-	1,095,014	1,095,014	-
Investments	-	877,488	877,488	-
Assets held for resale	-	-	-	575,000
Fair value of interest rate swap	372,268	-	372,268	-
Capital assets:				
Land	2,984,747	-	2,984,747	-
Construction-in-progress	1,287,828	-	1,287,828	-
Depreciable assets, net	36,807,307	605,807	37,413,114	717,530
Total assets	61,251,768	2,861,174	64,112,942	1,334,748
DEFERRED OUTFLOWS OF RESOURCES				
Pension	521,513	-	521,513	-
Total deferred outflows or resources	521,513	-	521,513	-
LIABILITIES				
Accounts payable	1,971,878	192,035	2,163,913	581,145
Accrued expenses	310,257	11,914	322,171	5,251
Unearned revenues	-	548,305	548,305	-
Claims payable	1,560,874	-	1,560,874	-
Due to other governments	212,284	-	212,284	-
Long-term liabilities				
Due within one year:				
Notes from direct borrowings	-	-	-	43,833
Capital leases payable	85,606	-	85,606	-
Customer deposits payable	-	7,154	7,154	-
Compensated absences	362,540	-	362,540	-
Due in more than one year:				
Certificate of participation	1,116,000	-	1,116,000	-
Notes from direct borrowings	-	-	-	778,680
Capital leases payable	335,213	-	335,213	-
Compensated absences	362,539	-	362,539	-
Net pension liability	7,020,584	-	7,020,584	-
Landfill post-closure costs	1,360,899	-	1,360,899	-
Total liabilities	14,698,674	759,408	15,458,082	1,408,909
DEFERRED INFLOWS OF RESOURCES				
Deferred charge on fair value of hedging derivative instruments	372,268	-	372,268	-
Pension	523,168	-	523,168	-
Total deferred inflows of resources	895,436	-	895,436	-
NET POSITION				
Net investment in capital assets	39,543,063	605,807	40,148,870	717,530
Restricted for:				
Community development	908,402	-	908,402	-
Capital of projects	8,533,688	-	8,533,688	-
Public safety	58,074	-	58,074	-
Landfill closure costs	-	1,095,014	1,095,014	-
Unrestricted	(2,864,056)	400,945	(2,463,111)	(791,691)
Total net position	\$ 46,179,171	\$ 2,101,766	\$ 48,280,937	\$ (74,161)

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, 2020**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Unit Downtown Development Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 2,904,759	\$ 797,462	\$ 64,756	\$ 5,020,685	\$ 2,978,144	\$ -	\$ 2,978,144	\$ -
Judicial	344,178	288,436	-	-	(55,742)	-	(55,742)	-
Public safety	9,570,547	31,373	30,286	-	(9,508,888)	-	(9,508,888)	-
Public works	1,801,656	-	-	21,505	(1,780,151)	-	(1,780,151)	-
Culture and recreation	2,904,323	197,570	66,300	-	(2,640,453)	-	(2,640,453)	-
Cemetery	302,208	105,785	-	-	(196,423)	-	(196,423)	-
Community development	1,112,067	10,437	667,678	221,667	(212,285)	-	(212,285)	-
Economic development-component unit	708,614	-	-	-	(708,614)	-	(708,614)	-
Interest on long-term debt	41,120	-	-	-	(41,120)	-	(41,120)	-
Total governmental activities	<u>19,689,472</u>	<u>1,431,063</u>	<u>829,020</u>	<u>5,263,857</u>	<u>(12,165,532)</u>	<u>-</u>	<u>(12,165,532)</u>	<u>-</u>
Business-type activities:								
Sanitation	1,847,049	1,563,063	-	-	-	(283,986)	(283,986)	-
Stormwater	803,288	1,070,746	-	-	-	267,458	267,458	-
Total business-type activities	<u>2,650,337</u>	<u>2,633,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,528)</u>	<u>(16,528)</u>	<u>-</u>
Total primary government	<u>\$ 22,339,809</u>	<u>\$ 4,064,872</u>	<u>\$ 829,020</u>	<u>\$ 5,263,857</u>	<u>(12,165,532)</u>	<u>(16,528)</u>	<u>(12,182,060)</u>	<u>-</u>
Component unit:								
Downtown Development Authority	\$ 288,718	\$ 8,460	\$ 120,738	\$ 230,696	-	-	-	71,176
Total component unit	<u>\$ 288,718</u>	<u>\$ 8,460</u>	<u>\$ 120,738</u>	<u>\$ 230,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,176</u>
General revenues:								
Property taxes levied for general purposes					5,108,268	-	5,108,268	-
Franchise taxes					1,293,382	-	1,293,382	-
Hotel/Motel taxes					4,805	-	4,805	-
Selective sales and use tax					1,708,499	-	1,708,499	-
Local options sales tax					6,370,970	-	6,370,970	-
Unrestricted investment earnings					114,405	12,945	127,350	11
Miscellaneous					59,069	-	59,069	-
Gain on sale of capital assets					571,428	-	571,428	-
Transfers					(1,119,701)	1,119,701	-	-
Total general revenues and transfers					<u>14,111,125</u>	<u>1,132,646</u>	<u>15,243,771</u>	<u>11</u>
Change in net position					1,945,593	1,116,118	3,061,711	71,187
Net position, beginning of year, as restated					44,233,578	985,648	45,219,226	(145,348)
Net position (deficit), end of year					<u>\$ 46,179,171</u>	<u>\$ 2,101,766</u>	<u>\$ 48,280,937</u>	<u>\$ (74,161)</u>

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

CITY OF BRUNSWICK, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General</u>	<u>Community Development Fund</u>	<u>SPLOST VI Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 484,547	\$ 230,036	\$ 36,488	\$ 62,121	\$ 813,192
Investments	4,904,970	362,369	6,550,140	1,756,609	13,574,088
Receivables, net of allowances					
Taxes	971,395	-	-	76,160	1,047,555
Accounts receivable	294,746	81,656	-	-	376,402
Intergovernmental	1,877,454	8,368	1,032,804	116,026	3,034,652
Prepaid expenditures	331,427	-	-	-	331,427
Due from other funds	629,835	69,696	104,924	45,749	850,204
Total assets	<u>\$ 9,494,374</u>	<u>\$ 752,125</u>	<u>\$ 7,724,356</u>	<u>\$ 2,056,665</u>	<u>\$ 20,027,520</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,443,417	\$ 12,718	\$ 364,407	\$ 136,212	\$ 1,956,754
Accrued expenditures	298,329	5,529	-	6,399	310,257
Due to other funds	162,972	197,012	-	69,696	429,680
Due to other governments	136,254	-	35,947	40,083	212,284
Advances from other funds	-	-	-	19,764	19,764
Total liabilities	<u>2,040,972</u>	<u>215,259</u>	<u>400,354</u>	<u>272,154</u>	<u>2,928,739</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes	1,176,877	-	145,215	-	1,322,092
Total deferred inflows of resources	<u>1,176,877</u>	<u>-</u>	<u>145,215</u>	<u>-</u>	<u>1,322,092</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	331,427	-	-	-	331,427
Restricted for:					
Community development	-	536,866	-	371,536	908,402
Capital projects	-	-	7,178,787	1,354,901	8,533,688
Public safety	-	-	-	58,074	58,074
Unassigned	5,945,098	-	-	-	5,945,098
Total fund balances	<u>6,276,525</u>	<u>536,866</u>	<u>7,178,787</u>	<u>1,784,511</u>	<u>15,776,689</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,494,374</u>	<u>\$ 752,125</u>	<u>\$ 7,724,356</u>	<u>\$ 2,056,665</u>	<u>\$ 20,027,520</u>

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, 2020**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds	\$	15,776,689	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported in the funds as deferred outflow of resources - unavailable			
Taxes not available to finance expenditures			1,322,092
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.			
Cost of the assets	\$	89,634,905	
Less accumulated depreciation		<u>(48,555,023)</u>	41,079,882
Internal service funds are 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	\$	46,646	
Workers compensation fund		<u>(1,401,102)</u>	(1,354,456)
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	\$	(420,819)	
Certificate of participation		(1,116,000)	
Landfill post-closure costs		(1,360,899)	
Accrued compensated absences		(725,079)	
Net pension liability		(7,020,584)	
Deferred outflows related to pensions		521,513	
Deferred inflows related to pensions		<u>(523,168)</u>	(10,645,036)
Total net position - governmental activities			<u>\$ 46,179,171</u>

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, 2020

	General	Community Development Fund	SPLOST VI Fund	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES					
Taxes:					
Property taxes	\$ 4,705,830	\$ -	\$ -	\$ -	\$ 4,705,830
Franchise taxes	1,293,382	-	-	-	1,293,382
Local option sales tax	6,370,970	-	-	-	6,370,970
Selective sales and use taxes	1,708,499	-	-	-	1,708,499
Hotel/Motel taxes	-	-	-	4,805	4,805
Licenses and permits	632,168	-	-	-	632,168
Fines and forfeitures	393,856	-	-	-	393,856
Intergovernmental revenues - special purpose local sales tax	-	-	4,552,483	75,000	4,627,483
Intergovernmental revenues - other	-	-	210,007	-	210,007
Grant revenues	109,595	410,434	74,087	547,712	1,141,828
Charges for services and assessments	359,767	-	-	23,746	383,513
Unrestricted investment earnings	103,557	7,682	92,054	24,671	227,964
Rental income	21,526	-	-	-	21,526
Contributions and donations	945	5	-	26,906	27,856
Other revenues	31,213	-	-	-	31,213
Total revenues	<u>15,731,308</u>	<u>418,121</u>	<u>4,928,631</u>	<u>702,840</u>	<u>21,780,900</u>
EXPENDITURES					
General government	3,166,903	-	-	-	3,166,903
Judicial	341,544	-	-	-	341,544
Public safety	7,580,274	-	-	428,381	8,008,655
Public works	2,112,549	-	-	-	2,112,549
Culture and recreation	466,560	-	-	-	466,560
Cemetery	286,434	-	-	-	286,434
Community development	-	427,084	-	358,515	785,599
Economic development	689,944	-	-	-	689,944
Debt service:					
Principal	81,479	-	-	-	81,479
Interest	41,120	-	-	-	41,120
Capital outlay:					
General government	43,352	-	-	13,484	56,836
Public safety	215,444	-	539,441	-	754,885
Public works	178,273	-	2,400,413	-	2,578,686
Culture and recreation	33,531	-	358,045	-	391,576
Community development	-	86,250	175,688	341,797	603,735
Total expenditures	<u>15,237,407</u>	<u>513,334</u>	<u>3,473,587</u>	<u>1,142,177</u>	<u>20,366,505</u>
Excess (deficiency) of revenues over (under) expenditures	<u>493,901</u>	<u>(95,213)</u>	<u>1,455,044</u>	<u>(439,337)</u>	<u>1,414,395</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	122,403	87,000	40,293	533,293	782,989
Transfers out	(1,902,630)	-	-	(60)	(1,902,690)
Proceeds from the sale of capital assets	600,005	-	-	-	600,005
Total other financing sources (uses)	<u>(1,180,222)</u>	<u>87,000</u>	<u>40,293</u>	<u>533,233</u>	<u>(519,696)</u>
Net change in fund balances	(686,321)	(8,213)	1,495,337	93,896	894,699
Fund balances, beginning of year, as restated	<u>6,962,846</u>	<u>545,079</u>	<u>5,683,450</u>	<u>1,690,615</u>	<u>14,881,990</u>
Fund balances, end of year	<u>\$ 6,276,525</u>	<u>\$ 536,866</u>	<u>\$ 7,178,787</u>	<u>\$ 1,784,511</u>	<u>\$ 15,776,689</u>

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, 2020**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds \$ 894,699

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	\$	2,471,106	
Depreciation expense		<u>(1,998,708)</u>	472,398

In the statement of activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds report only proceeds from disposal of capital assets. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold or disposed.

Cost of capital assets	\$	(185,577)	
Accumulated depreciation		<u>157,000</u>	(28,577)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 402,438

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	\$	81,479	
Reduction of landfill liability		<u>26,732</u>	108,211

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. 140,238

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. 169,261

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. (213,075)

Change in net position of governmental activities \$ 1,945,593

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

CITY OF BRUNSWICK, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	<u>Sanitation</u>	<u>Nonmajor Stormwater</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 140,433	\$ 39,260	179,693	\$ 77,234
Investments	-	-	-	59,087
Restricted assets, cash	1,095,014	-	1,095,014	-
Restricted assets, investments	624,878	252,610	877,488	-
Accounts receivable, net of allowances	271,477	286,570	558,047	-
Claims reimbursement receivable	-	-	-	31,106
Due from other funds	6,435	5,864	12,299	-
Advances to other funds	-	-	-	54,115
Total current assets	<u>2,138,237</u>	<u>584,304</u>	<u>2,722,541</u>	<u>221,542</u>
NONCURRENT ASSETS				
Capital assets:				
Depreciable, net of accumulated depreciation	60,541	545,266	605,807	-
Total noncurrent assets	<u>60,541</u>	<u>545,266</u>	<u>605,807</u>	<u>-</u>
Total assets	<u>2,198,778</u>	<u>1,129,570</u>	<u>3,328,348</u>	<u>221,542</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	151,720	40,315	192,035	15,124
Accrued expenses	1,545	10,369	11,914	-
Unearned revenue	548,305	-	548,305	-
Due to other funds	310,480	122,343	432,823	-
Customer deposits payable	7,154	-	7,154	-
Claims payable	-	-	-	1,560,874
Total current liabilities	<u>1,019,204</u>	<u>173,027</u>	<u>1,192,231</u>	<u>1,575,998</u>
NONCURRENT LIABILITIES				
Advances to other funds	34,351	-	34,351	-
Total noncurrent liabilities	<u>34,351</u>	<u>-</u>	<u>34,351</u>	<u>-</u>
Total liabilities	<u>1,053,555</u>	<u>173,027</u>	<u>1,226,582</u>	<u>1,575,998</u>
NET POSITION (DEFICIT)				
Investment in capital assets	60,541	545,266	605,807	-
Restricted	1,095,014	-	1,095,014	-
Unrestricted	(10,332)	411,277	400,945	(1,354,456)
Total net position (deficit)	<u>\$ 1,145,223</u>	<u>\$ 956,543</u>	<u>\$ 2,101,766</u>	<u>\$ (1,354,456)</u>

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, 2020

	<u>Sanitation</u>	<u>Nonmajor Stormwater</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
OPERATING REVENUES				
Sanitation fees	\$ 1,563,063	\$ -	\$ 1,563,063	\$ -
Stormwater fees	-	1,070,746	1,070,746	-
Contributions - employer	-	-	-	1,489,900
Contributions - employees	-	-	-	232,882
Reimbursements	-	-	-	263,288
Total operating revenues	<u>1,563,063</u>	<u>1,070,746</u>	<u>2,633,809</u>	<u>1,986,070</u>
OPERATING EXPENSES				
Personal services - salaries and wages	36,559	312,679	349,238	-
Personal services - employee benefits	15,248	-	15,248	-
Professional/technical services	1,790,195	294,970	2,085,165	-
Supplies	-	52,091	52,091	-
Contractual	-	-	-	304,459
Provision for bad debts	1,343	-	1,343	-
Depreciation	1,251	116,455	117,706	-
Administrative expense	2,453	27,093	29,546	-
Claims	-	-	-	1,898,775
Total operating expenses	<u>1,847,049</u>	<u>803,288</u>	<u>2,650,337</u>	<u>2,203,234</u>
Operating income (loss)	<u>(283,986)</u>	<u>267,458</u>	<u>(16,528)</u>	<u>(217,164)</u>
NONOPERATING INCOME				
Investment income	9,643	3,302	12,945	4,089
Total nonoperating income	<u>9,643</u>	<u>3,302</u>	<u>12,945</u>	<u>4,089</u>
Income (loss) before transfers	<u>(274,343)</u>	<u>270,760</u>	<u>(3,583)</u>	<u>(213,075)</u>
TRANSFERS				
Transfers out	-	(122,343)	(122,343)	-
Transfers in	1,000,000	242,044	1,242,044	-
Total transfers	<u>1,000,000</u>	<u>119,701</u>	<u>1,119,701</u>	<u>-</u>
Change in net position	725,657	390,461	1,116,118	(213,075)
NET POSITION, beginning of year	<u>419,566</u>	<u>566,082</u>	<u>985,648</u>	<u>(1,141,381)</u>
NET POSITION, end of year	<u>\$ 1,145,223</u>	<u>\$ 956,543</u>	<u>\$ 2,101,766</u>	<u>\$ (1,354,456)</u>

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, 2020**

	<u>Sanitation</u>	<u>Nonmajor Stormwater</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Sanitation fees	\$ 1,617,021	\$ -	\$ 1,617,021	\$ -
Stormwater fees	-	931,495	931,495	-
Employee salaries and benefits	(51,796)	(309,145)	(360,941)	-
Payments to suppliers	(1,762,322)	(306,881)	(2,069,203)	-
Administrative expenses	(2,453)	(27,093)	(29,546)	-
Receipts for services	-	-	-	1,975,851
Payments of claims and expenses	-	-	-	(2,237,773)
Net cash provided by (used in) operating activities	<u>(199,550)</u>	<u>288,376</u>	<u>88,826</u>	<u>(261,922)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	-	(122,343)	(122,343)	-
Transfers in	1,000,000	242,044	1,242,044	-
Net cash provided by noncapital financing activities	<u>1,000,000</u>	<u>119,701</u>	<u>1,119,701</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(242,044)	(242,044)	-
Net cash used in capital and related financing activities	<u>-</u>	<u>(242,044)</u>	<u>(242,044)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	9,643	3,302	12,945	4,089
Sale (purchase) of investments	(66,674)	(131,531)	(198,205)	256,989
Net cash provided by (used in) investing activities	<u>(57,031)</u>	<u>(128,229)</u>	<u>(185,260)</u>	<u>261,078</u>
Increase (decrease) in cash and cash equivalents	<u>743,419</u>	<u>37,804</u>	<u>781,223</u>	<u>(844)</u>
Cash and cash equivalents:				
Beginning of year	<u>492,028</u>	<u>1,456</u>	<u>493,484</u>	<u>78,078</u>
End of year	<u>\$ 1,235,447</u>	<u>\$ 39,260</u>	<u>\$ 1,274,707</u>	<u>\$ 77,234</u>
Classified as:				
Cash and cash equivalents	\$ 140,433	\$ 39,260	\$ 179,693	\$ 77,234
Restricted assets, cash	1,095,014	-	1,095,014	-
	<u>\$ 1,235,447</u>	<u>\$ 39,260</u>	<u>\$ 1,274,707</u>	<u>\$ 77,234</u>

(Continued)

CITY OF BRUNSWICK, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Sanitation</u>	<u>Nonmajor Stormwater</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (283,986)	\$ 267,458	\$ (16,528)	\$ (217,164)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,251	116,455	117,706	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	54,748	(139,251)	(84,503)	-
Increase in claims reimbursement receivable	-	-	-	(10,219)
Increase in accrued liabilities	11	3,534	3,545	-
(Increase) decrease in due from other funds	18,302	(5,412)	12,890	-
(Decrease) in claims payable	-	-	-	(49,663)
Increase (decrease) in accounts payable	10,914	(46,486)	(35,572)	15,124
Increase in due to other funds	-	92,078	92,078	-
Increase in customer deposits	614	-	614	-
(Decrease) in unearned revenue	(1,404)	-	(1,404)	-
Net cash provided by (used in) operating activities	<u>\$ (199,550)</u>	<u>\$ 288,376</u>	<u>\$ 88,826</u>	<u>\$ (261,922)</u>

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, 2020**

ASSETS

Cash and cash equivalents	\$	982,679
Receivables:		
Contributions - employer		977,803
Interest and dividends receivable		21,945
Total receivables		<u>999,748</u>
Restricted investments, at fair value:		
U.S. Treasury notes		1,626,984
Corporate bonds		1,324,508
Domestic equities		6,347,636
Other investments		55,124
Total investments		<u>9,354,252</u>
Total assets		<u>11,336,679</u>
NET POSITION		
Assets restricted for pension benefits	\$	<u>11,336,679</u>

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, 2020**

Additions

Contributions:

Employer	\$	981,056
Participants		192,981
Total contributions		<u>1,174,037</u>

Investment income (expense):

Interest and dividends		220,972
Loss on security sales		(416,660)
Net increase in fair value of plan investments		<u>447,589</u>
Net investment income		<u>251,901</u>
Total additions		<u>1,425,938</u>

Deductions

Benefit payments		989,447
Contractual and administrative expenses		83,672
Total deductions		<u>1,073,119</u>

Net increase in plan net position 352,819

Net position restricted for pension benefits:

Net position - beginning of year		<u>10,983,860</u>
Net position - end of year	\$	<u>11,336,679</u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF BRUNSWICK, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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 Governmental Accounting Standards Board (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 units. The component units discussed below are included in the City's reporting entity because of the significant influence and financial relationship with the City.

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.

Blended Component Unit

Urban Redevelopment Agency - The Agency was established pursuant to a resolution adopted by the Brunswick City Commission on March 18, 2009, activating the Agency in accordance with the O.C.G.A. Chapter 61 Title 36; §36-61-17(b), "Urban Redevelopment Law". The Agency consists of seven members, all of whom are appointed by the City of Brunswick and charged with the redevelopment of blighted areas within the city. The Agency's funding is derived from support from the city and its operation. Therefore, the City has concluded that in accordance with GASB Statement No. 14 as amended by GASB statements No. 39 and 61, the Agency should be presented as a blended component unit. The Agency does not issue separate financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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 nonoperating 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.

NOTES TO FINANCIAL STATEMENTS

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**, the **Urban Redevelopment Agency Fund** and the **SPLOST V Fund**.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

2. Transfers of appropriations in any fund among the various accounts within a department shall require only the approval of the finance director, 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, 2020.

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 AAf 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.

NOTES TO FINANCIAL STATEMENTS

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, 2020 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.

NOTES TO FINANCIAL STATEMENTS

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, 2020, 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:

	<u>Years</u>
Land improvements	15 - 30
Buildings	50
Equipment	5 - 20
Infrastructure	10 - 20

NOTES TO FINANCIAL STATEMENTS

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, 2020, 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, 2019. 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.

NOTES TO FINANCIAL STATEMENTS

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 reports 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 one item that qualifies for reporting in this category, which is related to City's pension plan as follows. This 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 reports 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 three items that qualify for reporting in this category. The first two items, which are related to pension obligations as follows: the net difference between the projected and actual earnings on pension plan investments which is deferred and amortized over a closed five-year period and 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 third 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 and sales taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amount became available.

NOTES TO FINANCIAL STATEMENTS

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 position 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, 2020.
- *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, 2020.

NOTES TO FINANCIAL STATEMENTS

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, 2020:

The **Workers' Compensation Fund** had deficit net position of (\$1,401,102).

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Collateralization of Deposits (Continued)

As of June 30, 2020, the City's bank depositories reported government-wide balances held of \$3,188,027, \$982,858 for the Pension Fund, and \$38,826 for the Component Unit. These amounts are reconciled to the financial statements as shown below:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>	<u>Pension Fund</u>	<u>Component Unit</u>
Reported bank balances	\$ 1,915,423	\$ 1,272,604	\$ 3,188,027	\$ 982,858	\$ 38,826
Plus petty cash	3,575	-	3,575	-	1,758
Uncleared transactions	(1,028,572)	2,103	(1,026,469)	(179)	(7,309)
Financial statement balance	<u>\$ 890,426</u>	<u>\$ 1,274,707</u>	<u>\$ 2,165,133</u>	<u>\$ 982,679</u>	<u>\$ 33,275</u>

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, 2020, the City's bank balances were 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

The City's investments, excluding the Pension Fund, at June 30, 2020, were as follows:

Investment	Maturities	Fair Value
Georgia Fund I, AAf	38 - days weighted average	\$ 13,822,324
Guaranteed investment contract	10 - 20 Years	688,339
Total Investments		\$ 14,510,663

Investments are reported in the following activities:

Governmental		
General Fund		\$ 4,904,970
Community Development Fund		362,369
SPLOST VI Fund		6,550,140
Nonmajor Governmental Funds		1,756,609
Business-type		
Sanitation Fund		624,878
Stormwater Fund		252,610
Internal Service Fund		
Group Health Fund		59,087
		\$ 14,510,663

Pension Fund Investments

As of June 30, 2020, the City had \$10,336,931 invested on behalf of a defined benefit pension fund which included cash and cash equivalents of \$982,679. The balance of pension investments of \$9,354,252 is invested based on a separate policy for pension assets adopted by the City in compliance with state law.

NOTES TO FINANCIAL STATEMENTS

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 Type	Fair Value	Investment Maturities (in Years)				Rating
		Less than 1	1 - 10	10 - 20	20 - 30	
Pension Trust Fund:						
Corporate bonds	\$ 242,748	\$ -	\$ 242,748	\$ -	\$ -	A-
Corporate bonds	241,530	-	241,530	-	-	BBB+
Corporate bonds	495,036	-	495,036	-	-	BBB
Corporate bonds	345,194	-	345,194	-	-	BBB-
Corporate equities	6,347,636	6,347,636	-	-	-	N/A
U.S. treasuries	1,626,984	1,108,546	518,438	-	-	N/A
Other assets	55,124	-	-	-	55,124	N/A
Total fair value	<u>\$ 9,354,252</u>	<u>\$ 7,456,182</u>	<u>\$ 1,842,946</u>	<u>\$ -</u>	<u>\$ 55,124</u>	

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.

NOTES TO FINANCIAL STATEMENTS

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, 2020:

Investment	Level 1	Level 2	Level 3	Fair Value
Corporate Equity Securities	\$ 6,347,636	\$ -	\$ -	\$ 6,347,636
Corporate Bonds	1,119,535	204,973	-	1,324,508
United States Treasuries	1,626,984	-	-	1,626,984
Other Assets	55,124	-	-	55,124
	<u>\$ 9,149,279</u>	<u>\$ 204,973</u>	<u>\$ -</u>	<u>\$ 9,354,252</u>

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, 2020, 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	\$ 991,219	\$ -	\$ -	\$ 76,160	\$ 1,067,379
Accounts	294,746	81,656	-	-	376,402
Intergovernmental	1,877,454	8,368	1,032,804	116,026	3,034,652
Gross receivables	<u>3,163,419</u>	<u>90,024</u>	<u>1,032,804</u>	<u>192,186</u>	<u>4,478,433</u>
Less: allowance for uncollectibles	(19,824)	-	-	-	(19,824)
Net total receivables	<u>\$ 3,143,595</u>	<u>\$ 90,024</u>	<u>\$ 1,032,804</u>	<u>\$ 192,186</u>	<u>\$ 4,458,609</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES (CONTINUED)

Receivables as of June 30, 2020, 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
Receivables:			
Accounts	\$ 280,761	\$ 289,576	\$ -
Claims reimbursement receivable	-	-	31,106
Gross receivables	280,761	289,576	31,106
Less: allowance for uncollectibles	(9,284)	(3,006)	-
Net total receivables	\$ 271,477	\$ 286,570	\$ 31,106

Property taxes were levied by the City on September 25, 2019, (Levy Date) based upon property values assessed as of January 1. The billings were mailed on September 25, 2019, and payable on or before November 25, 2019, for the fiscal year 2020 tax. Taxes not paid by December 25 are subject to property tax liens. Property tax revenues are recognized when levied to the extent they result in current receivables. At June 30, 2020, the allowance for uncollectible property taxes was \$19,824.

The composition of interfund balances as of June 30, 2020, is as follows:

Receivable Fund	Payable Fund	Total
General Fund	Community Development Fund	\$ 197,012
General Fund	Sanitation Fund	310,480
General Fund	Stormwater Fund	122,343
Community Development Fund	Nonmajor Governmental Funds	69,696
SPLOST VI Fund	General Fund	104,924
Nonmajor Governmental Funds	General Fund	45,749
Sanitation Fund	General Fund	6,435
Stormwater Fund	General Fund	5,864
Total		\$ 862,503

NOTES TO FINANCIAL STATEMENTS

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.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, is as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 3,013,324	\$ -	\$ (28,577)	\$ -	\$ 2,984,747
Construction in progress	881,963	450,398	-	(44,533)	1,287,828
Total capital assets, not being depreciated	3,895,287	450,398	(28,577)	(44,533)	4,272,575
Capital assets, being depreciated:					
Buildings	16,148,307	595,251	-	-	16,743,558
Equipment	14,661,422	499,238	(157,000)	-	15,003,660
Land improvements	6,410,254	132,994	-	-	6,543,248
Infrastructure	46,242,230	793,225	(8,124)	44,533	47,071,864
Total capital assets, being depreciated	83,462,213	2,020,708	(165,124)	44,533	85,362,330
Less accumulated depreciation for:					
Buildings	(5,495,116)	(343,503)	-	-	(5,838,619)
Equipment	(12,030,420)	(688,716)	157,000	-	(12,562,136)
Land improvements	(2,239,114)	(256,916)	-	-	(2,496,030)
Infrastructure	(26,956,789)	(709,573)	8,124	-	(27,658,238)
Total accumulated depreciation	(46,721,439)	(1,998,708)	165,124	-	(48,555,023)
Total capital assets, being depreciated, net	36,740,774	22,000	-	44,533	36,807,307
Governmental activities capital assets, net	\$ 40,636,061	\$ 472,398	\$ (28,577)	\$ -	\$ 41,079,882

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities					
Capital assets, being depreciated:					
Equipment	\$ 1,789,745	\$ 242,044	\$ -	\$ -	\$ 2,031,789
Infrastructure	57,463	-	-	-	57,463
Total capital assets, being depreciated	<u>1,847,208</u>	<u>242,044</u>	<u>-</u>	<u>-</u>	<u>2,089,252</u>
Less accumulated depreciation for:					
Equipment	(1,365,474)	(116,269)	-	-	(1,481,743)
Infrastructure	(265)	(1,437)	-	-	(1,702)
Total accumulated depreciation	<u>(1,365,739)</u>	<u>(117,706)</u>	<u>-</u>	<u>-</u>	<u>(1,483,445)</u>
Total capital assets, being depreciated, net	<u>481,469</u>	<u>124,338</u>	<u>-</u>	<u>-</u>	<u>605,807</u>
Business-type activities capital assets, net	<u>\$ 481,469</u>	<u>\$ 124,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 605,807</u>

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	\$ 293,569
Public safety	584,114
Public works	746,587
Culture and recreation	323,890
Cemetery	12,881
Community development	37,667
Total depreciation expense - governmental activities	<u>\$ 1,998,708</u>
Business-type activities:	
Sanitation	\$ 1,251
Stormwater	116,455
Total depreciation expense - business-type activities	<u>\$ 117,706</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

Component Unit:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Downtown Development Authority Capital assets, being depreciated:					
Buildings	746,623	-	-	-	746,623
Equipment	1,271	12	-	-	1,283
Total capital assets, being depreciated	747,894	12	-	-	747,906
Less accumulated depreciation for:					
Buildings	(14,933)	(14,932)	-	-	(29,865)
Equipment	(254)	(257)	-	-	(511)
Total accumulated depreciation	(15,187)	(15,189)	-	-	(30,376)
 Downtown Development Authority capital assets, net	 \$ 732,707	 \$ (15,177)	 \$ -	 \$ -	 \$ 717,530

Depreciation expense of \$15,189 was charged to the component unit in fiscal year 2020.

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NOTES TO FINANCIAL STATEMENTS

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, 2020, (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, 2020, investments in equities comprised 55% 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 25 and 26 in the City’s Comprehensive Annual Financial Report as a Pension Trust Fund. The Plan does not issue a stand-alone financial report. Every two years, the Plan’s actuary must complete an actuarial investigation of the Plan and file it with the Georgia state auditor. At the same time of the actuarial investigation’s filing, a financial report of the Plan also must be filed with the Georgia state auditor. There were no major Plan amendments during the current year.

NOTES TO FINANCIAL STATEMENTS

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, 2019, the Plan year-end, and the measurement:

Inactive plan members or beneficiaries currently receiving benefits	54
Inactive plan members entitled to, but not receiving benefits	111
Active plan members	135
Total	<u>300</u>

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.

NOTES TO FINANCIAL STATEMENTS

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, 2020, was \$952,884 as determined on the actuarial valuation date of January 1, 2019. The total contributions made by the City were \$1,052,756. The total required contribution of \$1,052,756 was paid on December 1, 2019.

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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.37%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

Net Pension Liability

The City's net pension liability was measured as of December 31, 2019, 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, 2020, were as follows:

Total pension liability	\$ 18,056,674
Less: Plan fiduciary net position	<u>11,036,090</u>
City's net pension liability	<u>\$ 7,020,584</u>
Plan fiduciary net position as a percentage of the total pension liability	61.12%

Actuarial Assumptions

The annual required contribution and actuarial accrued liability were determined as part of an actuarial valuation at January 1, 2019. The actuarial methods and significant actuarial assumptions are summarized as follows:

- Valuation date – January 1, 2019
- 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

NOTES TO FINANCIAL STATEMENTS

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 7.25%. 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.

NOTES TO FINANCIAL STATEMENTS

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	\$ 16,966,802	\$ 9,362,205	\$ 7,604,597
Changes for the year:			
Service cost	272,266	-	272,266
Interest	1,305,456	-	1,305,456
Differences between expected and actual experience	(481,166)	-	(481,166)
Changes of assumption	782,270	-	782,270
Contributions—employer	-	952,884	(952,884)
Contributions—employee	-	191,387	(191,387)
Net investment income	-	1,367,309	(1,367,309)
Benefit payments, including refunds of employee contributions	(788,954)	(788,954)	-
Administrative expense	-	(45,412)	45,412
Other changes	-	(3,329)	3,329
Net changes	<u>1,089,872</u>	<u>1,673,885</u>	<u>(584,013)</u>
Ending Balance	<u>\$ 18,056,674</u>	<u>\$ 11,036,090</u>	<u>\$ 7,020,584</u>

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 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's net pension liability	\$ 8,810,255	\$ 7,020,584	\$ 5,520,478

NOTES TO FINANCIAL STATEMENTS

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, 2020, the City recognized pension expense of \$812,646. At June 30, 2020, 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	\$ -	\$ (41,475)
Changes in actuarial assumptions	521,513	-
Differences between expected and actual experience	-	(481,693)
Total	\$ 521,513	\$ (523,168)

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:		
2021		\$ (29,079)
2022		115,499
2023		45,280
2024		(133,355)
Total		\$ (1,655)

NOTES TO FINANCIAL STATEMENTS

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	\$ 502,298	\$ -	\$ (81,479)	\$ 420,819	\$ 85,606
Net pension liability	7,604,597	2,408,733	(2,992,746)	7,020,584	-
Certificate of participation	1,116,000	-	-	1,116,000	-
Compensated absences	691,340	379,409	(345,670)	725,079	362,540
Landfill post-closure costs	1,387,631	-	(26,732)	1,360,899	-
Governmental activities long-term liabilities	<u>\$ 11,301,866</u>	<u>\$ 2,788,142</u>	<u>\$ (3,446,627)</u>	<u>\$ 10,643,381</u>	<u>\$ 448,146</u>

The net pension liability, landfill post-closure costs, 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 \$1,166,000. 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
2021	\$ 53,010	\$ -	\$ 53,010
2022	53,010	-	53,010
2023	53,010	-	53,010
2024	53,010	-	53,010
2025	53,010	-	53,010
2026 - 2028	1,328,040	1,116,000	212,040
	<u>\$ 1,593,090</u>	<u>\$ 1,116,000</u>	<u>\$ 477,090</u>

NOTES TO FINANCIAL STATEMENTS

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, 2020, the floating rate being paid by the City is 0.44% and the market value of this agreement is \$372,268. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2020, 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.

NOTES TO FINANCIAL STATEMENTS

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 \$133,679. The balance in the escrow account at June 30, 2020, was \$1,095,014. The City's portion of post-closure costs are currently estimated to approximate \$1,360,899. The T Street Landfill ceased operations in the late 1970's.

The estimated total current cost of the post-closure care, \$1,360,899, 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, 2020. 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, 2020.

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	(442,000)
Carrying value	<u>\$ 663,000</u>

NOTES TO FINANCIAL STATEMENTS

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

Capital Leases Payable (Continued)

Debt service requirements on capital leases at June 30, 2020, were as follows:

Fiscal Year Payable	
2021	\$ 105,590
2022	105,588
2023	105,588
2024	105,588
2025	52,797
Total	475,151
Less amounts representing interest	(54,332)
	420,819
Less current portion	(85,606)
Total	\$ 335,213

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	\$ 865,837	\$ -	\$ (43,324)	\$ 822,513	\$ 43,833
Downtown Development Authority Long-term liabilities	\$ 865,837	\$ -	\$ (43,324)	\$ 822,513	\$ 43,833

NOTES TO FINANCIAL STATEMENTS

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

Component Unit (Continued)

Debt service requirements on note from direct borrowing at June 30, 2020, were as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 88,868	\$ 43,833	\$ 45,035
2022	88,868	46,341	42,527
2023	88,868	48,992	39,876
2024	88,868	51,694	37,174
2025	88,868	54,753	34,115
2026 - 2030	444,343	324,419	119,924
2031 - 2034	281,416	252,481	28,935
	<u>\$ 1,170,099</u>	<u>\$ 822,513</u>	<u>\$ 347,586</u>

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.

<u>Transfer To</u>	<u>Transfer From</u>			<u>Total</u>
	<u>General Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Governmental</u>	
General Fund	\$ -	\$ 122,343	\$ 60	\$ 122,403
Community Development Fund	87,000	-	-	87,000
SPLOST VI Fund	40,293	-	-	40,293
Sanitation Fund	1,000,000	-	-	1,000,000
Stormwater Fund	242,044	-	-	242,044
Nonmajor Governmental Funds	533,293	-	-	533,293
Total	<u>\$ 1,902,630</u>	<u>\$ 122,343</u>	<u>\$ 60</u>	<u>\$ 2,025,033</u>

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.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

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, 2020, is \$130,000 and \$1,430,874 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
June 30, 2020	130,000	1,263,163	1,263,163	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
June 30, 2020	1,480,537	585,950	635,613	1,430,874

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. COMMITMENTS AND CONTINGENCIES

Construction Commitments

The City had the following construction commitments as of June 30, 2020.

Project	Contract Amount	Completed to Date	Balance to be Completed
L Street - City of Brunswick	\$ 1,805,172	\$ 1,028,854	\$ 776,318
L Street - JWSC (1)	717,306	507,479	209,827
MLK Trail	168,883	155,489	13,394
	<u>\$ 2,691,361</u>	<u>\$ 1,691,822</u>	<u>\$ 999,539</u>

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

Contingencies

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

NOTE 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 and surrounding areas of Glynn County. The City 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.

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 and surrounding areas of Glynn County. The City 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 to the City. The tax is scheduled to be collected through September 30, 2020.

NOTES TO FINANCIAL STATEMENTS

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 \$4,805 from the collection of the hotel/motel tax during fiscal year ended June 30, 2020, and remitted \$3,777 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.

NOTES TO FINANCIAL STATEMENTS

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, 2020. 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 \$258,563 under this cost-reimbursement contract during the year ended June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

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, 2020.

NOTE 17. RELATED PARTY TRANSACTIONS

The City received \$184,262 from the City of Brunswick Housing Authority for reimbursements of salaries and benefits for police officers assigned specifically to the authority.

The City received \$152,816 in reimbursements from the Brunswick-Glynn County Joint Water & Sewer Commission for repayments on SPLOST VI capital projects.

The City received \$66,300 and \$42,191 in reimbursements from Glynn County for repayments on SPLOST V and SPLOST VI capital projects, respectively.

NOTE 18. RESTATEMENT

Effective July 1, 2019, it was determined that the Urban Redevelopment Development Agency ("URA") met the definition of a blended component unit of the City. As such, the City restated beginning fund balance as of July 1, 2019 as follows:

	Urban Redevelopment Agency Fund
Beginning fund balance, June 30, 2019, as previously reported	\$ -
Adjustment to record URA Fund	573
Beginning fund balance, June 30, 2019, as restated	\$ 573

The City restated beginning net position as of July 1, 2019 as follows:

	Governmental Activities
Beginning net position, June 30, 2019, as previously reported	\$ 44,233,005
Adjustment to record URA Fund	573
Beginning net position, June 30, 2019, as restated	\$ 44,233,578

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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 5,233,029	\$ 4,705,830	\$ 4,705,830	\$ -
Franchise fees	1,295,000	1,293,382	1,293,382	-
Local option sales tax	5,900,000	6,370,970	6,370,970	-
Selective sales and use taxes	1,655,982	1,708,499	1,708,499	-
Licenses and permits	396,532	632,168	632,168	-
Fines and forfeitures	486,000	393,856	393,856	-
Investment earnings	75,000	103,557	103,557	-
Grant revenues	81,349	109,595	109,595	-
Charges for services	348,471	359,767	359,767	-
Rental income	21,120	21,526	21,526	-
Contributions and donations	-	945	945	-
Miscellaneous income	2,439,328	31,213	31,213	-
Total revenues	<u>17,931,811</u>	<u>15,731,308</u>	<u>15,731,308</u>	<u>-</u>
EXPENDITURES				
General government				
City commission and clerk - operating and capital outlay	36,082	16,225	16,225	-
City commission and clerk - compensation, payroll taxes and benefits	269,475	282,860	282,860	-
City manager - operating and capital outlay	33,060	26,585	26,585	-
City manager - compensation, payroll taxes and benefits	376,429	358,745	358,745	-
Finance administration - operating and capital outlay	78,420	69,890	69,890	-
Finance administration - compensation, payroll taxes and benefits	359,688	333,617	333,617	-
Information and technology - operating and capital outlay	291,959	270,032	270,032	-
Human resources - operating and capital outlay	56,770	66,701	66,701	-
Human resources - compensation, payroll taxes and benefits	71,812	64,237	64,237	-
General government buildings and plant - operating and capital outlay	336,989	234,692	234,692	-
City engineer - operating and capital outlay	26,060	26,734	26,734	-
City engineer - compensation, payroll taxes and benefits	52,899	36,772	36,772	-
General administration - operating and capital outlay	1,534,239	1,298,740	1,298,740	-
General administration - compensation, payroll taxes and benefits	4,500	124,425	124,425	-
Total general government	<u>3,528,382</u>	<u>3,210,255</u>	<u>3,210,255</u>	<u>-</u>
Judicial				
Legal - operating and capital outlay	122,600	165,221	165,221	-
Municipal court - operating and capital outlay	100,420	78,339	78,339	-
Municipal court - compensation, payroll taxes and benefits	94,148	97,984	97,984	-
Total judicial	<u>317,168</u>	<u>341,544</u>	<u>341,544</u>	<u>-</u>
Public safety				
Police services - operating and capital outlay	900,570	830,877	830,877	-
Police services - compensation, payroll taxes and benefits	4,597,747	4,337,808	4,337,808	-
Fire services - operating and capital outlay	269,313	228,856	228,856	-
Fire services - compensation, payroll taxes and benefits	2,427,590	2,398,177	2,398,177	-
Total public safety	<u>8,195,220</u>	<u>7,795,718</u>	<u>7,795,718</u>	<u>-</u>
Public works				
Administration - operating and capital outlay	64,450	238,691	238,691	-
Administration - compensation, payroll taxes and benefits	213,713	214,903	214,903	-
Infrastructure - operating and capital outlay	208,870	141,022	141,022	-
Infrastructure - compensation, payroll taxes and benefits	330,591	322,470	322,470	-
Maintenance and shop - operating and capital outlay	351,700	200,956	200,956	-
Maintenance and shop - compensation, payroll taxes and benefits	578,011	608,331	608,331	-
Building inspection - operating and capital outlay	8,200	6,278	6,278	-
Building inspection - compensation, payroll taxes and benefits	99,599	84,384	84,384	-
Planning and zoning - operating and capital outlay	252,488	187,765	187,765	-
Planning and zoning - compensation, payroll taxes and benefits	307,152	286,022	286,022	-
Total public works	<u>2,414,774</u>	<u>2,290,822</u>	<u>2,290,822</u>	<u>-</u>
Cemetery				
Cemetery - operating and capital outlay	80,586	91,919	91,919	-
Cemetery - compensation, payroll taxes and benefits	129,779	194,515	194,515	-
Total cemetery	<u>210,365</u>	<u>286,434</u>	<u>286,434</u>	<u>-</u>

(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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Culture and recreation				
Leisure services - operating and capital outlay	\$ 24,000	\$ 24,328	\$ 24,328	\$ -
Neighborhood and community service - operating and capital outlay	41,548	39,358	39,358	-
Neighborhood and community service - compensation, payroll taxes and benefits	83,666	76,091	76,091	-
Parks - operating and capital outlay	137,206	161,245	161,245	-
Parks - compensation, payroll taxes and benefits	290,200	199,069	199,069	-
Total culture and recreation	<u>576,620</u>	<u>500,091</u>	<u>500,091</u>	<u>-</u>
Economic development				
Economic development - operating and capital outlay	619,710	595,662	595,662	-
Economic development - compensation, payroll taxes and benefits	88,870	94,282	94,282	-
Total economic development	<u>708,580</u>	<u>689,944</u>	<u>689,944</u>	<u>-</u>
Debt service				
Principal	440,480	81,479	81,479	-
Interest	24,109	41,120	41,120	-
Total debt service	<u>464,589</u>	<u>122,599</u>	<u>122,599</u>	<u>-</u>
Total expenditures	<u>16,415,698</u>	<u>15,237,407</u>	<u>15,237,407</u>	<u>-</u>
Excess of revenues over expenditures	<u>1,516,113</u>	<u>493,901</u>	<u>493,901</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000	122,403	122,403	-
Transfers out	(7,124,113)	(1,902,630)	(1,902,630)	-
Issuance of debt	5,000,000	-	-	-
Proceeds from the sale of capital assets	605,000	600,005	600,005	-
Total other financing uses, net	<u>(1,516,113)</u>	<u>(1,180,222)</u>	<u>(1,180,222)</u>	<u>-</u>
Net change in fund balances	-	(686,321)	(686,321)	-
FUND BALANCE, beginning of year	<u>6,962,846</u>	<u>6,962,846</u>	<u>6,962,846</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 6,962,846</u>	<u>\$ 6,276,525</u>	<u>\$ 6,276,525</u>	<u>\$ -</u>

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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grant revenues	\$ 363,494	\$ 410,434	\$ 410,434	\$ -
Investment earnings	1,420	7,682	7,682	-
Contributions and donations	-	5	5	-
Total revenues	<u>364,914</u>	<u>418,121</u>	<u>418,121</u>	<u>-</u>
EXPENDITURES				
Community development				
CDBG entitlement - operating	238,564	239,844	239,844	-
Economic development - operating	-	-	-	-
Capital outlay	50,665	86,250	86,250	-
Program administration - operating	41,000	68,905	68,905	-
Program administration - compensation and payroll taxes	162,773	118,335	118,335	-
Total community development	<u>493,002</u>	<u>513,334</u>	<u>513,334</u>	<u>-</u>
Total expenditures	<u>493,002</u>	<u>513,334</u>	<u>513,334</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(128,088)</u>	<u>(95,213)</u>	<u>(95,213)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	203,773	87,000	87,000	-
Transfers out	(75,685)	-	-	-
Total other financing sources, net	<u>128,088</u>	<u>87,000</u>	<u>87,000</u>	<u>-</u>
Net change in fund balances	-	(8,213)	(8,213)	-
FUND BALANCE, beginning of year	<u>545,079</u>	<u>545,079</u>	<u>545,079</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 545,079</u>	<u>\$ 536,866</u>	<u>\$ 536,866</u>	<u>\$ -</u>

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**

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 272,266	\$ 242,650	\$ 286,077	\$ 291,779	\$ 351,119	\$ 348,103
Interest on total pension liability	1,305,456	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	(481,166)	(482,750)	75,545	(130,776)	167,513	-
Changes of assumptions	782,270	-	2,471	-	(355,440)	-
Benefit payments, including refunds of employee contributions	(788,954)	(1,279,145)	(758,066)	(1,017,358)	(578,484)	(2,130,443)
Net change in total pension liability	1,089,872	(213,298)	901,465	397,562	796,842	(584,566)
Total pension liability - beginning	16,966,802	17,180,100	16,278,635	15,881,073	15,084,231	15,668,797
Total pension liability - ending (a)	18,056,674	16,966,802	17,180,100	16,278,635	15,881,073	15,084,231
Plan fiduciary net position						
Contributions - employer	952,884	935,051	984,725	942,951	964,855	1,023,467
Contributions - employee	191,387	175,888	171,195	159,896	170,903	174,833
Net investment income	1,367,309	(181,288)	811,145	641,118	70,374	621,934
Benefit payments, including refunds of member contributions	(788,954)	(1,279,145)	(758,066)	(1,017,358)	(578,484)	(2,130,443)
Administrative expenses	(45,412)	(51,503)	(57,039)	(114,695)	(47,456)	(48,348)
Other changes	(3,329)	-	-	-	-	-
Net change in plan fiduciary net position	1,673,885	(400,997)	1,151,960	611,912	580,192	(358,557)
Plan fiduciary net position - beginning	9,362,205	9,763,202	8,611,242	7,999,330	7,419,138	7,777,695
Plan fiduciary net position - ending (b)	11,036,090	9,362,205	9,763,202	8,611,242	7,999,330	7,419,138
City's net pension liability (asset) - ending (a) - (b)	\$ 7,020,584	\$ 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	61.1%	55.2%	56.8%	52.9%	50.4%	49.2%
Covered payroll	\$ 5,991,719	\$ 5,348,166	\$ 5,181,425	\$ 5,344,272	\$ 5,907,249	\$ 5,922,265
Net pension liability as a percentage of covered payroll	117.2%	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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,052,756	\$ 943,968	\$ 959,888	\$ 963,622	\$ 951,280	\$ 991,004	\$ 1,045,255	\$ 1,048,819	\$ 1,135,777	\$ 1,341,839
Contributions in relation to the actuarially determined contribution	1,052,756	943,968	959,888	963,622	951,280	991,004	1,045,255	1,048,819	1,135,777	1,341,839
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,192,682	\$ 6,047,740	\$ 5,953,738	\$ 5,573,994	\$ 5,625,761	\$ 5,914,757	\$ 6,005,662	\$ 6,220,273	\$ 6,715,164	\$ 7,725,154
Contributions as a percentage of covered payroll	17.0%	15.6%	16.1%	17.3%	16.9%	16.8%	17.4%	16.9%	16.9%	17.4%

Notes to the Schedule:

Valuation Date	January 1, 2019
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	3.50%
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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual money-weighted rate of return, net of investment expense	14.4%	-1.9%	9.2%	8.0%	8.5%	15.1%	7.7%	4.8%	9.1%	13.0%

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.

Urban Redevelopment Agency Fund - established to account for the funds collected and expended in the course of business conducted relative to the development and improvement of the City's residential, commercial, and industrial areas, primarily outside of the downtown area.

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

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 BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds						Capital Project Fund	Total Nonmajor Governmental Funds	
	Roosevelt Harris Center Fund	Police Seizure Fund	E-911 Fund	DOT TE-21 Fund	City Pier Fund	Hotel/Motel Fund	Urban Redevelopment Agency Fund		SPLOST V Fund
ASSETS									
Cash and cash equivalents	\$ 12,343	\$ 7,627	\$ 13	\$ 786	\$ 3,504	\$ 1,897	\$ 20,046	\$ 15,905	\$ 62,121
Investments	-	50,434	-	221,826	91,803	-	-	1,392,546	1,756,609
Accounts receivable, net of allowances									
Taxes	-	-	-	-	75,645	515	-	-	76,160
Intergovernmental	62,476	-	-	-	-	-	-	53,550	116,026
Due from other funds	5,666	-	40,083	-	-	-	-	-	45,749
Total assets	<u>\$ 80,485</u>	<u>\$ 58,061</u>	<u>\$ 40,096</u>	<u>\$ 222,612</u>	<u>\$ 170,952</u>	<u>\$ 2,412</u>	<u>\$ 20,046</u>	<u>\$ 1,462,001</u>	<u>\$ 2,056,665</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 27,805	\$ -	\$ -	\$ -	\$ 1,112	\$ 195	\$ -	\$ 107,100	\$ 136,212
Accrued expenditures	6,399	-	-	-	-	-	-	-	6,399
Due to other funds	-	-	-	-	69,696	-	-	-	69,696
Due to other governments	-	-	40,083	-	-	-	-	-	40,083
Advances from other funds	19,764	-	-	-	-	-	-	-	19,764
Total liabilities	<u>53,968</u>	<u>-</u>	<u>40,083</u>	<u>-</u>	<u>70,808</u>	<u>195</u>	<u>-</u>	<u>107,100</u>	<u>272,154</u>
FUND BALANCES									
Restricted for:									
Public safety	-	58,061	13	-	-	-	-	-	58,074
Capital projects	-	-	-	-	-	-	-	1,354,901	1,354,901
Community development	26,517	-	-	222,612	100,144	2,217	20,046	-	371,536
Total fund balances	<u>26,517</u>	<u>58,061</u>	<u>13</u>	<u>222,612</u>	<u>100,144</u>	<u>2,217</u>	<u>20,046</u>	<u>1,354,901</u>	<u>1,784,511</u>
Total liabilities and fund balances	<u>\$ 80,485</u>	<u>\$ 58,061</u>	<u>\$ 40,096</u>	<u>\$ 222,612</u>	<u>\$ 170,952</u>	<u>\$ 2,412</u>	<u>\$ 20,046</u>	<u>\$ 1,462,001</u>	<u>\$ 2,056,665</u>

CITY OF BRUNSWICK, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds						Capital Project Fund	Total Nonmajor Governmental Funds	
	Roosevelt Harris Center Fund	Police Seizure Fund	E-911 Fund	DOT TE-21 Fund	City Pier Fund	Hotel/Motel Fund	Urban Redevelopment Agency Fund		SPLOST V Fund
Revenues:									
Program fees/revenues	\$ 10,437	\$ -	\$ -	\$ -	\$ 13,309	\$ -	\$ -	\$ -	\$ 23,746
Hotel/Motel taxes	-	-	-	-	-	4,805	-	-	4,805
Intergovernmental	-	-	-	-	75,000	-	-	-	75,000
Grant revenues	258,563	1,182	-	221,667	-	-	-	66,300	547,712
Investment earnings	170	624	101	945	1,283	-	43	21,505	24,671
Contributions and donations	6,906	-	-	-	-	-	20,000	-	26,906
Total revenues	<u>276,076</u>	<u>1,806</u>	<u>101</u>	<u>222,612</u>	<u>89,592</u>	<u>4,805</u>	<u>20,043</u>	<u>87,805</u>	<u>702,840</u>
Expenditures:									
Current:									
Community development	347,040	-	-	-	-	10,905	570	-	358,515
Public safety	-	-	428,381	-	-	-	-	-	428,381
Capital outlay									
General Government	-	-	-	-	13,484	-	-	-	13,484
Community development	14,538	-	-	-	-	-	-	327,259	341,797
Total expenditures	<u>361,578</u>	<u>-</u>	<u>428,381</u>	<u>-</u>	<u>13,484</u>	<u>10,905</u>	<u>570</u>	<u>327,259</u>	<u>1,142,177</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(85,502)</u>	<u>1,806</u>	<u>(428,280)</u>	<u>222,612</u>	<u>76,108</u>	<u>(6,100)</u>	<u>19,473</u>	<u>(239,454)</u>	<u>(439,337)</u>
Other financing sources (uses)									
Transfers in	105,000	-	428,293	-	-	-	-	-	533,293
Transfers out	-	-	(60)	-	-	-	-	-	(60)
Total other financing sources, net	<u>105,000</u>	<u>-</u>	<u>428,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>533,233</u>
Net change in fund balances	19,498	1,806	(47)	222,612	76,108	(6,100)	19,473	(239,454)	93,896
Fund balances, beginning of year, as restated	<u>7,019</u>	<u>56,255</u>	<u>60</u>	<u>-</u>	<u>24,036</u>	<u>8,317</u>	<u>573</u>	<u>1,594,355</u>	<u>1,690,615</u>
Fund balances, end of year	<u>\$ 26,517</u>	<u>\$ 58,061</u>	<u>\$ 13</u>	<u>\$ 222,612</u>	<u>\$ 100,144</u>	<u>\$ 2,217</u>	<u>\$ 20,046</u>	<u>\$ 1,354,901</u>	<u>\$ 1,784,511</u>

CITY OF BRUNSWICK, GEORGIA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020**

	<u>Group Health Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 76,586	\$ 648	\$ 77,234
Investments	59,087	-	59,087
Advances to other funds	40,973	13,142	54,115
Claim reimbursement receivable	-	31,106	31,106
Total assets	<u>\$ 176,646</u>	<u>\$ 44,896</u>	<u>\$ 221,542</u>
LIABILITIES			
Current liabilities			
Claims payable	\$ 130,000	\$ 1,430,874	\$ 1,560,874
Accounts payable	-	15,124	15,124
Total liabilities	<u>130,000</u>	<u>1,445,998</u>	<u>1,575,998</u>
NET POSITION			
Unrestricted	<u>46,646</u>	<u>(1,401,102)</u>	<u>(1,354,456)</u>
Total net position	<u>46,646</u>	<u>(1,401,102)</u>	<u>(1,354,456)</u>
Total liabilities and net position	<u>\$ 176,646</u>	<u>\$ 44,896</u>	<u>\$ 221,542</u>

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, 2020**

	<u>Group Health Fund</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
Operating revenues			
Contributions			
Employer	\$ 1,011,400	\$ 478,500	\$ 1,489,900
Employees	232,882	-	232,882
Reimbursements	65,858	197,430	263,288
Total operating revenues	<u>1,310,140</u>	<u>675,930</u>	<u>1,986,070</u>
Operating expenses			
Contractual	304,459	-	304,459
Claims	1,263,163	635,612	1,898,775
Total operating expenses	<u>1,567,622</u>	<u>635,612</u>	<u>2,203,234</u>
Operating income (loss)	<u>(257,482)</u>	40,318	<u>(217,164)</u>
Nonoperating revenues			
Investment return	3,704	385	4,089
Total nonoperating revenues	<u>3,704</u>	<u>385</u>	<u>4,089</u>
Change in net position	(253,778)	40,703	(213,075)
Net position (deficit), beginning of year	<u>300,424</u>	<u>(1,441,805)</u>	<u>(1,141,381)</u>
Net position (deficit), end of year	<u>\$ 46,646</u>	<u>\$ (1,401,102)</u>	<u>\$ (1,354,456)</u>

CITY OF BRUNSWICK, GEORGIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Group Health Fund	Workers' Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 1,310,140	\$ 665,711	\$ 1,975,851
Payments for claims	(1,263,163)	(670,151)	(1,933,314)
Payments for other expenses	(304,459)	-	(304,459)
Net cash used in operating activities	<u>(257,482)</u>	<u>(4,440)</u>	<u>(261,922)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	3,704	385	4,089
Sale of investments	256,989	-	256,989
Net cash provided by investing activities	<u>260,693</u>	<u>385</u>	<u>261,078</u>
Net increase (decrease) in cash and cash equivalents	<u>3,211</u>	<u>(4,055)</u>	<u>(844)</u>
Cash and cash equivalents:			
Beginning of year	<u>73,375</u>	<u>4,703</u>	<u>78,078</u>
End of year	<u>\$ 76,586</u>	<u>\$ 648</u>	<u>\$ 77,234</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES			
Operating income (loss)	\$ (257,482)	\$ 40,318	\$ (217,164)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Increase in assets:			
Claims reimbursement receivable	-	(10,219)	(10,219)
Increase (decrease) in liabilities:			
Claims payable	-	(49,663)	(49,663)
Accounts payable	-	15,124	15,124
Net cash used in operating activities	<u>\$ (257,482)</u>	<u>\$ (4,440)</u>	<u>\$ (261,922)</u>

**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, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Program fees/revenues	\$ -	\$ 10,437	\$ 10,437	\$ -
Grant revenues	311,259	258,563	258,563	-
Unrestricted investment earnings	-	170	170	-
Contributions and donations	5,000	6,906	6,906	-
Total revenues	<u>316,259</u>	<u>276,076</u>	<u>276,076</u>	<u>-</u>
EXPENDITURES				
Community development				
Program administration - compensation, payroll taxes and benefits	293,023	233,495	233,495	-
Program administration - operating	113,399	128,083	128,083	-
Total community development expenditures	<u>406,422</u>	<u>361,578</u>	<u>361,578</u>	<u>-</u>
Total expenditures	<u>406,422</u>	<u>361,578</u>	<u>361,578</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(90,163)</u>	<u>(85,502)</u>	<u>(85,502)</u>	<u>-</u>
Other financing sources				
Transfers in	90,163	105,000	105,000	-
Total other financing sources	<u>90,163</u>	<u>105,000</u>	<u>105,000</u>	<u>-</u>
Net change in fund balance	-	19,498	19,498	-
FUND BALANCE, beginning of year	<u>7,019</u>	<u>7,019</u>	<u>7,019</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 7,019</u>	<u>\$ 26,517</u>	<u>\$ 26,517</u>	<u>\$ -</u>

**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, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Grant revenues/seizure funds	\$ 76,139	\$ 1,182	\$ 1,182	\$ -
Unrestricted investment earnings	-	624	624	-
Total revenues	<u>76,139</u>	<u>1,806</u>	<u>1,806</u>	<u>-</u>
EXPENDITURES				
Public safety				
Police - operating	33,008	-	-	-
Capital outlay	43,131	-	-	-
Total public safety	<u>76,139</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>76,139</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	1,806	1,806	-
FUND BALANCE, beginning of year	<u>56,255</u>	<u>56,255</u>	<u>56,255</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 56,255</u>	<u>\$ 58,061</u>	<u>\$ 58,061</u>	<u>\$ -</u>

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, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Unrestricted investment earnings	\$ -	\$ 101	\$ 101	\$ -
Total revenues	-	101	101	-
EXPENDITURES				
Public safety				
E911 expenditures - intergovernmental	453,951	428,381	428,381	-
Total expenditures	453,951	428,381	428,381	-
Deficiency of revenues under expenditures	(453,951)	(428,280)	(428,280)	-
Other financing sources				
Transfers in	453,951	428,293	428,293	-
Transfers out	-	(60)	(60)	-
Total other financing sources, net	453,951	428,233	428,233	-
Net change in fund balance	-	(47)	(47)	-
FUND BALANCE, beginning of year	60	60	60	-
FUND BALANCE, end of year	\$ 60	\$ 13	\$ 13	\$ -

**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, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Grant revenues	\$ 200,000	\$ 221,667	\$ 221,667	\$ -
Unrestricted investment earnings	-	945	945	-
Total revenues	<u>200,000</u>	<u>222,612</u>	<u>222,612</u>	<u>-</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>200,000</u>	<u>222,612</u>	<u>222,612</u>	<u>-</u>
Other financing uses				
Transfers out	<u>(200,000)</u>	-	-	-
Total other financing uses	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	222,612	222,612	-
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ 222,612</u>	<u>\$ 222,612</u>	<u>\$ -</u>

**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, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Program fees/revenues	\$ 64,756	\$ 13,309	\$ 13,309	\$ -
Intergovernmental	-	75,000	75,000	-
Investment earnings and interest	850	1,283	1,283	-
Total revenues	<u>65,606</u>	<u>89,592</u>	<u>89,592</u>	<u>-</u>
EXPENDITURES				
Community development				
Capital outlay	65,606	13,484	13,484	-
Total community development expenditures	<u>65,606</u>	<u>13,484</u>	<u>13,484</u>	<u>-</u>
Total expenditures	<u>65,606</u>	<u>13,484</u>	<u>13,484</u>	<u>-</u>
Net change in fund balance	-	76,108	76,108	-
FUND BALANCE, beginning of year	<u>24,036</u>	<u>24,036</u>	<u>24,036</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 24,036</u>	<u>\$ 100,144</u>	<u>\$ 100,144</u>	<u>\$ -</u>

**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, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Hotel/Motel tax	\$ 13,630	\$ 4,805	\$ 4,805	\$ -
Total revenues	<u>13,630</u>	<u>4,805</u>	<u>4,805</u>	<u>-</u>
EXPENDITURES				
Community development				
Community development - tax disbursements	13,630	10,905	10,905	-
Total community development	<u>13,630</u>	<u>10,905</u>	<u>10,905</u>	<u>-</u>
Total expenditures	<u>13,630</u>	<u>10,905</u>	<u>10,905</u>	<u>-</u>
Net change in fund balance	-	(6,100)	(6,100)	-
FUND BALANCE, beginning of year	<u>8,317</u>	<u>8,317</u>	<u>8,317</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 8,317</u>	<u>\$ 2,217</u>	<u>\$ 2,217</u>	<u>\$ -</u>

**CITY OF BRUNSWICK, GEORGIA
URBAN REDEVELOPMENT AGENCY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Investment earnings and interest	\$ -	\$ 43	\$ 43	\$ -
Contributions and donations	116,000	20,000	20,000	-
Total revenues	<u>116,000</u>	<u>20,043</u>	<u>20,043</u>	<u>-</u>
EXPENDITURES				
Community development				
Community development - tax disbursements	116,000	570	570	-
Total community development	<u>116,000</u>	<u>570</u>	<u>570</u>	<u>-</u>
Total expenditures	<u>116,000</u>	<u>570</u>	<u>570</u>	<u>-</u>
Net change in fund balance	-	19,473	19,473	-
FUND BALANCE, beginning of year, as restated	<u>573</u>	<u>573</u>	<u>573</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 573</u>	<u>\$ 20,046</u>	<u>\$ 20,046</u>	<u>\$ -</u>

ADDITIONAL SCHEDULES

CITY OF BRUNSWICK, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Project Number	Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
				Prior Years	Current Year	Total
<u>SPLOST III</u>						
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
<u>SPLOST IV - Tier I</u>						
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, 2020**

Project Number	Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
				Prior Years	Current Year	Total
SPLOST IV - Tier II/III						
609	Roosevelt Harris Center Upgrade	\$ 175,000	\$ 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	386,528	166,600	553,128
N/A	Ritz Theater	180,000	180,000	181,628	-	181,628
N/A	Water/wastewater	250,000	250,000	76,292	160,659	236,951
N/A	Mansfield Street Infrastructure	1,173,536	1,219,094	1,219,094	-	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	466,049	-	466,049
N/A	Howard Coffin Park	431,357	431,357	212,230	-	212,230
N/A	E911 Services Radio Equipment	431,357	431,357	276,387	143,787	420,174
N/A	Streets*** *****	4,627,750	4,627,750	2,513,079	1,404,149	3,917,228
N/A	Sidewalks-Replacement and Upgrades	432,500	432,500	232,571	160,928	393,499
N/A	Sidewalks-Trails**	346,000	346,000	65,419	168,774	234,193
N/A	Storm Drainage and Infrastructure****	3,243,750	3,243,750	125,688	776,156	901,844
N/A	Historic Squares	86,500	86,500	1,685	10,530	12,215
N/A	Mary Ross Park	821,750	821,750	471,103	23,120	494,223
N/A	Roosevelt Harris Senior Center	151,375	151,375	15,980	175,688	191,668
N/A	Fire Station One Improvements	346,000	346,000	12,975	395,654	408,629
N/A	*****Fire Trucks and Rescue Vehicle	627,058	627,058	915,000	-	915,000
N/A	Cemetery Improvements	259,500	259,500	19,672	48,000	67,672
N/A	Highway 17 Infrastructure	215,107	215,107	3,930	11,180	15,110
N/A	Parks-Orange/Palmetto/Other	-	389,225	-	5,500	5,500
N/A	Sidney Lanier (Liberty Ship) Park	-	519,000	-	34,183	34,183
N/A	Overlook Park	-	103,800	-	115,938	115,938
N/A	Wayfindings and Gateways	-	259,500	-	-	-
		<u>\$ 76,418,796</u>	<u>\$ 77,735,879</u>	<u>\$ 62,725,338</u>	<u>\$ 3,800,846</u>	<u>\$ 66,526,184</u>

*Certain costs incurred in this project are reimbursed by Glynn County. Reimbursements received since inception total \$257,179

** Certain costs incurred in this project are reimbursed by a DNR Trail Grant. Reimbursements received since inception total \$74,971

** Certain costs incurred in this project are reimbursed by a CRC Grant. Reimbursements received since inception total \$33,000

*** Certain costs included in this project are reimbursed by the BGJWSC. Reimbursements received since inception total \$656,516

***Certain costs included in this project are reimbursed by the DOT. Reimbursements received since inception total \$206,772

****Certain costs included in this project are reimbursed by Glynn County. Reimbursements received since inception total \$110,401

*****Certain costs included in this project are reimbursed by the DOT. Reimbursements received since inception total \$50,000

City of Brunswick, Georgia
 Certification of 9-1-1 Expenditures
 For the Year Ended June 30, 2020

Line No.		O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): <input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> 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, 2020

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, 2020

Line
 No.

O.C.G.A.
 Reference:

17 Other expenditures not included in Lines 2 through 16 above.
 Identify by object and purpose.

<u>Glynn County Shared Government Expenditures</u>	\$ <u>428,381</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

18 Total Expenditures (total of all amounts reported on Lines 2 through 17 above) \$ 428,381

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  Date 3/18/21

Print Name of Chief Elected Official Cornell L. Harvey

Title of Chief Elected Official Mayor

Signature of Chief Financial Officer  Date 3/18/21

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.

<u>Contents</u>	<u>Page</u>
Financial Trends	91 - 99
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	100 - 103
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	104 and 105
<i>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.</i>	
Demographic and Economic Information	106 and 107
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	108 - 111
<i>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.</i>	

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capita assets	\$ 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	\$ 39,543,063
Restricted	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	9,500,164
Unrestricted	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)	(2,864,056)
Total governmental activities net position	<u>\$ 41,636,064</u>	<u>\$ 46,387,663</u>	<u>\$ 38,294,626</u>	<u>\$ 38,294,626</u>	<u>\$ 37,855,794</u>	<u>\$ 38,181,520</u>	<u>\$ 36,196,712</u>	<u>\$ 39,921,707</u>	<u>\$ 44,233,005</u>	<u>\$ 46,179,171</u>
Business-type activities										
Net investment in capita assets	\$ 60,136	\$ 49,126	\$ 83,294	\$ 83,294	\$ 67,252	\$ 65,887	\$ 64,552	\$ 63,157	\$ 481,469	\$ 605,807
Restricted	-	-	-	-	-	-	105,248	447,472	422,130	1,095,014
Unrestricted	(431,700)	(474,177)	13,488	13,488	550,998	570,866	248,800	(11,140)	82,049	400,945
Total business-type activities net position	<u>\$ (371,564)</u>	<u>\$ (425,051)</u>	<u>\$ 96,782</u>	<u>\$ 96,782</u>	<u>\$ 618,250</u>	<u>\$ 636,743</u>	<u>\$ 418,600</u>	<u>\$ 499,489</u>	<u>\$ 985,648</u>	<u>\$ 2,101,766</u>
Primary government										
Net investment in capita assets	\$ 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	\$ 40,148,870
Restricted	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	10,595,178
Unrestricted	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)	(2,463,111)
Total primary government net position	<u>\$ 41,264,500</u>	<u>\$ 45,962,612</u>	<u>\$ 38,391,408</u>	<u>\$ 38,391,408</u>	<u>\$ 38,474,044</u>	<u>\$ 38,818,263</u>	<u>\$ 36,615,312</u>	<u>\$ 40,421,196</u>	<u>\$ 45,218,653</u>	<u>\$ 48,280,937</u>

Note: GASB 68 was implemented during fiscal year 2015

CITY OF BRUNSWICK, GEORGIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 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	\$ 2,904,759
Judicial	474,169	420,800	301,340	285,832	276,251	270,506	284,306	262,348	328,090	344,178
Public safety	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	9,570,547
Public works	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	1,801,656
Culture and recreation	1,126,943	1,093,144	881,828	785,803	849,247	771,853	651,720	1,180,224	3,386,937	2,904,323
Cemetery	403,142	178,401	206,992	221,183	241,942	273,850	294,779	219,958	210,948	302,208
Community development	1,468,904	1,335,525	1,074,371	1,063,830	748,840	656,123	955,209	1,024,546	1,215,958	1,112,067
Economic development - component uni	80,000	80,000	70,021	70,326	107,075	139,503	206,956	271,563	310,157	708,614
Interest and fiscal changes	115,244	119,018	101,334	69,569	45,702	43,089	45,560	46,596	47,466	41,120
Total governmental activities expenses	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	19,689,472
Business-type activities:										
Sanitation	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	1,847,049
Stormwater	-	-	-	-	-	-	-	-	665,047	803,288
Total business-type activities expenses	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	2,650,337
Total primary government expenses	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	22,339,809
Program revenues										
Governmental activities:										
Charges for services										
General government	742,194	929,819	709,044	833,165	107,902	350,528	612,952	446,060	828,480	797,462
Judicial	332,979	416,833	347,518	374,167	451,071	448,271	291,885	256,474	541,191	288,436
Public safety	21,052	17,401	26,597	32,151	40,525	200,685	12,435	174,251	188,810	31,373
Public works	25,676	25,646	27,783	25,653	26,529	25,646	-	-	-	-
Culture and recreation	108,079	97,697	39,279	12,499	15,910	10,535	34,120	29,632	53,183	197,570
Cemetery	95,340	119,320	150,785	153,840	134,750	131,495	110,115	131,165	111,495	105,785
Community development	65,051	65,505	28,289	50,211	51,394	56,538	21,789	18,873	22,483	10,437
Operating grants and contributions	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	829,020
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	5,263,857
Total governmental activities program revenues	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	7,523,940
Business-type activities:										
Charges for services										
Sanitation	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	1,563,063
Stormwater	-	-	-	-	-	-	-	-	900,747	1,070,746
Total business-type activities program revenues	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	2,633,809
Total primary government program revenues	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	10,157,749

(Continued)

CITY OF BRUNSWICK, GEORGIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (12,165,532)
Business-type activities	(320,196)	(330,093)	(61,091)	370,132	360,624	164,144	14,879	(436,469)	141,068	(16,528)
Total primary government net expense	<u>(5,558,786)</u>	<u>(11,409,412)</u>	<u>(13,955,495)</u>	<u>(13,292,317)</u>	<u>(13,532,004)</u>	<u>(12,957,856)</u>	<u>(14,309,908)</u>	<u>(10,399,018)</u>	<u>(10,201,219)</u>	<u>(12,182,060)</u>
General revenues and other changes in net position										
Governmental activities:										
Property taxes levied for general purposes	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	5,108,268
Franchise taxes	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	1,293,382
Local option sales tax	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	6,370,970
Selective sales and use tax	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	1,708,499
Hotel/Motel tax	-	7,499	8,416	8,328	9,110	6,941	8,391	7,306	7,654	4,805
Restricted investment earnings	258	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	18,001	13,608	17,046	15,830	8,477	21,370	37,938	55,602	158,812	114,405
Miscellaneous	106,774	7,713	57,696	51,149	11,943	76,273	88,244	160,941	210,609	59,069
Gain on sale of capital assets	-	-	13,553	120,620	78,790	22,308	88,147	-	5,789	571,428
Special items	2,467,895	-	-	-	-	-	-	-	-	-
Payment from component unit	-	-	540,500	-	-	40,000	-	-	-	-
Transfers	(271,597)	(241,500)	(143,000)	-	41,824	147,824	131,267	(510,220)	(327,846)	(1,119,701)
Total governmental activities	<u>13,319,265</u>	<u>13,182,774</u>	<u>13,887,079</u>	<u>13,407,094</u>	<u>13,453,797</u>	<u>13,447,726</u>	<u>13,720,194</u>	<u>13,687,544</u>	<u>14,653,585</u>	<u>14,111,125</u>
Business-type activities:										
Unrestricted investment earnings	24	-	-	-	109	2,173	3,563	6,941	17,245	12,945
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	-	-	-	-	-
Transfers	271,597	241,500	143,000	-	(41,824)	(147,824)	(131,267)	510,220	327,846	1,119,701
Total business type activities	<u>195,824</u>	<u>276,606</u>	<u>212,140</u>	<u>652</u>	<u>160,844</u>	<u>(145,651)</u>	<u>(127,704)</u>	<u>517,161</u>	<u>345,091</u>	<u>1,132,646</u>
Total primary government	<u>13,515,089</u>	<u>13,459,380</u>	<u>14,099,219</u>	<u>13,407,746</u>	<u>13,614,641</u>	<u>13,302,075</u>	<u>13,592,490</u>	<u>14,204,705</u>	<u>14,998,676</u>	<u>15,243,771</u>
Change in net position										
Governmental activities	8,080,675	2,103,455	(7,325)	(255,355)	(438,831)	325,726	(604,593)	3,724,995	4,311,298	1,945,593
Business-type activities	(124,372)	(53,487)	151,049	370,784	521,468	18,493	(112,825)	80,692	486,159	1,116,118
Total primary government	<u>\$ 7,956,303</u>	<u>\$ 2,049,968</u>	<u>\$ 143,724</u>	<u>\$ 115,429</u>	<u>\$ 82,637</u>	<u>\$ 344,219</u>	<u>\$ (717,418)</u>	<u>\$ 3,805,687</u>	<u>\$ 4,797,457</u>	<u>\$ 3,061,711</u>

CITY OF BRUNSWICK, GEORGIA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 23,832	\$ 252,296	\$ 268,527	\$ 268,767	\$ 301,197	\$ 331,427
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	5,945,098
Total General fund	<u>\$ 12,521</u>	<u>\$ 239,903</u>	<u>\$ 980,238</u>	<u>\$ 1,529,603</u>	<u>\$ 2,065,987</u>	<u>\$ 3,262,287</u>	<u>\$ 4,873,882</u>	<u>\$ 4,933,779</u>	<u>\$ 6,962,846</u>	<u>\$ 6,276,525</u>
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	\$ 536,866
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	7,178,787
Other nonmajor governmental funds	63,569	139,801	47,530	56,611	101,069	303,387	107,772	85,198	1,690,042	1,784,511
Unassigned	(229,014)	(105,436)	(182,026)	(157,973)	(161,840)	(216,894)	(261,792)	(264,418)	-	-
Total all other governmental funds	<u>\$ 13,142,873</u>	<u>\$ 12,353,065</u>	<u>\$ 7,666,867</u>	<u>\$ 4,413,845</u>	<u>\$ 2,865,050</u>	<u>\$ 2,816,559</u>	<u>\$ 3,333,353</u>	<u>\$ 5,700,677</u>	<u>\$ 7,918,571</u>	<u>\$ 9,500,164</u>
Total all governmental funds	<u>\$ 13,155,394</u>	<u>\$ 12,592,968</u>	<u>\$ 8,647,105</u>	<u>\$ 5,943,448</u>	<u>\$ 4,931,037</u>	<u>\$ 6,078,846</u>	<u>\$ 8,207,235</u>	<u>\$ 10,634,456</u>	<u>\$ 14,881,417</u>	<u>\$ 15,776,689</u>

CITY OF BRUNSWICK, GEORGIA

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Property taxes	\$ 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	\$ 4,705,830
Franchise fees	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	1,293,382
Local option sales tax	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	6,370,970
Selective sales and use taxes	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	1,708,499
Hotel/Motel taxes	7,277	7,499	8,416	8,328	9,110	6,941	8,391	7,306	7,654	4,805
Licenses and permits	374,628	318,993	337,115	335,870	349,719	341,903	308,627	330,500	647,570	632,168
Fines and forfeitures	332,979	416,833	347,518	374,167	451,071	448,271	416,365	351,435	697,363	393,856
Intergovernmental revenues	8,981,997	2,303,089	236,159	370,031	279,702	249,118	1,043,641	4,270,985	4,612,328	4,627,483
Intergovernmental revenues - Reimbursement BGJWSC	-	-	-	-	-	240,792	233,663	257,770	513,757	210,007
Collection on loans	22,201	43,810	-	-	-	-	-	-	-	-
Grant revenues	1,313,728	1,458,423	737,129	927,958	709,279	628,952	1,781,014	2,554,540	1,225,006	1,141,828
Charges for services and assessments	459,758	484,759	539,937	436,177	424,751	526,757	338,140	354,775	379,083	383,513
Unrestricted investment earnings	57,333	29,982	28,537	17,259	8,849	24,642	46,389	87,740	265,354	227,964
Rental income	42,227	19,609	25,586	23,554	23,429	19,894	20,164	19,745	21,626	21,526
Contributions and donations from private sources	-	-	149,716	30,742	23,712	66,283	35,334	19,718	8,368	27,856
Miscellaneous and sale of property	137,785	34,486	71,274	171,770	90,734	98,582	52,910	141,223	202,241	31,213
Total revenues	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	21,780,900
Expenditures:										
General government	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	3,166,903
Judicial	474,169	420,800	301,340	285,832	278,138	270,506	276,545	265,563	331,027	341,544
Public safety	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	8,008,655
Public works	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	2,112,549
Culture and recreation	955,295	910,201	705,733	566,711	574,084	523,245	462,324	461,686	552,979	466,560
Cemetery	390,645	179,721	196,483	233,001	224,192	255,885	284,854	224,459	215,881	286,434
Community development	1,883,203	2,135,516	1,037,548	892,993	813,975	681,639	704,931	867,449	906,289	785,599
Economic development	80,000	80,000	70,021	70,326	107,075	139,503	204,949	280,608	292,320	689,944
Landfill expense	-	-	-	-	-	25,340	-	-	-	-
Debt service:										
Principal	564,216	449,259	381,777	702,801	131,463	134,686	70,259	73,817	77,553	81,479
Interest	115,244	119,018	101,334	69,569	45,702	43,089	45,560	46,596	47,466	41,120
Capital outlay	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	4,385,718
Total expenditures	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	20,366,505
Excess (deficiency) of revenues over expenditures	6,634,241	(340,026)	(4,382,424)	(2,951,071)	(1,087,817)	959,985	909,538	2,937,441	3,548,974	1,414,395

(Continued)

CITY OF BRUNSWICK, GEORGIA

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess (deficiency) of revenues over expenditures	\$ 6,634,241	\$ (340,026)	\$ (4,382,424)	\$ (2,951,071)	\$ (1,087,817)	\$ 959,985	\$ 909,538	\$ 2,937,441	\$ 3,548,974	\$ 1,414,395
Other financing sources (uses)										
Issuance of capital lease	-	19,000	39,061	247,414	33,582	-	-	-	-	-
Payment from component unit on property sale	-	-	540,500	-	-	40,000	-	-	-	-
Transfers in	343,116	774,646	686,929	777,663	868,615	848,324	1,259,417	921,615	2,603,267	782,989
Transfers (out)	(614,713)	(1,016,146)	(829,929)	(777,663)	(826,791)	(700,500)	(1,128,150)	(1,431,835)	(1,911,069)	(1,902,690)
Proceeds from sale of capital assets							118,000	-	5,789	600,005
Total other financing sources	<u>(271,597)</u>	<u>(222,500)</u>	<u>436,561</u>	<u>247,414</u>	<u>75,406</u>	<u>187,824</u>	<u>249,267</u>	<u>(510,220)</u>	<u>697,987</u>	<u>(519,696)</u>
Net change in fund balances	<u>\$ 6,362,644</u>	<u>\$ (562,526)</u>	<u>\$ (3,945,863)</u>	<u>\$ (2,703,657)</u>	<u>\$ (1,012,411)</u>	<u>\$ 1,147,809</u>	<u>\$ 1,158,805</u>	<u>\$ 2,427,221</u>	<u>\$ 4,246,961</u>	<u>\$ 894,699</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>4%</u>	<u>3.6%</u>	<u>3.2%</u>	<u>5.0%</u>	<u>1.2%</u>	<u>1.3%</u>	<u>0.8%</u>	<u>0.7%</u>	<u>0.8%</u>	<u>0.7%</u>

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**

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	\$ 742,194	\$ 3,023,448	\$ 858,600	\$ 1,199,446	\$ 470,778	\$ 1,012,643	\$ 2,501,678	\$ 6,219,248	\$ 6,121,978	\$ 5,882,903
Judicial	332,979	416,833	347,518	374,167	451,071	448,271	291,885	256,474	541,191	288,436
Public safety	430,850	234,838	188,335	121,782	79,605	221,896	151,634	240,024	282,684	61,659
Public works	25,676	90,646	148,181	25,646	26,529	25,646	233,663	257,770	-	21,505
Culture and recreation	124,173	97,697	54,279	97,697	15,910	10,535	65,904	80,883	192,810	263,870
Cemetery	95,340	119,320	150,785	119,320	134,750	131,495	110,115	131,165	111,495	105,785
Community development	1,299,405	1,494,115	716,093	873,788	662,593	684,536	795,186	986,324	953,117	899,782
Subtotal governmental activities	<u>3,050,617</u>	<u>5,476,897</u>	<u>2,463,791</u>	<u>2,811,846</u>	<u>1,841,236</u>	<u>2,535,022</u>	<u>4,150,065</u>	<u>8,171,888</u>	<u>8,203,275</u>	<u>7,523,940</u>
Business-type activities:										
Sanitation	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	1,563,063
Stormwater	-	-	-	-	-	-	-	-	900,747	1,070,746
Subtotal business-type activities	<u>1,142,596</u>	<u>1,114,851</u>	<u>1,130,475</u>	<u>1,337,697</u>	<u>1,434,849</u>	<u>1,238,062</u>	<u>1,143,038</u>	<u>1,334,411</u>	<u>2,585,180</u>	<u>2,633,809</u>
Total primary government program revenues	<u>\$ 4,193,213</u>	<u>\$ 6,591,748</u>	<u>\$ 3,594,266</u>	<u>\$ 4,149,543</u>	<u>\$ 3,276,085</u>	<u>\$ 3,773,084</u>	<u>\$ 5,293,103</u>	<u>\$ 9,506,299</u>	<u>\$ 10,788,455</u>	<u>\$ 10,157,749</u>

CITY OF BRUNSWICK, GEORGIA

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Taxes</u>	<u>General Sales Tax</u>	<u>Special Purpose Local Option Sales Tax (SPLOST)</u>	<u>Other (1)</u>	<u>Total</u>
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
2020	4,705,830	1,293,382	6,370,970	4,627,483	1,713,304	18,710,969

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
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	888,433,853	17,295,175	144,900	38,325,435	-	1,770	113,445,148	830,755,985	332,301,686	13.219	40%
2019	934,425,795	12,958,325	144,800	38,305,695	-	-	158,484,972	827,349,643	330,939,857	13.219	40%
2020	885,852,870	10,337,125	140,900	42,555,790	-	-	96,990,807	841,895,878	336,758,351	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**

Fiscal Year	City of Brunswick	Overlapping Rates (2)					Total
		State	Glynn County M&O	Glynn County Bond	Glynn County School District M&O	Glynn County School District Bond	
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
2020	13.219	-	6.033	-	16.157	-	35.409

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**

Customer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pinova, Inc.	\$ 32,147,538	1	3.82%	\$ 16,279,980	1	1.82%
King and Prince Seafood Company	10,982,508	2	1.30%	9,403,592	2	1.05%
Jars at the Cove LLC	5,039,163	3	0.60%			
Industrial Insulation Group	2,282,903	4	0.27%	3,294,102	3	0.37%
777 Gloucester LLC	1,330,401	5	0.16%	1,473,927	4	0.16%
Tara Arms Apartments	1,038,203	6	0.12%			
Winsupply Brunswick GA Co	873,510	7	0.10%			
Marshland Federal Credit Union	755,906	8	0.09%	693,364	7	0.08%
Seaside Storage	720,696	9	0.09%			
South Coast Bank & Trust	695,786	10	0.08%			
First Chatham Bank				924,301	5	0.10%
Lang Planing Mill				729,970	6	0.08%
Atlantic National Bank				658,392	8	0.07%
Glynn Iron & Metal Inc.				654,183	9	0.07%
Brunswick News Publishing Co				612,025	10	0.07%

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
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%	124,345	4,187,904	96%
2020	4,451,609	4,160,020	93%	-	4,160,020	93%

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Capital Per Capita (1)
	Capital Leases	Housing Development Grant Settlement Agreement Payable	Note Payables	Certificates of Participation	Water/Sewer Revenue Bonds	Capital Leases				
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	
2020	420,819	-	-	1,116,000	-	-	1,536,819	0.19%	92	

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

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

CITY OF BRUNSWICK, GEORGIA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 89,461,634	\$ 85,472,855	\$ 81,362,192	\$ 81,446,700	\$ 80,166,518	\$ 80,382,142	\$ 80,403,136	\$ 82,734,964	\$ 82,734,964	\$ 84,189,588
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 89,461,634</u>	<u>\$ 85,472,855</u>	<u>\$ 81,362,192</u>	<u>\$ 81,446,700</u>	<u>\$ 80,166,518</u>	<u>\$ 80,382,142</u>	<u>\$ 80,403,136</u>	<u>\$ 82,734,964</u>	<u>\$ 82,734,964</u>	<u>\$ 84,189,588</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	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 2020										
Total assessed value										\$ 841,895,878
Debt limit (10% of total taxable assessed value)										<u>84,189,588</u>
Debt applicable to limit										<u>-</u>
Legal debt margin										<u>\$ 84,189,588</u>

^(a) Digest tax year levied actually fund the following fiscal year (i.e., taxes levied for 2019 are used for fiscal year ending in 2020).

See independent auditor's report.

CITY OF BRUNSWICK, GEORGIA

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population (1&2)</u>	<u>Personal Income (1)</u>	<u>Per Capital Personal Income (1)</u>	<u>Unemployment Rate (3)</u>
2011	15,383	\$ 483,764,584	\$ 31,448	10.30% (S)
2012	15,525	518,969,700	33,428	10.70% (S)
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)
2020	16,654	682,088,279	32,160	4.60% (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**

Employer	2020			2011		
	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**

Function	Full-time Equivalent Employees as of June 30th									
	2011	2012	2013	2014	2015	2016	2017 *	2018	2019	2020
General government	16.90	15.90	16.90	16.90	15.50	14.00	20.00	20.00	22.00	23.00
Judicial	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public safety	110.00	119.50	110.50	111.50	108.50	109.00	108.00	102.00	109.00	108.00
Public works	38.00	36.00	33.00	33.00	32.00	35.00	33.00	33.00	33.00	34.00
Culture and recreation	18.30	21.00	15.20	15.20	14.20	13.00	15.00	13.00	12.00	12.00
Cemetery	2.00	2.00	4.00	4.00	4.00	3.00	2.00	2.00	3.00	3.00
Community development	2.00	2.00	2.00	2.00	3.00	3.00	2.00	2.00	3.00	2.00
Economic development										
Component unit	1.00	1.00	4.00	4.00	1.50	-	1.00	1.00	1.00	2.00
Sanitation department	17.00	14.00	-	-	1.00	1.00	1.00	1.00	1.00	1.00
Stormwater department	-	-	-	-	-	-	-	-	10.00	10.00
Total	207.20	213.40	187.60	188.60	181.70	180.00	184.00	176.00	196.00	197.00

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**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>General Government</u>										
Occupancy Permits Issued	140	139	99	123	128	131	129	143	157	109
Building Permits Issued	86	108	83	67	92	89	91	92	101	142
Plumbing Permits Issued	85	64	36	46	85	87	66	53	50	28
Electrical Permits Issued	140	115	103	204	242	215	245	260	265	116
Mechanical Permits Issued	28	19	17	25	45	51	43	36	37	13
Other Permits Issued	6	20	20	-	127	131	189	167	163	195
Inspections - Percentage of Plans Completed Within 10 Days										
Inspections - Percentage of Plans Completed in 24 Hours										
<u>Judicial</u>										
Dockets Processed	3,971	4,203	3,577	3,970	2,257	3,192	2,775	5,918	4,326	2,421
<u>Public Safety</u>										
Police - Number of Arrests	1,006	1,121	950	1,237	734	683	624	752	1,357	740
Police - Jail Bookings	990	1,212	1,089	1,192	1,123	1,221	1,186	1,291	1,623	1,065
Police - Calls Received	42,904	42,700	53,081	55,264	42,077	28,648	29,715	42,326	43,212	38,611
Police - Narcotics Arrests	141	153	116	173	113	94	90	127	121	61
Police - Traffic Citations Total	5,194	4,142	3,769	3,961	4,002	4,261	3,369	4,112	5,938	2,684
Police - Traffic Citations - Moving	4,677	3,609	3,105	2,926	3,686	3,153	2,444	2,898	3,617	1,654
Police - Traffic Citations Non - Moving	517	533	664	1,095	316	371	268	322	1,031	249
Fire - Calls Received	2,680	2,594	2,445	2,682	3,050	3,457	3,664	3,611	3,132	3,336
Fire - Inspection and Plan Reviews	971	402	159	80	200	366	826	1,127	1,136	438
E911 - Calls Received (Note 2)	47,536	47,658	56,432	58,665	75,474	32,395 *	33,427 *	46,511	48,326	42,595

Continued.

CITY OF BRUNSWICK, GEORGIA

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Public Works</u>										
Street Sweeping Frequency Per Year (miles per work day)	55.63	36.9	31.2	28	36	10.83	20.52	6.27	6.27	8.22
Ditches Maintained (miles)	4.81	12.95	20.96	18.5	11	9.95	12.77	7.06	10.75	6.32
Feet of Storm Drains Cleaned and Maintained	14,097	11,616	22,263	19,500	30,197	20,989	9,632	9,524	12,133	56,974
<u>Sanitation (note 1)</u>										
Residential Customers	3,722	3,482	3,626	4,395	4,936	4,936	4150	4065	4132	5,643
Commercial Customers	626	551	520	342	530	530	300	297	325	309
<u>Stormwater</u>										
Residential Customers	-	-	-	-	-	-	-	-	5123	5,123
Commercial Customers	-	-	-	-	-	-	-	-	1737	1,737
<u>Culture & Recreation</u>										
Number of Days Various Facilities Rented	48	45	18	5	12	9	7	13	3	76
Number of Participants in Athletics	367	266	78	225	136	102	219	297	286	168
<u>Cemetery</u>										
Number of New Grave Openings	150	113	129	149	152	171	174	150	156	149
<u>Community Development</u>										
Net Gain of New Downtown Businesses	17	17	18	27	36	22	19	40	14	22

* 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police - Vehicles	58	55	60	80	62	80	93	90	84	87
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	5	5	5	12	12	14	16	18	19
Traffic Signals	28	28	26	26	25	25	25	25	25	25
Public Works										
Miles of Paved Roads Maintained	99.5	99.5	99.5	99.5	99.8	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	77.0	77	77	77	77
Sanitation										
Collection Vehicles	11	12	9	9	9	9	9	9	2	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	10	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

**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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 18, 2021.

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) as a basis for designing 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 financial statements. 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.



Savannah, Georgia
March 18, 2021

CITY OF BRUNSWICK, GEORGIA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes No

Significant deficiencies identified not considered
to be material weaknesses?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Not applicable as a single audit was not performed for the fiscal year ended June 30, 2020, 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.