

**CITY OF BRUNSWICK, GEORGIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**

Prepared by:  
Finance Department

# CITY OF BRUNSWICK, GEORGIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### TABLE OF CONTENTS

#### INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal .....	i - iii
List of Principal Officials .....	vi
History of Brunswick .....	v and vi
Organizational Chart.....	vii

#### FINANCIAL SECTION

Independent Auditor's Report .....	1 - 3
Management's Discussion and Analysis.....	4 - 14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities .....	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	20
Statement of Net Position – Proprietary Funds .....	21
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	22
Statement of Cash Flows – Proprietary Funds .....	23 and 24
Statement of Fiduciary Net Position – Defined Benefit Pension Plan.....	25
Statement of Changes in Fiduciary Net Position – Defined Benefit Pension Plan .....	26
Notes to Financial Statements.....	27 - 63
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund.....	64 and 65
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Community Development Fund .....	66
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – ARPA Fund.....	67
Schedule of Changes in the City's Net Pension Liability and Related Ratios.....	68 and 69
Schedule of Contributions – Defined Benefit Plan.....	70 and 71
Schedule of Investment Returns – Defined Benefit Plan.....	72 and 73

# CITY OF BRUNSWICK, GEORGIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### TABLE OF CONTENTS (CONTINUED)

#### FINANCIAL SECTION (CONTINUED)

Page

#### Combining Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds.....	74 and 75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	76 and 77
Combining Statement of Net Position – Internal Service Funds.....	78
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds .....	79
Combining Statement of Cash Flows – Internal Service Funds.....	80
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Special Revenue Funds):	
Roosevelt Harris Center Fund.....	81
Police Seizure Fund .....	82
E-911 Fund .....	83
DOT TE-21 Fund.....	84
City Pier Fund .....	85
Hotel/Motel Tax Fund .....	86
Urban Redevelopment Agency Fund .....	87

#### Additional Schedules:

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds .....	88 and 89
Certification of 9-1-1 Expenditures .....	90 – 92

#### STATISTICAL SECTION

#### Statistical Information:

Net Position by Activity.....	93
Changes in Net Position.....	94 and 95
Fund Balances, Governmental Funds .....	96
Changes in Fund Balances, Governmental Funds.....	97 and 98
Program Revenues by Function/Program.....	99
General Governmental Tax Revenues by Source .....	100
Assessed Value and Estimated Actual Value of Taxable Property .....	101
Direct and Overlapping Property Tax Rates .....	102
Principal Property Taxpayers .....	103
Property Tax Levies and Collections.....	104

# CITY OF BRUNSWICK, GEORGIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### TABLE OF CONTENTS (CONTINUED)

#### STATISTICAL SECTION (CONTINUED)

	<u>Page</u>
Statistical Information (Continued):	
Ratios of Outstanding Debt by Type.....	105
Legal Debt Margin Information.....	106
Demographic Statistics.....	107
Principal Employers.....	108
Full-Time Equivalent City Government Employees by Function.....	109
Operating Indicators by Function.....	110
Capital Asset Statistics by Function.....	111

#### 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 <i>Government Auditing Standards</i> .....	112 and 113
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance.....	114 and 115
Schedule of Expenditures of Federal Awards.....	116
Notes to the Schedule of Expenditures of Federal Awards.....	117
Schedule of Findings and Questioned Costs.....	118 and 119

## **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

December 29, 2021

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

The Annual Comprehensive Financial Report of the City of Brunswick, Georgia, for the Fiscal Year ended June 30, 2021, 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 ("MD&A") 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 celebrated its 250<sup>th</sup> anniversary throughout 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.

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 elected 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.brunswickga.org](http://www.brunswickga.org).

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

## **ECONOMIC OUTLOOK**

The 2021 calendar year continued an unprecedented level of economic instability as the COVID-19 pandemic persisted with numerous spikes throughout the year. The fiscal climate for Georgia has shown some recovery with the reopening of businesses, schools, and government operations. Local sales tax recovered fully and showed significant gains by the end of the fiscal year. As evident in the financial statements, overall yearend revenues were stable. The outlook for Brunswick and Glynn County in the coming year continues to improve.

Despite the lingering pandemic, the City's downtown development continued with additional residential development and new building renovations. For the fiscal year, business growth was up in the City including 18 new business establishments downtown. The City has secured over \$30 million in development since 2019. Funding from the American Rescue Plan Act is proposed to support business re-openings and spur development along with other incentives. Historic building renovations are sparking new investments utilizing City sponsored incentives for building stabilization loans/ grants. The entertainment district will expand with new 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. Interest in renovations of older historic homes in the Oldtown Historic District has emerged and revitalization of the Norwich Corridor continues to be a top priority. The 2021 tax digest for the city increased 4.33% 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 38% of the annual General Fund revenue budget.

## **MAJOR INITIATIVES**

With the use of Special Local Option Sales Tax ("SPLOST") revenues, the City has been successful in achieving substantial improvements in infrastructure as well as major upgrades to recreational facilities and City buildings. The remaining funds in the SPLOST V account was removed by referendum and has been set aside for property tax relief. The SPLOST VI referendum was approved by the voters in 2016. As of mid-2021, 74% of the projects were completed or under construction. Major road and drainage improvements in the College Park and Magnolia Park neighborhoods are underway and the L Street corridor was completed at the beginning of the year. The SPLOST referendum in 2021 was not passed by the voters and a slight gap in capital funding will exist until the next election in 2022.

Through use of the Coronavirus Aid, Relief and Economic Security ("CARES") Act and American Rescue Plan Act ("ARPA") funding, the City has been able to support COVID-19 relief efforts within the community. The City has received nearly \$5.0 million in ARPA relief and CARES Act funding. CARES Act funds have promoted housing rehabilitation, supplied local organization with PPEs, assisted with food provisions and efforts to combat homelessness and improvements to public facilities. The ARPA funding will promote housing initiatives including renovations and reconstructions, infrastructure improvements to our storm drainage system and roadways and business support and sustainability.

The City continues to explore other revenue sources to diversify our revenue streams. In FY 2019, the City created a Stormwater Management Utility. This 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.

The City began collecting its own property taxes in 2018. Previously, taxes and fees were 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 2019 and 2020 tax years were 99% and 98%, respectively. The City will continue to work to improve the value of our Tax Digest in the 2022 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. The Land Bank Authority began conducting transactions during 2021.

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 on the project is nearing completion. The City created a Tax Allocation District (“TAD”) in 2017 which generates 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.

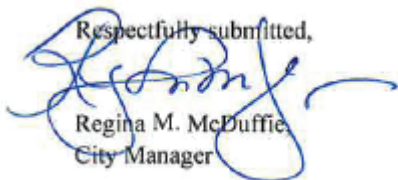
**Budgeting Controls** — In addition, the government maintains Budgetary Controls. The objective of these Budgetary Controls is to ensure compliance with legal provisions embodied in the Annual Appropriated Budget approved by the government's governing body. Activities of the General Fund and all special 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.

**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 annual comprehensive financial report for the fiscal year ended June 30, 2016. This was the third year the City of Brunswick, Georgia had received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Since that time, the City’s audit content and format has remained unchanged and continues to meet the requirements needed to attain this award.

**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, 2021

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Mayor.....	<i>Cornell L. Harvey</i>
Mayor Pro-Tem .....	<i>Felicia M. Harris</i>
City Commissioner .....	<i>John A. Cason, III</i>
City Commissioner .....	<i>Julie T. Martin</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 R. Cruthirds</i>
City Auditor.....	<i>Mauldin &amp; Jenkins, Certified Public Accountants</i>
Finance Director .....	<i>Kathy D. Mills, CPA</i>
Assistant City Manager .....	<i>Tanet T. 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 S. Hunter</i>
Economic Development Director .....	<i>Travis R. Stegall</i>
Downtown Development Director .....	<i>Matthew D. Hill</i>
Neighborhood Services Director.....	<i>Vacant</i>



# CITY OF BRUNSWICK, GEORGIA

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## 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

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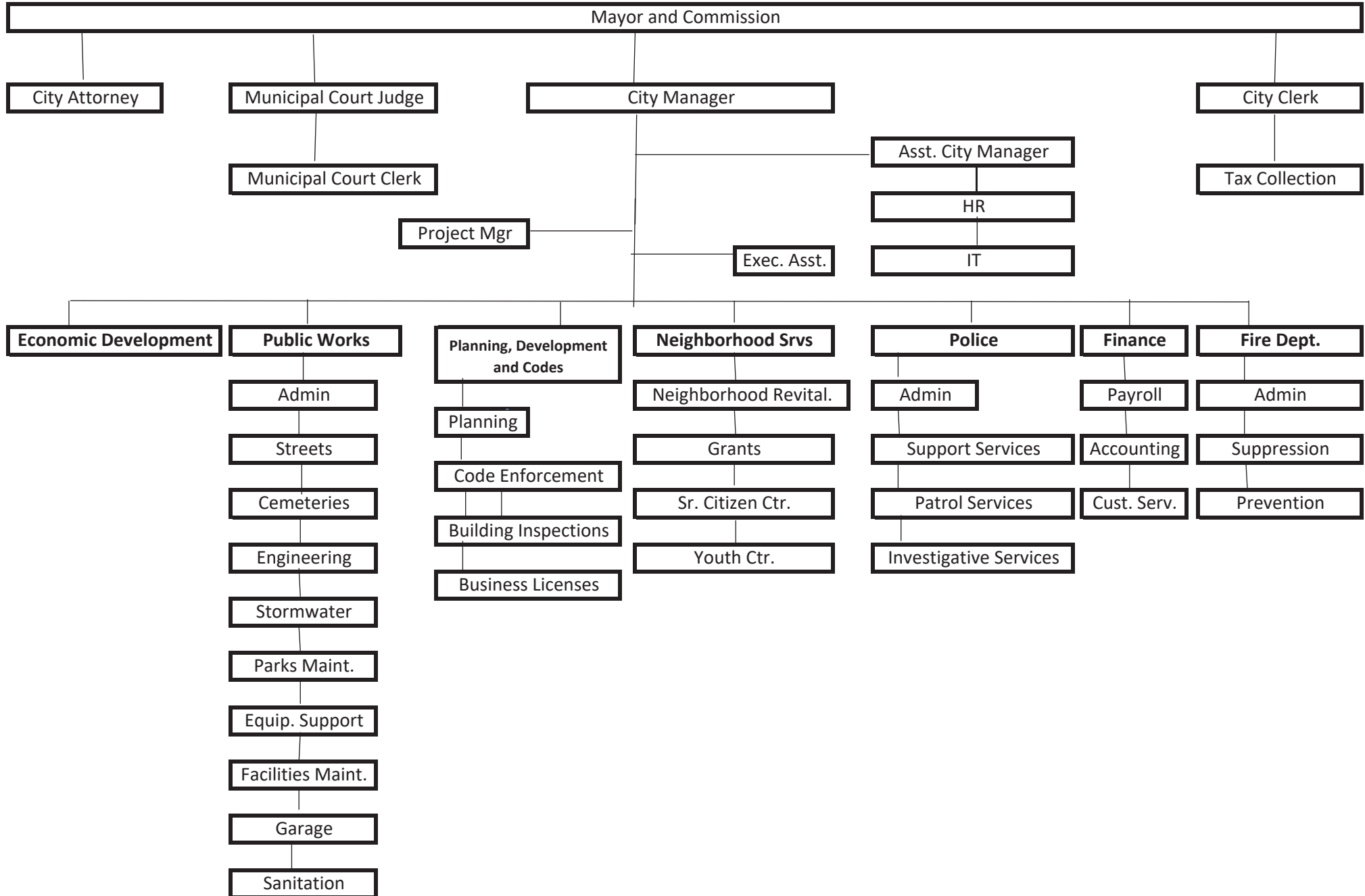
## **HISTORY (Continued)**

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

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**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, 2021, 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.

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**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, 2021, 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 (pages 4 through 14), the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budgets (GAAP BASIS) and Actual – General Fund (pages 64 through 65), the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budgets (GAAP BASIS) and Actual – Community Development Fund (page 66), Schedule of Changes ARPA Fund (page 67) the Schedule of Changes in the City's Net Pension Liability and Related Ratios (pages 68 and 69), the Schedule of Contributions – Defined Benefit Plan (pages 70 and 71) and the Schedule of Investment Returns for the Defined Benefit Plan (pages 72 and 73) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("GASB"), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §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 O.C.G.A. §36-81-7 and is not a required part of the basic financial statements.

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The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the certification of 9-1-1 expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the certification of 9-1-1 are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 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 of Brunswick's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
December 29, 2021



# CITY OF BRUNSWICK, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### 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

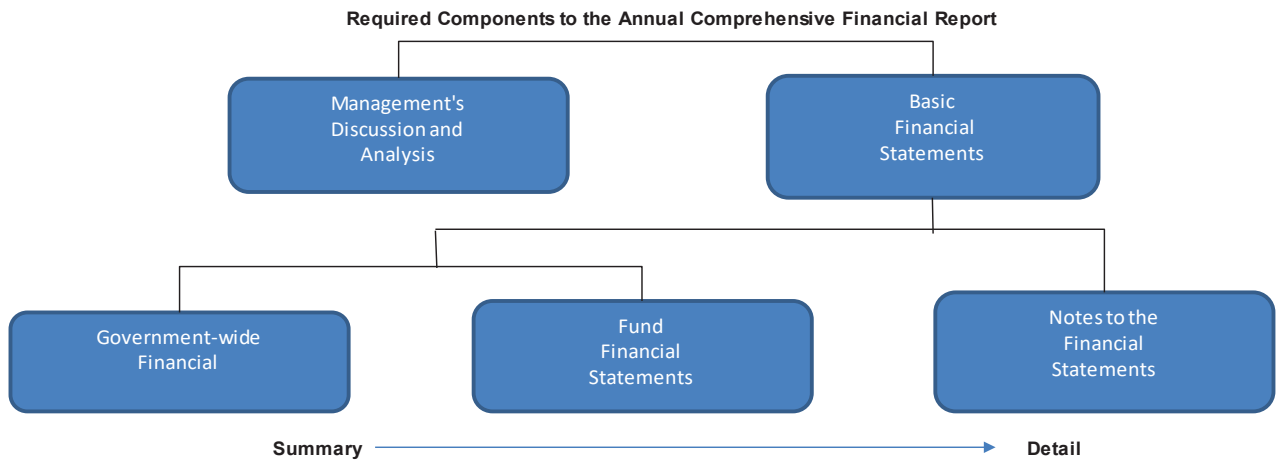
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$49,661,341 (*net position*).
- Under Government Accounting Standards Board Statements ("GASB") 67 and 68 (GASB 67 and GASB 68) the City has recorded a net pension liability of \$6,393,208 and related deferred outflows of resources related to the pension of \$340,857 and deferred inflows related to the pension of \$576,146 in the Statement of Net Position. The net pension liability decreased by \$627,376 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 66.3%.
- The City's overall financial position increased by \$1,380,404 due primarily to an increase in sales tax revenue and operating grants.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,249,313 with a combined increase of \$472,624 in fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,048,871.
- The City's long-term liabilities (excluding the net pension liability) decreased \$1,392,170 during the current fiscal year as the result of payments on capital leases and a decrease in in the landfill liability.
- The Sanitation Fund had an increase in operating revenue of \$153,367 or 9.8% from the previous year and an increase in operating expenses of \$444,430 or 24.1% from the previous year.
- The Stormwater Fund had a decrease in operating revenue of \$23,748 or 2.2% from the previous year and a decrease in operating expenses of \$57,437 or 7.2% from the previous year.

### Overview of the Financial Statements

This Management's Discussion and Analysis ("MD&A") 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.

# 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 Special Purpose Local Option Sales Tax ("SPLOST") proceeds.

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Government-wide Financial Analysis

#### City of Brunswick's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Cash, investments, and receivables	\$ 24,722,802	\$ 19,840,459	\$ 1,240,075	\$ 1,160,353	\$ 25,962,877	\$ 21,000,812
Capital assets	40,841,549	41,079,882	554,539	605,807	41,396,088	41,685,689
Landfill closure costs escrow deposit	-	-	580,274	1,095,014	580,274	1,095,014
Prepaid items and other	347,253	331,427	-	-	347,253	331,427
<b>Total assets</b>	<b>65,911,604</b>	<b>61,251,768</b>	<b>2,374,888</b>	<b>2,861,174</b>	<b>68,286,492</b>	<b>64,112,942</b>
Deferred outflow s of resources	340,857	521,513	-	-	340,857	521,513
<b>Liabilities</b>						
Current liabilities	9,145,210	4,503,439	695,286	759,408	9,840,496	5,262,847
Long-term liabilities	8,263,573	10,195,235	-	-	8,263,573	10,195,235
<b>Total liabilities</b>	<b>17,408,783</b>	<b>14,698,674</b>	<b>695,286</b>	<b>759,408</b>	<b>18,104,069</b>	<b>15,458,082</b>
Deferred inflow s of resources						
Deferred inflow s of resources	861,939	895,436	-	-	861,939	895,436
<b>Net position:</b>						
Net investment in capital assets	39,725,549	39,543,063	554,539	605,807	40,280,088	40,148,870
Restricted	7,853,189	9,500,164	580,274	1,095,014	8,433,463	10,595,178
Unrestricted	403,001	(2,864,056)	544,789	400,945	947,790	(2,463,111)
<b>Total net position</b>	<b>\$ 47,981,739</b>	<b>\$ 46,179,171</b>	<b>\$ 1,679,602</b>	<b>\$ 2,101,766</b>	<b>\$ 49,661,341</b>	<b>\$ 48,280,937</b>

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 \$49,661,341 as of June 30, 2021. The City's net position increased by \$1,380,404 for the fiscal year ended June 30, 2021. The largest portion of the City's net position is \$40,280,088 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, \$8,433,463, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$947,790 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 7.5%.
- Total expenses for governmental activities increased by 8.17% from the previous fiscal year.
- The net position of the Sanitation Fund decreased by 51% due to an increase in annual expenditures for professional and technical services.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Government-wide Financial Analysis (Continued)

	City of Brunswick's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,439,927	\$ 1,431,063	\$ 2,763,428	\$ 2,633,809	\$ 4,203,355	\$ 4,064,872
Operating grants and contributions	1,731,675	829,020	30,140	-	1,761,815	829,020
Capital grants and contributions	3,713,724	5,263,857	-	-	3,713,724	5,263,857
General revenues:						
Property taxes	4,709,795	5,108,268	-	-	4,709,795	5,108,268
Franchise taxes	1,246,464	1,293,382	-	-	1,246,464	1,293,382
Hotel/Motel tax	8,560	4,805	-	-	8,560	4,805
Local option sales tax	7,801,847	6,370,970	-	-	7,801,847	6,370,970
Selective sales and use tax	1,812,152	1,708,499	-	-	1,812,152	1,708,499
Unrestricted investment earnings	8,205	114,405	4,746	12,945	12,951	127,350
Gain on sale of capital assets	-	571,428	-	-	-	571,428
Miscellaneous	502,278	59,069	-	-	502,278	59,069
Total revenues	<u>22,974,627</u>	<u>22,754,766</u>	<u>2,798,314</u>	<u>2,646,754</u>	<u>25,772,941</u>	<u>25,401,520</u>
<b>Expenses</b>						
General government	4,947,737	2,904,759	-	-	4,947,737	2,904,759
Judicial	309,103	344,178	-	-	309,103	344,178
Public safety	9,524,622	9,570,547	-	-	9,524,622	9,570,547
Public works	1,034,605	1,801,656	-	-	1,034,605	1,801,656
Culture and recreation	3,248,200	2,904,323	-	-	3,248,200	2,904,323
Cemetery	303,023	302,208	-	-	303,023	302,208
Community development	1,511,179	1,112,067	-	-	1,511,179	1,112,067
Economic development - (component unit)	409,676	708,614	-	-	409,676	708,614
Debt service	10,517	41,120	-	-	10,517	41,120
Business-type	-	-	3,093,875	2,650,337	3,093,875	2,650,337
Total expenses	<u>21,298,662</u>	<u>19,689,472</u>	<u>3,093,875</u>	<u>2,650,337</u>	<u>24,392,537</u>	<u>22,339,809</u>
Change in net position before transfers	<u>1,675,965</u>	<u>3,065,294</u>	<u>(295,561)</u>	<u>(3,583)</u>	<u>1,380,404</u>	<u>3,061,711</u>
Transfers	<u>126,603</u>	<u>(1,119,701)</u>	<u>(126,603)</u>	<u>1,119,701</u>	<u>-</u>	<u>-</u>
Change in net position	<u>1,802,568</u>	<u>1,945,593</u>	<u>(422,164)</u>	<u>1,116,118</u>	<u>1,380,404</u>	<u>3,061,711</u>
Net position, beginning, as restated	<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>
Net position, ending	<u>\$ 47,981,739</u>	<u>\$ 46,179,171</u>	<u>\$ 1,679,602</u>	<u>\$ 2,101,766</u>	<u>\$ 49,661,341</u>	<u>\$ 48,280,937</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Governmental Activities

Governmental activities in the current year increased the City's net position by \$1,802,568. Key net elements of the activity are as follows:

- Increased sales tax revenue of more than \$1.5 million over the previous year.
- Total tax revenue increased by 7.5% from the previous year.
- Total governmental expenses increased 8.17% from the previous year.

### Business-type Activities

Business-type activities decreased the City's net position by \$422,164. The decrease is primarily due to an increase in sanitation expenses over revenue.

### 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 \$10,588,748, total liabilities were \$1,349,158 and deferred inflow of resources (property taxes) were \$843,466. The ending fund balance in the General Fund was \$8,396,124 of which \$347,253 was nonspendable and \$8,048,871 was unassigned.

During the current fiscal year, the total revenues and other financing sources in the General Fund were \$19,111,761 and the total expenditures and other financing uses in the General Fund were \$16,992,162. Of the General Fund revenues, 86% come from taxes. Public safety expenditures account for 52% of the General Fund expenditures.

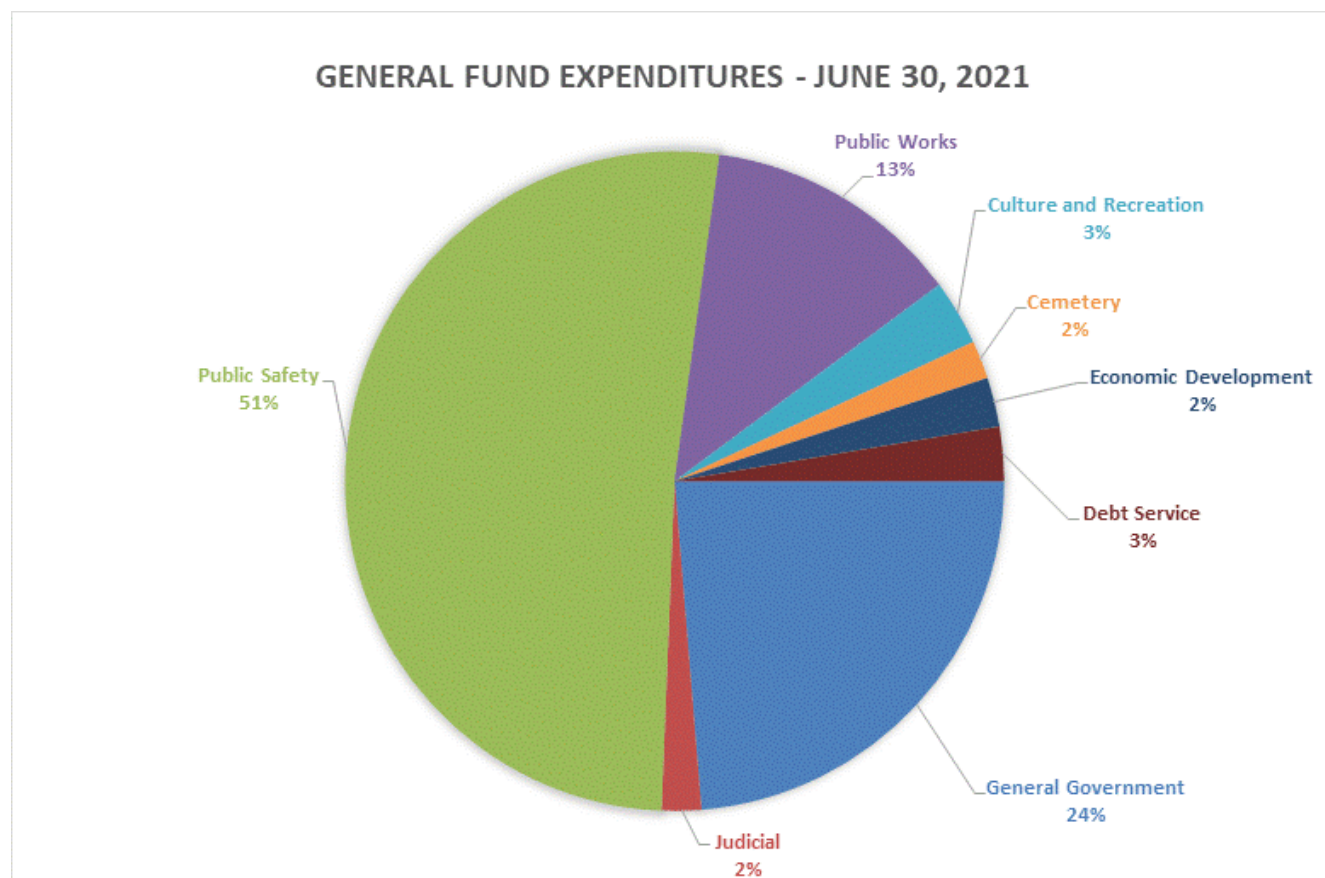
The fund balance in the General Fund increased \$2,119,599 in the current fiscal year due primarily to a higher sales tax revenue and a decrease in transfers to business type activities.

## 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:



#### General Fund Budgetary Highlights

Significant changes from the original to final budgets were local option sales tax revenues which have increased significantly from the pre-pandemic levels for which the budget was originally based. Intergovernmental revenues increased as well due to additional grant funding that was not anticipated. General government and public safety expenditures saw the largest increase as a result of additional capital projects and salary increases. Final budgets were amended to the actual expenditures.

#### Other Major Governmental Funds

The fund balance for the Community Development Fund decreased from \$536,866 to \$461,267 due primarily to an excess of expenditures over revenues. The fund received \$1,174,112 in grant income and had expenditures of \$1,313,215 during the current year.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Major Governmental Funds (Continued)

#### Other Major Governmental Funds (Continued)

The fund balance in the SPLOST VI capital projects fund decreased from \$7,178,787 to \$5,127,592 due primarily to an increase in SPLOST VI expenditures. Expenditures for the fund totaled \$4,616,724.

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 \$1,584,252, total liabilities were \$1,011,722, and net position was \$572,530. Unrestricted net position of the Sanitation Fund at the end of the fiscal year was a deficit of \$67,944. The total decrease in net position for the Sanitation Fund was \$572,693. Operating revenue was \$1,716,430 and operating expenses were \$2,291,479 resulting in an operating loss of \$575,049.

#### 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 \$1,165,891, total liabilities were \$32,421, and net position was \$1,133,470. Unrestricted net position of the Stormwater Fund at the end of the fiscal year was \$639,131. The total increase in net position for the Stormwater Fund was \$176,927. Operating revenue was \$1,046,998 and operating expenses were \$745,851 resulting in operating income of \$301,147.

### 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 \$2,912,103. Contributions from the City and its employees totaled \$1,213,002 during the year. Other additions to the plan including interest and dividends, gain on security sales, and unrealized appreciation/depreciation on investments totaled \$2,673,822. The Defined Benefit Pension Plan paid \$880,664 in monthly and lump-sum payments to retirees during the plan year. Net position in the plan increased by \$2,912,103 to \$14,248,782 due primarily to the increase in fair value of the plan investments during the fiscal year.

## 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 \$6,393,208 and related deferred outflows of resources related to the pension of \$340,857 and deferred inflows related to the pension of \$576,146 in the Statement of Net Position. The net pension liability decreased by \$627,376 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 66.3%.

### 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, 2021, totaled \$41,396,088 (net of accumulated depreciation). These assets included land, land improvements, buildings, equipment and infrastructure.

Major capital asset transactions during the year include the following:

- Transfer of funds to reimburse \$328,235 of General Funds that were used for budget overruns.
- Capital expenditures for the public works and culture and recreation departments totaled \$4,000,378 and \$562,170, respectively.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,984,747	\$ 2,984,747	\$ -	\$ -	\$ 2,984,747	\$ 2,984,747
Land improvements	3,835,573	4,047,218	-	-	3,835,573	4,047,218
Buildings and improvements	10,856,338	10,904,939	-	-	10,856,338	10,904,939
Equipment	2,213,567	2,441,524	475,053	550,046	2,688,620	2,991,570
Infrastructure	19,731,104	19,413,626	79,486	55,761	19,810,590	19,469,387
Construction in progress	1,220,220	1,287,828	-	-	1,220,220	1,287,828
Total	<u>\$ 40,841,549</u>	<u>\$ 41,079,882</u>	<u>\$ 554,539</u>	<u>\$ 605,807</u>	<u>\$ 41,396,088</u>	<u>\$ 41,685,689</u>

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

**Long-term Debt.** The City's long-term liabilities (excluding the net pension liability) decreased \$1,392,170 during the current fiscal year as the result of payments on capital leases and a decrease in the landfill liability.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Economic Factors and Next Years Budget

The following economic factors currently affect the City and were considered in developing the fiscal year 2022 budget:

- The unemployment rate for the City is currently 3.8%, which is a decrease from the prior year. While unemployment is likely to decrease, it is not expected to reach the pre-recession level for several years.
- The City is issuing a request for proposals for waste management and will assess the need for a rate increase during this process.
- Stormwater Utility rates remained unchanged due to the adverse impact of the pandemic on local businesses and residents.
- The City, jointly with the County, will pursue another Special Purpose Local Option Sales Tax ("SPLOST") to support capital improvements and projects during the upcoming year.
- Funding from federal allocations and grants will be used to support city operations and activities as allowable.
- Sales tax revenue has shown growth and is higher than pre-pandemic collections.
- The City's tax digest grew by 4.33% primarily due to new development and increases in existing property values.
- Compensation for public safety and public works remains a primary concern in recruiting and retaining employees.

### 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

## **NOTES TO FINANCIAL STATEMENTS**

# CITY OF BRUNSWICK, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2021

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Cash and cash equivalents	\$ 6,933,436	\$ 558,348	\$ 7,491,784	\$ 36,066
Investments	13,193,896	-	13,193,896	-
Receivables, net of allowances:				
Taxes	875,733	-	875,733	-
Accounts receivable	717,144	424,893	1,142,037	6,536
Intergovernmental	2,350,520	-	2,350,520	-
Internal balances	366,280	(366,280)	-	-
Prepaid expenses	347,253	-	347,253	-
Inventories	-	-	-	12,393
Restricted assets:				
Cash and cash equivalents	-	580,274	580,274	-
Investments	-	623,114	623,114	-
Assets held for resale	-	-	-	575,000
Fair value of interest rate swap	285,793	-	285,793	-
Capital assets:				
Land	2,984,747	-	2,984,747	-
Construction-in-progress	1,220,220	-	1,220,220	-
Depreciable assets, net	36,636,582	554,539	37,191,121	702,341
Total assets	65,911,604	2,374,888	68,286,492	1,332,336
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	340,857	-	340,857	-
Total deferred outflows or resources	340,857	-	340,857	-
<b>LIABILITIES</b>				
Accounts payable	1,812,548	179,378	1,991,926	593,313
Accrued expenses	439,943	5,228	445,171	5,410
Unearned revenues	4,669,064	504,411	5,173,475	-
Claims payable	1,560,875	-	1,560,875	-
Due to other governments	302,518	-	302,518	-
Long-term liabilities				
Due within one year:				
Notes from direct borrowings	-	-	-	46,341
Customer deposits payable	-	6,269	6,269	-
Compensated absences	360,262	-	360,262	-
Due in more than one year:				
Certificate of participation	1,116,000	-	1,116,000	-
Notes from direct borrowings	-	-	-	716,686
Capital leases payable	-	-	-	-
Compensated absences	360,262	-	360,262	-
Net pension liability	6,393,208	-	6,393,208	-
Landfill post-closure costs	394,103	-	394,103	-
Total liabilities	17,408,783	695,286	18,104,069	1,361,750
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred charge on fair value of hedging derivative instruments	285,793	-	285,793	-
Pension	576,146	-	576,146	-
Total deferred inflows of resources	861,939	-	861,939	-
<b>NET POSITION</b>				
Net investment in capital assets	39,725,549	554,539	40,280,088	702,341
Restricted for:				
Community development	1,300,116	-	1,300,116	-
Capital of projects	6,483,775	-	6,483,775	-
Grant projects	1,104	-	1,104	-
Public safety	68,194	-	68,194	-
Landfill closure costs	-	580,274	580,274	-
Unrestricted	403,001	544,789	947,790	(731,755)
Total net position	\$ 47,981,739	\$ 1,679,602	\$ 49,661,341	\$ (29,414)

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, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>Primary government</b>								
Governmental activities:								
General government	\$ 4,947,737	\$ 768,505	\$ 64,756	\$ 2,893,764	\$ (1,220,712)	\$ -	\$ (1,220,712)	\$ -
Judicial	309,103	332,096	-	-	22,993	-	22,993	-
Public safety	9,524,622	30,717	911,890	-	(8,582,015)	-	(8,582,015)	-
Public works	1,034,605	-	-	-	(1,034,605)	-	(1,034,605)	-
Culture and recreation	3,248,200	165,245	-	-	(3,082,955)	-	(3,082,955)	-
Cemetery	303,023	133,965	-	-	(169,058)	-	(169,058)	-
Community development	1,511,179	9,399	755,029	819,960	73,209	-	73,209	-
Economic development-component unit	409,676	-	-	-	(409,676)	-	(409,676)	-
Interest on long-term debt	10,517	-	-	-	(10,517)	-	(10,517)	-
Total governmental activities	<u>21,298,662</u>	<u>1,439,927</u>	<u>1,731,675</u>	<u>3,713,724</u>	<u>(14,413,336)</u>	<u>-</u>	<u>(14,413,336)</u>	<u>-</u>
Business-type activities:								
Sanitation	2,291,479	1,716,430	-	-	-	(575,049)	(575,049)	-
Stormwater	745,851	1,046,998	-	-	-	301,147	301,147	-
Transit	56,545	-	30,140	-	-	(26,405)	(26,405)	-
Total business-type activities	<u>3,093,875</u>	<u>2,763,428</u>	<u>30,140</u>	<u>-</u>	<u>-</u>	<u>(300,307)</u>	<u>(300,307)</u>	<u>-</u>
Total primary government	<u>\$ 24,392,537</u>	<u>\$ 4,203,355</u>	<u>\$ 1,761,815</u>	<u>\$ 3,713,724</u>	<u>(14,413,336)</u>	<u>(300,307)</u>	<u>(14,713,643)</u>	<u>-</u>
<b>Component unit</b>								
Downtown Development Authority	\$ 340,733	\$ 8,430	\$ 162,714	\$ 214,329	-	-	-	44,740
Total component unit	<u>\$ 340,733</u>	<u>\$ 8,430</u>	<u>\$ 162,714</u>	<u>\$ 214,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,740</u>
General revenues:								
Property taxes levied for general purposes					4,709,795	-	4,709,795	-
Franchise taxes					1,246,464	-	1,246,464	-
Hotel/Motel taxes					8,560	-	8,560	-
Selective sales and use tax					1,812,152	-	1,812,152	-
Local options sales tax					7,801,847	-	7,801,847	-
Unrestricted investment earnings					8,205	4,746	12,951	7
Miscellaneous					502,278	-	502,278	-
Transfers					126,603	(126,603)	-	-
Total general revenues and transfers					<u>16,215,904</u>	<u>(121,857)</u>	<u>16,094,047</u>	<u>7</u>
Change in net position					1,802,568	(422,164)	1,380,404	44,747
Net position (deficit), beginning of year					46,179,171	2,101,766	48,280,937	(74,161)
Net position (deficit), end of year					<u>\$ 47,981,739</u>	<u>\$ 1,679,602</u>	<u>\$ 49,661,341</u>	<u>\$ (29,414)</u>

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

**CITY OF BRUNSWICK, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>General</u>	<u>Community Development Fund</u>	<u>SPLOST VI Fund</u>	<u>ARPA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,412,399	\$ 109,713	\$ 142,927	\$ 4,607,235	\$ 562,745	\$ 6,835,019
Investments	5,545,862	360,172	5,545,496	-	1,742,366	13,193,896
Receivables, net of allowances						
Taxes	874,899	-	-	-	834	875,733
Accounts receivable	321,315	80,951	-	-	-	402,266
Intergovernmental	1,652,047	276,468	355,014	-	66,991	2,350,520
Prepaid expenditures	347,253	-	-	-	-	347,253
Due from other funds	434,973	69,696	-	-	153,633	658,302
Total assets	<u>\$ 10,588,748</u>	<u>\$ 897,000</u>	<u>\$ 6,043,437</u>	<u>\$ 4,607,235</u>	<u>\$ 2,526,569</u>	<u>\$ 24,662,989</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 601,950	\$ 291,368	\$ 914,166	\$ -	\$ 5,064	\$ 1,812,548
Accrued expenditures	435,937	1,393	-	-	2,613	439,943
Due to other funds	162,386	80,039	1,679	-	82,269	326,373
Due to other governments	148,885	-	-	-	153,633	302,518
Advances from other funds	-	-	-	-	19,764	19,764
Total liabilities	<u>1,349,158</u>	<u>372,800</u>	<u>915,845</u>	<u>-</u>	<u>263,343</u>	<u>2,901,146</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - taxes	843,466	-	-	-	-	843,466
Unavailable revenue - Intergovernmental	-	62,933	-	4,606,131	-	4,669,064
Total deferred inflows of resources	<u>843,466</u>	<u>62,933</u>	<u>-</u>	<u>4,606,131</u>	<u>-</u>	<u>5,512,530</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid expenditures	347,253	-	-	-	-	347,253
Restricted for:						
Community development	-	461,267	-	-	838,849	1,300,116
Capital projects	-	-	5,127,592	-	1,356,183	6,483,775
Grant projects	-	-	-	1,104	-	1,104
Public safety	-	-	-	-	68,194	68,194
Unassigned	8,048,871	-	-	-	-	8,048,871
Total fund balances	<u>8,396,124</u>	<u>461,267</u>	<u>5,127,592</u>	<u>1,104</u>	<u>2,263,226</u>	<u>16,249,313</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,588,748</u>	<u>\$ 897,000</u>	<u>\$ 6,043,437</u>	<u>\$ 4,607,235</u>	<u>\$ 2,526,569</u>	<u>\$ 24,662,989</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, 2021**

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

Total fund balances - governmental funds	\$	16,249,313
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 revenue.		
Taxes not available to finance expenditures		843,466
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Cost of the assets	\$	91,224,608
Less accumulated depreciation		<u>(50,383,059)</u>
		40,841,549
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	\$	6,408
Workers compensation fund		<u>(1,099,873)</u>
		(1,093,465)
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	\$	-
Certificate of participation		(1,116,000)
Landfill post-closure costs		(394,103)
Accrued compensated absences		(720,524)
Net pension liability		(6,393,208)
Deferred outflows related to pensions		340,857
Deferred inflows related to pensions		<u>(576,146)</u>
		(8,859,124)
Total net position - governmental activities	\$	<u><u>47,981,739</u></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, 2021**

	<u>General</u>	<u>Community Development Fund</u>	<u>SPLOST VI Fund</u>	<u>ARPA Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals Governmental Funds</u>
<b>REVENUES</b>						
Taxes:						
Property taxes	\$ 5,188,421	\$ -	\$ -	\$ -	\$ -	\$ 5,188,421
Franchise taxes	1,246,464	-	-	-	-	1,246,464
Local option sales tax	7,801,847	-	-	-	-	7,801,847
Selective sales and use taxes	1,812,152	-	-	-	-	1,812,152
Hotel/Motel taxes	-	-	-	-	8,560	8,560
Licenses and permits	579,848	-	-	-	-	579,848
Fines and forfeitures	456,476	-	-	-	-	456,476
Intergovernmental revenues - special purpose local sales tax	-	-	1,423,859	-	-	1,423,859
Intergovernmental revenues - other	-	-	1,461,110	-	-	1,461,110
Intergovernmental revenues - grants	978,839	1,174,112	-	-	398,684	2,551,635
Charges for services and assessments	350,907	-	-	-	29,702	380,609
Investment earnings	2,301	2,014	8,795	1,104	2,786	17,000
Rental income	22,994	-	-	-	-	22,994
Contributions and donations	3,933	5	-	-	286,614	290,552
Other revenues	211,726	-	-	-	-	211,726
Total revenues	<u>18,655,908</u>	<u>1,176,131</u>	<u>2,893,764</u>	<u>1,104</u>	<u>726,346</u>	<u>23,453,253</u>
<b>EXPENDITURES</b>						
General government	3,836,403	-	-	-	-	3,836,403
Judicial	314,746	-	-	-	-	314,746
Public safety	8,268,577	-	-	-	445,543	8,714,120
Public works	2,039,941	-	-	-	-	2,039,941
Culture and recreation	516,124	-	-	-	-	516,124
Cemetery	305,734	-	-	-	-	305,734
Community development	-	838,952	-	-	407,551	1,246,503
Economic development	391,772	-	-	-	-	391,772
Debt service:						
Principal	420,819	-	-	-	-	420,819
Interest	10,517	-	-	-	-	10,517
Capital outlay:						
General government	18,368	-	-	-	42,798	61,166
Public safety	114,271	-	54,176	-	3,694	172,141
Public works	18,892	-	4,000,378	-	-	4,019,270
Culture and recreation	8,000	-	562,170	-	-	570,170
Community development	-	474,263	-	-	13,543	487,806
Total expenditures	<u>16,264,164</u>	<u>1,313,215</u>	<u>4,616,724</u>	<u>-</u>	<u>913,129</u>	<u>23,107,232</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,391,744</u>	<u>(137,084)</u>	<u>(1,722,960)</u>	<u>1,104</u>	<u>(186,783)</u>	<u>346,021</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	455,853	62,500	-	-	665,498	1,183,851
Transfers out	(727,998)	(1,015)	(328,235)	-	-	(1,057,248)
Total other financing sources (uses)	<u>(272,145)</u>	<u>61,485</u>	<u>(328,235)</u>	<u>-</u>	<u>665,498</u>	<u>126,603</u>
Net change in fund balances	2,119,599	(75,599)	(2,051,195)	1,104	478,715	472,624
<b>Fund balances, beginning of year</b>	<u>6,276,525</u>	<u>536,866</u>	<u>7,178,787</u>	<u>-</u>	<u>1,784,511</u>	<u>15,776,689</u>
<b>Fund balances, end of year</b>	<u>\$ 8,396,124</u>	<u>\$ 461,267</u>	<u>\$ 5,127,592</u>	<u>\$ 1,104</u>	<u>\$ 2,263,226</u>	<u>\$ 16,249,313</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, 2021**

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

Net change in fund balances - total governmental funds	\$	472,624
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Capital outlay	\$	1,779,452	
Depreciation expense		<u>(2,017,785)</u>	(238,333)

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	\$	(189,750)	
Accumulated depreciation		<u>189,750</u>	-

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(478,626)
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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	\$	420,819	
Reduction of landfill liability		<u>966,796</u>	1,387,615

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.		393,742
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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.		4,555
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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.		<u>260,991</u>
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Change in net position of governmental activities	\$	<u><u>1,802,568</u></u>
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**The accompanying notes are an integral part of these financial statements.**

**CITY OF BRUNSWICK, GEORGIA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021**

	<u>Sanitation</u>	<u>Stormwater</u>	<u>Nonmajor Mass Transit</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 226,517	\$ 331,828	\$ 3	558,348	\$ 98,417
Restricted assets, cash	580,274	-	-	580,274	-
Restricted assets, investments	470,347	152,767	-	623,114	-
Accounts receivable, net of allowances	237,936	186,957	-	424,893	-
Claims reimbursement receivable	-	-	-	-	314,878
Due from other funds	8,978	-	-	8,978	-
Advances to other funds	-	-	-	-	54,115
Total current assets	<u>1,524,052</u>	<u>671,552</u>	<u>3</u>	<u>2,195,607</u>	<u>467,410</u>
<b>NON-CURRENT ASSETS</b>					
Capital assets:					
Depreciable, net of accumulated depreciation	60,200	494,339	-	554,539	-
Total non-current assets	<u>60,200</u>	<u>494,339</u>	<u>-</u>	<u>554,539</u>	<u>-</u>
Total assets	<u>1,584,252</u>	<u>1,165,891</u>	<u>3</u>	<u>2,750,146</u>	<u>467,410</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	154,168	13,076	12,134	179,378	-
Accrued expenses	535	4,693	-	5,228	-
Unearned revenue	504,411	-	-	504,411	-
Due to other funds	311,988	14,652	14,267	340,907	-
Customer deposits payable	6,269	-	-	6,269	-
Claims payable	-	-	-	-	1,560,875
Total current liabilities	<u>977,371</u>	<u>32,421</u>	<u>26,401</u>	<u>1,036,193</u>	<u>1,560,875</u>
<b>NON-CURRENT LIABILITIES</b>					
Advances from other funds	34,351	-	-	34,351	-
Total non-current liabilities	<u>34,351</u>	<u>-</u>	<u>-</u>	<u>34,351</u>	<u>-</u>
Total liabilities	<u>1,011,722</u>	<u>32,421</u>	<u>26,401</u>	<u>1,070,544</u>	<u>1,560,875</u>
<b>NET POSITION (DEFICIT)</b>					
Investment in capital assets	60,200	494,339	-	554,539	-
Restricted	580,274	-	-	580,274	-
Unrestricted	(67,944)	639,131	(26,398)	544,789	(1,093,465)
Total net position (deficit)	<u>\$ 572,530</u>	<u>\$ 1,133,470</u>	<u>\$ (26,398)</u>	<u>\$ 1,679,602</u>	<u>\$ (1,093,465)</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, 2021**

	<u>Sanitation</u>	<u>Stormwater</u>	<u>Nonmajor Mass Transit</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<b>OPERATING REVENUES</b>					
Sanitation fees	\$ 1,716,430	\$ -	\$ -	\$ 1,716,430	\$ -
Stormwater fees	-	1,046,998	-	1,046,998	-
Contributions - employer	-	-	-	-	1,997,750
Contributions - employees	-	-	-	-	223,977
Reimbursements	-	-	-	-	389,129
Total operating revenues	<u>1,716,430</u>	<u>1,046,998</u>	<u>-</u>	<u>2,763,428</u>	<u>2,610,856</u>
<b>OPERATING EXPENSES</b>					
Personal services - salaries and wages	39,529	395,999	-	435,528	-
Personal services - employee benefits	14,973	-	-	14,973	-
Professional/technical services	2,230,922	154,813	-	2,385,735	-
Repairs and maintenance	1,190	-	-	1,190	-
Supplies	-	38,899	-	38,899	-
Contractual	-	-	-	-	334,922
Depreciation	341	116,455	-	116,796	-
Administrative expense	4,524	39,685	56,545	100,754	-
Claims	-	-	-	-	2,016,013
Total operating expenses	<u>2,291,479</u>	<u>745,851</u>	<u>56,545</u>	<u>3,093,875</u>	<u>2,350,935</u>
Operating income (loss)	<u>(575,049)</u>	<u>301,147</u>	<u>(56,545)</u>	<u>(330,447)</u>	<u>259,921</u>
<b>NON-OPERATING INCOME</b>					
Investment income	2,356	2,383	7	4,746	1,070
Intergovernmental	-	-	30,140	30,140	-
Total non-operating income	<u>2,356</u>	<u>2,383</u>	<u>30,147</u>	<u>34,886</u>	<u>1,070</u>
Income (loss) before transfers	<u>(572,693)</u>	<u>303,530</u>	<u>(26,398)</u>	<u>(295,561)</u>	<u>260,991</u>
<b>TRANSFERS</b>					
Transfers out	-	(126,603)	-	(126,603)	-
Total transfers	<u>-</u>	<u>(126,603)</u>	<u>-</u>	<u>(126,603)</u>	<u>-</u>
Change in net position	<u>(572,693)</u>	<u>176,927</u>	<u>(26,398)</u>	<u>(422,164)</u>	<u>260,991</u>
<b>NET POSITION, beginning of year</b>	<u>1,145,223</u>	<u>956,543</u>	<u>-</u>	<u>2,101,766</u>	<u>(1,354,456)</u>
<b>NET POSITION, end of year</b>	<u>\$ 572,530</u>	<u>\$ 1,133,470</u>	<u>\$ (26,398)</u>	<u>\$ 1,679,602</u>	<u>\$ (1,093,465)</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, 2021**

	Sanitation	Stormwater	Nonmajor Mass Transit	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Sanitation fees	\$ 1,705,192	\$ -	\$ -	\$ 1,705,192	\$ -
Stormwater fees	-	1,146,611	-	1,146,611	-
Employee salaries and benefits	(55,512)	(401,675)	-	(457,187)	-
Payments to suppliers	(2,230,699)	(322,778)	(30,144)	(2,583,621)	-
Administrative expenses	(4,524)	(39,685)	-	(44,209)	-
Receipts for services	-	-	-	-	2,327,084
Payments of claims and expenses	-	-	-	-	(2,366,058)
Net cash provided by (used in) operating activities	<u>(585,543)</u>	<u>382,473</u>	<u>(30,144)</u>	<u>(233,214)</u>	<u>(38,974)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental	-	-	30,140	30,140	-
Transfers out	-	(126,603)	-	(126,603)	-
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>(126,603)</u>	<u>30,140</u>	<u>(96,463)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	-	(65,528)	-	(65,528)	-
Net cash used in capital and related financing activities	<u>-</u>	<u>(65,528)</u>	<u>-</u>	<u>(65,528)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends received	2,356	2,383	7	4,746	1,070
Sale of investments	154,531	99,843	-	254,374	59,087
Net cash provided by investing activities	<u>156,887</u>	<u>102,226</u>	<u>7</u>	<u>259,120</u>	<u>60,157</u>
Increase (decrease) in cash and cash equivalents	<u>(428,656)</u>	<u>292,568</u>	<u>3</u>	<u>(136,085)</u>	<u>21,183</u>
Cash and cash equivalents:					
<b>Beginning of year</b>	<u>1,235,447</u>	<u>39,260</u>	<u>-</u>	<u>1,274,707</u>	<u>77,234</u>
<b>End of year</b>	<u>\$ 806,791</u>	<u>\$ 331,828</u>	<u>\$ 3</u>	<u>\$ 1,138,622</u>	<u>\$ 98,417</u>
<b>Classified as:</b>					
Cash and cash equivalents	\$ 226,517	\$ 331,828	3	\$ 558,348	\$ 98,417
Restricted assets, cash	580,274	-	-	580,274	-
	<u>\$ 806,791</u>	<u>\$ 331,828</u>	<u>\$ 3</u>	<u>\$ 1,138,622</u>	<u>\$ 98,417</u>

(Continued)

**CITY OF BRUNSWICK, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Sanitation</u>	<u>Stormwater</u>	<u>Nonmajor Mass Transit</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (575,049)	\$ 301,147	(56,545)	\$ (330,447)	\$ 259,921
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	341	116,455	-	116,796	-
Changes in assets and liabilities:					
Decrease in accounts receivable	33,541	99,613	-	133,154	-
Increase in claims reimbursement receivable	-	-	-	-	(283,772)
(Increase) decrease in due from other funds	(2,543)	5,864	-	3,321	-
Increase in claims payable	-	-	-	-	1
Increase (decrease) in accounts payable	2,448	(27,239)	12,134	(12,657)	(15,124)
Decrease in accrued liabilities	(1,010)	(5,676)	-	(6,686)	-
Increase (decrease) in due to other funds	1,508	(107,691)	14,267	(91,916)	-
Decrease in customer deposits	(885)	-	-	(885)	-
Decrease in unearned revenue	(43,894)	-	-	(43,894)	-
Net cash provided by (used in) operating activities	<u>\$ (585,543)</u>	<u>\$ 382,473</u>	<u>\$ (30,144)</u>	<u>\$ (233,214)</u>	<u>\$ (38,974)</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, 2021**

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<b>ASSETS</b>		
Cash and cash equivalents		\$ 1,528,190
Receivables:		
Contributions - employer		31,147
Interest and dividends receivable		20,979
Total receivables		<u>52,126</u>
Restricted investments, at fair value:		
U.S. Treasury notes		505,234
Corporate bonds		3,211,666
Domestic equities		8,951,566
Total investments		<u>12,668,466</u>
Total assets		<u>14,248,782</u>
<b>NET POSITION</b>		
Assets restricted for pension benefits		<u>\$ 14,248,782</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, 2021

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<b>Additions</b>	
<b>Contributions:</b>	
Employer	\$ 1,008,950
Participants	204,052
Total contributions	<u>1,213,002</u>
<b>Investment income:</b>	
Interest and dividends	194,867
Gain on security sales	480,006
Net increase in fair value of plan investments	1,998,949
Net investment income	<u>2,673,822</u>
Total additions	<u>3,886,824</u>
<b>Deductions:</b>	
Benefit payments	880,664
Contractual and administrative expenses	94,057
Total deductions	<u>974,721</u>
Net increase in plan net position	2,912,103
<b>Net position restricted for pension benefits:</b>	
Net position - beginning of year	<u>11,336,679</u>
Net position - end of year	<u>\$ 14,248,782</u>

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



# CITY OF BRUNSWICK, GEORGIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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### 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 generally accepted accounting principles ("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") - 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, the Authority should be presented as a discretely presented component unit as a result of the financial benefit/burden criteria. The Authority does not issue separate financial statements.

#### **Blended Component Unit**

Urban Redevelopment Agency (the "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 Official Code of Georgia Annotated ("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 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, the Agency should be presented as a blended component unit. The Agency does not issue separate financial statements.

## NOTES TO FINANCIAL STATEMENTS

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### 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

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### 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

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### 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

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### 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.

**ARPA Fund** – This special revenue fund is used to account for the Coronavirus State and Local Fiscal Recovery Funds received under the American Rescue Plan Act (ARPA) and corresponding expenditures.

##### **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.

**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. The City elected to report the Stormwater Fund as major due to its importance to the users of the financial statements.

##### **Nonmajor Proprietary Fund**

**Mass Transit Enterprise Fund** – This fund is used to account for the services provided by the transit system, federal and state grants received to operate the transit system, and costs associated with operation of the system.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The internal service funds are described below:

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

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

#### Fiduciary Fund

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

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### 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, and nonmajor governmental funds on the modified accrual basis of accounting. Budgets for nonmajor governmental funds are not required by GAAP; however, Georgia Budget Statutes require annual budgets to be adopted for the General Fund and all special revenue funds. Project length budgets are 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, 2021.

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 O.C.G.A. §36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value.

## NOTES TO FINANCIAL STATEMENTS

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### 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 Funds represent an estimated amount for services rendered but not yet billed as of the close of the June 30, 2021 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

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### 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, 2021, 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

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### 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, 2021, 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, 2020. 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

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### 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 two items that qualify for reporting in this category, which are related to City's pension plan. The changes in assumptions and experience differences 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 the City's pension plan 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

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### 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, 2021.
- *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, 2021.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### P. Fund Equity (Continued)

##### Governmental Funds (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 funds had deficit net position at June 30, 2021:

The **Workers' Compensation Fund** had deficit net position of (\$1,099,873). The **Mass Transit Fund** had deficit net position of (\$26,389).

The Workers' Compensation Fund deficit will be eliminated through future General Fund transfers. The Mass Transit Fund deficit will be eliminated through future collections from services.

#### 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

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### 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 GAAP 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 O.C.G.A., §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 (O.C.G.A. §45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall not be less than 110% of the daily pool balance. O.C.G.A. §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, 2021, the City's bank depositories reported government-wide balances held of \$8,726,112, \$1,528,525 for the Pension Fund, and \$34,134 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	\$ 7,559,298	\$ 1,166,814	\$ 8,726,112	\$ 1,528,525	\$ 34,134
Plus petty cash	3,575	-	3,575	-	640
Uncleared transactions	(629,437)	(28,192)	(657,629)	(335)	1,292
Financial statement balance	<u>\$ 6,933,436</u>	<u>\$ 1,138,622</u>	<u>\$ 8,072,058</u>	<u>\$ 1,528,190</u>	<u>\$ 36,066</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, 2021, 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, 2021, were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Georgia Fund I, AAf	36 days weighted average	\$ 13,022,133
Guaranteed investment contract	10 - 20 Years	794,877
Total Investments		<u>\$ 13,817,010</u>

Investments are reported in the following activities:

Governmental		
General Fund		\$ 5,545,862
Community Development Fund		360,172
SPLOST VI Fund		5,545,496
Nonmajor Governmental Funds		1,742,366
Business-type		
Sanitation Fund		470,347
Stormwater Fund		152,767
		<u>\$ 13,817,010</u>

#### Pension Fund Investments

As of June 30, 2021, the City had \$14,196,656 invested on behalf of a defined benefit pension fund which included cash and cash equivalents of \$1,528,190. The balance of pension investments of \$12,668,446 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	\$ 436,477	\$ -	\$ 436,477	\$ -	\$ -	A-
Corporate bonds	146,011	-	146,011	-	-	AA-
Corporate bonds	784,496	30,806	753,690	-	-	BBB+
Corporate bonds	787,899	-	787,899	-	-	BBB
Corporate bonds	1,056,783	98,867	957,916	-	-	BBB-
Corporate equities	8,951,566	8,951,566	-	-	-	N/A
U.S. treasuries	505,234	505,234	-	-	-	N/A
Total fair value	<u>\$ 12,668,466</u>	<u>\$ 9,586,473</u>	<u>\$ 3,081,993</u>	<u>\$ -</u>	<u>\$ -</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 GAAP. 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, 2021:

Investment	Level 1	Level 2	Level 3	Fair Value
Corporate Equity Securities	\$ 8,951,566	\$ -	\$ -	\$ 8,951,566
Corporate Bonds	1,479,166	1,732,500	-	3,211,666
United States Treasuries	505,234	-	-	505,234
	<u>\$ 10,935,966</u>	<u>\$ 1,732,500</u>	<u>\$ -</u>	<u>\$ 12,668,466</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, 2021, 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	\$ 892,754	\$ -	\$ -	\$ 834	\$ 893,588
Accounts	321,315	80,951	-	-	402,266
Intergovernmental	1,652,047	276,468	355,014	66,991	2,350,520
Gross receivables	2,866,116	357,419	355,014	67,825	3,646,374
Less: allowance for uncollectibles	(17,855)	-	-	-	(17,855)
Net total receivables	<u>\$ 2,848,261</u>	<u>\$ 357,419</u>	<u>\$ 355,014</u>	<u>\$ 67,825</u>	<u>\$ 3,628,519</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. RECEIVABLES (CONTINUED)

Receivables as of June 30, 2021, consisted of the following balances for the City's enterprise funds, and internal service funds, including the applicable allowances for uncollectible accounts:

	<b>Sanitation</b>	<b>Stormwater</b>	<b>Internal Service Funds</b>
Receivables:			
Accounts	\$ 242,941	\$ 186,957	\$ -
Claims reimbursement receivable	-	-	314,878
Gross receivables	242,941	186,957	314,878
Less: allowance for uncollectibles	(5,005)	-	-
Net total receivables	\$ 237,936	\$ 186,957	\$ 314,878

Property taxes were levied by the City on September 22, 2020, (Levy Date) based upon property values assessed as of January 1. The billings were mailed on September 30, 2020, and payable on or before November 30, 2020, for the fiscal year 2021 tax. Taxes not paid by December 1 are subject to property tax liens. Property tax revenues are recognized when levied to the extent they result in current receivables. At June 30, 2021, the allowance for uncollectible property taxes was \$17,855.

The composition of interfund balances as of June 30, 2021, is as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Total</b>
General Fund	Community Development Fund	\$ 80,039
General Fund	Nonmajor Governmental Funds	12,348
General Fund	Sanitation Fund	311,988
General Fund	Stormwater Fund	14,652
General Fund	SPLOST VI Fund	1,679
General Fund	Nonmajor Enterprise Fund	14,267
Community Development Fund	Nonmajor Governmental Funds	69,696
Nonmajor Governmental Funds	General Fund	153,633
Sanitation Fund	General Fund	8,753
Sanitation Fund	Nonmajor Governmental Funds	225
Total		\$ 667,280

## 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, 2021, is as follows:

#### Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,984,747	\$ -	\$ -	\$ -	\$ 2,984,747
Construction in progress	1,287,828	326,981	-	(394,589)	1,220,220
Total capital assets, not being depreciated	4,272,575	326,981	-	(394,589)	4,204,967
Capital assets, being depreciated:					
Buildings	16,743,558	307,881	-	-	17,051,439
Equipment	15,003,661	433,636	(189,750)	23,120	15,270,667
Land improvements	6,543,248	31,880	-	16,006	6,591,134
Infrastructure	47,071,864	679,074	-	355,463	48,106,401
Total capital assets, being depreciated	85,362,331	1,452,471	(189,750)	394,589	87,019,641
Less accumulated depreciation for:					
Buildings	(5,838,620)	(356,481)	-	-	(6,195,101)
Equipment	(12,562,136)	(684,714)	189,750	-	(13,057,100)
Land improvements	(2,496,030)	(259,531)	-	-	(2,755,561)
Infrastructure	(27,658,238)	(717,059)	-	-	(28,375,297)
Total accumulated depreciation	(48,555,024)	(2,017,785)	189,750	-	(50,383,059)
Total capital assets, being depreciated, net	36,807,307	(565,314)	-	394,589	36,636,582
Governmental activities capital assets, net	\$ 41,079,882	\$ (238,333)	\$ -	\$ -	\$ 40,841,549

## 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	\$ 2,031,789	\$ 40,366	\$ -	\$ -	\$ 2,072,155
Infrastructure	57,463	25,162	-	-	82,625
Total capital assets, being depreciated	<u>2,089,252</u>	<u>65,528</u>	<u>-</u>	<u>-</u>	<u>2,154,780</u>
Less accumulated depreciation for:					
Equipment	(1,481,743)	(115,359)	-	-	(1,597,102)
Infrastructure	(1,702)	(1,437)	-	-	(3,139)
Total accumulated depreciation	<u>(1,483,445)</u>	<u>(116,796)</u>	<u>-</u>	<u>-</u>	<u>(1,600,241)</u>
Total capital assets, being depreciated, net	<u>605,807</u>	<u>(51,268)</u>	<u>-</u>	<u>-</u>	<u>554,539</u>
Business-type activities capital assets, net	<u>\$ 605,807</u>	<u>\$ (51,268)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 554,539</u>

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	\$ 295,088
Public safety	561,093
Public works	777,828
Culture and recreation	332,463
Cemetery	14,046
Community development	37,267
Total depreciation expense - governmental activities	<u>\$ 2,017,785</u>
Business-type activities:	
Sanitation	\$ 341
Stormwater	116,455
Total depreciation expense - business-type activities	<u>\$ 116,796</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. CAPITAL ASSETS (CONTINUED)

#### Component Unit

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Downtown Development Authority					
Capital assets, being depreciated:					
Buildings	746,623	-	-	-	746,623
Equipment	1,283	-	-	-	1,283
Total capital assets, being depreciated	<u>747,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>747,906</u>
Less accumulated depreciation for:					
Buildings	(29,865)	(14,932)	-	-	(44,797)
Equipment	(511)	(257)	-	-	(768)
Total accumulated depreciation	<u>(30,376)</u>	<u>(15,189)</u>	<u>-</u>	<u>-</u>	<u>(45,565)</u>
Downtown Development Authority capital assets, net	<u>\$ 717,530</u>	<u>\$ (15,189)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 702,341</u>

Depreciation expense of \$15,189 was charged to the component unit in fiscal year 2021.

### 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, 2021, (other than those issued or explicitly guaranteed by the U.S. government). 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

#### 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 Annual Comprehensive 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.

#### 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	56
Inactive plan members entitled to, but not receiving benefits	117
Active plan members	<u>132</u>
Total	<u><u>305</u></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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

#### Benefits (Continued)

- 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.
- 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, 2021, was \$977,803 as determined on the actuarial valuation date of January 1, 2020. The total contributions made by the City were \$1,008,950 and was paid on December 1, 2020.

#### 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).



## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

#### Rate of Return

For the fiscal year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 24.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Net Pension Liability

The City's net pension liability was measured as of December 31, 2020, 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, 2021, were as follows:

Total pension liability	\$ 18,956,972
Less: Plan fiduciary net position	<u>12,563,764</u>
City's net pension liability	<u>\$ 6,393,208</u>
Plan fiduciary net position as a percentage of the total pension liability	66.28%

#### Actuarial Assumptions

The annual required contribution and actuarial accrued liability were determined as part of an actuarial valuation at January 1, 2020. The actuarial methods and significant actuarial assumptions are summarized as follows:

- Valuation date – January 1, 2020
- 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%

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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

#### Actuarial Assumptions (Continued)

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.

#### Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Beginning Balance</b>	\$ 18,056,674	\$ 11,036,090	\$ 7,020,584
<b>Changes for the year:</b>			
Service cost	296,130	-	296,130
Interest	1,300,964	-	1,300,964
Differences between expected and actual experience	120,151	-	120,151
Contributions-employer	-	977,803	(977,803)
Contributions-employee	-	195,262	(195,262)
Net investment income	-	1,204,890	(1,204,890)
Benefit payments, including refunds of employee contributions	(816,947)	(816,947)	-
Administrative expense	-	(33,514)	33,514
Other changes	-	180	(180)
<b>Net changes</b>	<u>900,298</u>	<u>1,527,674</u>	<u>(627,376)</u>
<b>Ending Balance</b>	<u>\$ 18,956,972</u>	<u>\$ 12,563,764</u>	<u>\$ 6,393,208</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. DEFINED BENEFIT PENSION PLAN TRUST (CONTINUED)

#### 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	\$ 8,246,484	\$ 6,393,208	\$ 4,849,004

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

For the year ended June 30, 2021, the City recognized pension expense of \$584,061. At June 30, 2021, 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	\$ 80,101	\$ (160,388)
Changes in actuarial assumptions	260,756	-
Differences between expected and actual experience	-	(415,758)
Total	\$ 340,857	\$ (576,146)

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

<u>Year ending June 30,</u>	
2022	\$ 109,896
2023	(40,424)
2024	(219,059)
2025	(85,702)
Total	\$ (235,289)

## 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	\$ 420,819	\$ -	\$ (420,819)	\$ -	\$ -
Net pension liability	7,020,584	1,750,759	(2,378,135)	6,393,208	-
Certificate of participation	1,116,000	-	-	1,116,000	-
Compensated absences	725,079	357,985	(362,540)	720,524	360,262
Landfill post-closure costs	1,360,899	-	(966,796)	394,103	-
Governmental activities long-term liabilities	<u>\$ 10,643,381</u>	<u>\$ 2,108,744</u>	<u>\$ (4,128,290)</u>	<u>\$ 8,623,835</u>	<u>\$ 360,262</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
2022	\$ 53,010	\$ -	\$ 53,010
2023	53,010	-	53,010
2024	53,010	-	53,010
2025	53,010	-	53,010
2026	53,010	-	53,010
2027 and 2028	1,222,020	1,116,000	106,020
	<u>\$ 1,487,070</u>	<u>\$ 1,116,000</u>	<u>\$ 371,070</u>

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2021, the floating rate being paid by the City is 0.34% and the market value of this agreement is \$285,793. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2021, 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 \$514,741. The balance in the escrow account at June 30, 2021, was \$580,249. The City's portion of post-closure costs are currently estimated to approximate \$394,103. The T Street Landfill ceased operations in the late 1970's.

The estimated total current cost of the post-closure care, \$394,103, 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, 2021. 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, 2021.

#### 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.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Downtown Development Authority Notes from direct borrowings	\$ 822,513	\$ -	\$ (59,486)	\$ 763,027	\$ 46,341
Downtown Development Authority Long-term liabilities	<u>\$ 822,513</u>	<u>\$ -</u>	<u>\$ (59,486)</u>	<u>\$ 763,027</u>	<u>\$ 46,341</u>

## 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, 2021, were as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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	88,868	57,885	30,983
2027 – 2031	444,343	342,979	101,364
2032 – 2034	169,656	160,383	9,273
	<u>\$ 1,058,339</u>	<u>\$ 763,027</u>	<u>\$ 295,312</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>Community Development Fund</u>	<u>SPLOST VI Fund</u>	<u>Stormwater Fund</u>	
General Fund	\$ -	\$ 1,015	\$ 328,235	\$ 126,603	\$ 455,853
Community Development Fund	62,500	-	-	-	62,500
Nonmajor Governmental Funds	665,498	-	-	-	665,498
Total	<u>\$ 727,998</u>	<u>\$ 1,015</u>	<u>\$ 328,235</u>	<u>\$ 126,603</u>	<u>\$ 1,183,851</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

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### 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, 2021, is \$130,000 and \$1,430,875 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:

	<b>Unpaid Claims Beginning of Fiscal Year</b>	<b>Claims (Including IBNR)</b>	<b>Claims Payments</b>	<b>Unpaid Claims End of Fiscal Year</b>
<b><u>Group Health Fund</u></b>				
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
June 30, 2021	130,000	1,165,350	1,165,350	130,000
<b><u>Worker's Compensation Fund</u></b>				
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
June 30, 2021	1,430,874	850,663	850,662	1,430,875

### 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

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### NOTE 10. COMMITMENTS AND CONTINGENCIES

#### Construction Commitments

The City had the following construction commitments as of June 30, 2021.

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance to be Completed</u>
Magnolia Park (Div 1)	\$ 2,113,013	\$ 1,125,315	\$ 987,698
Magnolia Park - JWSC (Div II)	1,781,261	1,094,889	686,372
	<u>\$ 3,894,274</u>	<u>\$ 2,220,204</u>	<u>\$ 1,674,070</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 was collected through September 30, 2020.

## NOTES TO FINANCIAL STATEMENTS

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### 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 O.C.G.A. §48-1351(a)(1). The City received \$8,560 from the collection of the hotel/motel tax during fiscal year ended June 30, 2021, and remitted \$8,246 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

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### 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 (the “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”). 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 O.C.G.A. §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, 2021. 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 (O.C.G.A. §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 the RC to administer Special Programs for the Aging (Title III). The City received \$130,789 under this cost-reimbursement contract during the year ended June 30, 2021.

## NOTES TO FINANCIAL STATEMENTS

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### **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, 2021.

### **NOTE 17. RELATED PARTY TRANSACTIONS**

The City received \$187,471 from the City of Brunswick Housing Authority for reimbursements of salaries and benefits for police officers assigned specifically to the authority.

The City received \$1,303,314 in reimbursements from the Brunswick-Glynn County Joint Water & Sewer Commission for repayments on SPLOST VI capital projects.

The City received \$114,796 in reimbursements from Glynn County for repayments on SPLOST V and SPLOST VI capital projects, respectively.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BRUNSWICK, GEORGIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>Taxes:</b>				
Property taxes	\$ 4,981,293	\$ 5,188,421	\$ 5,188,421	\$ -
Franchise fees	1,317,000	1,246,464	1,246,464	-
Local option sales tax	5,519,546	7,801,847	7,801,847	-
Selective sales and use taxes	1,788,500	1,812,152	1,812,152	-
Licenses and permits	393,400	579,848	579,848	-
Fines and forfeitures	334,500	456,476	456,476	-
Investment earnings	45,000	2,301	2,301	-
Intergovernmental revenues	77,000	978,839	978,839	-
Charges for services	321,015	350,907	350,907	-
Rental income	20,920	22,994	22,994	-
Contributions and donations	-	3,933	3,933	-
Miscellaneous income	30,300	211,726	211,726	-
Total revenues	<u>14,828,474</u>	<u>18,655,908</u>	<u>18,655,908</u>	<u>-</u>
<b>EXPENDITURES</b>				
<b>General government:</b>				
City commission and clerk - operating and capital outlay	28,535	14,148	14,148	-
City commission and clerk - compensation, payroll taxes and benefits	233,944	263,881	263,881	-
City manager - operating and capital outlay	32,200	23,763	23,763	-
City manager - compensation, payroll taxes and benefits	313,978	352,704	352,704	-
Finance administration - operating and capital outlay	61,500	55,013	55,013	-
Finance administration - compensation, payroll taxes and benefits	315,551	366,667	366,667	-
Information and technology - operating and capital outlay	334,644	417,942	417,942	-
Information and technology - compensation, payroll taxes and benefits	1,583	1,583	1,583	-
Human resources - operating and capital outlay	43,600	29,512	29,512	-
Human resources - compensation, payroll taxes and benefits	80,364	103,477	103,477	-
General government buildings and plant - operating and capital outlay	417,814	339,734	339,734	-
City engineer - operating and capital outlay	29,320	27,910	27,910	-
City engineer - compensation, payroll taxes and benefits	53,085	63,309	63,309	-
General administration - operating and capital outlay	1,419,353	1,591,474	1,591,474	-
General administration - compensation, payroll taxes and benefits	116,000	203,654	203,654	-
Total general government	<u>3,481,471</u>	<u>3,854,771</u>	<u>3,854,771</u>	<u>-</u>
<b>Judicial:</b>				
Legal - operating and capital outlay	121,600	121,138	121,138	-
Municipal court - operating and capital outlay	78,600	82,199	82,199	-
Municipal court - compensation, payroll taxes and benefits	94,105	111,409	111,409	-
Total judicial	<u>294,305</u>	<u>314,746</u>	<u>314,746</u>	<u>-</u>
<b>Public safety:</b>				
Police services - operating and capital outlay	717,077	774,137	774,137	-
Police services - compensation, payroll taxes and benefits	4,342,183	5,022,184	5,022,184	-
Fire services - operating and capital outlay	309,974	295,526	295,526	-
Fire services - compensation, payroll taxes and benefits	2,225,526	2,291,001	2,291,001	-
Total public safety	<u>7,594,760</u>	<u>8,382,848</u>	<u>8,382,848</u>	<u>-</u>
<b>Public works:</b>				
Administration - operating and capital outlay	61,580	84,704	84,704	-
Administration - compensation, payroll taxes and benefits	223,121	253,604	253,604	-
Infrastructure - operating and capital outlay	94,900	66,630	66,630	-
Infrastructure - compensation, payroll taxes and benefits	308,115	366,888	366,888	-
Maintenance and shop - operating and capital outlay	297,883	136,005	136,005	-
Maintenance and shop - compensation, payroll taxes and benefits	675,262	696,192	696,192	-
Building inspection - operating and capital outlay	11,900	6,623	6,623	-
Building inspection - compensation, payroll taxes and benefits	100,544	107,241	107,241	-
Planning and zoning - operating and capital outlay	98,633	60,510	60,510	-
Planning and zoning - compensation, payroll taxes and benefits	303,946	280,436	280,436	-
Total public works	<u>2,175,884</u>	<u>2,058,833</u>	<u>2,058,833</u>	<u>-</u>
<b>Cemetery:</b>				
Cemetery - operating and capital outlay	91,380	130,144	130,144	-
Cemetery - compensation, payroll taxes and benefits	153,579	175,590	175,590	-
Total cemetery	<u>244,959</u>	<u>305,734</u>	<u>305,734</u>	<u>-</u>

(Continued)

**CITY OF BRUNSWICK, GEORGIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
<b>Culture and recreation:</b>				
Leisure services - operating and capital outlay	\$ 19,000	\$ 12,258	\$ 12,258	\$ -
Neighborhood and community service - operating and capital outlay	50,850	34,666	34,666	-
Neighborhood and community service - compensation, payroll taxes and benefits	95,542	86,264	86,264	-
Parks - operating and capital outlay	106,736	111,798	111,798	-
Parks - compensation, payroll taxes and benefits	293,696	279,138	279,138	-
Total culture and recreation	<u>565,824</u>	<u>524,124</u>	<u>524,124</u>	<u>-</u>
<b>Economic development:</b>				
Economic development - operating and capital outlay	67,650	287,653	287,653	-
Economic development - compensation, payroll taxes and benefits	89,476	104,119	104,119	-
Total economic development	<u>157,126</u>	<u>391,772</u>	<u>391,772</u>	<u>-</u>
<b>Debt service:</b>				
Principal	-	420,819	420,819	-
Interest	-	10,517	10,517	-
Total debt service	<u>-</u>	<u>431,336</u>	<u>431,336</u>	<u>-</u>
Total expenditures	<u>14,514,329</u>	<u>16,264,164</u>	<u>16,264,164</u>	<u>-</u>
Excess of revenues over expenditures	<u>314,145</u>	<u>2,391,744</u>	<u>2,391,744</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	455,853	455,853	-
Transfers out	(1,150,859)	(727,998)	(727,998)	-
Proceeds from the sale of capital assets	65,000	-	-	-
Total other financing uses, net	<u>(1,085,859)</u>	<u>(272,145)</u>	<u>(272,145)</u>	<u>-</u>
Net change in fund balances	(771,714)	2,119,599	2,119,599	-
<b>FUND BALANCE, beginning of year</b>	<u>6,276,525</u>	<u>6,276,525</u>	<u>6,276,525</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 5,504,811</u>	<u>\$ 8,396,124</u>	<u>\$ 8,396,124</u>	<u>\$ -</u>



**CITY OF BRUNSWICK, GEORGIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
COMMUNITY DEVELOPMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Grant revenues	\$ 14,640	\$ 1,174,112	\$ 1,174,112	\$ -
Investment earnings	175	2,014	2,014	-
Contributions and donations	-	5	5	-
Total revenues	<u>14,815</u>	<u>1,176,131</u>	<u>1,176,131</u>	<u>-</u>
<b>EXPENDITURES</b>				
Community development				
CDBG entitlement - operating	-	264,855	264,855	-
Capital outlay	-	474,263	474,263	-
Program administration - operating	36,455	375,980	375,980	-
Program administration - compensation and payroll taxes	177,806	198,117	198,117	-
Total community development	<u>214,261</u>	<u>1,313,215</u>	<u>1,313,215</u>	<u>-</u>
Total expenditures	<u>214,261</u>	<u>1,313,215</u>	<u>1,313,215</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(199,446)</u>	<u>(137,084)</u>	<u>(137,084)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	189,606	62,500	62,500	-
Transfers out	<u>(14,640)</u>	<u>(1,015)</u>	<u>(1,015)</u>	<u>-</u>
Total other financing sources, net	<u>174,966</u>	<u>61,485</u>	<u>61,485</u>	<u>-</u>
Net change in fund balances	(24,480)	(75,599)	(75,599)	-
<b>FUND BALANCE, beginning of year</b>	<u>536,866</u>	<u>536,866</u>	<u>536,866</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 512,386</u>	<u>\$ 461,267</u>	<u>\$ 461,267</u>	<u>\$ -</u>

**CITY OF BRUNSWICK, GEORGIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
ARPA FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 1,104	\$ 1,104
Total revenues	-	-	1,104	1,104
Net change in fund balances	-	-	1,104	1,104
<b>FUND BALANCE, beginning of year</b>	-	-	-	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 1,104	\$ 1,104

## 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

	2021	2020	2019
<b>Total pension liability</b>			
Service cost	\$ 296,130	\$ 272,266	\$ 242,650
Interest on total pension liability	1,300,964	1,305,456	1,300,696
Changes in benefit terms and plan amendments	-	-	5,251
Differences between expected and actual experience	120,151	(481,166)	(482,750)
Changes of assumptions	-	782,270	-
Benefit payments, including refunds of employee contributions	(816,947)	(788,954)	(1,279,145)
<b>Net change in total pension liability</b>	<b>900,298</b>	<b>1,089,872</b>	<b>(213,298)</b>
<b>Total pension liability - beginning</b>	<b>18,056,674</b>	<b>16,966,802</b>	<b>17,180,100</b>
<b>Total pension liability - ending (a)</b>	<b>18,956,972</b>	<b>18,056,674</b>	<b>16,966,802</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	977,803	952,884	935,051
Contributions - employee	195,262	191,387	175,888
Net investment income	1,204,890	1,367,309	(181,288)
Benefit payments, including refunds of member contributions	(816,947)	(788,954)	(1,279,145)
Administrative expenses	(33,514)	(45,412)	(51,503)
Other changes	180	(3,329)	-
<b>Net change in plan fiduciary net position</b>	<b>1,527,674</b>	<b>1,673,885</b>	<b>(400,997)</b>
<b>Plan fiduciary net position - beginning</b>	<b>11,036,090</b>	<b>9,362,205</b>	<b>9,763,202</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>12,563,764</b>	<b>11,036,090</b>	<b>9,362,205</b>
<b>City's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 6,393,208</b>	<b>\$ 7,020,584</b>	<b>\$ 7,604,597</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>66.3%</b>	<b>61.1%</b>	<b>55.2%</b>
<b>Covered payroll</b>	<b>\$ 5,827,511</b>	<b>\$ 5,991,719</b>	<b>\$ 5,348,166</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>109.7%</b>	<b>117.2%</b>	<b>142.2%</b>

**Notes to the Schedule:**

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

	2018	2017	2016	2015
\$	286,077	\$ 291,779	\$ 351,119	\$ 348,103
	1,295,438	1,253,917	1,212,134	1,197,774
	-	-	-	-
	75,545	(130,776)	167,513	-
	2,471	-	(355,440)	-
	(758,066)	(1,017,358)	(578,484)	(2,130,443)
	901,465	397,562	796,842	(584,566)
	16,278,635	15,881,073	15,084,231	15,668,797
	17,180,100	16,278,635	15,881,073	15,084,231
	984,725	942,951	964,855	1,023,467
	171,195	159,896	170,903	174,833
	811,145	641,118	70,374	621,934
	(758,066)	(1,017,358)	(578,484)	(2,130,443)
	(57,039)	(114,695)	(47,456)	(48,348)
	-	-	-	-
	1,151,960	611,912	580,192	(358,557)
	8,611,242	7,999,330	7,419,138	7,777,695
	9,763,202	8,611,242	7,999,330	7,419,138
\$	7,416,898	\$ 7,667,393	\$ 7,881,743	\$ 7,665,093
	56.8%	52.9%	50.4%	49.2%
\$	5,181,425	\$ 5,344,272	\$ 5,907,249	\$ 5,922,265
	143.1%	143.5%	133.4%	129.4%

**CITY OF BRUNSWICK, GEORGIA**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,008,950	\$ 977,803	\$ 943,968	\$ 959,888
Contributions in relation to the actuarially determined contribution	<u>1,008,950</u>	<u>977,803</u>	<u>943,968</u>	<u>959,888</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,397,731	\$ 6,192,682	\$ 6,047,740	\$ 5,953,738
Contributions as a percentage of covered payroll	15.8%	15.8%	15.6%	16.1%

**Notes to the Schedule:**

Valuation Date	January 1, 2020
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 actuar
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 i

2017	2016	2015	2014	2013	2012
\$ 963,622	\$ 951,280	\$ 991,004	\$ 1,045,255	\$ 1,048,819	\$ 1,135,777
963,622	951,280	991,004	1,045,255	1,048,819	1,135,777
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,573,994	\$ 5,625,761	\$ 5,914,757	\$ 6,005,662	\$ 6,220,273	\$ 6,715,164
17.3%	16.9%	16.8%	17.4%	16.9%	16.9%

ial assumptions - 30 years.

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**

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	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	<b>24.8%</b>	14.4%	-1.9%	9.2%	8.0%

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<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
8.5%	15.1%	7.7%	4.8%	9.1%



## **SUPPLEMENTARY INFORMATION**

**COMBINING STATEMENTS  
AND SCHEDULES**

# CITY OF BRUNSWICK, GEORGIA

## NONMAJOR GOVERNMENTAL FUNDS

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### 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 projects fund accounts for capital improvements (except for those financed through proprietary funds) which are financed from the City's general obligation debt, certain federal grants, special purpose local option sales taxes ("SPLOST") and other City funds.

**CITY OF BRUNSWICK, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<b>Special Revenue Funds</b>			
	<b>Roosevelt Harris Center Fund</b>	<b>Police Seizure Fund</b>	<b>E-911 Fund</b>	<b>DOT TE-21 Fund</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,027	\$ 17,606	\$ 112	\$ 193,093
Investments	-	50,476	-	222,011
Accounts receivable, net of allowances				
Taxes	-	-	-	-
Intergovernmental	66,991	-	-	-
Due from other funds	-	-	153,633	-
Total assets	<u>\$ 86,018</u>	<u>\$ 68,082</u>	<u>\$ 153,745</u>	<u>\$ 415,104</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 3,046	\$ -	\$ -	\$ -
Accrued expenditures	2,613	-	-	-
Due to other funds	12,573	-	-	-
Due to other governments	-	-	153,633	-
Advances from other funds	19,764	-	-	-
Total liabilities	<u>37,996</u>	<u>-</u>	<u>153,633</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted for:				
Public safety	-	68,082	112	-
Capital projects	-	-	-	-
Community development	48,022	-	-	415,104
Total fund balances	<u>48,022</u>	<u>68,082</u>	<u>112</u>	<u>415,104</u>
Total liabilities and fund balances	<u>\$ 86,018</u>	<u>\$ 68,082</u>	<u>\$ 153,745</u>	<u>\$ 415,104</u>

Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
City Pier Fund	Hotel/Motel Fund	Urban Redevelopment Agency Fund	SPLOST V Fund	
\$ 32,679	\$ 1,697	\$ 295,321	\$ 3,210	\$ 562,745
116,906	-	-	1,352,973	1,742,366
-	834	-	-	834
-	-	-	-	66,991
-	-	-	-	153,633
<u>\$ 149,585</u>	<u>\$ 2,531</u>	<u>\$ 295,321</u>	<u>\$ 1,356,183</u>	<u>\$ 2,526,569</u>
\$ 2,018	\$ -	\$ -	\$ -	\$ 5,064
-	-	-	-	2,613
69,696	-	-	-	82,269
-	-	-	-	153,633
-	-	-	-	19,764
<u>71,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,343</u>
-	-	-	-	68,194
-	-	-	1,356,183	1,356,183
77,871	2,531	295,321	-	838,849
<u>77,871</u>	<u>2,531</u>	<u>295,321</u>	<u>1,356,183</u>	<u>2,263,226</u>
<u>\$ 149,585</u>	<u>\$ 2,531</u>	<u>\$ 295,321</u>	<u>\$ 1,356,183</u>	<u>\$ 2,526,569</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, 2021**

	<b>Special Revenue Funds</b>			
	<b>Roosevelt Harris Center Fund</b>	<b>Police Seizure Fund</b>	<b>E-911 Fund</b>	<b>DOT TE-21 Fund</b>
<b>Revenues:</b>				
Program fees/revenues	\$ 9,399	\$ -	\$ -	\$ -
Hotel/Motel taxes	-	-	-	-
Intergovernmental	193,515	13,542	-	191,627
Investment earnings	97	173	144	865
Contributions and donations	6,614	-	-	-
Total revenues	<u>209,625</u>	<u>13,715</u>	<u>144</u>	<u>192,492</u>
<b>Expenditures:</b>				
Current:				
Community development	394,577	-	-	-
Public safety	-	-	445,543	-
Capital outlay				
General Government	-	-	-	-
Community development	13,543	-	-	-
Public safety	-	3,694	-	-
Total expenditures	<u>408,120</u>	<u>3,694</u>	<u>445,543</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(198,495)</u>	<u>10,021</u>	<u>(445,399)</u>	<u>192,492</u>
<b>Other financing sources</b>				
Transfers in	220,000	-	445,498	-
Total other financing sources	<u>220,000</u>	<u>-</u>	<u>445,498</u>	<u>-</u>
Net change in fund balances	21,505	10,021	99	192,492
<b>Fund balances, beginning of year, as restated</b>	<u>26,517</u>	<u>58,061</u>	<u>13</u>	<u>222,612</u>
<b>Fund balances, end of year</b>	<u>\$ 48,022</u>	<u>\$ 68,082</u>	<u>\$ 112</u>	<u>\$ 415,104</u>

Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
City Pier Fund	Hotel/Motel Fund	Urban Redevelopment Agency Fund	SPLOST V Fund	
\$ 20,303	\$ -	\$ -	\$ -	\$ 29,702
-	8,560	-	-	8,560
-	-	-	-	398,684
222	-	3	1,282	2,786
-	-	280,000	-	286,614
<u>20,525</u>	<u>8,560</u>	<u>280,003</u>	<u>1,282</u>	<u>726,346</u>
-	8,246	4,728	-	407,551
-	-	-	-	445,543
42,798	-	-	-	42,798
-	-	-	-	13,543
-	-	-	-	3,694
<u>42,798</u>	<u>8,246</u>	<u>4,728</u>	<u>-</u>	<u>913,129</u>
<u>(22,273)</u>	<u>314</u>	<u>275,275</u>	<u>1,282</u>	<u>(186,783)</u>
-	-	-	-	665,498
-	-	-	-	665,498
(22,273)	314	275,275	1,282	478,715
<u>100,144</u>	<u>2,217</u>	<u>20,046</u>	<u>1,354,901</u>	<u>1,784,511</u>
<u>\$ 77,871</u>	<u>\$ 2,531</u>	<u>\$ 295,321</u>	<u>\$ 1,356,183</u>	<u>\$ 2,263,226</u>

# CITY OF BRUNSWICK, GEORGIA

## INTERNAL SERVICE FUNDS

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

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



**CITY OF BRUNSWICK, GEORGIA**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2021**

	<b>Group Health Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 95,435	\$ 2,982	\$ 98,417
Advances to other funds	40,973	13,142	54,115
Claim reimbursement receivable	-	314,878	314,878
Total assets	<u>\$ 136,408</u>	<u>\$ 331,002</u>	<u>\$ 467,410</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Claims payable	<u>\$ 130,000</u>	<u>\$ 1,430,875</u>	<u>\$ 1,560,875</u>
Total liabilities	<u>130,000</u>	<u>1,430,875</u>	<u>1,560,875</u>
<b>NET POSITION</b>			
Unrestricted	6,408	(1,099,873)	(1,093,465)
Total net position	<u>6,408</u>	<u>(1,099,873)</u>	<u>(1,093,465)</u>
Total liabilities and net position	<u>\$ 136,408</u>	<u>\$ 331,002</u>	<u>\$ 467,410</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, 2021**

	<b>Group Health Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>Operating revenues</b>			
Contributions			
Employer	\$ 1,210,900	\$ 786,850	\$ 1,997,750
Employees	223,977	-	223,977
Reimbursements	24,514	364,615	389,129
Total operating revenues	<u>1,459,391</u>	<u>1,151,465</u>	<u>2,610,856</u>
<b>Operating expenses</b>			
Contractual	334,922	-	334,922
Claims	1,165,350	850,663	2,016,013
Total operating expenses	<u>1,500,272</u>	<u>850,663</u>	<u>2,350,935</u>
Operating income (loss)	<u>(40,881)</u>	<u>300,802</u>	<u>259,921</u>
<b>Nonoperating revenues</b>			
Investment return	643	427	1,070
Total nonoperating revenues	<u>643</u>	<u>427</u>	<u>1,070</u>
Change in net position	(40,238)	301,229	260,991
<b>Net position (deficit), beginning of year</b>	<u>46,646</u>	<u>(1,401,102)</u>	<u>(1,354,456)</u>
<b>Net position (deficit), end of year</b>	<u>\$ 6,408</u>	<u>\$ (1,099,873)</u>	<u>\$ (1,093,465)</u>

**CITY OF BRUNSWICK, GEORGIA**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Group Health Fund</b>	<b>Workers' Compensation Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interfund services provided	\$ 1,459,391	\$ 867,693	\$ 2,327,084
Payments for claims	(1,165,350)	(865,786)	(2,031,136)
Payments for other expenses	(334,922)	-	(334,922)
Net cash provided by (used in) operating activities	<u>(40,881)</u>	<u>1,907</u>	<u>(38,974)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received on investments	643	427	1,070
Sale of investments	59,087	-	59,087
Net cash provided by investing activities	<u>59,730</u>	<u>427</u>	<u>60,157</u>
Net change in cash and cash equivalents	<u>18,849</u>	<u>2,334</u>	<u>21,183</u>
Cash and cash equivalents:			
<b>Beginning of year</b>	<u>76,586</u>	<u>648</u>	<u>77,234</u>
<b>End of year</b>	<u>\$ 95,435</u>	<u>\$ 2,982</u>	<u>\$ 98,417</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (40,881)	\$ 300,802	\$ 259,921
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Increase in assets:			
Claims reimbursement receivable	-	(283,772)	(283,772)
Increase (decrease) in liabilities:			
Claims payable	-	1	1
Accounts payable	-	(15,124)	(15,124)
Net cash used in operating activities	<u>\$ (40,881)</u>	<u>\$ 1,907</u>	<u>\$ (38,974)</u>

**CITY OF BRUNSWICK, GEORGIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
ROOSEVELT HARRIS CENTER FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Program fees/revenues	\$ 19,200	\$ 9,399	\$ 9,399	\$ -
Grant revenues	250,000	193,515	193,515	-
Investment earnings	110	97	97	-
Contributions and donations	-	6,614	6,614	-
Total revenues	<u>269,310</u>	<u>209,625</u>	<u>209,625</u>	<u>-</u>
<b>EXPENDITURES</b>				
Community development				
Program administration - compensation, payroll taxes and benefits	263,366	270,380	270,380	-
Program administration - operating	105,944	137,740	137,740	-
Total community development expenditures	<u>369,310</u>	<u>408,120</u>	<u>408,120</u>	<u>-</u>
Total expenditures	<u>369,310</u>	<u>408,120</u>	<u>408,120</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(100,000)</u>	<u>(198,495)</u>	<u>(198,495)</u>	<u>-</u>
<b>Other financing sources</b>				
Transfers in	100,000	220,000	220,000	-
Total other financing sources	<u>100,000</u>	<u>220,000</u>	<u>220,000</u>	<u>-</u>
Net change in fund balance	-	21,505	21,505	-
<b>FUND BALANCE, beginning of year</b>	<u>26,517</u>	<u>26,517</u>	<u>26,517</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 26,517</u>	<u>\$ 48,022</u>	<u>\$ 48,022</u>	<u>\$ -</u>

**CITY OF BRUNSWICK, GEORGIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
POLICE SEIZURE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Grant revenues/seizure funds	\$ 57,998	\$ 13,542	\$ 13,542	\$ -
Investment earnings	-	173	173	-
Total revenues	<u>57,998</u>	<u>13,715</u>	<u>13,715</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety				
Capital outlay	57,998	3,694	3,694	-
Total public safety	<u>57,998</u>	<u>3,694</u>	<u>3,694</u>	<u>-</u>
Total expenditures	<u>57,998</u>	<u>3,694</u>	<u>3,694</u>	<u>-</u>
Net change in fund balance	-	10,021	10,021	-
<b>FUND BALANCE, beginning of year</b>	<u>58,061</u>	<u>58,061</u>	<u>58,061</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 58,061</u>	<u>\$ 68,082</u>	<u>\$ 68,082</u>	<u>\$ -</u>

**CITY OF BRUNSWICK, GEORGIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
E-911 FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ 144	\$ 144	\$ -
Total revenues	<u>-</u>	<u>144</u>	<u>144</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public safety				
E-911 expenditures - intergovernmental	546,149	445,543	445,543	-
Total expenditures	<u>546,149</u>	<u>445,543</u>	<u>445,543</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(546,149)</u>	<u>(445,399)</u>	<u>(445,399)</u>	<u>-</u>
<b>Other financing sources</b>				
Transfers in	546,149	445,498	445,498	-
Total other financing sources, net	<u>546,149</u>	<u>445,498</u>	<u>445,498</u>	<u>-</u>
Net change in fund balance	-	99	99	-
<b>FUND BALANCE, beginning of year</b>	<u>13</u>	<u>13</u>	<u>13</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 13</u>	<u>\$ 112</u>	<u>\$ 112</u>	<u>\$ -</u>

**CITY OF BRUNSWICK, GEORGIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
DOT TE-21 FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Grant revenues	\$ -	\$ 191,627	\$ 191,627	\$ -
Investment earnings	-	865	865	-
Total revenues	-	192,492	192,492	-
<b>EXPENDITURES</b>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	192,492	192,492	-
<b>FUND BALANCE, beginning of year</b>	222,612	222,612	222,612	-
<b>FUND BALANCE, end of year</b>	\$ 222,612	\$ 415,104	\$ 415,104	\$ -

**CITY OF BRUNSWICK, GEORGIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
CITY PIER FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Program fees/revenues	\$ 6,000	\$ 20,303	\$ 20,303	\$ -
Investment earnings and interest	750	222	222	-
Total revenues	<u>6,750</u>	<u>20,525</u>	<u>20,525</u>	<u>-</u>
<b>EXPENDITURES</b>				
Community development				
Capital outlay	102,750	42,798	42,798	-
Total community development expenditures	<u>102,750</u>	<u>42,798</u>	<u>42,798</u>	<u>-</u>
Total expenditures	<u>102,750</u>	<u>42,798</u>	<u>42,798</u>	<u>-</u>
Net change in fund balance	(96,000)	(22,273)	(22,273)	-
<b>FUND BALANCE, beginning of year</b>	<u>100,144</u>	<u>100,144</u>	<u>100,144</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 4,144</u>	<u>\$ 77,871</u>	<u>\$ 77,871</u>	<u>\$ -</u>



**CITY OF BRUNSWICK, GEORGIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
HOTEL/MOTEL TAX FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Hotel/Motel tax	\$ 5,083	\$ 8,560	\$ 8,560	\$ -
Investment earnings and interest	20	-	-	-
Total revenues	<u>5,103</u>	<u>8,560</u>	<u>8,560</u>	<u>-</u>
<b>EXPENDITURES</b>				
Community development				
Community development - tax disbursements	7,320	8,246	8,246	-
Total community development	<u>7,320</u>	<u>8,246</u>	<u>8,246</u>	<u>-</u>
Total expenditures	<u>7,320</u>	<u>8,246</u>	<u>8,246</u>	<u>-</u>
Net change in fund balance	(2,217)	314	314	-
<b>FUND BALANCE, beginning of year</b>	<u>2,217</u>	<u>2,217</u>	<u>2,217</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 2,531</u>	<u>\$ 2,531</u>	<u>\$ -</u>

**CITY OF BRUNSWICK, GEORGIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
URBAN REDEVELOPMENT AUTHORITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ 3	\$ 3	\$ -
Contributions and donations	-	280,000	280,000	-
Total revenues	-	280,003	280,003	-
<b>EXPENDITURES</b>				
Community development				
Community development - tax disbursements	-	4,728	4,728	-
Total community development	-	4,728	4,728	-
Total expenditures	-	4,728	4,728	-
Net change in fund balance	-	275,275	275,275	-
<b>FUND BALANCE, beginning of year</b>	20,046	20,046	20,046	-
<b>FUND BALANCE, end of year</b>	\$ 20,046	\$ 295,321	\$ 295,321	\$ -

## **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
<u>SPLOST IV - Tier II/III</u>						
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	-	-	-

(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
<u>SPLOST V</u>						
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 and 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	553,128	-	553,128
N/A	Ritz Theater	180,000	180,000	181,628	-	181,628
N/A	Water/wastewater	250,000	250,000	236,951	-	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
<u>SPLOST VI</u>						
N/A	Police Cars	540,625	540,625	466,049	-	466,049
N/A	Howard Coffin Park	431,357	431,357	212,230	75,082	287,312
N/A	E911 Services Radio Equipment	431,357	431,357	420,174	48,835	469,009
N/A	Streets*** *****	4,627,750	4,627,750	3,917,228	2,097,142	6,014,370
N/A	Sidewalks-Replacement and Upgrades	432,500	432,500	393,499	121,264	514,763
N/A	Sidewalks-Trails**	346,000	346,000	234,193	142,814	377,007
N/A	Storm Drainage and Infrastructure****	3,243,750	3,243,750	901,844	1,544,983	2,446,827
N/A	Historic Squares	86,500	86,500	12,215	44,616	56,831
N/A	Mary Ross Park	821,750	821,750	494,223	3,936	498,159
N/A	Roosevelt Harris Senior Center	151,375	151,375	191,668	-	191,668
N/A	Fire Station One Improvements	346,000	346,000	408,629	5,341	413,970
N/A	****Fire Trucks and Rescue Vehicle	627,058	627,058	915,000	-	915,000
N/A	Cemetery Improvements	259,500	259,500	67,672	-	67,672
N/A	Highway 17 Infrastructure	215,107	215,107	15,110	94,174	109,284
N/A	Parks-Orange/Palmetto/Other	-	389,225	5,500	186,561	192,061
N/A	Sidney Lanier (Liberty Ship) Park	-	519,000	34,183	231,841	266,024
N/A	Overlook Park	-	103,800	115,938	20,135	136,073
N/A	Wayfindings and Gateways	-	259,500	-	-	-
		<u>\$ 76,418,796</u>	<u>\$ 77,735,879</u>	<u>\$ 66,526,184</u>	<u>4,616,724</u>	<u>\$ 71,142,908</u>
				Transfer to General Fund	328,235	
				Total Expenditures	<u>\$ 4,944,959</u>	

Note: Transfer to general fund is to reimburse for approved SPLOST expenditures already included in the above schedule.

\*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, 2021

<u>Line No.</u>		<u>O.C.G.A. Reference:</u>	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):		
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, 2021

Line No.	Description	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, 2021

Line  
 No.

O.C.G.A.  
 Reference:

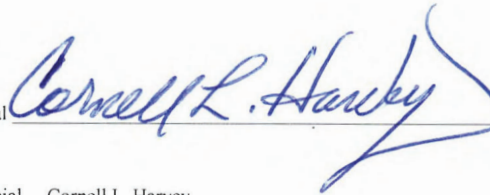
17 Other expenditures not included in Lines 2 through 16 above.  
 Identify by object and purpose.

Glynn County Shared Government Expenditures	\$ 445,543
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____

18 Total Expenditures (total of all amounts reported on Lines 2 through 17 above) \$ 445,543

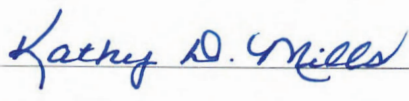
Certification of Local Government Officials

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 12/29/21

Print Name of Chief Elected Official Cornell L. Harvey

Title of Chief Elected Official Mayor

Signature of Chief Financial Officer  Date 12/29/21

Print Name of Chief Financial Officer Kathy D. Mills, CPA



# STATISTICAL SECTION

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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>
<b>Financial Trends</b> .....	<b>93 – 100</b>
<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>	
<b>Revenue Capacity</b> .....	<b>101 – 104</b>
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
<b>Debt Capacity</b> .....	<b>105 and 106</b>
<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>	
<b>Demographic and Economic Information</b> .....	<b>107 and 108</b>
<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>	
<b>Operating Information</b> .....	<b>109 - 111</b>
<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**

	<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>2021</u>
Governmental activities:										
Net investment in capita assets	\$ 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	\$ 39,725,549
Restricted	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	7,853,189
Unrestricted	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)	403,001
Total governmental activities net position	<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>	<u>\$ 47,981,739</u>
Business-type activities:										
Net investment in capita assets	\$ 49,126	\$ 83,294	\$ 83,294	\$ 67,252	\$ 65,887	\$ 64,552	\$ 63,157	\$ 481,469	\$ 605,807	\$ 554,539
Restricted	-	-	-	-	-	105,248	447,472	422,130	1,095,014	580,274
Unrestricted	(474,177)	13,488	13,488	550,998	570,856	248,800	(11,140)	82,049	400,945	544,789
Total business-type activities net position	<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>	<u>\$ 1,679,602</u>
Primary government:										
Net investment in capita assets	\$ 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	\$ 40,280,088
Restricted	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	8,433,463
Unrestricted	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)	947,790
Total primary government net position	<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>	<u>\$ 49,661,341</u>

Note: GASB 68 was implemented during fiscal year 2015

**CITY OF BRUNSWICK, GEORGIA**

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 4,947,737
Judicial	420,800	301,340	285,832	276,251	270,506	284,306	262,348	328,090	344,178	309,103
Public safety	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	9,524,622
Public works	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	1,034,605
Culture and recreation	1,093,144	881,828	785,803	849,247	771,853	651,720	1,180,224	3,386,937	2,904,323	3,248,200
Cemetery	178,401	206,992	221,183	241,942	273,850	294,779	219,958	210,948	302,208	303,023
Community development	1,335,525	1,074,371	1,063,830	748,840	656,123	955,209	1,024,546	1,215,958	1,112,067	1,511,179
Economic development - component unit	80,000	70,021	70,326	107,075	139,503	206,956	271,563	310,157	708,614	409,676
Interest and fiscal changes	119,018	101,334	69,569	45,702	43,089	45,560	46,596	47,466	41,120	10,517
Total governmental activities expenses	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	21,298,662
Business-type activities:										
Sanitation	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	2,291,479
Stormwater	-	-	-	-	-	-	-	665,047	803,288	745,851
Transit	-	-	-	-	-	-	-	-	-	56,545
Total business-type activities expenses	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	3,093,875
Total primary government expenses	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	24,392,537
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
General government	929,819	709,044	833,165	107,902	350,528	612,952	446,060	828,480	797,462	768,505
Judicial	416,833	347,518	374,167	451,071	448,271	291,885	256,474	541,191	288,436	332,096
Public safety	17,401	26,597	32,151	40,525	200,685	12,435	174,251	188,810	31,373	30,717
Public works	25,646	27,783	25,653	26,529	25,646	-	-	-	-	-
Culture and recreation	97,697	39,279	12,499	15,910	10,535	34,120	29,632	53,183	197,570	165,245
Cemetery	119,320	150,785	153,840	134,750	131,495	110,115	131,165	111,495	105,785	133,965
Community development	65,505	28,289	50,211	51,394	56,538	21,789	18,873	22,483	10,437	9,399
Operating grants and contributions	1,767,998	1,083,701	1,313,974	930,667	926,365	1,771,574	2,560,291	1,018,190	829,020	1,731,675
Capital grants and contributions	2,036,678	50,795	16,186	82,488	263,473	1,295,195	4,555,142	5,439,443	5,263,857	3,713,724
Total governmental activities program revenues	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	6,885,326
Business-type activities:										
Charges for services										
Sanitation	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	1,716,430
Stormwater	-	-	-	-	-	-	-	900,747	1,070,746	1,046,998
Operating grants and contributions	-	-	-	-	-	-	-	-	-	30,140
Total business-type activities program revenues	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	2,793,568
Total primary government program revenues	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	9,678,894

(Continued)

**CITY OF BRUNSWICK, GEORGIA**

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

	<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>2021</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (14,413,336)
Business-type activities	(330,093)	(61,091)	370,132	360,624	164,144	14,879	(436,469)	141,068	(16,528)	(300,307)
Total primary government net expense	<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>	<u>(14,713,643)</u>
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Property taxes levied for general purposes	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	4,709,795
Franchise taxes	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	1,246,464
Local option sales tax	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	7,801,847
Selective sales and use tax	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	1,812,152
Hotel/Motel tax	7,499	8,416	8,328	9,110	6,941	8,391	7,306	7,654	4,805	8,560
Unrestricted investment earnings	13,608	17,046	15,830	8,477	21,370	37,938	55,602	158,812	114,405	8,205
Miscellaneous	7,713	57,696	51,149	11,943	76,273	88,244	160,941	210,609	59,069	502,278
Gain on sale of capital assets	-	13,553	120,620	78,790	22,308	88,147	-	5,789	571,428	-
Payment from component unit	-	540,500	-	-	40,000	-	-	-	-	-
Transfers	(241,500)	(143,000)	-	41,824	147,824	131,267	(510,220)	(327,846)	(1,119,701)	126,603
Total governmental activities	<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>	<u>16,215,904</u>
Business-type activities:										
Unrestricted investment earnings	-	-	-	109	2,173	3,563	6,941	17,245	12,945	4,746
Miscellaneous	16,122	-	-	215	-	-	-	-	-	-
Gain on sale of capital assets	18,984	69,140	652	202,344	-	-	-	-	-	-
Transfers	241,500	143,000	-	(41,824)	(147,824)	(131,267)	510,220	327,846	1,119,701	(126,603)
Total business type activities	<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>	<u>(121,857)</u>
Total primary government	<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>	<u>16,094,047</u>
<b>Change in net position</b>										
Governmental activities	2,103,455	(7,325)	(255,355)	(438,831)	325,726	(604,593)	3,724,995	4,311,298	1,945,593	1,802,568
Business-type activities	(53,487)	151,049	370,784	521,468	18,493	(112,825)	80,692	486,159	1,116,118	(422,164)
Total primary government	<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>	<u>\$ 1,380,404</u>

**CITY OF BRUNSWICK, GEORGIA**

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 23,832	\$ 252,296	\$ 268,527	\$ 268,767	\$ 301,197	\$ 331,427	\$ 347,253
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	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	8,048,871
<b>Total General fund</b>	<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>	<u>\$ 8,396,124</u>
All Other Governmental Funds										
Restricted, reported in:										
Community development fund	\$ 960,681	\$ 981,459	\$ 626,673	\$ 411,685	\$ 341,017	\$ 243,075	\$ 266,489	\$ 545,079	\$ 536,866	\$ 461,267
Capital projects funds	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	5,127,592
ARPA Funds	-	-	-	-	-	-	-	-	-	1,104
Other nonmajor governmental funds	139,801	47,530	56,611	101,069	303,387	107,772	85,198	1,690,042	1,784,511	2,263,226
Unassigned	(105,436)	(182,026)	(157,973)	(161,840)	(216,894)	(261,792)	(264,418)	-	-	-
<b>Total all other governmental funds</b>	<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>	<u>\$ 7,853,189</u>
<b>Total all governmental funds</b>	<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>	<u>\$ 16,249,313</u>

**CITY OF BRUNSWICK, GEORGIA**

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Property taxes	\$ 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	\$ 5,188,421
Franchise fees	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	1,246,464
Local option sales tax	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	7,801,847
Selective sales and use taxes	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	1,812,152
Hotel/Motel taxes	7,499	8,416	8,328	9,110	6,941	8,391	7,306	7,654	4,805	8,560
Licenses and permits	318,993	337,115	335,870	349,719	341,903	308,627	330,500	647,570	632,168	579,848
Fines and forfeitures	416,833	347,518	374,167	451,071	448,271	416,365	351,435	697,363	393,856	456,476
Intergovernmental revenues	2,303,089	236,159	370,031	279,702	249,118	1,043,641	4,270,985	4,612,328	4,627,483	1,423,859
Intergovernmental revenues - Reimbursement BGJWSC	-	-	-	-	240,792	233,663	257,770	513,757	210,007	1,461,110
Collection on loans	43,810	-	-	-	-	-	-	-	-	-
Grant revenues	1,458,423	737,129	927,958	709,279	628,952	1,781,014	2,554,540	1,225,006	1,141,828	2,551,635
Charges for services and assessments	484,759	539,937	436,177	424,751	526,757	338,140	354,775	379,083	383,513	380,609
Unrestricted investment earnings	29,982	28,537	17,259	8,849	24,642	46,389	87,740	265,354	227,964	17,000
Rental income	19,609	25,586	23,554	23,429	19,894	20,164	19,745	21,626	21,526	22,994
Contributions and donations from private sources	-	149,716	30,742	23,712	66,283	35,334	19,718	8,368	27,856	290,552
Miscellaneous and sale of property	34,486	71,274	171,770	90,734	98,582	52,910	141,223	202,241	31,213	211,726
<b>Total revenues</b>	<b>18,473,071</b>	<b>15,874,255</b>	<b>15,790,215</b>	<b>15,737,295</b>	<b>15,785,145</b>	<b>17,704,958</b>	<b>22,271,096</b>	<b>23,182,982</b>	<b>21,780,900</b>	<b>23,453,253</b>
<b>Expenditures:</b>										
General government	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	3,836,403
Judicial	420,800	301,340	285,832	278,138	270,506	276,545	265,563	331,027	341,544	314,746
Public safety	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	8,714,120
Public works	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	2,039,941
Culture and recreation	910,201	705,733	566,711	574,084	523,245	462,324	461,686	552,979	466,560	516,124
Cemetery	179,721	196,483	233,001	224,192	255,885	284,854	224,459	215,881	286,434	305,734
Community development	2,135,516	1,037,548	892,993	813,975	681,639	704,931	867,449	906,289	785,599	1,246,503
Economic development	80,000	70,021	70,326	107,075	139,503	204,949	280,608	292,320	689,944	391,772
Landfill expense	-	-	-	-	25,340	-	-	-	-	-
Debt service:										
Principal	449,259	381,777	702,801	131,463	134,686	70,259	73,817	77,553	81,479	420,819
Interest	119,018	101,334	69,569	45,702	43,089	45,560	46,596	47,466	41,120	10,517
Capital outlay	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	5,310,553
<b>Total expenditures</b>	<b>18,813,097</b>	<b>20,256,679</b>	<b>18,741,286</b>	<b>16,825,112</b>	<b>14,825,160</b>	<b>16,795,420</b>	<b>19,333,655</b>	<b>19,634,008</b>	<b>20,366,505</b>	<b>23,107,232</b>
Excess (deficiency) of revenues over expenditures	(340,026)	(4,382,424)	(2,951,071)	(1,087,817)	959,985	909,538	2,937,441	3,548,974	1,414,395	346,021

(Continued)

**CITY OF BRUNSWICK, GEORGIA**

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

	<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>2021</u>
Excess (deficiency) of revenues over expenditures	\$ (340,026)	\$ (4,382,424)	\$ (2,951,071)	\$ (1,087,817)	\$ 959,985	\$ 909,538	\$ 2,937,441	\$ 3,548,974	\$ 1,414,395	\$ 346,021
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	774,646	686,929	777,663	868,615	848,324	1,259,417	921,615	2,603,267	782,989	1,183,851
Transfers (out)	(1,016,146)	(829,929)	(777,663)	(826,791)	(700,500)	(1,128,150)	(1,431,835)	(1,911,069)	(1,902,690)	(1,057,248)
Proceeds from sale of capital assets	-	-	-	-	-	118,000	-	5,789	600,005	-
Total other financing sources	<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>	<u>126,603</u>
Net change in fund balances	<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>	<u>\$ 472,624</u>
Debt Service as a Percentage of Noncapital Expenditures	<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>	<u>2.1%</u>

**CITY OF BRUNSWICK, GEORGIA**

**PROGRAM REVENUES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General government	\$ 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	\$ 3,727,025
Judicial	416,833	347,518	374,167	451,071	448,271	291,885	256,474	541,191	288,436	332,096
Public safety	234,838	188,335	121,782	79,605	221,896	151,634	240,024	282,684	61,659	942,607
Public works	90,646	148,181	25,646	26,529	25,646	233,663	257,770	-	21,505	-
Culture and recreation	97,697	54,279	97,697	15,910	10,535	65,904	80,883	192,810	263,870	165,245
Cemetery	119,320	150,785	119,320	134,750	131,495	110,115	131,165	111,495	105,785	133,965
Community development	1,494,115	716,093	873,788	662,593	684,536	795,186	986,324	953,117	899,782	1,584,388
Subtotal governmental activities	5,476,897	2,463,791	2,811,846	1,841,236	2,535,022	4,150,065	8,171,888	8,203,275	7,523,940	6,885,326
Business-type activities:										
Sanitation	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	1,716,430
Stormwater	-	-	-	-	-	-	-	900,747	1,070,746	1,046,998
Subtotal business-type activities	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	2,763,428
Total primary government program revenues	\$ 6,591,748	\$ 3,594,266	\$ 4,149,543	\$ 3,276,085	\$ 3,773,084	\$ 5,293,103	\$ 9,506,299	\$ 10,788,455	\$ 10,157,749	\$ 9,648,754



**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>
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
2021	5,188,421	1,246,464	7,801,847	1,423,859	1,820,712	17,481,303

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**

<b>Fiscal Year</b>	<b>Real and Personal Property</b>	<b>Motor Vehicles</b>	<b>Mobile Homes</b>	<b>Public Utilities</b>	<b>Timber</b>	<b>Heavy Equipment</b>	<b>Less: Tax-Exempt Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Net Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Assessed Value as a % of Actual Value</b>
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%
2021	918,458,693	10,641,150	141,800	44,263,505	-	-	99,672,955	873,832,193	349,532,877	13.219	40%

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

Note (1) Property assessed at 40% of FMV under Georgia Law.

(2) The direct tax rate is applied against the total net taxable assessed value to levy property taxes.

**CITY OF BRUNSWICK, GEORGIA**

**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	
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
2021	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.

CITY OF BRUNSWICK, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

Customer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pinova, Inc.	\$ 29,218,149	1	3.34%	\$ 16,279,980	1	1.90%
King and Prince Seafood Company	11,470,148	2	1.31%	9,403,592	2	1.10%
Lowe's Home Center	2,666,949	3	0.31%			
Target Corporation	1,495,412	4	0.17%			
Comcast	1,429,156	5	0.16%			
Continental Heavy Civil Corp	1,182,122	6	0.14%			
Industrial Insulation Group	935,669	7	0.11%	3,294,102	3	0.39%
GE HFS LLC	887,681	8	0.10%			
United Parcel Service	870,751	9	0.10%			
Wal-Mart Stores East LP	811,853	10	0.09%			
777 Gloucester Street				1,473,927	4	0.17%
First Chatham Bank				924,301	5	0.11%
Lang Planing Mill				729,970	6	0.09%
Marshland Federal Credit Union				693,364	7	0.08%
PrimeSouth Bank				658,392	8	0.08%
Glynn Iron and Metal				654,183	9	0.08%
Brunswick News Publishing Company				612,025	10	0.07%

Source: Glynn County Board of Assessors

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			Total Collections to Date	
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
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%	74,073	4,234,093	95%
2021	4,348,427	4,128,672	95%	-	4,128,672	95%

**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	Note Payables	Certificates of Participation	Capital Leases				
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
2021	-	-	1,116,000	-	-	1,116,000	0.13%	69

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

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

**CITY OF BRUNSWICK, GEORGIA**

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

	<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>2021</u>
Debt limit	\$ 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	\$ 87,383,219
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 87,383,219</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%
<b>Legal Debt Margin Calculation for Fiscal Year 2021</b>										
Total assessed value										<u>\$ 873,832,193</u>
Debt limit (10% of total taxable assessed value)										87,383,219
Debt applicable to limit:										<u>-</u>
Legal debt margin										<u>\$ 87,383,219</u>

<sup>(a)</sup> Digest tax year levied actually fund the following fiscal year (i.e., taxes levied for 2020 are used for fiscal year ending in 2021).

**CITY OF BRUNSWICK, GEORGIA**

**DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population (1&amp;2)</u>	<u>Personal Income<sup>(1)</sup></u>	<u>Per Capital Personal Income<sup>(1)</sup></u>	<u>Unemployment Rate<sup>(3)</sup></u>
2012	15,525	\$ 518,969,700	\$ 33,428	10.70% <sup>(5)</sup>
2013	15,640	539,235,920	34,478	10.00% <sup>(RE)</sup>
2014	15,813	553,929,390	35,030	8.30% <sup>(RE)</sup>
2015	15,903	543,787,182	34,194	6.70% <sup>(RE)</sup>
2016	15,383	612,458,762	39,814	5.60% <sup>(RE)</sup>
2017	15,997	592,832,823	37,059	4.70% <sup>(RE)</sup>
2018	16,357	629,368,289	38,477	3.80% <sup>(RE)</sup>
2019	16,609	682,497,028	41,092	3.60% <sup>(RE)</sup>
2020	16,654	682,088,279	32,160	4.60% <sup>(RE)</sup>
2021	16,253	693,505,113	37,178	3.80% <sup>(RE)</sup>

<sup>(1)</sup> Source - U.S. Bureau of Economic Analysis: Regional Economic Accounts

<sup>(2)</sup> Source - U.S. Bureau of the Census: American Community Survey

<sup>(3)</sup> Source - U.S. Bureau of Labor Statistics

<sup>(5)</sup> Reflects adjustment to new state control totals.

<sup>(RE)</sup> Reflects revised inputs, re-estimation, and adjustment to new state control totals.



**CITY OF BRUNSWICK, GEORGIA**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2021			2012		
	Employees <sup>(1)</sup>	Rank	Percentage of Total Employment <sup>(2)</sup>	Employees <sup>(1)</sup>	Rank	Percentage of Total Employment <sup>(2)</sup>
Sea Island Acquisition Company (formerly Sea Island Co.)	1,760	1	3.39%	2300	2	4.56%
Southeast Georgia Health Systems	1,700	2	3.28%	1828	3	3.62%
Brunswick Cellulose, LLC (formerly KochCellulose, LLC)	600	3	1.16%	1320	4	2.62%
Wal-Mart Super Center	500	4	0.96%	2625	1	5.21%
eBay Enterprise Inc.	450	5	0.87%	879	5	1.74%
King & Prince Seafood	345	6	0.67%	600	6	1.19%
College of Coastal GA	300	7	0.58%	400	8	-
International Auto Processing	283	8	0.55%	470	7	0.93%
Rich Products Corp	251	9	0.48%	375	10	0.74%
Pinova, Inc.	247	10	0.48%	380	9	-
Total of Top Ten Employers	<u>6,436</u>		<u>12.42%</u>	<u>11,177</u>		<u>20.62%</u>
Total Employees	<u><u>51,875</u></u>			<u><u>50,432</u></u>		

Source: <sup>(1)</sup> Brunswick Golden Isles Chamber of Commerce

<sup>(2)</sup> U.S. Bureau of Labor Statistics

**CITY OF BRUNSWICK, GEORGIA**

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

<b>Function</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 *</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General government	15.90	16.90	16.90	15.50	14.00	20.00	20.00	22.00	23.00	22.00
Judicial	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public safety	119.50	110.50	111.50	108.50	109.00	108.00	102.00	109.00	108.00	104.00
Public works	36.00	33.00	33.00	32.00	35.00	33.00	33.00	33.00	34.00	32.00
Culture and recreation	21.00	15.20	15.20	14.20	13.00	15.00	13.00	12.00	12.00	10.00
Cemetery	2.00	4.00	4.00	4.00	3.00	2.00	2.00	3.00	3.00	3.00
Community development	2.00	2.00	2.00	3.00	3.00	2.00	2.00	3.00	2.00	4.00
Economic development										
Component unit	1.00	4.00	4.00	1.50	-	1.00	1.00	1.00	2.00	3.00
Sanitation department	14.00	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Stormwater department	-	-	-	-	-	-	-	10.00	10.00	8.00
<b>Total</b>	<b>213.40</b>	<b>187.60</b>	<b>188.60</b>	<b>181.70</b>	<b>180.00</b>	<b>184.00</b>	<b>176.00</b>	<b>196.00</b>	<b>197.00</b>	<b>189.00</b>

Source: City Finance Department

\* City revised fiscal year 2017 due to more accurate information.

**CITY OF BRUNSWICK, GEORGIA**

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
Occupancy Permits Issued	139	99	123	128	131	129	143	157	109	72
Building Permits Issued	108	83	67	92	89	91	92	101	142	126
Plumbing Permits Issued	64	36	46	85	87	66	53	50	28	30
Electrical Permits Issued	115	103	204	242	215	245	260	265	116	111
Mechanical Permits Issued	19	17	25	45	51	43	36	37	13	24
Other Permits Issued	20	20	-	127	131	189	167	163	195	480
Inspections - Percentage of Plans Completed Within 10 Days										
Inspections - Percentage of Plans Completed in 24 Hours										
<b>Judicial</b>										
Dockets Processed	4,203	3,577	3,970	2,257	3,192	2,775	5,918	4,326	2,421	2,283
<b>Public Safety</b>										
Police - Number of Arrests	1,121	950	1,237	734	683	624	752	1,357	740	868
Police - Jail Bookings	1,212	1,089	1,192	1,123	1,221	1,186	1,291	1,623	1,065	929
Police - Calls Received	42,700	53,081	55,264	42,077	28,648	29,715	42,326	43,212	38,611	44,177
Police - Narcotics Arrests	153	116	173	113	94	90	127	121	61	121
Police - Traffic Citations Total	4,142	3,769	3,961	4,002	4,261	3,369	4,112	5,938	2,684	3,020
Police - Traffic Citations - Moving	3,609	3,105	2,926	3,686	3,153	2,444	2,898	3,617	1,654	1,978
Police - Traffic Citations Non - Moving	533	664	1,095	316	371	268	322	1,031	249	218
Fire - Calls Received	2,594	2,445	2,682	3,050	3,457	3,664	3,611	3,132	3,336	3,561
Fire - Inspection and Plan Reviews	402	159	80	200	366	826	1,127	1,136	438	740
E911 - Calls Received (Note 2)	47,658	56,432	58,665	75,474	32,395 *	33,427 *	46,511	48,326	42,595	42,683
<b>Public Works</b>										
Street Sweeping Frequency Per Year (miles per work day)	36.9	31.2	28	36	10.83	20.52	6.27	6.27	8.22	6.17
Ditches Maintained (miles)	12.95	20.96	18.5	11	9.95	12.77	7.06	10.75	6.32	7.96
Feet of Storm Drains Cleaned and Maintained	11,616	22,263	19,500	30,197	20,989	9,632	9,524	12,133	56,974	24,260
<b>Sanitation (note 1)</b>										
Residential Customers	3,482	3,626	4,395	4,936	4,936	4,150	4,065	4,132	5,643	5,444
Commercial Customers	551	520	342	530	530	300	297	325	309	305
<b>Stormwater</b>										
Residential Customers	-	-	-	-	-	-	-	5,123	5,123	5,123
Commercial Customers	-	-	-	-	-	-	-	1,737	1,737	1,737
<b>Culture &amp; Recreation</b>										
Number of Days Various Facilities Rented	45	18	5	12	9	7	13	3	76	104
Number of Participants in Athletics	266	78	225	136	102	219	297	286	168	192
<b>Cemetery</b>										
Number of New Grave Openings	113	129	149	152	171	174	150	156	149	171
<b>Community Development</b>										
Net Gain of New Downtown Businesses	17	18	27	36	22	19	40	14	22	46

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

Sources: Various City Departments.

**CITY OF BRUNSWICK, GEORGIA**

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Public Safety</b>										
Police - Vehicles	55	60	80	62	80	93	90	84	87	97
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	5	5	5	12	12	14	16	18	19	17
Traffic Signals	28	26	26	25	25	25	25	25	25	25
<b>Public Works</b>										
Miles of Paved Roads Maintained	99.5	99.5	99.5	99.8	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	77.0	77	77	77	77	77
<b>Sanitation</b>										
Collection Vehicles	12	9	9	9	9	9	9	2	2	2
<b>Culture &amp; Recreation</b>										
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	10	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
<b>Cemetery</b>										
Cemeteries	3	3	3	3	3	3	3	3	3	3

Sources: Various City departments.

## **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**

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**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 29, 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.

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**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  
December 29, 2021



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

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

### **Report on Compliance for Each Major Federal Program**

We have audited City of Brunswick, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.



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### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
December 29, 2021

**CITY OF BRUNSWICK, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
<b><u>U.S. Department of Health and Human Services</u></b>				
<b>(Passed through the Coastal Georgia Regional Commission)</b>				
<b>Aging Cluster:</b>				
Special Programs for Aging - Title III, Part B	93.044	2021-20	\$ 8,158	\$ -
ADC Cares	93.044	2021-20	3,644	-
Nutrition Services Incentive Program	93.053	2021-20	25,106	-
Special Programs for Aging - Title III, Part C 2	93.045	2021-20	93,881	-
<b>Subtotal Aging Cluster</b>			<u>130,789</u>	<u>-</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>130,789</u>	<u>-</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<b>CDBG - Entitlements Grant Cluster</b>				
Community Development Block Grant	14.218	B-20-MC-13-0010	132,469	-
Community Development Block Grant	14.218	B-19-MC-13-0010	227,230	-
Community Development Block Grant	14.218	B-18-MC-13-0010	256,358	-
Community Development Block Grant	14.218	B-20-MW-13-0010	112,975	-
<b>(Passed through Georgia Department of Community Affairs)</b>				
Community Development Block Grant	14.228	17-UN-2-004	434,727	-
<b>Total U.S. Department of Housing and Urban Development</b>			<u>1,163,759</u>	<u>-</u>
<b><u>U.S. Department of Justice</u></b>				
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1422	20,991	-
Equitable Sharing Program	16.922	N/A	14,367	-
<b>Total U.S. Department of Justice</b>			<u>35,358</u>	<u>-</u>
<b><u>U.S. Department of the Interior</u></b>				
Historic Preservation Fund Grants	15.904	N/A	13,135	-
<b>Total U.S. Department of the Interior</b>			<u>13,135</u>	<u>-</u>
<b><u>U.S. Department of the Treasury</u></b>				
<b>(Passed through the Georgia Office of Planning and Budget)</b>				
Coronavirus Relief Fund	21.019	N/A	850,964	-
<b>Total U.S. Department of Homeland Security</b>			<u>850,964</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 2,194,005</u>	<u>\$ -</u>

# CITY OF BRUNSWICK, GEORGIA

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### **NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards ("SEFA") includes the federal award activity of the City of Brunswick, Georgia (the "City") under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the City, it is not intended to and does not present the net position, changes in net position, or cash flows of the City.

### **NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### **NOTE 3. INDIRECT COST RATE**

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### **NOTE 4. NON-CASH ASSISTANCE**

No federal awards were expended in the form of non-cash assistance during the fiscal year ended June 30, 2021.

### **NOTE 5. SUBRECIPIENTS**

The City did not pass funding through to subrecipients during the fiscal year ended June 30, 2021.

# CITY OF BRUNSWICK, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

### 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**

Internal control over financial reporting:

Material weaknesses identified?

Yes  No

Significant deficiencies identified not considered  
to be material weaknesses?

Yes  None Reported

Type of auditor's report issued

Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with the Uniform Guidance?

Yes  No

Identification of major programs:

CFDA Number

21.019

14.228

Name of Federal Program or Cluster

**Coronavirus Relief Fund**

**Community Development Block**

**Grant Program**

Dollar threshold used to distinguish between  
Type A and Type B programs?

\$750,000

Auditee qualified as a low-risk auditee?

Yes  No

**CITY OF BRUNSWICK, GEORGIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION IV  
PRIOR YEAR FINDINGS**

None reported.