

COUNTY OF BRUNSWICK NORTH CAROLINA

***COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009***



**COUNTY OF BRUNSWICK
NORTH CAROLINA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended
June 30, 2009**

**Prepared by the Brunswick County Finance Office
Ann B. Hardy, MPA, CPA Director of Fiscal Operations**

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For the Fiscal Year Ended June 30, 2009

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County of Brunswick Finance Department

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October 19, 2009

Honorable Members of the Brunswick County Board of Commissioners and Citizens of Brunswick County, North Carolina:

State law requires that all local governments publish within four months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Brunswick County for the fiscal year ended June 30, 2009.

This report consists of management's representations concerning the finances of Brunswick County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Brunswick County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Brunswick County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Brunswick County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Martin Starnes & Associates, CPA's, P.A., a firm of licensed certified public accountants, has independently audited Brunswick County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Brunswick County for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Brunswick County's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the report.

The independent audit of the financial statements of Brunswick County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Compliance Letters.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Brunswick County's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

Brunswick County, founded in 1764 by the North Carolina General Assembly, is located in the southeastern corner of the State in the coastal plains region. As is typical of coastal plains, the topography is characterized by flatlands with soil composition of sand and sand loam. Forming a natural boundary on the southeast, the Atlantic Ocean gives the County approximately 47 miles of beachfront. It has an estimated population of 106,586, which is an increase of over 44% since 2000. It is the third largest county in the State, having a land area of 896 square miles.

Though historically rural in nature, the County has become increasingly more developed in recent years, largely as a tourism and retirement destination. There are 19 small municipalities and two sanitary districts. The County seat is located near the Town of Bolivia, in the approximate geographic center of the County.

The County is governed by a Board of Commissioners (the "Board") consisting of five members elected on a partisan basis, with Commissioners running from and representing districts, but being elected at large for four-year staggered terms in November of even numbered years. The Board takes office on the first Monday in December following each election. The Board elects a chairman and vice-chairman from among its members.

The major duties of the Board include adoption of the annual budget, setting of the annual property tax rate, and appointment of various officials (County Manager, County Attorney, Clerk to the Board, and members of County boards and commissions). In addition, the Board can adopt policies concerning the operation of the county, plan for county needs and enact local ordinances. The Board also has authority to call bond referenda, enter into contracts and establish new programs and departments.

Brunswick County, like most counties in the State, has a Commissioner/Manager form of government. The manager is appointed by the Board, and serves at its pleasure.

Brunswick County provides a broad range of services that include public safety, environmental protection, health and social services, cultural and recreational programs, community and economic development, and education. The County also operates a water and wastewater utility system. This report encompasses the County's activities in maintaining these services and includes its financial support to certain separate agencies, boards, and commissions to assist their efforts in serving citizens. Among these are the Brunswick County Schools and Brunswick Community College.

The financial reporting entity includes all funds of the primary government (Brunswick County), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units, if applicable, are reported in a separate column in the general purpose financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial positions, results of operations, and cash flows from those of the primary government. The Brunswick County Leasing Corporation, a legally separate entity, is a component unit; however, it is blended into the County's financial statements since the Corporation exists to issue and service debts used to finance and acquire assets for the County. The Brunswick County Hospital Authority, the Brunswick County Board of

Alcoholic Beverage Control, the Brunswick County Economic Development Commission, the Brunswick County Tourism Development Authority and the Brunswick County Airport Commission are reported as discretely presented component units in the financial statements. The Brunswick County Industrial Facility and Pollution Control Financing Authority is also a component unit of Brunswick County however, this Authority has no financial transactions or account balances and is therefore not reported in the financial statements.

The annual budget serves as the foundation for Brunswick County's financial planning and control. Each year all County departments are required to submit requests for appropriation to the County Manager, who then compiles a proposed budget and presents it to the Board of Commissioners for review. The board is required to hold public hearings on the proposed budget and to adopt a final budget by July 1 of the fiscal year, or the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The annual ordinance includes appropriations for the General, the Special Revenue (excluding the grant projects) and the Enterprise funds. Note 1 provides additional information on budgetary data. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 20 as part of the basic financial statements for the governmental funds. For annually budgeted special revenue funds, this comparison is presented in the non-major governmental fund subsection of this report, which starts on page 78. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e., capital project funds).

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Brunswick County operates.

Local economy. Brunswick County in recent years has been one of the fastest growing counties in North Carolina and in the United States. The permanent population grew at a rate of approximately 5 percent annually over the last ten years. Over the last eighteen to twenty-four months, Brunswick County has experienced a decline in building permits, excise taxes and new utility services. Tourism income slightly declined, as did some of the County's manufacturing facilities. Since 1990, Brunswick County has had one hundred twenty-nine plant announcements, creating 4,956 new jobs and over \$432.0 million in new capital investment. Brunswick County has four improved industrial parks and three planned industrial parks with great potential for future development.

Plans have been announced by the NC State Ports Authority to develop most of a 600-acre tract on the west bank of the Cape Fear River near Southport into a port capable of moving 2 million cargo containers a year, at a cost of \$1 to \$1.5 billion. The port would move more than 10 times the amount of containers currently handled in Wilmington. The Authority is currently under a \$6.6 million contract with CH2M to develop plans for the port, including market studies. The authority plans to secure permits and financing by 2012 and begin construction in 2013 with the port to begin operations beginning in 2016.

There are two hospitals located in the County. Brunswick Community Hospital, a 60-bed acute-care facility, is owned by the Brunswick County Hospital Authority, a public body corporate and politic. The hospital opened in November, 1977 and is located in the approximate geographic center of the County. In March 2006, the Authority leased the Brunswick Community Hospital to Novant Health. On April 29, 2007, Brunswick Community Hospital, affiliated with Novant Health received conditional State approval to build a 74 bed replacement hospital with all private rooms. The cost of the replacement hospital is estimated to be more than \$100 million with 200,000 square feet. The new hospital facility is currently under construction approximately 3 miles from the current facility on Hwy. 17 near Brunswick Community College. Construction on the new facility began in mid 2008

and is anticipated to be complete between 2010 and 2011. The replacement hospital will provide 74 private rooms, 5 operating rooms, 1 GI endoscopy room, pharmacy, lab and emergency room.

The County's diversified economy is based primarily upon tourism, manufacturing and agriculture. Because the County does not rely heavily on textile jobs, tourism has become the fastest growing economic base in the County. Tourism contributions include permanent, as well as secondary housing development, increased retail sales, increased employment opportunities and increased demand for potable water and wastewater collection and treatment services. Agriculture remains an important factor in the County's economy with the principal crops grown being tobacco, corn, soybeans, various grains, sweet potatoes, truck crops and blueberries. The raising of livestock and poultry also contributes significantly to the agricultural economy along with greenhouse and nursery operations. Tourism or service sector jobs account for 82%, with manufacturing accounting for 16%, and finally agriculture/seafood accounting for the remaining 2% of employment in Brunswick County.

The County and State's unemployment rates at August 2009 were 10.6 and 10.8 percent, respectively. The County's high growth rate in prior recent years was due to many people moving to Brunswick County for its quality of life. As with the nation, the County's high growth rate, in residential and commercial development has recently subsided.

Brunswick County is becoming the golf capital of the State of North Carolina. Thirty-nine state of the art golf courses (with new courses under construction and in the planning stages) with most having residential/commercial development associated with them are located in the County.

Long-term financial planning. The County's Capital Improvement Plan through the year 2014 provides a plan, based on need, to fund and acquire various projects.

The County incurred \$35.5 million of private placement bank debt in March 2008 for construction of the Town Creek Elementary School and the Cedar Grove Middle School. The debt will be serviced by local option sales tax designated by the N.C. legislature for public schools. The County issued General Obligation Refunding Bonds, Series 2009 to refund the General Obligation Bond, Series 2001 resulting in net present value savings of \$1.03 million over the term of the debt. The County issued Enterprise System Revenue Bonds, Series 2009A (Build America Bonds) thru RBC Bank Private Placement in September 2009 in the par amount of \$14.75 million. The revenue bonds in combination with \$3 million ARRA stimulus award and a \$0.5 million equity contribution from the Town of Calabash will be used to construct wastewater collection systems for the Towns of Calabash and the mainland of Sunset Beach. The projects are expected to be complete by early 2011.

Also included in the County Capital Improvement Plan are additional utility projects that equal approximately \$51.75 million for fiscal year 2010. Water system improvements total over \$20 million and include waterline extension projects totaling \$3 million, an automated meter reading system at \$6 million, and capacity expansion at the Northwest Water Plant of \$9.7 million. Wastewater improvements for fiscal year 2010 total \$21.05 million and include \$0.6 million in design fees for the expansion to the Northeast Brunswick Regional Water Reclamation Facility, \$16.75 million for the construction of the island portion of the Sunset Beach Wastewater Collection System project, and \$1 million for regional pump stations. The Calabash and Sunset Beach wastewater collection systems will be financed with debt proceeds and serviced by customer assessments. Other general government projects planned for fiscal year 2010, park facilities at Brunswick Nature Park \$0.5 million, design fees for the expansion of the C&D Landfill for \$0.4 million and a parking expansion of \$.4 million. The county projects are planned to be financed with capital reserve funds.

The West Brunswick Regional Water Reclamation Facility Phase 1, completed in February of 2006 at a cost of \$60.4 million, provides for the effluent to be land-applied, either on tree farms or golf courses. There will not be any discharge of treated effluent to any surface water from the West

Brunswick Regional Facility. The project is fully supported by user charges. Along with this effort, the County revised its sewer use ordinance and adopted a county-wide storm water management ordinance and program to enhance the effectiveness of the regional wastewater system concept. The county is currently constructing the West Brunswick Regional Water Reclamation Facility Phase 2 planned to expand the plant capacity from 3 mgd to 6 mgd and provide a transmission line to serve the Town of Oak Island. The County acquired the Town of Shallotte Wastewater treatment plant July 1, 2007 incorporating that plant into the West Brunswick Regional Facility. The County issued revenue bonds in January of 2008 for \$52.8 million to fund the expansion of the West Brunswick Regional Water Reclamation Facility and the Southwest Area Pump Station and Force Main project. The West Brunswick Regional Water Reclamation Facility Phases 1 and 2 will serve the Town of Holden Beach, Town of Oak Island, Town of Shallotte, City of Southport, large residential and commercial developments, and retail customers within the county residential service area.

Plans are underway to begin design of an expansion and transmission improvements to the Northwest Water Plant with construction planned in phases; the first phase in beginning in 2010. Projects are planned through 2014 for an estimated total cost of \$69.3 million.

The County operates the Northeast Brunswick Regional Water Reclamation Facility which serves the Town of Leland, Navassa, City of Northwest and the North Brunswick Sanitary District and is fully supported by user charges. A preliminary engineering report has been issued and plans are underway to expand the Northeast Facility in 2010 to accommodate growth in the northern part of the County. The current 1.65 mgd plant is planned for a 0.825 mgd expansion for a total capacity of 2.475 mgd at a cost of \$10.6 million with the debt to be serviced by the regional participant contributions and County retail water fees.

Cash management policies and practices. Investment vehicles are chosen with the greatest emphasis placed on credit quality, maturity and yield. The cash and investment portfolio balance for the fiscal year ended June 30, 2009 for all funds except bond proceeds in certain capital project funds is \$123.1 million. The average yield on investments was 1.75 percent.

In addition to its investment portfolio, the County has invested bond and installment purchase proceeds at the North Carolina Capital Management Trust, First Citizens Bank, BB&T, and RBC Bank. These separate investment accounts are used as a means to maximize investment yield while segregating investment earnings on financing proceeds for federal arbitrage purposes. At June 30, 2009 the County had five accounts totaling \$24.7 million in unexpended financing proceeds and accumulated interest earnings. The County had an additional \$0.6 million in debt service accounts associated with those financing proceeds accounts at June 30, 2009.

Risk management. The County is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has secured insurance from various underwriters to cover property, general liability, and worker's compensation issues. The County's workers' compensation insurance became self-funded administrative services only in July 2009. Employee health coverage is also provided through a fully insured program administered by Cigna.

Pension and other post employment benefits. Brunswick County provides pension benefits through a statewide plan managed by the State Treasurer. Brunswick County has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to the retirement system.

Brunswick County administers a single-employer defined benefit pension plan for its qualified sworn law enforcement officers. The County has chosen to fund the pension plan on a pay as you go basis.

Pension expenditures are made from the general fund annually, and benefits are recognized when due and payable in accordance with the terms of the plan.

Brunswick County also provides postretirement health and dental care benefits for qualified retirees and their dependents. As of June 30, 2009, there were 163 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP requires governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits in the future. Additional information on Brunswick County's pension arrangements and post employment benefits can be found in Note 9 in the notes to the financial statements.

Awards and Acknowledgements

Awards. The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. This is the eighth year that the County has received the prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. The report also must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this comprehensive annual report continues to meet the Certificate of Achievement Program's requirements, and are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements. The preparation of the annual financial report was made possible by the dedicated service of Julie Miller, CPA, Deputy Finance Officer, William Noland, Accounting Specialist, and the entire staff of the Finance Department. We would like to also acknowledge Martin Starnes & Associates, CPAs, P.A., for its efforts in the preparation of this report.

Sincerely,



Ann B. Hardy, MPA, CPA
Director of Fiscal Operations

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Brunswick
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**County of Brunswick, North Carolina
List of Principal Officials
June 30, 2009**

Board of County Commissioners

William M. Sue, Chairman
J. Phillip Norris, Vice-Chairman
J. Martin Cooke
Charles Warren
Scott Phillips

County Officials

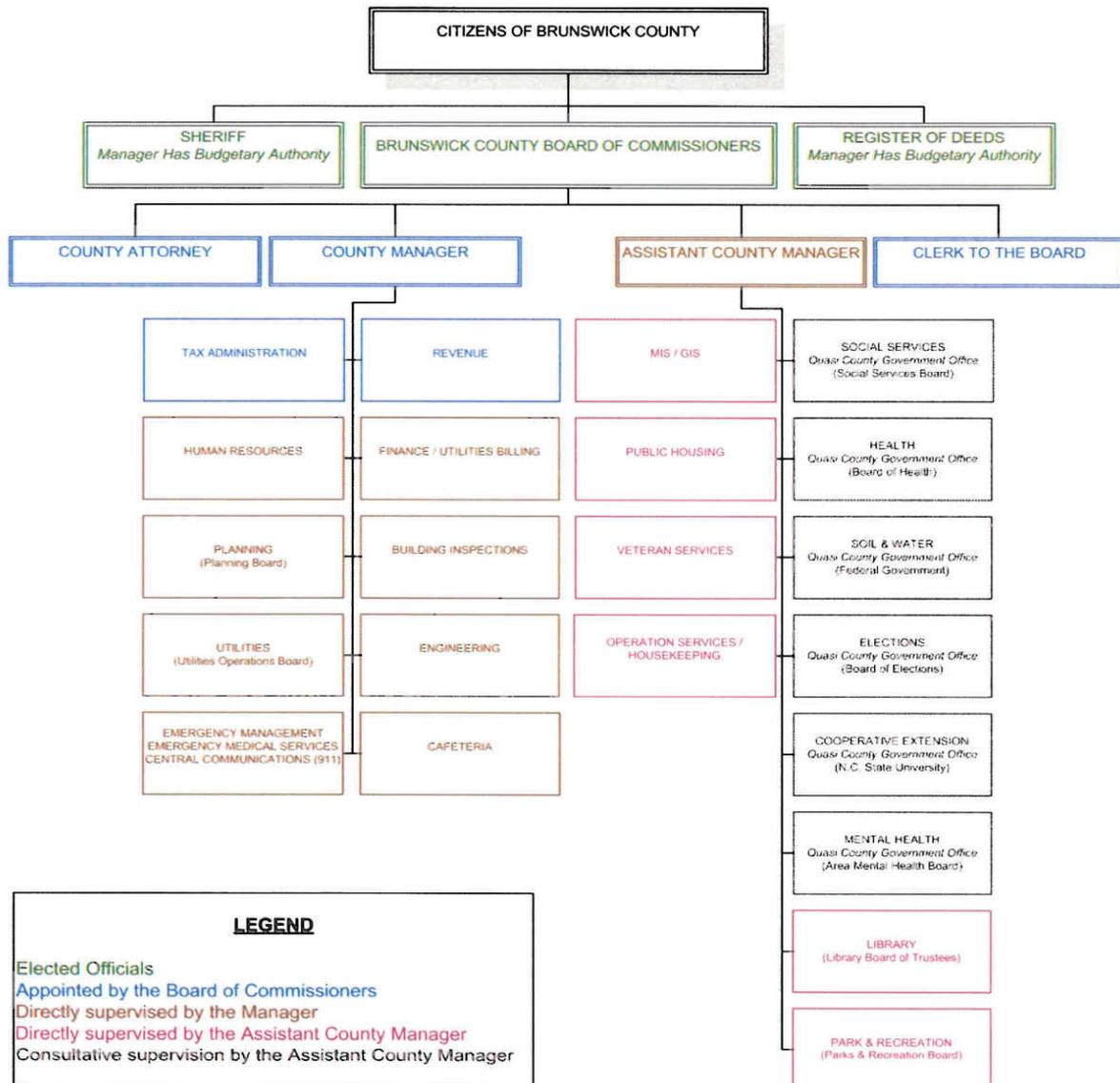
Marty K. Lawing
Steve Stone, MPA
John Ingram
Charles Miller
Brenda M. Clemmons
Debby Gore
Huey Marshall, Esq.
Jana Berg, Esq.
Ann B. Hardy, MPA, CPA
Julie A. Miller, CPA
Greg Bellamy
Al Hight
Randal Thompson

Donald Yousey
Leslie Bell

Vacant
Pam Cheers
Tom Davis
Ken Perry
Jamie Orrock
Jerry Pierce, PE
John Nichols
Anita Hartsell
Maurice Tate
T. James Pryor

County Manager
Assistant County Manager
Sheriff
Chief Deputy
Register of Deeds
Clerk to the Board
County Attorney
Assistant County Attorney
Director of Fiscal Operations
Deputy Finance Officer
Director of Elections
Cooperative Extension Director
Director of Emergency
Management & Services
Health Director
Director of Planning and
Community Development
Public Housing Director
Section 8 Coordinator
Tax Administrator
Revenue Collector
Director of Social Services
Public Utilities Director
Assistant Public Utilities Director
Veteran Services Officer
Library Director
Parks & Recreation Director

Brunswick County Organizational Chart



LEGEND

Elected Officials
 Appointed by the Board of Commissioners
 Directly supervised by the Manager
 Directly supervised by the Assistant County Manager
 Consultative supervision by the Assistant County Manager

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INDEPENDENT

AUDITOR'S

REPORT

TAB

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Brunswick County
Bolivia, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Brunswick County, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Brunswick County Board of Alcoholic Control, the Brunswick County Economic Development Commission, the Brunswick County Tourism Development Authority, the Brunswick County Hospital Authority or the Brunswick County Airport Commission which represents 100 percent, of the assets, net assets and revenues of the component unit columns. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for the Brunswick County Board of Alcoholic Control, the Brunswick County Economic Development Commission, the Brunswick County Tourism Development Authority, the Brunswick County Hospital Authority and the Brunswick County Airport Commission is based solely on the report of the other auditors.

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 of material misstatement. The financial statements of the Brunswick County Board of Alcoholic Control, the Brunswick County Economic Development Commission, the Brunswick County Tourism Development Authority, Brunswick County Hospital Authority and the Brunswick County Airport Commission were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Brunswick County as of June 30, 2009, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund and the county capital reserve fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Toll Free Both Locations 1-800-948-0585 ♦ Website: www.martinstarnes.com

In accordance with *Government Auditing Standards*, we have also issued a report dated October 5, 2009 on our consideration of Brunswick County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress, Schedule of Employer Contributions and related notes and the Other Post Employment Benefits Schedule of Funding Progress, Schedule of Employer Contributions and related notes are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Brunswick County. The combining and individual nonmajor fund statements and schedules, other supplemental schedules, and the statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules, and other supplemental schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes & Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 5, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Brunswick County, we offer readers of Brunswick County's financial statements this narrative overview and analysis of the financial activities of Brunswick County for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The assets of Brunswick County's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$61.6 million (*net assets*). The County's net assets is impacted considerably by the general obligation debt the County has issued on the behalf of the school system and community college to fund capital outlay. Under North Carolina law, the County is responsible for providing capital funding for the school system and college. The County has chosen to meet its legal obligation to provide education capital funding by using a mixture of sales taxes, general obligation debt, and installment debt. A portion of the assets funded by the County are owned, utilized, and maintained by the school system and community college. Since the County, as the issuing government, acquires no capital assets, the County incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the education general obligation debt is approximately \$79.92 million dollars. Furthermore, the entire amount of education general obligation debt is collateralized by the full faith, credit and taxing power of the County. The County is authorized and required by State law to levy ad Valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due. Note F on page 47 further explains the effect of education debt on net assets.
- The County's net assets of governmental activities decreased by \$6.9 million mainly due to recording a \$4.1 million OPEB liability.
- As of the close of the 2009 fiscal year, the County's general fund reported amounts reserved for State statute of \$7.0 million and encumbrances of \$0.42 million. The unreserved fund balance of \$47.9 million decreased \$6.0 million from \$53.9 million in the prior fiscal year. The FY 2010 original budgeted fund balance appropriation of \$3.9 million was made to balance the operating budget. An additional \$0.7 million of fund balance has been appropriated in FY 2010 for capital outlay, contracts, and grants budgeted but not expended at the end of the prior fiscal year. The Board of Health escrow and vehicle replacement reserve fund balance totals an additional \$2.7 million and the section 8 public housing amount restricted for vouchers is \$0.1 million resulting in a total designated fund balance appropriated for subsequent years of \$7.4 million. Approximately \$40.5 million is available for spending at the government's discretion (*unreserved and undesignated fund balance.*) In addition, the County budgeted a transfer from the County Capital Reserve Fund of \$3.15 million to the General Fund to balance the operating budget. The use of fund balance and transfers from the reserve to balance the budget in FY 2010 was due to a decline in the tax collection rate, reduced sales tax revenue, and a reduction of other revenues related to the economy.
- The County maintained its bond ratings with Fitch of AA- for general obligation issues and A+ for certificates of participation issues. Moody's Investor Services ratings for the County were constant on general obligation bonds at Aa3 and certificates of participation

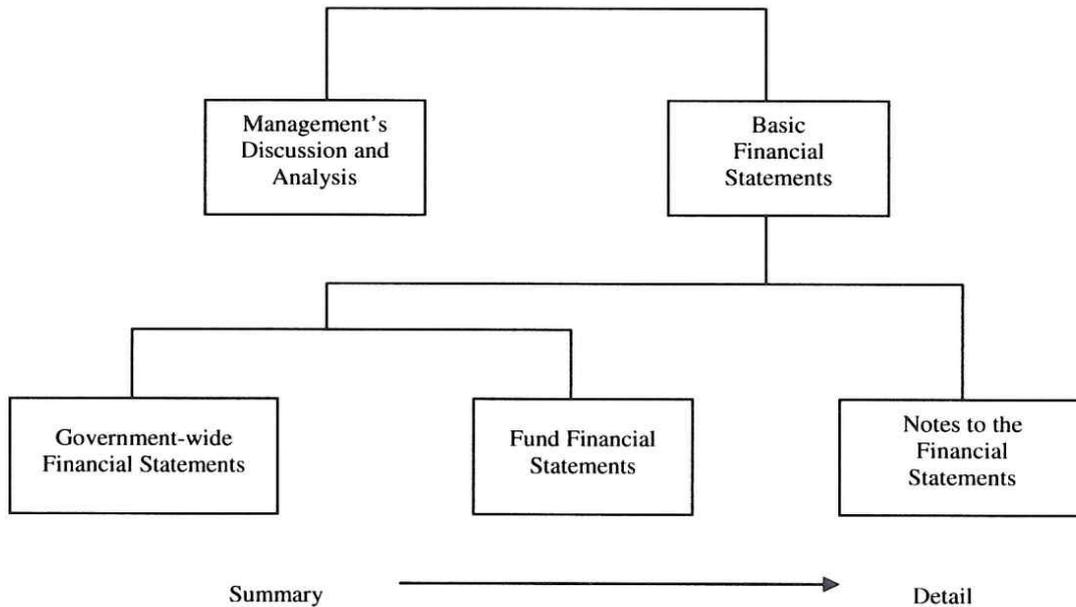
at A1. The County maintained its general obligation bond rating of AA from Standard & Poor's bond rating agency.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Brunswick County's basic financial statements. Brunswick County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the fiscal condition of Brunswick County.

Required Components of Annual Financial Report

Figure 1



BASIC FINANCIAL STATEMENTS

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information concerning the County's financial status.

The next statements are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government, providing more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary fund statements, and 4) the fiduciary and agency fund statements.

The final section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. Following the notes, **supplemental information** provides details of the County's non-major governmental funds and internal service funds, which are combined in one column on the basic financial statements. Budgetary information required by the North Carolina General Statutes can also be found in this part of the statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of Brunswick County's finances, in a manner similar to a private-sector business.

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gauge the County's financial condition.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Brunswick County include general government, public safety, public education, economic development, and general administration. The business-type activities of Brunswick County are water and wastewater services offered by the County.

The government-wide financial statements include not only Brunswick County itself (known as the primary government), but also the Brunswick County ABC Board, Economic Development Commission, Airport Commission, Tourism Development Authority, and Hospital Authority. Although legally separate from the County, these boards, commissions and authorities are important to the County because the County exercises control over their members by appointing them. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-16 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide a more detailed look at the County'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 County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of The County can be divided into three categories: governmental funds, proprietary funds, and agency 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 County'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 current financial resources 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 County's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds - The County maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and wastewater activities. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

Agency Funds - Agency funds are used to account for assets the County holds on behalf of others. The County has eight agency funds.

Notes to the Basic 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. The notes to the financial statements can be found on pages 26-60 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its public safety employees and other post-employment health benefits to employees. Required supplemental information can be found on pages 61-62 of this report.

Brunswick County's Net Assets
Figure 2

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Current and other assets | \$ 111,021,393 | \$ 155,472,937 | \$ 53,331,635 | \$ 82,079,431 | \$ 164,353,028 | \$ 237,552,368 |
| Capital assets | 125,709,627 | 91,331,102 | 271,249,438 | 222,522,089 | 396,959,065 | 313,853,191 |
| Total assets | <u>236,731,020</u> | <u>246,804,039</u> | <u>324,581,073</u> | <u>304,601,520</u> | <u>561,312,093</u> | <u>551,405,559</u> |
| Long-term liabilities outstanding | 154,642,167 | 158,980,557 | 114,617,685 | 118,702,826 | 269,259,852 | 277,683,383 |
| Other liabilities | 20,469,981 | 19,333,241 | 13,872,995 | 14,949,825 | 34,342,976 | 34,283,066 |
| Total liabilities | <u>175,112,148</u> | <u>178,313,798</u> | <u>128,490,680</u> | <u>133,652,651</u> | <u>303,602,828</u> | <u>311,966,449</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 80,832,411 | 37,377,510 | 161,945,932 | 104,963,579 | 242,778,343 | 142,341,089 |
| Unrestricted | (19,213,539) | 31,112,731 | 34,144,461 | 65,985,290 | 14,930,922 | 97,098,021 |
| Total net assets | <u>\$ 61,618,872</u> | <u>\$ 68,490,241</u> | <u>\$ 196,090,393</u> | <u>\$ 170,948,869</u> | <u>\$ 257,709,265</u> | <u>\$ 239,439,110</u> |

The assets of Brunswick County governmental activities exceeded its liabilities by \$61.6 million as of June 30, 2009. Net assets are reported in two categories: invested in capital assets, net of related debt of \$80.8 million and unrestricted net assets of (\$19.2) million.

The invested in capital assets, net of related debt category is defined as the County's investments in County-owned capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets. Brunswick County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay these liabilities.

| | |
|---|----------------|
| Total Capital Assets (Amounts in millions) | \$ 125.7 |
| Less Long-Term Debt | (143.1) |
| Less Current Maturities of Long-Term Debt | (10.1) |
| Landfill Closure included in Long-Term Debt | 11.4 |
| Current Portion of Compensated Absences | 0.28 |
| Education General Obligation Debt Payable | 79.92 |
| Restricted Cash from Unexpended Debt Proceeds | 16.7 |
| Total invested in capital assets, net of related debt | <u>\$ 80.8</u> |

The final category of net assets is unrestricted net assets. This balance may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2009, the unrestricted net assets were (\$19.2) million. Even though the debt issued has been issued to finance capital outlay, construction and renovation for the school system and the community college, the Governmental Accounting Standards Board has determined that it is not capital debt for the County since it is not financing assets owned by the County. As a result the education debt is reportable within the unrestricted category of the net assets rather than as part of the category invested in capital asset net of related debt.

The impact of the inclusion of the education debt without the corresponding assets was offset by the following positive operational initiatives and results:

- Revaluation of property tax values every four years versus every eight years as statutorily required by the State of North Carolina.
- Continued low cost of debt due to Brunswick County's excellent bond ratings.

Brunswick County Changes in Net Assets
Figure 3

| | Governmental Activities | Governmental Activities | Business-Type Activities | Business-Type Activities | Total | Total |
|--|----------------------------|----------------------------|-----------------------------|-----------------------------|--------------------|--------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 13,008,292 | \$ 13,530,833 | \$ 29,607,340 | \$ 31,663,981 | \$ 42,615,632 | \$ 45,194,814 |
| Operating grants and contributions | 21,633,859 | 18,011,467 | - | - | 21,633,859 | 18,011,467 |
| Capital grants and contributions | 3,491,451 | 2,087,370 | 18,871,474 | 19,096,213 | 22,362,925 | 21,183,583 |
| General revenues: | | | | | | |
| ad Valorem taxes | 101,088,129 | 97,218,426 | - | - | 101,088,129 | 97,218,426 |
| Local option taxes | 19,741,137 | 23,061,392 | - | - | 19,741,137 | 23,061,392 |
| Other taxes | 3,054,525 | 4,942,000 | - | - | 3,054,525 | 4,942,000 |
| Gain on sale of real property | - | 489,997 | - | - | - | 489,997 |
| Investment earnings | 2,210,940 | 5,155,748 | 1,405,789 | 2,084,847 | 3,616,729 | 7,240,595 |
| Total revenues | 164,228,333 | 164,497,233 | 49,884,603 | 52,845,041 | 214,112,936 | 217,342,274 |
| Expenses: | | | | | | |
| General Government | 10,824,875 | 25,786,285 | - | - | 10,824,875 | 25,786,285 |
| Public Safety | 32,475,041 | 28,704,704 | - | - | 32,475,041 | 28,704,704 |
| Central Services | 12,874,270 | 12,491,337 | - | - | 12,874,270 | 12,491,337 |
| Human Services | 29,448,343 | 30,203,435 | - | - | 29,448,343 | 30,203,435 |
| Transportation | 2,315,776 | 2,258,368 | - | - | 2,315,776 | 2,258,368 |
| Environmental Protection | 14,390,242 | 12,551,871 | - | - | 14,390,242 | 12,551,871 |
| Cultural and Recreation | 4,578,694 | 4,449,488 | - | - | 4,578,694 | 4,449,488 |
| Economic & Physical Development | 6,844,987 | 7,213,679 | - | - | 6,844,987 | 7,213,679 |
| Education | 50,907,860 | 47,784,629 | - | - | 50,907,860 | 47,784,629 |
| Interest on Long Term Debt | 6,439,614 | 4,294,959 | - | - | 6,439,614 | 4,294,959 |
| Water and Wastewater | - | - | 24,743,079 | 24,353,020 | 24,743,079 | 24,353,020 |
| Total Expenses | 171,099,702 | 175,738,755 | 24,743,079 | 24,353,020 | 195,842,781 | 200,091,775 |
| Increase (Decrease) in net assets | | | | | | |
| before transfers | (6,871,369) | (11,241,522) | 25,141,524 | 28,492,021 | 18,270,155 | 17,250,499 |
| Transfers | - | (56,907) | - | 56,907 | - | - |
| Increase (Decrease) in Net Assets | (6,871,369) | (11,298,429) | 25,141,524 | 28,548,928 | 18,270,155 | 17,250,499 |
| Net Assets, July 1 | 68,490,241 | 79,788,670 | 170,948,869 | 142,399,941 | 239,439,110 | 222,188,611 |
| Net Assets, June 30 | \$ 61,618,872 | \$ 68,490,241 | \$ 196,090,393 | \$ 170,948,869 | \$ 257,709,265 | \$ 239,439,110 |

Governmental activities. Governmental activities accounted for \$61.6 million, which is nearly 24 percent of the total net assets. Operating grants funded \$21.6 million of the County's governmental activities.

Business-type activities. Business-type activities increased the County's net assets by \$25.1 million. This increase is due primarily to the completion of the water and wastewater facilities.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$96.8 million, which is a decrease of \$47.6 million in comparison with the prior year primarily due to the construction of education and county facilities. Approximately 84 percent of this total amount, \$81.6 million, constitutes unreserved fund balance available for spending at the County's discretion. Of the unreserved fund balance of \$81.6 million at June 30, 2009, approximately \$33.9 million or 42 percent was designated for subsequent year expenditures and capital projects leaving an unreserved and undesignated fund balance of \$47.7 million.

The General Fund is the principal operating fund of the County. At the end of the current fiscal year, unreserved fund balance in the general fund was \$47.9 million, while total fund balance for the general fund decreased from \$64.1 million to \$55.3 due to transfers to the County Capital Reserve Fund for pay-as-you-go capital projects. Amounts in the General Fund balance designated for subsequent year's expenditures totaled \$7.4 million, leaving \$40.5 million unreserved and undesignated. As a measure of the general fund's liquidity, it may be useful to compare unreserved/ undesignated fund balance to total general fund expenditures plus net transfers to other funds. Unreserved/undesignated general fund balance represents 25 percent of total general fund expenditures and net transfers, while total general fund balance represents 34 percent of that same amount. The County Capital Reserve fund balance increased \$3.9 million from monies transferred into the fund for future capital projects. The Education Capital Project and County Capital Project fund balances decreased \$38.5 million and \$4.4 million, respectively, due to planned capital project expenditures in those funds. The Non Major Governmental Funds balance increased over \$0.2 million primarily from increased intergovernmental revenues.

Enterprise Funds. The Water Fund's net assets increased \$11.3 million to \$122.1 million. The Wastewater Fund's net assets increased \$18.4 million to \$68.4 million. The net assets of Non Major Enterprise funds decreased \$4.6 million to \$5.5 million. The increases in the net assets of the enterprise funds are from completion of capital projects and capital contributions. The decrease in the reserve fund was due to transfers to the capital project fund for construction projects.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund decreased revenues by \$5.5 million. The majority of the decrease was comprised of \$2.1 million in reduced ad Valorem taxes, \$3.1 million in reduced local options sales tax, a \$1.6 million reduction in other taxes and licenses, and a \$2.7 million increase in restricted intergovernmental revenues. Total actual revenues exceeded budgeted amounts by \$1.75 million. Total actual expenses were nearly \$7.5 million less than amended budgeted amounts, with over half of that amount relating to expenditures lower than budgeted in public safety and human services. Capital outlays were nearly \$700,000 less than budget due to constraints implemented during the fiscal year.

Proprietary Funds. Brunswick County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of Water/Wastewater Funds and Reserve at the end of the year totaled \$34.1 million. The primary factor affecting this amount was an increase in the County's capital assets.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Brunswick County's investment in capital assets for its governmental and business type activities as of June 30, 2009 amounts to \$397.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment.

Brunswick County has experienced significant development and population growth over the past ten years. Growth occurred due to tourism and people relocating to the County. The County completed the first of two regional water reclamation facilities on February 12, 2003, located in the northeastern region of the County (referred to as Northeastern Brunswick Regional Water Reclamation Facility). For this regional water reclamation facility, the Board of County Commissioners entered into service agreements with four other jurisdictions including the Town of Leland, Town of Navassa, North Brunswick Sanitary District and the City of Northwest. The County owns and operates the reclamation facility, while the participants are responsible for their respective collection systems. Design is underway to expand the treatment plant from a 1.65 to a 2.475 mgd plant to serve the growing population in the northern region of the county. This joint venture allowed existing, less effective package treatment plants to be taken off line, therefore reducing the number of wastewater discharges into the Cape Fear River. Through an agreement with a local golf course development and industry, much of the treated wastewater may be land applied or reused for industrial purposes further reducing the discharge into the river. The reclamation facility is fully supported by user charges. The County's investment in the capital asset is approximately \$12 million as of June 30, 2009.

In addition to the Northeast Brunswick Regional Water Reclamation Facility, the County completed construction in February 2006 of the West Brunswick Regional Water Reclamation Facility. Participants in the system include Brunswick County, the Town of Holden Beach, Town of Oak Island and the Town of Shallotte. Construction is underway to expand the treatment plant from a 3 to 6 mgd plant. Construction of transmission lines to serve the Towns of Oak Island and

Shallotte along with the southwest portions of the county is also underway. The treated effluent from the West Brunswick Regional Water Reclamation Facility will be land-applied, either on tree farms or golf courses. There will not be any discharge of treated effluent to any surface water from the West Brunswick Regional facility. The facility is fully supported by user charges. Along with this effort, the County revised its sewer use ordinance and adopted a countywide storm water management ordinance and program to enhance the effectiveness of regional facilities. The County's investment in the capital asset, including construction-in-progress, is approximately \$97.6 million as of June 30, 2009.

Brunswick County's Capital Assets
Figure 4

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|---------------|--------------------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Land | \$ 10,863,120 | \$ 10,863,120 | \$ 2,829,409 | \$ 2,803,909 | \$ 13,692,529 | \$ 13,667,029 |
| Operating Plants, Buildings & Improvements | 60,310,353 | 53,281,648 | 91,794,377 | 95,885,003 | 152,104,730 | 149,166,651 |
| Equipment and vehicles | 8,864,550 | 8,721,934 | 2,803,383 | 2,898,968 | 11,667,933 | 11,620,902 |
| Distribution and Collection Systems | - | - | 114,736,075 | 90,878,028 | 114,736,075 | 90,878,028 |
| Construction in progress | 45,671,604 | 18,464,400 | 59,086,194 | 30,056,181 | 104,757,798 | 48,520,581 |
| Total Capital Assets (net of accumulated depreciation) | \$ 125,709,627 | \$ 91,331,102 | \$ 271,249,438 | \$ 222,522,089 | \$ 396,959,065 | \$ 313,853,191 |

Additional information on Brunswick County's capital assets can be found in Note 4 on pages 39 and 40 of this report.

Long-term Debt. At the end of the current fiscal year, Brunswick County had total general obligation bonded debt outstanding of \$91.0 million, which is backed by the full faith and credit of the County.

General Obligation, Capital Leases and Installment Notes Payable
Figure 5

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| General obligation bonds | \$ 91,020,000 | \$ 97,465,000 | \$ - | \$ 295,000 | \$ 91,020,000 | \$ 97,760,000 |
| Certificates of participation | 16,355,000 | 17,625,000 | - | - | 16,355,000 | 17,625,000 |
| Installment purchases & SRF | 34,152,136 | 36,053,592 | 30,693,306 | 32,468,604 | 64,845,442 | 68,522,196 |
| Revenue Bonds | - | - | 87,192,068 | 89,757,733 | 87,192,068 | 89,757,733 |
| Other | 23,243,559 | 17,840,420 | 1,400,274 | 817,452 | 24,643,833 | 18,657,872 |
| Total long-term debt | \$ 164,770,695 | \$ 168,984,012 | \$ 119,285,648 | \$ 123,338,789 | \$ 284,056,343 | \$ 292,322,801 |

The legal debt limit is \$2.65 billion. The legal debt margin on June 30, 2009 was \$2.505 billion. This legal debt limit is determined by the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt a County may have outstanding to 8 percent of the appraised value

subject to taxation. The ratio of debt service expenditures to total general governmental expenditures is 7.7% and to total general fund expenditures is 10.5%.

The County's governmental general obligation debt per capita is \$854 as of June 30, 2009 while the County's governmental activities gross debt per capita (excluding landfill closure/post closure, accrued compensated absences and pension benefit obligations) is \$1,328 due to \$154 in outstanding Certificates of Participation for other long term financing for construction and renovation of various County and Education Buildings and \$320 for equipment installment purchases and construction of new schools.

The County's total debt had a net decrease of \$14.25 million, 5.2 percent, during the current fiscal year. The key factor in this decrease was retirement of debt. Additional information on Brunswick County's long-term debt can be found in Note 7 on pages 42-48 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Brunswick County is currently 10.6 percent and was 11.0% at June 30, 2009, compared to the state's seasonally adjusted unemployment rate of 10.8% currently and 11.0 percent at June 30, 2009.
- Inflationary trends in the region are similar to national indices.
- Population estimation of 106,586 has grown over 44 percent since 2000.

All of these factors were considered in preparing Brunswick County's budget for fiscal year 2009-2010.

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2009-2010

Governmental activities. A 0.6 percent growth in the tax base is anticipated over last year's approved budget, to a total of \$33.1 billion in property valuation. This equates to an additional \$0.6 million in ad Valorem taxes. The last revaluation was for the 2007 levy. However, Brunswick County has been fortunate to have steady and continuous growth in its property value in recent years; the decrease in growth in the coming fiscal year is a direct reflection of the reduced construction activity.

Budgeted operating expenditures in the General Fund are expected to decrease 10.6 percent to \$151.4 million. The largest decrease was a reduction in transfers to the reserves for county capital projects.

Budgeted expenditures for education are expected to decrease 1.8 percent or approximately \$0.9 million. Education funding includes a current expense appropriation to the Brunswick County School System that represents 36.5 percent of the ad Valorem tax base excluding any amount needed for annual education debt service payments for an approved general obligation school debt of \$83.5 million and community college debt issued of \$30 million. The School System funds the majority of its local capital outlay needs from sales tax allocations, bond proceeds, and ad valorem taxes. The County also includes an appropriation to the Brunswick Community College in its educational funding for current expense and capital outlay needs.

Business-type activities. The water and wastewater enterprise fund is anticipated to increase 3 percent due to normal growth and to cover increased costs associated with personnel, operation, and capital outlay.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Brunswick County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Fiscal Operations, Post Office Box 249, Bolivia, North Carolina 28422.

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**BASIC
FINANCIAL
STATEMENTS
TAB**

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF NET ASSETS
June 30, 2009

| | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|-----------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | Total |
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents and investments | \$ 82,648,729 | \$ 38,704,676 | \$ 121,353,405 | \$ 1,089,040 |
| Restricted cash and investments | 16,729,920 | 8,581,868 | 25,311,788 | - |
| Taxes receivable, net | 3,611,143 | - | 3,611,143 | - |
| Interest receivable | 277,882 | 113,558 | 391,440 | - |
| Receivables and special assessments, net | 1,454,089 | 4,749,848 | 6,203,937 | 8,243 |
| Other governmental agencies | 5,805,426 | 1,271,789 | 7,077,215 | 835,369 |
| Internal balances | 494,204 | (494,204) | - | - |
| Inventories | - | 404,100 | 404,100 | 239,573 |
| Prepaid items | - | - | - | 20,497 |
| Total current assets | <u>111,021,393</u> | <u>53,331,635</u> | <u>164,353,028</u> | <u>2,192,722</u> |
| Capital Assets: | | | | |
| Non-depreciable capital assets | 56,534,724 | 61,915,604 | 118,450,328 | - |
| Depreciable capital assets, net | 69,174,903 | 209,333,834 | 278,508,737 | 16,042,358 |
| Total capital assets | <u>125,709,627</u> | <u>271,249,438</u> | <u>396,959,065</u> | <u>16,042,358</u> |
| Total assets | <u>\$ 236,731,020</u> | <u>\$ 324,581,073</u> | <u>\$ 561,312,093</u> | <u>\$ 18,235,080</u> |
| Liabilities and Net Assets: | | | | |
| Liabilities: | | | | |
| Current Liabilities: | | | | |
| Accounts payable and other liabilities | \$ 10,252,291 | \$ 5,580,861 | \$ 15,833,152 | \$ 282,513 |
| Current maturities of long-term debt | 10,128,528 | 4,667,963 | 14,796,491 | - |
| Due other governmental agencies | - | - | - | 159,147 |
| Customer Deposits | - | 1,267,109 | 1,267,109 | - |
| Unearned revenues | 89,162 | 2,357,062 | 2,446,224 | - |
| Total current liabilities | <u>20,469,981</u> | <u>13,872,995</u> | <u>34,342,976</u> | <u>441,660</u> |
| Noncurrent Liabilities: | | | | |
| Compensated absences | 3,553,016 | 327,566 | 3,880,582 | - |
| Other post employment benefits | 7,985,699 | 1,040,708 | 9,026,407 | - |
| Long-term debt | 143,103,452 | 113,249,411 | 256,352,863 | 700,000 |
| Total noncurrent liabilities | <u>154,642,167</u> | <u>114,617,685</u> | <u>269,259,852</u> | <u>700,000</u> |
| Total liabilities | <u>175,112,148</u> | <u>128,490,680</u> | <u>303,602,828</u> | <u>1,141,660</u> |
| Net Assets: | | | | |
| Invested in capital assets, net of related debt | 80,832,411 | 161,945,932 | 242,778,343 | 15,341,758 |
| Restricted For: | | | | |
| Other purposes | - | - | - | 272,490 |
| Unrestricted | (19,213,539) | 34,144,461 | 14,930,922 | 1,479,172 |
| Total net assets | <u>\$ 61,618,872</u> | <u>\$ 196,090,393</u> | <u>\$ 257,709,265</u> | <u>\$ 17,093,420</u> |

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| Function/Programs | Expenses | Program Revenues | | |
|--------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Government Activities: | | | | |
| General government | \$ 10,824,875 | \$ 1,832,978 | \$ - | \$ - |
| Public safety | 32,475,041 | 5,228,230 | 1,405,174 | - |
| Central services | 12,874,270 | 2,139,967 | - | - |
| Human services | 29,448,343 | 918,087 | 18,693,712 | - |
| Transportation | 2,315,776 | - | - | 2,362,035 |
| Environmental protection | 14,390,242 | 1,546,722 | - | - |
| Cultural and recreation | 4,578,694 | 194,681 | - | 713,193 |
| Economic and physical development | 6,844,987 | 1,147,627 | 1,530,140 | - |
| Education | 50,907,860 | - | 4,833 | 416,223 |
| Interest on long-term debt | 6,439,614 | - | - | - |
| Total governmental activities | <u>171,099,702</u> | <u>13,008,292</u> | <u>21,633,859</u> | <u>3,491,451</u> |
| Business-type Activities: | | | | |
| Water | 14,967,806 | 18,692,965 | - | 4,890,763 |
| Wastewater | 9,775,273 | 10,914,375 | - | 13,980,711 |
| Total business-type activities | <u>24,743,079</u> | <u>29,607,340</u> | <u>-</u> | <u>18,871,474</u> |
| Total primary government | <u>\$ 195,842,781</u> | <u>\$ 42,615,632</u> | <u>\$ 21,633,859</u> | <u>\$ 22,362,925</u> |
| Discretely presented component units | <u>\$ 3,586,842</u> | <u>\$ 3,445,409</u> | <u>\$ 213,800</u> | <u>\$ 3,153,362</u> |
| General Revenues: | | | | |
| Ad Valorem taxes | | | | |
| Local option taxes | | | | |
| Other taxes | | | | |
| Investment earnings | | | | |
| Total general revenues | | | | |
| Transfers | | | | |
| Total general revenues and transfers | | | | |
| Change in net assets | | | | |
| Net assets, beginning of year | | | | |
| Net assets, end of year | | | | |

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

Exhibit B

| Net (Expense) Revenue and Changes in Net Assets | | | |
|--|---------------------------------|-----------------------|------------------------|
| Primary Government | | | Component Units |
| Governmental Activities | Business-type Activities | Total | Total |
| \$ (8,991,897) | \$ - | \$ (8,991,897) | |
| (25,841,637) | - | (25,841,637) | |
| (10,734,303) | - | (10,734,303) | |
| (9,836,544) | - | (9,836,544) | |
| 46,259 | - | 46,259 | |
| (12,843,520) | - | (12,843,520) | |
| (3,670,820) | - | (3,670,820) | |
| (4,167,220) | - | (4,167,220) | |
| (50,486,804) | - | (50,486,804) | |
| (6,439,614) | - | (6,439,614) | |
| <u>(132,966,100)</u> | <u>-</u> | <u>(132,966,100)</u> | |
| - | 8,615,922 | 8,615,922 | |
| - | 15,119,813 | 15,119,813 | |
| <u>-</u> | <u>23,735,735</u> | <u>23,735,735</u> | |
| <u>(132,966,100)</u> | <u>23,735,735</u> | <u>(109,230,365)</u> | |
| | | | <u>\$ 3,225,729</u> |
| 101,088,129 | - | 101,088,129 | - |
| 19,741,137 | - | 19,741,137 | - |
| 3,054,525 | - | 3,054,525 | - |
| 2,210,940 | 1,405,789 | 3,616,729 | 17,912 |
| <u>126,094,731</u> | <u>1,405,789</u> | <u>127,500,520</u> | <u>17,912</u> |
| - | - | - | - |
| <u>126,094,731</u> | <u>1,405,789</u> | <u>127,500,520</u> | <u>17,912</u> |
| (6,871,369) | 25,141,524 | 18,270,155 | 3,243,641 |
| <u>68,490,241</u> | <u>170,948,869</u> | <u>239,439,110</u> | <u>13,849,779</u> |
| <u>\$ 61,618,872</u> | <u>\$ 196,090,393</u> | <u>\$ 257,709,265</u> | <u>\$ 17,093,420</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2009

| | Major Funds | | | | | Total Governmental Funds |
|---|----------------------|------------------------------|---------------------------------|------------------------------|------------------------------------|--------------------------------|
| | General | County Capital Reserve | Education Capital Project | County Capital Project | Non Major Governmental Funds | |
| Assets: | | | | | | |
| Cash, cash equivalents and investments | \$ 53,551,735 | \$ 12,204,971 | \$ 3,235,520 | \$ 5,990,548 | \$ 7,665,955 | \$ 82,648,729 |
| Cash, cash equivalents and investments - restricted | - | - | 14,933,394 | 1,795,769 | 757 | 16,729,920 |
| Interest receivable | 188,563 | 56,650 | - | - | 32,669 | 277,882 |
| Taxes receivable - net | 3,611,143 | - | - | - | - | 3,611,143 |
| Receivables - net | 1,208,065 | - | - | 44,335 | 201,689 | 1,454,089 |
| Due from other governmental agencies | 4,631,867 | - | 329,140 | 405,900 | 438,519 | 5,805,426 |
| Due from other funds | 1,316,104 | - | - | - | 644,177 | 1,960,281 |
| Total assets | <u>\$ 64,507,477</u> | <u>\$ 12,261,621</u> | <u>\$ 18,498,054</u> | <u>\$ 8,236,552</u> | <u>\$ 8,983,766</u> | <u>\$ 112,487,470</u> |
| Liabilities, Equity, and Other Credits: | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable and other liabilities | \$ 4,534,189 | \$ - | \$ 4,043,156 | \$ 1,248,137 | \$ 426,809 | \$ 10,252,291 |
| Due to other funds | 644,177 | - | 18,892 | 266,031 | 536,977 | 1,466,077 |
| Due to other governmental agencies | - | - | - | - | - | - |
| Deferred revenues | <u>3,999,919</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,999,919</u> |
| Total liabilities | <u>9,178,285</u> | <u>-</u> | <u>4,062,048</u> | <u>1,514,168</u> | <u>963,786</u> | <u>15,718,287</u> |
| Fund Balances: | | | | | | |
| Reserved for: | | | | | | |
| State statute | 7,038,563 | - | - | - | 754,408 | 7,792,971 |
| Encumbrances | 422,367 | - | 3,037,058 | 3,950,934 | - | 7,410,359 |
| Unreserved: | | | | | | |
| Designated for subsequent year's expenditures | 4,553,320 | 11,965,160 | 11,398,948 | 2,771,450 | 390,936 | 31,079,814 |
| Designated for health expenditures | 2,714,142 | - | - | - | - | 2,714,142 |
| Designated for public housing vouchers | 131,769 | - | - | - | - | 131,769 |
| General fund | 40,469,031 | - | - | - | - | 40,469,031 |
| Special revenue funds | - | 296,461 | - | - | 6,874,636 | 7,171,097 |
| Total equity and other credits | <u>55,329,192</u> | <u>12,261,621</u> | <u>14,436,006</u> | <u>6,722,384</u> | <u>8,019,980</u> | <u>96,769,183</u> |
| Total liabilities, equity and other credits | <u>\$ 64,507,477</u> | <u>\$ 12,261,621</u> | <u>\$ 18,498,054</u> | <u>\$ 8,236,552</u> | <u>\$ 8,983,766</u> | <u>\$ 112,487,470</u> |

Reconciliation of Fund Balance as Reported in the Balance Sheet -**Governmental Funds with Net Assets - Governmental Activities:**

| | |
|---|----------------------|
| Fund balance as reported in the balance sheet - governmental funds | \$ 96,769,183 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds | 125,709,627 |
| Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds | 3,910,757 |
| Long-term liabilities, including other post-employment benefits, interest and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds | (164,770,695) |
| Net assets reported as governmental activities | <u>\$ 61,618,872</u> |

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| | Major Funds | | | | | Total Governmental Funds |
|---|----------------------|------------------------------|---------------------------------|------------------------------|------------------------------------|--------------------------------|
| | General | County Capital Reserve | Education Capital Project | County Capital Project | Non Major Governmental Funds | |
| Revenues: | | | | | | |
| Ad valorem taxes | \$ 98,948,961 | \$ - | \$ - | \$ - | \$ - | \$ 98,948,961 |
| Local option sales taxes | 19,741,137 | - | - | - | - | 19,741,137 |
| Other taxes and licenses | 2,024,000 | - | - | - | 1,030,525 | 3,054,525 |
| Unrestricted intergovernmental revenues | 735,680 | - | - | - | - | 735,680 |
| Restricted intergovernmental revenues | 18,716,793 | - | 416,223 | 2,362,035 | 2,672,842 | 24,167,893 |
| Permits and fees | 3,389,913 | - | - | - | - | 3,389,913 |
| Sales and services | 8,133,848 | - | - | - | - | 8,133,848 |
| Investment earnings | 1,260,028 | 412,564 | 271,860 | 13,718 | 252,770 | 2,210,940 |
| Other | 1,037,482 | - | - | 713,193 | - | 1,750,675 |
| Total revenues | 153,987,842 | 412,564 | 688,083 | 3,088,946 | 3,956,137 | 162,133,572 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 9,709,716 | - | - | 1,037,742 | 117,085 | 10,864,543 |
| Public safety | 28,959,940 | - | - | 22,183 | 1,409,472 | 30,391,595 |
| Central services | 12,100,908 | - | - | - | - | 12,100,908 |
| Human services | 28,070,006 | - | - | 6,317,855 | - | 34,387,861 |
| Transportation | 256,739 | - | - | 2,059,037 | - | 2,315,776 |
| Environmental protection | 13,326,293 | - | - | 12,000 | - | 13,338,293 |
| Culture and recreation | 4,033,904 | - | - | 3,090,896 | - | 7,124,800 |
| Economic and physical development | 5,040,006 | - | - | 62,007 | 1,439,042 | 6,541,055 |
| Education | 35,390,424 | - | 41,180,219 | - | - | 76,570,643 |
| Debt Service: | | | | | | |
| Principal retirement | 9,616,456 | - | - | - | - | 9,616,456 |
| Interest and fiscal charges | 6,439,614 | - | - | - | - | 6,439,614 |
| Total expenditures | 152,944,006 | - | 41,180,219 | 12,601,720 | 2,965,599 | 209,691,544 |
| Revenues over (under) expenditures | 1,043,836 | 412,564 | (40,492,136) | (9,512,774) | 990,538 | (47,557,972) |
| Other Financing Sources (Uses): | | | | | | |
| Transfers from other funds | 582,018 | 8,115,255 | 2,013,463 | 5,123,149 | 1,226,015 | 17,059,900 |
| Transfers to other funds | (10,446,271) | (4,600,166) | - | - | (2,013,463) | (17,059,900) |
| Total other financing sources (uses) | (9,864,253) | 3,515,089 | 2,013,463 | 5,123,149 | (787,448) | - |
| Net change in fund balances | (8,820,417) | 3,927,653 | (38,478,673) | (4,389,625) | 203,090 | (47,557,972) |
| Fund balance, beginning of year | 64,149,609 | 8,333,968 | 52,914,679 | 11,112,009 | 7,816,890 | 144,327,155 |
| Fund balance, end of year | \$ 55,329,192 | \$ 12,261,621 | \$ 14,436,006 | \$ 6,722,384 | \$ 8,019,980 | \$ 96,769,183 |

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

| | |
|---|-----------------------|
| Net change in fund balances - total governmental funds (Exhibit D) | \$ (47,557,972) |
| <p>Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected or is expected to be collected within 60 days of year end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:</p> | |
| Property taxes | 2,139,168 |
| Emergency services revenues | (23,812) |
| Public Health revenues | (20,595) |
| Expenses related to other post-employment benefits, compensated absences and law enforcement officers separation allowance that do not require current financial resources are not reported as expenditures in the governmental fund statement. | (4,530,647) |
| Capital outlays are reported as expenditures in the governmental fund statement. However, in the statement of activities, capital outlay is not an expense, rather it is an increase in capital assets. | 38,863,518 |
| The sale of capital assets is reported as a revenue in the governmental fund statements without subtracting the net book value of the capital assets sold. | (10,916) |
| Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements. | (4,474,077) |
| Principal repayments are reported as expenditures in the governmental fund statement. However, in the statement of activities, these transactions are not an expense, rather they are a decrease in liabilities. | 9,616,456 |
| Change in closure/post closure liability estimate. Expenses are reported as incurred in the funds. | <u>(872,492)</u> |
| Change in net assets of governmental activities per Exhibit B | <u>\$ (6,871,369)</u> |

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL FUND AND THE COUNTY CAPITAL RESERVE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| | General Fund | | | | County Capital Reserve Fund | | | |
|---|--------------------|--------------------|----------------------|------------------------------|-----------------------------|------------------|----------------------|------------------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | | | | | | |
| Ad valorem taxes | \$ 100,685,065 | \$ 98,599,157 | \$ 98,948,961 | \$ 349,804 | \$ - | \$ - | \$ - | \$ - |
| Local option sales taxes | 21,859,460 | 18,678,537 | 19,741,137 | 1,062,600 | - | - | - | - |
| Other taxes and licenses | 3,448,000 | 1,876,000 | 2,024,000 | 148,000 | - | - | - | - |
| Unrestricted intergovernmental revenues | 700,000 | 681,514 | 735,680 | 54,166 | - | - | - | - |
| Restricted intergovernmental revenues | 16,263,970 | 18,926,428 | 18,716,793 | (209,635) | - | - | - | - |
| Permits and fees | 3,769,379 | 3,362,999 | 3,389,913 | 26,914 | - | - | - | - |
| Sales and services | 8,972,170 | 8,017,298 | 8,133,848 | 116,550 | - | - | - | - |
| Investment earnings | 1,536,000 | 1,420,500 | 1,260,028 | (160,472) | - | 292,000 | 412,564 | 120,564 |
| Other | 526,748 | 672,669 | 1,037,482 | 364,813 | - | - | - | - |
| Total revenues | 157,760,792 | 152,235,102 | 153,987,842 | 1,752,740 | - | 292,000 | 412,564 | 120,564 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 11,385,975 | 10,196,323 | 9,709,716 | 486,607 | - | - | - | - |
| Central services | 14,260,541 | 13,067,515 | 12,100,908 | 966,607 | - | - | - | - |
| Public safety | 28,186,375 | 30,373,431 | 28,959,940 | 1,413,491 | - | - | - | - |
| Transportation | 100,958 | 256,739 | 256,739 | - | - | - | - | - |
| Environmental protection | 13,200,101 | 13,937,469 | 13,326,293 | 611,176 | - | - | - | - |
| Economic and physical development | 5,414,988 | 5,350,385 | 5,040,006 | 310,379 | - | - | - | - |
| Human services | 30,149,096 | 30,884,474 | 28,070,006 | 2,814,468 | - | - | - | - |
| Education | 35,270,424 | 35,390,424 | 35,390,424 | - | - | - | - | - |
| Culture and recreation | 4,170,197 | 4,865,373 | 4,033,904 | 831,469 | - | - | - | - |
| Debt Service: | | | | | | | | |
| Principal retirement | 11,122,663 | 9,642,804 | 9,616,456 | 26,348 | - | - | - | - |
| Interest and fiscal charges | 4,976,960 | 6,474,762 | 6,439,614 | 35,148 | - | - | - | - |
| Total expenditures | 158,238,278 | 160,439,699 | 152,944,006 | 7,495,693 | - | - | - | - |
| Revenues over (under) expenditures | (477,486) | (8,204,597) | 1,043,836 | 9,248,433 | - | 292,000 | 412,564 | 120,564 |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers from other funds | - | 582,018 | 582,018 | - | - | 7,533,237 | 7,533,237 | - |
| Transfers to other funds | (10,708,303) | (10,446,271) | (10,446,271) | - | - | (16,044,355) | (4,018,148) | 12,026,207 |
| Contingency | (400,000) | - | - | - | - | - | - | - |
| Appropriated fund balance | 11,585,789 | 18,068,850 | - | (18,068,850) | - | 8,219,118 | - | (8,219,118) |
| Total other financing sources (uses) | 477,486 | 8,204,597 | (9,864,253) | (18,068,850) | - | (292,000) | 3,515,089 | 3,807,089 |
| Revenues and other financing sources over (under) expenditures and other financing uses | \$ - | \$ - | (8,820,417) | \$ (8,820,417) | \$ - | \$ - | 3,927,653 | \$ 3,927,653 |
| Fund balance, beginning of year | | | 64,149,609 | | | | 8,333,968 | |
| Fund balance, end of year | | | <u>\$ 55,329,192</u> | | | | <u>\$ 12,261,621</u> | |

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF FUND NET ASSETS- PROPRIETARY FUNDS

June 30, 2009

| | Business-type Activities - Enterprise | | | Total |
|--|---------------------------------------|-----------------------|---------------------|-----------------------|
| | Major Funds | | Nonmajor | |
| | Water | Wastewater | Funds | |
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents/investments | \$ 26,236,607 | \$ 6,996,034 | \$ 5,472,035 | \$ 38,704,676 |
| Cash and cash equivalents/investments - restricted | - | 8,581,868 | - | 8,581,868 |
| Interest receivable | 53,049 | 2,723 | 57,786 | 113,558 |
| Receivables and special assessments, net | 2,314,712 | 2,030,342 | 404,794 | 4,749,848 |
| Due from other governmental agencies | 588,564 | 683,225 | - | 1,271,789 |
| Inventories | 270,675 | 133,425 | - | 404,100 |
| Total current assets | <u>29,463,607</u> | <u>18,427,617</u> | <u>5,934,615</u> | <u>53,825,839</u> |
| Capital Assets: | | | | |
| Non-depreciable capital assets | 11,213,606 | 50,701,998 | - | 61,915,604 |
| Depreciable capital assets, net | <u>88,384,096</u> | <u>120,949,738</u> | - | <u>209,333,834</u> |
| Total capital assets | <u>99,597,702</u> | <u>171,651,736</u> | - | <u>271,249,438</u> |
| Total assets | <u>\$ 129,061,309</u> | <u>\$ 190,079,353</u> | <u>\$ 5,934,615</u> | <u>\$ 325,075,277</u> |
| Liabilities and Net Assets: | | | | |
| Liabilities: | | | | |
| Current Liabilities: | | | | |
| Accounts payable and other liabilities | \$ 2,147,422 | \$ 3,433,439 | \$ - | \$ 5,580,861 |
| Current portion of debt | 412,932 | 4,255,031 | - | 4,667,963 |
| Customer deposits | 1,267,109 | - | - | 1,267,109 |
| Due to other funds | 492,945 | 1,259 | - | 494,204 |
| Total current liabilities | <u>4,320,408</u> | <u>7,689,729</u> | - | <u>12,010,137</u> |
| Noncurrent Liabilities: | | | | |
| Compensated absences | 253,170 | 74,396 | - | 327,566 |
| Other post-employment benefits | 730,129 | 310,579 | - | 1,040,708 |
| Deferred revenues | - | 1,952,268 | 404,794 | 2,357,062 |
| Noncurrent portion of debt | 1,634,420 | 111,614,991 | - | 113,249,411 |
| Total noncurrent liabilities | <u>2,617,719</u> | <u>113,952,234</u> | <u>404,794</u> | <u>116,974,747</u> |
| Total liabilities | <u>6,938,127</u> | <u>121,641,963</u> | <u>404,794</u> | <u>128,984,884</u> |
| Net Assets: | | | | |
| Invested in capital assets, net of related debt | 97,575,082 | 64,370,850 | - | 161,945,932 |
| Unrestricted | 24,548,100 | 4,066,540 | 5,529,821 | 34,144,461 |
| Total net assets | <u>\$ 122,123,182</u> | <u>\$ 68,437,390</u> | <u>\$ 5,529,821</u> | <u>\$ 196,090,393</u> |

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| | Business-type Activities - Enterprise | | | Total |
|---|---------------------------------------|----------------------|---------------------|-----------------------|
| | Major Funds | | Nonmajor Funds | |
| | Water | Wastewater | | |
| Operating Revenues: | | | | |
| User charges | \$ 18,146,663 | \$ 10,849,552 | \$ - | \$ 28,996,215 |
| Assessments | - | - | 104,849 | 104,849 |
| Other | 505,823 | 453 | - | 506,276 |
| Total operating revenues | <u>18,652,486</u> | <u>10,850,005</u> | <u>104,849</u> | <u>29,607,340</u> |
| Operating Expenses: | | | | |
| Salaries and employee benefits | 5,339,398 | 2,111,485 | - | 7,450,883 |
| Operating expenses | 6,660,612 | 2,213,929 | - | 8,874,541 |
| Depreciation and amortization | 2,870,983 | 3,015,802 | - | 5,886,785 |
| Total operating expenses | <u>14,870,993</u> | <u>7,341,216</u> | <u>-</u> | <u>22,212,209</u> |
| Operating income (loss) | <u>3,781,493</u> | <u>3,508,789</u> | <u>104,849</u> | <u>7,395,131</u> |
| Nonoperating Revenues (Expenses): | | | | |
| Intergovernmental revenue | 178,269 | 5,452,061 | - | 5,630,330 |
| Investment earnings | 421,482 | 617,652 | 366,655 | 1,405,789 |
| Interest expense | (96,813) | (2,434,057) | - | (2,530,870) |
| Total nonoperating revenues (expenses) | <u>502,938</u> | <u>3,635,656</u> | <u>366,655</u> | <u>4,505,249</u> |
| Income before transfers and capital contributions | 4,284,431 | 7,144,445 | 471,504 | 11,900,380 |
| Transfers in (out) | <u>2,318,378</u> | <u>2,733,819</u> | <u>(5,052,197)</u> | <u>-</u> |
| Income (loss) before capital contributions | 6,602,809 | 9,878,264 | (4,580,693) | 11,900,380 |
| Capital contributions | <u>4,712,494</u> | <u>8,528,650</u> | <u>-</u> | <u>13,241,144</u> |
| Increase (decrease) in net assets | 11,315,303 | 18,406,914 | (4,580,693) | 25,141,524 |
| Net assets, beginning of year | <u>110,807,879</u> | <u>50,030,476</u> | <u>10,110,514</u> | <u>170,948,869</u> |
| Net assets, end of year | <u>\$ 122,123,182</u> | <u>\$ 68,437,390</u> | <u>\$ 5,529,821</u> | <u>\$ 196,090,393</u> |

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| | Business-type Activities - Enterprise | | | |
|---|---------------------------------------|----------------------|---------------------|----------------------|
| | Major Funds | | Nonmajor Funds | Total |
| | Water | Wastewater | | |
| Cash Flows From Operating Activities: | | | | |
| Receipts from customers | \$ 18,745,974 | \$ 9,419,139 | \$ 104,849 | \$ 28,269,962 |
| Payments to suppliers for goods and services | (5,559,650) | (4,076,094) | - | (9,635,744) |
| Payments to or on behalf of employees | (4,973,348) | (1,926,713) | - | (6,900,061) |
| Net cash provided by (used in) operating activities | <u>8,212,976</u> | <u>3,416,332</u> | <u>104,849</u> | <u>11,734,157</u> |
| Cash Flows From Noncapital Financing Activities: | | | | |
| Transfers in (out) | 2,318,378 | 2,733,819 | (5,052,197) | - |
| Advances (repayments) of interfund debt | (543,617) | (9,157) | - | (552,774) |
| Grants | <u>178,269</u> | <u>5,452,061</u> | <u>-</u> | <u>5,630,330</u> |
| Net cash provided (used) by noncapital financing activities | <u>1,953,030</u> | <u>8,176,723</u> | <u>(5,052,197)</u> | <u>5,077,556</u> |
| Net Cash From Capital and Related Financing Activities: | | | | |
| Acquisition and construction of capital assets | (5,928,057) | (35,444,933) | - | (41,372,990) |
| Interest paid | (96,813) | (2,434,057) | - | (2,530,870) |
| Principal payments on long-term debt | (363,468) | (4,240,495) | - | (4,603,963) |
| Net cash provided (used) in capital and related financing activities | <u>(6,388,338)</u> | <u>(42,119,485)</u> | <u>-</u> | <u>(48,507,823)</u> |
| Cash Flows From Investing Activities: | | | | |
| Interest on investments | <u>483,771</u> | <u>626,078</u> | <u>362,277</u> | <u>1,472,126</u> |
| Net increase (decrease) in cash and cash equivalents | 4,261,439 | (29,900,352) | (4,585,071) | (30,223,984) |
| Cash and cash equivalents, beginning of year | <u>21,975,168</u> | <u>45,478,254</u> | <u>10,057,106</u> | <u>77,510,528</u> |
| Cash and cash equivalents, end of year | <u>\$ 26,236,607</u> | <u>\$ 15,577,902</u> | <u>\$ 5,472,035</u> | <u>\$ 47,286,544</u> |

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

COUNTY OF BRUNSWICK, NORTH CAROLINA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| | Business-type Activities - Enterprise | | | |
|---|---------------------------------------|---------------------|-------------------|----------------------|
| | Major Funds | | Nonmajor Funds | Total |
| | Water | Wastewater | | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Operating income (loss) | \$ 3,781,493 | \$ 3,508,789 | \$ 104,849 | \$ 7,395,131 |
| Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation and amortization | 2,870,983 | 3,015,802 | - | 5,886,785 |
| Changes in Assets and Liabilities: | | | | |
| (Increase) decrease in accounts receivable | 50,032 | (1,301,155) | - | (1,251,123) |
| (Increase) in sales tax refund receivable | 379,205 | (185,436) | - | 193,769 |
| (Increase) in assessments receivable | - | - | (404,794) | (404,794) |
| (Increase) decrease in inventories | (81,430) | 11,934 | - | (69,496) |
| Increase (decrease) in accounts payable and accrued expenses | 1,169,237 | (1,503,891) | - | (334,654) |
| Increase (decrease) in deferred revenue | - | (129,711) | 404,794 | 275,083 |
| Increase (decrease) in customer deposits | 43,456 | - | - | 43,456 |
| Net cash provided by (used in) operating activities | <u>\$ 8,212,976</u> | <u>\$ 3,416,332</u> | <u>\$ 104,849</u> | <u>\$ 11,734,157</u> |
| Supplemental Disclosures of Noncash Transactions | | | | |
| Dedicated service lines | <u>\$ 4,712,494</u> | <u>\$ 8,528,650</u> | <u>\$ -</u> | <u>\$ 13,241,144</u> |

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS

June 30, 2009

Assets:

| | |
|--|---------------------|
| Cash, cash equivalents and investments | \$ 1,826,527 |
| Interest receivable | 7,555 |
| Receivable - net | 79,940 |
| Other assets | <u>149,535</u> |
| Total assets | <u>\$ 2,063,557</u> |

Liabilities:

| | |
|------------------------------------|---------------------|
| Due to other governmental agencies | \$ 1,108,801 |
| Due to other funds | 189,200 |
| Other | <u>765,556</u> |
| Total liabilities | <u>\$ 2,063,557</u> |

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

1. Description of the Unit

A. Reporting Entity

Brunswick County is one of 21 coastal counties in North Carolina. A political subdivision of the State, it is one of 100 counties established under General Statute 153A-10. The County, which has a population of approximately 106,586, operates under a Commissioner-Manager form of government.

The County is responsible for and maintains services inherent to the operation of a county government including general government, public safety, human services, education, environmental protection, cultural and recreational, economic and physical development and debt service. The County also operates a water and wastewater utility system.

B. Component Units

As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. Discretely presented component units are reported in a separate column in the County's government-wide financial statements in order to emphasize that they are legally separate from the County.

Blended Component Unit

Brunswick County Leasing Corporation

The members of the Brunswick County Leasing Corporation's ("Corporation") governing board are appointed by the County and include the finance officer of the County. The Corporation exists to issue and service certificates of participation to finance the acquisition and construction of general government facilities, education facilities, and proprietary fund construction. The certificates of participation are accounted for in the applicable governmental activities, business type activities, or proprietary fund type statement of net assets in the County's financial statements. The activities of the Corporation are accounted for in the financial statements as a special revenue fund. The Corporation does not issue separate financial statements.

Discretely Presented Component Units

Brunswick County Hospital Authority

The Board of Commissioners organized the Brunswick County Hospital Authority and the County appoints and can remove all of the governing Board of the Authority. The County transferred title of its hospital facilities to the Authority. The Authority has leased the facilities to a not-for-profit corporation for a period of 30 years beginning March 1, 2006. The Authority, which has a June 30 year-end, is presented as if it were a governmental fund. The Brunswick County Hospital Authority does not issue separate financial statements.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Brunswick County Board of Alcoholic Control

The County appoints all of the members of the governing board of the Brunswick County Board of Alcoholic Control ("ABC Board"). In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as a proprietary fund.

Complete financial statements for the Brunswick County ABC Board may be obtained at their administrative offices at 2567 Holden Beach Road, SW, Supply, North Carolina 28462.

Brunswick County Economic Development Commission

The Brunswick County Economic Development Commission ("EDC") operates within the County's geographical boundaries and exists for the benefit of its residents. All of the members of the EDC governing board are appointed by the County and can be removed without cause. The County funds the annual budget of the Commission and employs the staff. The EDC, which has a June 30 year-end, has two funds - a governmental fund type and a proprietary fund type.

The EDC's financial statements include its blended component unit, the Brunswick County Economic Development Corporation, which is a non-profit organization, established to acquire, improve and convey property. Appropriations to the EDC totaled \$386,947 for the fiscal year ended June 30, 2009. Complete financial statements for the Brunswick County Economic Development Commission may be obtained at the Commission's administrative offices at P.O. Box 158, Government Complex, Bolivia, North Carolina 28422.

Brunswick County Tourism Development Authority

The County, in conjunction with the Southport-Oak Island Chamber of Commerce and the South Brunswick Islands Chamber of Commerce, established the Brunswick County Tourism Development Authority ("TDA"). The County appoints five members of the TDA's ten member governing board. The other five members are nominated jointly by the two chamber of commerce organizations and then appointed by the County. The TDA, which provides a financial benefit to the County, was established to receive the proceeds of the room occupancy tax levied pursuant to Session Law 1997-364. The TDA is authorized to spend these proceeds to promote travel, tourism and conventions within the County. The TDA, which has a June 30 year-end, is presented as a governmental type fund.

Complete financial statements for the Brunswick County Tourism Development Authority may be obtained by contacting the Authority's Executive Director at P.O. Box 1186, Shallotte, North Carolina 28459.

Brunswick County Airport Commission

The County participates in the Brunswick County Airport Commission ("Airport") in conjunction with the municipalities adjoining the airport. The County appoints four members of the seven-member board. Appropriations to the Airport totaled \$66,000 for the fiscal year ended June 30, 2009. The Airport, which also has a June 30 year-end, is presented as a governmental type fund.

Complete financial statements for the Brunswick County Airport Commission may be obtained at their administrative offices at 380 Long Beach Road, Southport, North Carolina 28461.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

Other Component Unit

Brunswick County Industrial Facility and Pollution Control Financing Authority

Brunswick County Industrial Facility and Pollution Control Financing Authority exists to issue revenue bond debt of private businesses for economic development purposes. A seven-member board, all of whom are appointed by the County, governs the Authority. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances and does not issue financial statements; therefore, it is not presented in the government-wide financial statements.

C. Summary of Significant Account Policies

Basis of Reporting

The accounting policies of Brunswick County and its component units, as reflected in the financial statements for the year ended June 30, 2009, conform to generally accepted accounting principles applicable to governments.

Basis of Presentation – Government-wide and Fund Financial Statements

Government-wide Statements - The statement of net assets and the statement of activities report information on all of the non-fiduciary activities of the County. The effect of interfund activity between the governmental and business-type activities has been removed. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program or (c) capital grants and contributions which are program specific. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues including multipurpose grants that do not provide for specific identification of a program.

Fund Financial Statements - The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented even though the fiduciary funds are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

The County reports the following major governmental funds:

General Fund – This is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad Valorem taxes, sales taxes, and federal and State grants. The primary expenditures are for general government services, public safety, human services, central services, environmental protection and education.

County Capital Reserve Fund – This fund was established in accordance with North Carolina law to account for the accumulation of resources to be used for construction. When construction begins, the fund balance will be transferred to a Capital Project Fund.

Education Capital Project Fund – This fund is used to account for the additions and improvements to Brunswick County Public Schools and Brunswick Community College which are financed by transfers from the general fund, capital reserve funds, bond proceeds, and financing agreements.

County Capital Project Fund – This fund is used to account for the additions and improvements of major county facilities which are financed by transfers from the general fund and capital reserve funds, bond proceeds, and financing agreements.

The County reports the following major enterprise funds:

Water Fund – This fund is used to account for the County’s water operations. The Water Fund includes activity from the Water Capital Project Fund. The Water Capital Project Fund is used to account for additions and improvements of major water enterprise facilities which are financed by transfers from the water fund, water capital reserve funds, bond proceeds, and financing agreements.

Wastewater Fund – This fund is used to account for the County’s wastewater operations. The Wastewater Fund includes activity from the Wastewater Capital Project Fund. The Wastewater Capital Project fund is used to account for additions and improvements of major wastewater facilities which are financed by transfers from the wastewater fund, wastewater capital reserve fund, bond proceeds, and financing agreements.

Additionally the County reports the following fund types:

Agency Funds - These funds are custodial in nature (assets equal liabilities) and do not involve measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others.

The County maintains eight Agency Funds: the Social Services Fund which accounts for monies deposited with the Social Services Department for the benefit of certain individuals; the Smithville Township Fund which accounts for the Township hospital district ad Valorem taxes collected, payment of bond debt service and payments to Doshier Hospital; the Intergovernmental Collections Fund which accounts for the proceeds of the motor vehicle and other ad Valorem taxes that are collected by the County on behalf of the municipalities within the County and fines and forfeitures collected and remitted to Brunswick County Schools; the Sheriff Department Trust Fund which accounts for the proceeds of court ordered property sales necessary to satisfy a debt; the Brunswick County Hospital Authority which accounts for monies held by Brunswick County on behalf of the Brunswick County Hospital Authority; the Inlet Committee: Save Our Sands an inter-local government lobbying entity for beach sediment management for which the County acts

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

as fiscal agent; the Inmate Trust Fund which accounts for personal funds of the inmates in the detention center; and the 3% Interest Payable to the State Fund which accounts for motor vehicle tax interest fees collected by the County that are assessed by and remitted to the State.

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus, and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Property tax revenue is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, donations and similar items is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, special assessments or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish 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 County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. As permitted by generally accepted accounting principles, the County has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are generally recorded when the related fund liability is incurred, except for principal and interest on general long-term debt; accrued compensated absences; pension benefit obligations; and accrued landfill closures and post closure costs which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County recognizes assets of nonexchange transactions in the period when the underlying transactions occur, when enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized on the modified accrual basis of accounting when they are measurable and available. Nonexchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. State shared revenues, sales tax, property taxes, federal grants funding federal mandates, and most donations are examples of nonexchange transactions.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad Valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered vehicles in North Carolina. Effective with this change, Brunswick County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered in Brunswick County from March 2008 through February 2009 apply to the fiscal year ended June 30, 2009. Uncollected taxes which were billed during this period are shown as receivables on these financial statements.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure driven grants are recognized as revenue if cash is received within 60 days of year-end.

Budgetary Data

The County's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the General, the Special Revenue (excluding the grant projects) and the Enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for all capital project funds. All budgets are prepared using the modified accrual basis of accounting which is consistent with the accounting system used to record transactions.

Expenditures may not legally exceed appropriations at the departmental level for the General Fund, Special Revenue, Enterprise Funds, and Capital Projects Funds. The balances in the Capital Reserve Funds are appropriated when transferred to their respective Capital Project Funds in accordance with the project ordinance adopted for the reserve fund. The County budget officer is authorized by the budget ordinance to transfer appropriations between departmental areas within a fund up to \$5,000; however, any revisions that alter total expenditures of any fund or that change departmental appropriations by more than \$5,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary. As a result, appropriated fund balance increased in the General Fund by \$6,146,811.

A budget calendar is included in the North Carolina General Statutes which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

| | |
|----------|---|
| April 30 | Each department head will transmit to the budget officer the budget requests and revenue estimates for their department for the budget year. |
| June 1 | The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time. |
| July 1 | The budget ordinance shall be adopted by the governing board. |

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts, which are considered to be budgetary accounts. Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities.

Deposits and Investments

All deposits of the County, and each of its discretely presented component units, are made in board-designated official depositories and are secured as required by G.S. 159-31. Any bank or savings association whose principal office is located in North Carolina may be designated as an official depository. Also, the County and its discretely presented component units may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County, and each of its discretely presented component units, to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust ("NCCMT"), an SEC-registered (2a-7) money market mutual fund.

The investments of the County and its discretely presented component units that have a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized costs.

Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Cash and investments are essentially demand deposits and are considered cash and cash equivalents by the County.

Restricted Assets

The unexpended proceeds of general obligation bonds, revenue bonds, and certificates of participation issued by the County are classified as restricted assets because their use is restricted to that purpose for which the bonds and certificates were originally issued.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad Valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1; however, penalties and interest do not accrue until the following January 6. The taxes are based on the assessed values as of January 1 (lien date).

Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Due To/From Other Funds and Internal Balances

Amounts, reported at June 30, 2009 as due to/from other funds, generally represent short-term advances between funds. Such amounts reported at year-end are not available for appropriation and are not an expendable available financial resource

Inventory

The inventories of the County, the ABC Board and the Airport Commission are valued at cost (first-in, first-out), which approximates market. The inventory of the County's Enterprise Funds as well as those of the ABC Board and Airport Commission consists of materials and supplies held for consumption. The cost of the inventory carried in the County's Enterprise Funds and that of the ABC Board and the Airport Commission is recorded as an expense as it is consumed.

Capital Assets

Capital assets, which include land, buildings, land improvements, water tanks, water and wastewater lines, wells, taps, pumping stations, equipment and vehicles, are reported in the County's government-wide and proprietary financial statements. The County's capitalization threshold for capital outlay items is \$5,000.

Capital assets of the County are recorded at original cost at the time of acquisition. Certain items acquired before July 1, 1970 are recorded at an estimated original cost. Donated assets are recorded at their estimated fair value at the date of donation.

The County has elected not to capitalize interest costs which are incurred during the construction period of capital assets used in governmental funds. Any interest incurred during the construction phase of business type assets is reflected in the capitalized value of the asset constructed.

Capital assets are depreciated using the straight-line method over the assets' estimated useful lives. These assets are reported in the County's basic financial statements net of accumulated depreciation.

The estimated useful lives for the County's capital assets are as follows:

| | |
|--|-------------|
| Operating Plants and improvements | 20-40 years |
| Enterprise Distribution and Collection Systems | 40-60 years |
| Equipment and vehicles | 5-15 years |

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Long-Term Debt

For governmental fund types, bond issuance costs, bond premiums and discounts, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Material bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable discounts.

The County's long-term debt for water and wastewater purposes is carried in the Water and Wastewater Funds. The debt service requirements for the water and wastewater debt are being met by water and wastewater revenues. However, the taxing power was pledged to make general obligation payments in the water fund if water revenues were not sufficient. At the end of the fiscal year, there was no water general obligation debt outstanding.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

Fund Equity

Net assets in government-wide and proprietary fund financial statements are classified as (a) invested in capital assets, net of related debt; (b) restricted; and (c) unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

In the fund financial statements, the County's governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance or fund equity to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as these amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved:

Reserved by State statute is that portion of fund balance which is not available for appropriation under State law [G.S. 159-8 (a)]. This amount is usually comprised of accounts receivable and interfund receivables which are not offset by deferred revenues.

Reserved for debt service is that portion of fund balance available for appropriation which has been reserved to make debt service payments on general obligation bonds.

Reserved for encumbrances is that portion of fund balance available to pay for any commitments related to purchase orders and contracts that remain unperformed at year end.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

Unreserved Fund Balance:

Designations of fund balance represent tentative management plans that are subject to change. The County's Unreserved Fund Balances was subject to the following designations at year end:

| Designations | General Fund | County Capital Reserve Fund | Education | County Capital Project Fund | Non Major | Total |
|--------------------------------|---------------------|--------------------------------|-------------------------|--------------------------------|-----------------------|----------------------|
| | | | Capital Project Fund | | Governmental Funds | |
| Subsequent year's expenditures | \$ 4,553,320 | \$ 11,965,160 | \$ 11,398,948 | \$ 2,771,450 | \$ 390,936 | \$ 31,079,814 |
| Health expenditures | 2,714,142 | | | | | 2,714,142 |
| Public housing vouchers | 131,769 | | | | | 131,769 |
| Totals | <u>\$ 7,399,231</u> | <u>\$ 11,965,160</u> | <u>\$ 11,398,948</u> | <u>\$ 2,771,450</u> | <u>\$ 390,936</u> | <u>\$ 33,925,725</u> |

Interfund Transfers

The principal purpose for interfund transfers is to distribute local resources between funds. Typically, the General Fund provides the basis of local resources for other funds. These transactions are recorded as "Transfers - out" in the paying fund and "Transfers - in" in the receiving fund.

Other Resources

The County's General Fund also provides funds to the Economic Development Commission and the Airport Commission to fund their annual budgets. In addition, when profits are available, the ABC Board will make quarterly payments to the County's General Fund. These payments represent the County's portion of the ABC Board's surpluses which the ABC Board is required by State statute to distribute to the County.

Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. In the event of termination, an employee is reimbursed for accumulated vacation days up to a maximum of thirty days. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements.

The sick leave policies of the County provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County.

Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the County's financial position and operations. Comparative totals have not been included on the statements where their inclusion would not provide enhanced understanding of the County's financial position and operations or would cause the statements to be unduly complex or difficult to understand.

Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

2. Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments of the County as of June 30, 2009 include the following:

| | <u>Reported at Fair Value</u> |
|---|-----------------------------------|
| Cash on Hand | \$ 6,700 |
| Deposits - NOW, SuperNOW, MMDA and Certificates of Deposit | 122,706,438 |
| Investments: | |
| North Carolina Capital Management Trust | <u>25,778,582</u> |
| Total | <u>\$ 148,491,720</u> |

A. Deposits

All of the deposits of the County are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the depositor in the depositor's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer.

Since the State Treasurer is acting in a fiduciary capacity for the depositor, these deposits are considered to be held by their agents in each of the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County and its component units or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County and its component units under the Pooling Method, the potential exists for undercollateralization and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have a policy regarding custodial credit risk for deposits.

At June 30, 2009, the deposits of the County had a reported value of \$122,706,438 and bank balances of \$123,254,804. Of the bank balances \$9,666,796 was covered by federal depository insurance and \$113,588,008 was covered by collateral held under the Pooling Method.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

B. Investments

As of June 30, 2009, the County had the following investments and maturities:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 6 Months</u> | <u>6 - 12 Months</u> | <u>1 - 3 Years</u> |
|---|----------------------|-------------------------------|----------------------|--------------------|
| North Carolina Capital Management Trust: | | | | |
| Cash Portfolio | \$ 22,445,259 | N/A | N/A | N/A |
| Term Portfolio* | 3,333,323 | N/A | 3,333,323 | N/A |
| Total | <u>\$ 25,778,582</u> | <u>\$ -</u> | <u>\$ 3,333,323</u> | <u>\$ -</u> |

*Because the NC Capital Management Trust Term Portfolio had duration of 0.80 years, it was presented as an investment with a maturity of 6-12 months.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least 75% of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2009, the County had no investments in commercial paper. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2009. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County had no other separate investments in US Government Agencies at June 30, 2009.

Custodial Credit Risk. The County's formal policy indicates that the County shall utilize a third party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Director of Finance.

Concentration of Credit Risk. The County places a limit of \$5 million on the amount that the County may invest in any one issue of commercial paper with a maximum of 25% of the portfolio allowable to be invested in commercial paper. County policy limits the initial investment in the NCCMT Term Portfolio to \$3 million.

The County allocates investment earnings to funds based on the balances outstanding at the end of the prior month.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

3. Accounts Receivable

Disaggregate Information

| <u>Type of Receivable</u> | <u>Amount (Net of Allowance)</u> | | |
|---------------------------|------------------------------------|-------------------------------------|---------------------|
| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
| Customer Billings | \$ 518,260 | \$ 4,706,255 | \$ 5,224,515 |
| Miscellaneous | 935,829 | 43,593 | 979,422 |
| | <u>\$ 1,454,089</u> | <u>\$ 4,749,848</u> | <u>\$ 6,203,937</u> |

The County's accounts receivable as of June 30, 2009 are presented net of allowance for doubtful accounts as follows:

| | <u>Allowance for Doubtful Accounts</u> | | |
|------------------|--|-----------------------|----------------------------|
| | <u>General Fund</u> | <u>Water Fund</u> | <u>Wastewater Fund</u> |
| Taxes Receivable | \$ 3,626,388 | \$ - | \$ - |
| EMS Fees | 291,529 | - | - |
| Health Fees | 587,033 | - | - |
| User Charges | - | 490,000 | 50,000 |
| | <u>\$ 4,504,950</u> | <u>\$ 490,000</u> | <u>\$ 50,000</u> |

Property Tax – Use Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

| <u>Year Levied</u> | <u>Tax</u> | <u>Interest</u> | <u>Total</u> |
|------------------------|---------------------|---------------------|---------------------|
| 2005 | \$ 1,109,412 | \$ 363,332 | \$ 1,472,744 |
| 2006 | 1,366,222 | 324,478 | 1,690,700 |
| 2007 | 1,895,422 | 279,575 | 2,174,997 |
| 2008 | 2,894,518 | 166,435 | 3,060,953 |
| Total | <u>\$ 7,265,574</u> | <u>\$ 1,133,820</u> | <u>\$ 8,399,394</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

4. Capital Assets

Governmental capital assets at June 30, 2009 are summarized as follows:

| | <u>June 30, 2008</u> | <u>Increases</u> | <u>Decreases</u> | <u>June 30, 2009</u> |
|--------------------------------------|----------------------|----------------------|---------------------|-----------------------|
| Non-Depreciable Assets: | | | | |
| Land | \$ 10,863,120 | \$ - | \$ - | \$ 10,863,120 |
| Construction in Progress | 18,464,400 | 36,143,459 | 8,936,255 | 45,671,604 |
| Total non-depreciable assets | <u>29,327,520</u> | <u>36,143,459</u> | <u>8,936,255</u> | <u>56,534,724</u> |
| Depreciable Assets | | | | |
| Buildings and improvements | 71,061,408 | 9,145,821 | - | 80,207,229 |
| Equipment and vehicles | 24,934,920 | 2,510,493 | 587,637 | 26,857,776 |
| Total depreciable assets | <u>95,996,328</u> | <u>11,656,314</u> | <u>587,637</u> | <u>107,065,005</u> |
| Less accumulated depreciation | | | | |
| Buildings and improvements | 17,779,760 | 2,122,909 | 5,793 | 19,896,876 |
| Equipment and vehicles | 16,212,986 | 2,351,168 | 570,928 | 17,993,226 |
| Total accumulated depreciation | <u>33,992,746</u> | <u>4,474,077</u> | <u>576,721</u> | <u>37,890,102</u> |
| Total depreciable assets, net | 62,003,582 | 7,182,237 | 10,916 | 69,174,903 |
| Total Capital Assets | <u>\$ 91,331,102</u> | <u>\$ 43,325,696</u> | <u>\$ 8,947,171</u> | <u>\$ 125,709,627</u> |

Depreciation was charged to functional expenses on the Statement of Activities as follows:

| Function | Depreciation Expense |
|-----------------------------------|-------------------------|
| General government | \$ 422,638 |
| Public safety | 2,488,827 |
| Central services | 477,036 |
| Human services | 261,357 |
| Environmental protection | 170,872 |
| Economic and physical development | 126,240 |
| Cultural and recreation | 527,107 |
| Total | <u>\$ 4,474,077</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

Enterprise fund capital assets at June 30, 2009 are summarized as follows:

| <u>Water Fund</u> | <u>June 30, 2008</u> | <u>Increases</u> | <u>Decreases</u> | <u>June 30, 2009</u> |
|--|-----------------------|----------------------|----------------------|-----------------------|
| Non-Depreciable Assets: | | | | |
| Land | \$ 760,138 | \$ - | \$ - | \$ 760,138 |
| Construction in Progress | 5,306,010 | 5,147,458 | - | 10,453,468 |
| Total non-depreciable assets | <u>6,066,148</u> | <u>5,147,458</u> | <u>-</u> | <u>11,213,606</u> |
| Depreciable Assets | | | | |
| Operating Plants, buildings and improvements | 29,203,381 | - | - | 29,203,381 |
| Distribution system | 88,021,913 | 5,124,954 | - | 93,146,867 |
| Equipment and vehicles | 4,720,832 | 368,139 | 25,444 | 5,063,527 |
| Total depreciable assets | <u>121,946,126</u> | <u>5,493,093</u> | <u>25,444</u> | <u>127,413,775</u> |
| Less accumulated depreciation | | | | |
| Operating Plants, buildings and improvements | 12,796,252 | 717,032 | - | 13,513,284 |
| Distribution system | 20,543,091 | 1,781,151 | - | 22,324,242 |
| Equipment and vehicles | 2,844,797 | 372,800 | 25,444 | 3,192,153 |
| Total accumulated depreciation | <u>36,184,140</u> | <u>2,870,983</u> | <u>25,444</u> | <u>39,029,679</u> |
| Total depreciable assets, net | 85,761,986 | 2,622,110 | - | 88,384,096 |
| Total capital Assets | <u>\$ 91,828,134</u> | <u>\$ 7,769,568</u> | <u>\$ -</u> | <u>\$ 99,597,702</u> |
| Wastewater Fund | | | | |
| Non-Depreciable Assets: | | | | |
| Land | \$ 2,043,771 | \$ 25,500 | \$ - | \$ 2,069,271 |
| Construction in Progress | 24,750,171 | 34,391,583 | 10,509,027 | 48,632,727 |
| Total non-depreciable assets | <u>26,793,942</u> | <u>34,417,083</u> | <u>10,509,027</u> | <u>50,701,998</u> |
| Depreciable Assets | | | | |
| Operating Plants, buildings and improvements | 82,587,373 | 2,402 | - | 82,589,775 |
| Collection system | 25,524,497 | 19,954,776 | - | 45,479,273 |
| Equipment and vehicles | 1,431,168 | 108,350 | - | 1,539,518 |
| Total depreciable assets | <u>109,543,038</u> | <u>20,065,528</u> | <u>-</u> | <u>129,608,566</u> |
| Less accumulated depreciation | | | | |
| Operating Plants, buildings and improvements | 4,395,212 | 2,090,283 | - | 6,485,495 |
| Collection system | 839,579 | 726,244 | - | 1,565,823 |
| Equipment and vehicles | 408,235 | 199,275 | - | 607,510 |
| Total accumulated depreciation | <u>5,643,026</u> | <u>3,015,802</u> | <u>-</u> | <u>8,658,828</u> |
| Total depreciable assets, net | 103,900,012 | 17,049,726 | - | 120,949,738 |
| Total capital Assets | <u>\$ 130,693,954</u> | <u>\$ 51,466,809</u> | <u>\$ 10,509,027</u> | <u>\$ 171,651,736</u> |
| Total Enterprise Fund Assets, Net | <u>\$ 222,522,088</u> | | | <u>\$ 271,249,438</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

5. Accounts Payable and Interfund Balances

Accounts Payable Disaggregate Information

| <u>Type of Payable</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|-------------------------------|------------------------------------|-------------------------------------|----------------------|
| Trade Payables | \$ 2,577,184 | \$ 887,038 | \$ 3,464,222 |
| Construction Costs Payable | 5,291,292 | 4,070,695 | 9,361,987 |
| Accrued Salaries and Fringes | 1,972,796 | 623,128 | 2,595,924 |
| Other deposits held by County | 411,019 | - | 411,019 |
| Total | \$ 10,252,291 | \$ 5,580,861 | \$ 15,833,152 |

Interfund Receivables / Payables

Interfund Balances as of June 30, 2009 are as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | | | | <u>Total</u> |
|------------------------|---------------------|-----------------------------------|-------------------------|-------------------|---------------------|
| | <u>General</u> | <u>Non-Major Governmental</u> | <u>Capital Projects</u> | <u>Enterprise</u> | |
| General | \$ - | \$ 536,977 | \$ 284,923 | \$ 494,204 | \$ 1,316,104 |
| Non Major Governmental | 644,177 | - | - | - | 644,177 |
| Total | \$ 644,177 | \$ 536,977 | \$ 284,923 | \$ 494,204 | \$ 1,960,281 |

\$1,316,104 represents amounts due to the General Fund from the Water Capital Project Fund in the amount of \$492,945, the Wastewater Capital Project Fund in the amount of \$1,259, the Education Capital Project Fund in the amount of \$18,892, and the County Capital Project Fund in the amount of \$266,031, for advances of funds for construction. Included in the amount is \$478 from the Brunswick County Leasing Corporation Fund to the General Fund for professional service fee advances and \$536,499 due from the Grant Project Special Revenue Fund for advances of expenditures in anticipation of reimbursements.

\$644,177 represents amounts due to the School Capital Reserve Fund from the General Fund for local option sales tax due restricted for the school system that was received after June 30th.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

Interfund Transfers

| To: | County Capital | | Education | Non Major | | Total | Total |
|--------------------------------|-------------------|---------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
| | General Fund | Reserve Fund | Capital Project Fund | County Capital Project Fund | Governmental Fund | Governmental Funds | |
| From: | | | | | | | |
| General Fund | \$ - | \$ 8,115,255 | \$ - | \$ 1,105,001 | \$ 1,226,015 | \$ 10,446,271 | \$ 10,446,271 |
| County Capital Reserve Fund | 582,018 | - | - | 4,018,148 | - | 4,600,166 | 4,600,166 |
| Education Capital Project Fund | - | - | - | - | - | - | - |
| County Capital Project Fund | - | - | - | - | - | - | - |
| Non Major Governmental Fund | - | - | 2,013,463 | - | - | 2,013,463 | 2,013,463 |
| Totals | <u>\$ 582,018</u> | <u>\$ 8,115,255</u> | <u>\$ 2,013,463</u> | <u>\$ 5,123,149</u> | <u>\$ 1,226,015</u> | <u>\$ 17,059,900</u> | <u>\$ 17,059,900</u> |

The County's General Fund transferred funds during fiscal year 2009 to fund capital improvements, and to establish reserves for future county and education capital projects. The County Capital Reserve fund transferred funds during the year for capital projects and received reimbursements from funds in projects that were completed under budget to be re-designated for future capital projects.

6. Deferred/Unearned Revenues

The balance in deferred/unearned revenues at June 30, 2009 is composed of the following elements:

| | General Fund | | | Proprietary Funds | |
|-------------------------------|---------------------|------------------|--------------------|---------------------|---------------------|
| | Deferred Revenue | Unearned Revenue | Total | Unearned Revenue | Total |
| Prepaid Taxes, not yet earned | \$ - | \$ 85,951 | \$ 85,951 | \$ - | \$ - |
| Taxes Receivable | 3,611,143 | - | 3,611,143 | - | - |
| EMS Receivable | 72,882 | - | 72,882 | - | - |
| Health Department Receivable | 226,732 | - | 226,732 | - | - |
| Special Assessments | - | - | - | 404,793 | 404,793 |
| Prepaid Wastewater Capacity | - | - | - | 1,815,954 | 1,815,954 |
| Other | - | 3,211 | 3,211 | 136,315 | 136,315 |
| | <u>\$ 3,910,757</u> | <u>\$ 89,162</u> | <u>\$3,999,919</u> | <u>\$ 2,357,062</u> | <u>\$ 2,357,062</u> |

7. Long-Term Obligations

A. General Obligation Bonds

General obligation bonds issued to finance the construction of facilities utilized in the operations of the water system are reported as long-term debt in the Water Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Revenue bonds are collateralized by the rate setting authority of the Wastewater Fund. Principal and interest requirements are appropriated when due.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

The County's General Obligation Bonds consisted of the following at June 30, 2009:

| Original Issue | | Payment Information | | Outstanding Balance | |
|---------------------------------------|----------------|----------------------------|---------------------------|------------------------------------|-------------------------------------|
| Date | Rate | Period | Amount | Governmental Activities | Business-Type Activities |
| 2000 | 5.25% - 5.75% | Annual | \$200,000 - \$800,000 | \$ 800,000 | \$ - |
| 2001 | 4.25% - 5.00% | Annual | \$800,000 - \$2,800,000 | 28,300,000 | - |
| (partially refunded in 2006) | | | | | |
| 2003 | 2.50% - 4.50% | Annual | \$750,000 - \$1,000,000 | 12,820,000 | - |
| 2004 | 3.00% - 5.00% | Annual | \$600,000 - \$2,080,000 | 10,880,000 | - |
| 2005 | 3.00% - 4.00% | Annual | \$95,000 - \$1,040,000 | 8,060,000 | - |
| 2005 | 3.75% - 4.50% | Annual | \$125,000 - \$400,000 | 3,000,000 | - |
| 2007 | 4.00% - 5.00% | Annual | \$100,000 - \$280,000 | 3,040,000 | - |
| 2007 | 4.00% - 5.00% | Annual | \$1,110,000 - \$2,260,000 | 24,120,000 | - |
| Total General Obligation Bonds | | | | \$ 91,020,000 | \$ - |
| Revenue Bonds | | | | | |
| 2004 | 3.00% - 5.375% | Annual | \$805,000 - \$2,235,000 | - | 29,045,000 |
| 2004 | 4.25% | Monthly | \$19,188 - \$50,143 | - | 6,742,068 |
| 2008 | 3.50% - 5.00% | Monthly | \$1,395,000 - \$3,630,000 | - | 51,405,000 |
| Total Revenue Bonds | | | | - | 87,192,068 |
| | | | | \$ 91,020,000 | \$ 87,192,068 |

The County issued General Obligation Bonds for which the County does not hold title to the capital assets. The bonds were issued for public school and community college construction and renovation projects. The amount of outstanding debt at June 30, 2009 for which the County held no collateral totaled \$79,920,000 and was comprised of the following issues: School Series 2000 \$800,000, 2001 \$28,300,000, 2003 \$12,820,000 and 2004 \$10,880,000, Community College Series 2005 \$3,000,000 and 2007 \$24,120,000.

The County has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$39.7 million in water and wastewater system revenue bonds issued in 2004 and \$52.8 million in water and wastewater system revenue bonds issued in 2008. Proceeds from the bonds provided financing for the West Brunswick Regional Water Reclamation Plant Phases 1 and 2 and associated transmission lines and the Sea Trail Wastewater Treatment Plant. Annual principal and interest payments on the bonds are expected to require less than 10 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$139,083,299. Principal and interest paid for the current year and total net revenues were \$4,348,550 and \$29,607,340, respectively.

The County issued combined system enterprise revenue bonds for water and wastewater system improvements pursuant to a General Trust Indenture dated as of May 1, 2004 and a series indenture, Number 3, dated as of January 1, 2008 between the County and First-Citizens Bank & Trust Company, as trustee. The indentures authorize and secure all outstanding revenue bonds of the County's water and wastewater system and contain several financial and operating covenants governing such matters as rates, additional bonds, reserve funds, annual budgets, maintenance of the system and insurance. The County was in compliance with all such covenants during the fiscal year ended June 30, 2009.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

The County has covenanted that it will maintain various debt service coverage ratios. The calculation for the various debt service coverage ratios for the year ended June 30, 2009 is as follows:

| | |
|--|-----------------------------|
| Operating revenues and investment earnings | \$ 31,013,129 |
| Operating expense excluding OPEB (net of depreciation) | <u>15,775,304</u> |
| Net revenue available for debt service | 15,237,825 |
| Add: 20% surplus account (expendable net assets) | <u>5,427,576</u> |
| Adjusted net revenues | <u><u>\$ 20,665,401</u></u> |
| | |
| Senior debt service | \$ 4,348,551 |
| Subordinate debt service | <u>2,818,282</u> |
| Total debt service | 7,166,833 |
| Add: 20% senior debt service | <u>869,710</u> |
| Adjusted debt service | <u><u>\$ 8,036,543</u></u> |
| | |
| Coverage Test 1 | |
| Adjusted net revenues/adjusted debt service | <u><u>2.57</u></u> |
| | |
| Coverage Test 2 | |
| Net revenues/total debt service | <u><u>2.13</u></u> |

B. Certificates of Participation

The County participates in various lease purchase agreements through the Brunswick County Leasing Corporation to finance certain public improvements. Certificates of Participation are issued in connection with these agreements. Since the corporation is considered a blended component unit of the County, the lease obligations are classified as certificates of participation in the County's long-term debt. The County's Certificates of Participation consisted of the following at June 30, 2009:

| <u>Issued</u> | <u>Payment Information</u> | | <u>Rate</u> | <u>Balance</u> | <u>Purpose and Collateral</u> |
|---------------|----------------------------|-------------------------|---------------|------------------------------------|--|
| | <u>Period</u> | <u>Amount</u> | | <u>Governmental Activities</u> | |
| 2000 | Annual | \$400,000 - \$800,000 | 5.00% - 5.75% | \$ 800,000 | County Courthouse |
| 2004 | Annual | \$390,000 - \$1,250,000 | 2.00% - 5.00% | 5,850,000 | Construct law enforcement center and schools |
| 2006 | Annual | \$75,000 - \$1,005,000 | 3.00% - 4.25% | <u>9,705,000</u> | Refund portion of 2000 COPS; County Courthouse |
| | | | | <u><u>\$ 16,355,000</u></u> | |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

C. Installment Purchases and State Revolving Fund Loans

The County's Installment Purchase notes payable consisted of the following at June 30, 2009:

| <u>Payment Information</u> | | <u>Rate</u> | <u>Outstanding Balance</u> | | <u>Collateral</u> |
|----------------------------|-------------------------|-------------|--------------------------------|---------------------------------|---------------------|
| <u>Period</u> | <u>Amount</u> | | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | |
| Annual | \$138,093 | 4.00% | \$ 254,136 | \$ - | Park Field Lighting |
| Annual | \$1,602,000-\$1,790,000 | 4.15% | 33,898,000 | - | Schools |
| | | | <u>\$ 34,152,136</u> | <u>\$ -</u> | |

The County's State Revolving Fund Loans payable consisted of the following at June 30, 2009:

| <u>Payment Information</u> | | <u>Rate</u> | <u>Outstanding Balance</u> | | <u>Collateral</u> |
|----------------------------|---|-------------|--------------------------------|---------------------------------|-------------------|
| <u>Period</u> | <u>Amount</u> | | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | |
| Annual | \$375,000 | 2.55% | \$ - | \$ 3,831,836 | Wastewater System |
| Annual | \$511,525 - \$790,275 | 2.21% | - | 8,500,000 | Wastewater System |
| Annual | \$806,645 - \$1,220,552 | 2.21% | - | 17,526,865 | Wastewater System |
| Annual | \$75,160 | 3.04% | - | 676,440 | Wastewater System |
| Annual | \$39,541 | 2.95% | - | 158,165 | Wastewater System |
| | | | <u>\$ -</u> | <u>\$ 30,693,306</u> | |
| | Total Installment Purchase & SRF Loans | | <u>\$ 34,152,136</u> | <u>\$ 30,693,306</u> | |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

The following is a summary of changes in governmental long-term debt for the year ended June 30, 2009 for the County:

| <u>Governmental Activities</u> | <u>June 30, 2008</u> | <u>Additions</u> | <u>Retirements</u> | <u>June 30, 2009</u> | <u>Current Maturities</u> |
|---------------------------------|-----------------------|---------------------|----------------------|-----------------------|---------------------------|
| General obligation bonds | \$ 97,465,000 | \$ - | \$ 6,445,000 | \$ 91,020,000 | \$ 6,650,000 |
| Certificates of participation | 17,625,000 | - | 1,270,000 | 16,355,000 | 1,275,000 |
| Installment purchases | 36,053,592 | - | 1,901,456 | 34,152,136 | 1,816,528 |
| Compensated absences | 2,858,640 | 1,484,915 | 1,182,707 | 3,160,848 | 275,000 |
| Pension benefit obligation | 578,818 | 88,350 | - | 667,168 | - |
| Other post-employment benefits | 3,845,610 | 4,140,089 | - | 7,985,699 | - |
| Landfill closure & post-closure | 10,557,352 | 872,492 | - | 11,429,844 | 112,000 |
| Total | <u>\$ 168,984,012</u> | <u>\$ 6,585,846</u> | <u>\$ 10,799,163</u> | <u>\$ 164,770,695</u> | <u>\$ 10,128,528</u> |

Note: The general fund is typically used to liquidate the compensated absences and pension liabilities. The total of other debt not issued for capital is \$23,243,559 which is comprised of compensated absences of \$3,160,848, pension benefit obligation of \$667,168, other post-employment benefits of \$7,985,699 and landfill closure and post-closure of \$11,429,844.

The following is a summary of changes in business-type long-term debt for the year ended June 30, 2009 for the County:

| <u>Business-Type Activities</u> | <u>June 30, 2008</u> | <u>Additions</u> | <u>Retirements</u> | <u>June 30, 2009</u> | <u>Current Maturities</u> |
|---------------------------------|-----------------------|-------------------|---------------------|-----------------------|---------------------------|
| Revenue bonds | \$ 89,757,733 | \$ - | \$ 2,565,665 | \$ 87,192,068 | \$ 2,886,561 |
| General obligation bonds | 295,000 | - | 295,000 | - | - |
| Installment purchases | 44,471 | - | 44,471 | - | - |
| State Revolving Fund Loans | 32,424,133 | - | 1,730,827 | 30,693,306 | 1,749,402 |
| Compensated absences | 326,864 | 155,067 | 122,365 | 359,566 | 32,000 |
| Other post-employment benefits | 490,588 | 550,120 | - | 1,040,708 | - |
| Total | <u>\$ 123,338,789</u> | <u>\$ 705,187</u> | <u>\$ 4,758,328</u> | <u>\$ 119,285,648</u> | <u>\$ 4,667,963</u> |

The total of other debt not issued for capital is \$1,400,274 which is comprised of compensated absences of \$359,566 and other post-employment benefits of \$1,040,708.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

E. Maturities of Long-Term Debt

The annual requirements to retire all debt outstanding, other than compensated absences, pension benefit obligation, and landfill closure costs, at June 30, 2009, including interest, are as follows:

| Governmental Activities | General Obligation Bonds | | Certificates of Participation | | Installment Purchases | |
|----------------------------|--------------------------|----------------------|-------------------------------|---------------------|-----------------------|----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2010 | \$ 6,650,000 | \$ 3,916,361 | \$ 1,275,000 | \$ 666,174 | \$ 1,816,528 | \$ 1,421,332 |
| 2011 | 6,650,000 | 3,640,698 | 1,395,000 | 613,937 | 1,894,608 | 1,343,993 |
| 2012 | 6,635,000 | 3,373,798 | 1,390,000 | 563,207 | 1,791,000 | 1,263,302 |
| 2013 | 6,625,000 | 3,100,384 | 1,380,000 | 511,994 | 1,791,000 | 1,188,975 |
| 2014 | 6,885,000 | 2,820,436 | 1,370,000 | 460,206 | 1,791,000 | 1,114,649 |
| 2015-2019 | 37,855,000 | 9,365,032 | 6,685,000 | 1,461,286 | 8,955,000 | 4,458,345 |
| 2020-2024 | 19,720,000 | 1,634,247 | 2,860,000 | 279,987 | 8,953,000 | 2,600,224 |
| 2025-2029 | - | - | - | - | 7,160,000 | 742,850 |
| Totals | \$ 91,020,000 | \$ 27,850,956 | \$ 16,355,000 | \$ 4,556,791 | \$ 34,152,136 | \$ 14,133,670 |

| Business-Type Activities | Revenue Bonds | | State Revolving Loans | |
|-----------------------------|----------------------|----------------------|-----------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2010 | \$ 2,668,571 | \$ 3,306,116 | \$ 1,749,402 | \$ 696,800 |
| 2011 | 2,767,594 | 3,990,812 | 1,768,387 | 656,363 |
| 2012 | 2,881,761 | 3,877,120 | 1,787,791 | 615,507 |
| 2013 | 2,992,919 | 3,763,450 | 1,807,622 | 574,424 |
| 2014 | 3,108,414 | 3,646,461 | 1,788,349 | 532,503 |
| 2015-2019 | 17,836,155 | 15,961,030 | 9,186,608 | 2,038,210 |
| 2020-2024 | 22,571,537 | 11,223,270 | 9,190,379 | 987,176 |
| 2025-2029 | 25,280,117 | 5,595,348 | 3,414,768 | 113,234 |
| 2030-2034 | 7,085,000 | 527,625 | - | - |
| Totals | \$ 87,192,068 | \$ 51,891,232 | \$ 30,693,306 | \$ 6,214,217 |

F. Invested in Capital Assets, Net of Debt

The total invested in capital assets, net of related debt at June 30, 2009 is composed of the following elements:

| | Governmental | Business-type | Total |
|---|----------------|----------------|----------------|
| Total capital assets (net of depreciation) | \$ 125,709,627 | \$ 271,249,438 | \$ 396,959,065 |
| Total debt, gross | 164,770,695 | 119,285,648 | 284,056,343 |
| Less: | | | |
| Education debt for which the County does not hold title | 79,920,000 | - | 79,920,000 |
| Other debt not issued for capital | 23,243,559 | 1,400,274 | 24,643,833 |
| Unexpended proceeds | 16,729,920 | 8,581,868 | 25,311,788 |
| Total capital debt | 44,877,216 | 109,303,506 | 154,180,722 |
| Invested in capital assets, net of related debt | \$ 80,832,411 | \$ 161,945,932 | \$ 242,778,343 |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

G. Other Debt Disclosures

At June 30, 2009, the County had a legal debt margin of \$2,505,000,000 and the County had authorized and unissued debt of \$25,500,000 for refunding of School Series 2001 General Obligation Bonds.

At June 30, 2009, the County had \$7,600,000 and \$9,200,000 with escrow agents for School Series 2000 G.O. Bonds and Courthouse COPs Series 2000, respectively, and as a result the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. In July 2009, the County placed \$23,500,000 with an escrow agent for refunding of School Series 2001 General Obligation Bonds.

In September 2009, the County issued Taxable Enterprise Systems Revenue Bond (Build America Bond), Series 2009 in the amount of \$14,750,000 to provide funds to finance wastewater collection systems within the towns of Sunset Beach and Calabash. The debt will be serviced by customer assessments.

8. Conduit Debt Obligations

Brunswick County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009, there are no industrial revenue bonds outstanding.

9. Pension Plan Obligations

A. Local Governmental Employees' Retirement System

Plan Description

The County contributes to the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report for the State of North Carolina. The State's Comprehensive Annual Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute an actuarially determined rate. For the County the current rate for non-Health Department employees not engaged in law enforcement, for Health Department employees and for law enforcement officers is 4.89%, 4.88% and 4.86%, respectively, of annual covered payroll. The County's contributions to LGERS for the years ended June 30, 2009, 2008 and 2007 were \$2,071,326, \$1,868,816, and \$1,610,544 respectively. The contributions made by the County equaled the required contributions for each year.

B. Law Enforcement Officers' Special Separation Allowance

Plan Description

The County administers a public employee retirement system (the "Separation Allowance"); a single-employer, defined benefit pension plan that provides retirement benefits to the County's sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the covered employee for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The plan does not issue separate financial statements.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2008, the Separation Allowance's membership consisted of:

| | |
|---|------------|
| Retirees receiving benefits terminated plan members entitled to but not yet receiving benefits | 5 |
| Active plan members | <u>130</u> |
| Total | <u>135</u> |

Summary of Significant Accounting Policies

Basis of Accounting

The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

No funds are set aside to pay future benefits and administration costs. These expenditures are paid as they come due.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

The annual required contribution for the current year was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases.

The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2008 was 22 years.

Annual Pension Costs and Net Pension Obligation

The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

| | |
|--|--------------------------|
| Annual required contribution | \$ 129,250 |
| Interest on net pension obligation | 41,964 |
| Adjustment to annual required contribution | <u>(36,581)</u> |
| Annual pension cost | 134,633 |
| Contributions made | <u>46,283</u> |
| Increase in net pension, obligation | 88,350 |
| Net pension obligation, beginning of year | <u>578,818</u> |
| Net pension obligation, end of year | <u><u>\$ 667,168</u></u> |

Funded Status and Funding Progress

| Three Year Trend Information | | | |
|-------------------------------------|----------------------------------|---------------------------------------|-------------------------------|
| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contribution | Net Pension Obligation |
| 2007 | \$ 105,461 | 29.08% | \$ 510,301 |
| 2008 | 105,825 | 35.25% | 578,818 |
| 2009 | 134,633 | 34.38% | 667,178 |

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$1,159,480. The covered payroll (annual payroll of active employees covered by the plan) was \$6,513,142, and the ratio of the UAAL to the covered payroll was 17.8%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

C. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

The County contributes to the Supplemental Retirement Income Plan (“Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2009 were \$423,205 which consisted of \$311,406 from the County and \$111,799 from the law enforcement officers.

D. Deferred Compensation Plans

The County also offers, to employees not engaged in law enforcement, a deferred compensation plan created in accordance with Internal Revenue Code Section 401(k). Employee participation is discretionary and is limited to the amount allowable under the Internal Revenue Code. For each qualified employee, the County contributes 5% of the employee’s pretax annual compensation to the plan. Contributions for the year ended June 30, 2009 were \$2,586,761 which consisted of \$1,800,103 from the County and \$786,658 from the employees.

E. Registers of Deeds’ Supplemental Pension Fund

Plan Description

The County also contributes to the Registers of Deeds' Supplemental Pension Fund (“Fund”), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds that is retired under the Local Government Employees' Retirement System (“LGERS”) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2009, the County's required and actual contributions were \$14,532.

F. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to his/her death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants.

For the fiscal year ended June 30, 2009, the County's contributions to the State for death benefits were \$44,926. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .10% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

G. Other Post-Employment Benefits – Health Care Benefits

Plan Description

In addition to providing pension benefits, the County has elected that an employee who retires from Brunswick County through regular retirement with at least ten years of creditable service with the North Carolina Local Governmental Employees' Retirement System or the North Carolina Law Enforcement Officers' Retirement System or who through disability retirement has five years of creditable service may continue health insurance coverage until age 65 at no cost to the retiree. Retired employees meeting the criteria discussed herein will be provided health and dental insurance in the same manner as the active County employees. Once a retiree reaches their sixty-fifth birthday, the retiree will be provided coverage in the form of a Medicare supplement policy purchased by the County. The County pays the full cost of coverage for these benefits. Retirees can purchase coverage for their dependents at the County's group rates until the retiree reaches age sixty-five. Currently, 163 retirees are eligible for post-retirement health benefits.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

Membership of the plan consisted of the following at December 31, 2008, the date of the latest actuarial valuation:

| | General Employees | Law Enforcement Officers |
|--|------------------------------|-------------------------------------|
| Retirees and dependents receiving benefits | 163 | N/A |
| Terminated plan members entitled to but not yet receiving benefits | - | - |
| Active plan members | 633 | 130 |
| Total | 796 | 130 |

Funding Policy

The County pays the full cost of coverage for the health care benefits paid for qualified retirees. The County's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage. The County has chosen to fund the health care benefits on a pay-as-you-go basis.

The current Annual Required Contribution rate is 16.93% of annual covered payroll. For the current fiscal year, the County contributed \$957,882 or 1.96% of annual covered payroll. The County is fully insured for health care coverage through a private insurer. There were no contributions made by employees, except for dependent coverage in the amount of \$48,188. The County's obligation to contribute to the Plan is established and may be amended by the County Board.

Summary of Significant Accounting Policies

Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual Other Post Employment Benefits (OPEB) Cost and Net Obligation

The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

| | |
|---|--------------|
| Annual required contribution | \$ 5,648,091 |
| Interest on net OPEB obligation | - |
| Adjustments to annual required contribution | - |
| Annual OPEB cost (expense) | 5,648,091 |
| Contributions made calendar year ended 12/31/08 | (957,882) |
| Increase (decrease) in net OPEB obligation | 4,690,209 |
| Net OPEB obligation, beginning of year | 4,336,198 |
| Net OPEB obligation, end of year | \$ 9,026,407 |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

| <u>Year Ended June 30</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|---------------------------|-----------------------------|---|--------------------------------|
| 2009 | \$ 5,648,091 | 17.0% | \$ 9,026,407 |

Fund Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$51,697,990. The covered payroll (annual payroll of active employees covered by the plan) was \$33,371,151, and the ratio of the UAAL to the covered payroll was 154.9 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and health care trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was 30 years.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

10. Landfill Closure and Postclosure Costs

Federal and State laws and regulations provide the closure and post closure care requirements of the County's landfills. Although closure and postclosure care costs will be paid only near or after the date that the C&D debris landfill stops accepting waste or certain portions obtain the final height, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of the balance sheet date.

Municipal Solid Waste Landfill

The County operated a municipal solid waste landfill until December 1997 when it stopped accepting waste at the site. As required by federal and State laws and regulations, the County placed a final cover on this landfill in 1998 and is performing certain maintenance and monitoring functions at the site for thirty years after closure.

Construction and Demolition Debris Landfill

The County operates a multi-phase construction and demolition debris landfill. The North Carolina Department of Environment and Natural Resources ("NCDENR") has issued permits for 6 separate phases with a permit that extended to July, 1 2008. The County submitted a request to extend the landfill permit for five years in December 2007. The County is operating under a permit that expired on July 1, 2008. The final phases of the landfill, Phases 6A, 6B, and 6C, were permitted for 588,000 cy. It is estimated that approximately 52% of Phase 6 has been used. The total permitted capacity of the C&D debris landfill is 1,146,000 cubic yards (cy). As of June 30, 2009, the volume utilized has not exceeded the permitted capacity.

Phase 5 was permitted for 147,000 cy in December 2004 and the permit was extended to January 1, 2007. Phases 6A, 6B, and 6C were permitted for 588,000 cy and the permit was extended to July 1, 2008. The County's engineering consultants estimated that approximately 100% of Phase 5 has been used and approximately 52% of Phase 6 has been used.

The County received a report from an engineering firm of comprehensive planning, management, and design services for its C&D debris services. The County is evaluating the expansion of the C&D landfill and has included \$350,000 in FY 2009-10, \$7,250,000 in FY 2010-11, and \$3,000,000 each year in the Capital Improvement Plan for fiscal years 2011-12 and 2012-13 as the estimated cost of expanding the C&D landfill. In addition, on July 16, 2007 the County entered into an agreement for temporary hauling and disposal of C&D debris outside the County and began a sorting and recycling program as means to extend the life of the existing landfill.

Closure and Postclosure Care Cost

The closure and postclosure care liability is computed based on the cumulative, estimated capacity of the landfill utilized as of June 30, 2009 which is 52%. It is estimated that closure of the C&D debris landfill will not occur until sometime around 2011. The MSW landfill was closed in 1997. At June 30, 2009, the postclosure care cost for the MSW landfill is expected to be approximately \$112,000 annually. The postclosure care cost for the C&D debris landfill is expected to be approximately \$125,000 annually after closure. At June 30, 2009, the combined closure and postclosure care costs for both landfills are expected to total \$11,429,844 based on an escalation factor of 4%. Of that amount, \$11,429,844 has been accrued at June 30, 2009 and is included in the Long-Term Debt reported on the statement of net assets.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has elected to establish a reserve fund to accumulate resources for the payment of closure and postclosure care costs. A reserve for landfill closure and postclosure care costs is included in the County Capital Reserve Fund in the amount of \$3,707,671. The County expects to budget annual transfers from the General Fund to the County Capital Reserve Fund based on the projected cost of closure and postclosure care costs. Future inflation costs are expected to be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate, additional costs may be covered by future user charges or tax revenues. Additionally, the County incurred \$12,000 of costs related to its landfill expansion during 2009.

11. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$150 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive. The Pool's retentions are: \$500,000 each occurrence for general liability, automobile liability, law enforcement liability and public officials' liability; \$250,000 for each property, automobile physical damage and inland marine occurrence, subject to a 2% wind deductible. For health and dental insurance, the County is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through a commercial carrier for individual losses in excess of \$200,000.

The County does not carry flood insurance through the National Flood Insurance Plan (NFIP). Because the County owns property in areas of the State that have been mapped and designated as "AE" (high risk non-coastal) and "VE" (coastal high risk), the County is eligible to purchase coverage of \$500,000 per structure through the NFIP. The County has chosen not to purchase flood insurance based on a determination that the assets located in flood prone areas consist mainly of underground utility piping and pump stations designed for the environment.

On July 1, 2009, the County became self funded for worker's compensation insurance with a retention of \$400,000 per occurrence for employees and \$450,000 per occurrence for law enforcement and emergency response employees. Specific excess and aggregate coverage up to the statutory limits is brokered through Wells Fargo Insurance Services with Safety National Casualty Corporation. The County contracts with a third party administrator to adjudicate claims and manage cost containment of medical billing.

The County carries commercial coverage for all other risks of loss, including property and liability for emergency service vehicles. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years. The Director of Finance, Revenue Collector, Sheriff and Register of Deeds are each individually bonded for \$250,000, \$500,000, \$25,000 and \$10,000 respectively. In accordance with G.S. 159-29,

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

the County's adopted a system of \$250,000 blanket faithful performance bonding as an alternative to individual bonds for all other employees that have access to funds.

12. Claims and Judgments

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

13. Joint Ventures

Brunswick County Community College

The County in conjunction with the State of North Carolina and the Brunswick County Board of Education participates in a joint venture to operate the Brunswick County Community College ("Community College"). Each of the three participants appoints four members of the thirteen-member board of trustees of the Community College. The president of the Community College's student government serves as an ex officio nonvoting member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. As of June 30, 2009, the amount of general obligation bonds issued for this purpose that was still outstanding was \$27,120,000. The County made total debt service payments related to the bonds of \$2,634,485 during the fiscal year. Of that total, \$1,395,000 was for principal and \$1,239,845 was for interest. In addition, the County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$3,529,358 to the Community College for operating purposes during the fiscal year ended June 30, 2009.

The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2009. Complete financial statements for the Brunswick County Community College may be obtained from the Community College's administrative offices at U.S. Hwy. 17 N., Supply, North Carolina.

Southeastern Mental Health Center

The County participates with Pender County and New Hanover County in a joint venture to operate the Southeastern Mental Health Center ("Center"), which is located in New Hanover County. The Center's Board consists of fifteen directors. Each participating county appoints one County Commissioner as a member of the Board. Acting in concert, the County Commissioners so appointed shall appoint, reappoint, and terminate the other members of the Board. Subsequently, the Board of Commissioners of the county of residence of the appointee must confirm those appointed. Brunswick County has 5 members on the Board of Directors. The Southeastern Mental Health, Mental Retardation, and Substance Abuse Board is a county political subdivision of the State of North Carolina. Brunswick County contributed \$693,881 for operating purposes during the year ended June 30, 2009. In addition, the County makes available to the Center operating facilities for which no rent is charged. The participating counties do not have any equity interest in the joint venture. Complete financial statements for Southeastern Mental Health Center may be obtained from the Center's administrative offices at Wilmington, North Carolina.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

14. Jointly Governed Organizations

Cape Fear Council of Governments

The County, in conjunction with three other counties and forty-one municipalities, established the Cape Fear Council of Governments (“Council”). The participating governments established the Council to coordinate certain funding received from federal and State agencies. Each participating government appoints one member to the Council’s governing board. The County paid membership fees of \$25,327 to the Council during the fiscal year ended June 30, 2009.

Lower Cape Fear Water and Sewer Authority

The County, in conjunction with four other counties and one municipality, established the Lower Cape Fear Water and Sewer Authority (“Authority”). The Authority operates a 45 mgd raw water system, consisting of a raw water intake located above Lock & Dam #1, Cape Fear River, a 45 mgd pump station and 13 miles of operating raw water main. The County appoints 4 members of the Authority’s 13 member Board. The Authority supplies raw water under contracts at a rate that is periodically reset to reflect the Authority’s cost of production. The Authority also receives an availability charge from a municipality until the municipality needs the raw water supply. The cost of the raw water acquired by Brunswick County from the Authority for the year ended June 30, 2009 was \$869,237.

In addition, the Authority made payments to the County during the fiscal year totaling \$316,099 pursuant to a maintenance contract.

Northeast Brunswick Water Reclamation Facility

The Facility is owned, operated and maintained by the County. The Town of Leland, Town of Navassa, North Brunswick Sanitary District, City of Northwest, and the County have entered into wastewater service agreements for a portion of the treatment capacity in the plant. The County is planning an expansion of the plant of 825,000 gpd to bring capacity to 2.475 mgd due to increased needs of the participants and included \$601,900 for design in fiscal year 2010 and \$10 million as an estimated capital cost in the Capital Improvement Plan budget for fiscal year 2011-12. The planned sources of funding are revenue bonds, other debt proceeds that may be available to the County, and grants. The debt is planned to be serviced by participant fees. The agreement and policies and regulations provide for an oversight committee to make budget and operating recommendations to the County Commissioners.

West Brunswick Regional Water Reclamation Facility

The Facility, which began operations in March of 2006 is owned, operated and maintained by the County. The county is currently constructing the West Brunswick Regional Water Reclamation Facility Phase 2 planned to expand the plant capacity from 3 mgd to 6 mgd and provide a transmission line to serve the Town of Oak Island. The budgeted cost of the facilities is \$56.4 million. The sources of funding are revenue bonds, construction grants and loans funds, and grants. The debt will be serviced by participant fees. The Town of Holden Beach, Town of Oak Island, Town of Shallotte and the County have entered into a wastewater service agreement for a portion of the treatment capacity in the plant. The County is constructing force mains to serve the southwest portion of the County at a cost of \$16.9 million. The Southwest Force Mains were funded by revenue bonds. The revenue bonds will be serviced by County retail wastewater revenues. The wastewater service

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

agreement and policies and regulations provide for an oversight committee to make budget and operating recommendations to the County Commissioners.

15. Benefit Payments issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients. Because they are not revenues and expenditures of the County, they do not appear in the County's financial statements.

| | Federal | State |
|---|------------|------------|
| Temporary Assistance for Needy Families | \$ 987,415 | \$ (693) |
| Refugee Assistance | 1,086 | - |
| Low-Income Home Energy Assistance | 333,870 | - |
| Links Transitional Fund | 11,417 | |
| Medicaid | 66,095,800 | 25,970,214 |
| Housing Assistance Program | 2,214,675 | - |
| Food Stamp Program | 13,330,097 | - |
| Special Supplemental Food Program for Women, Infants, and Children | 2,001,145 | - |
| State/County Special Assistance for Adults | - | 488,930 |
| State Foster Care and Adoption Programs | 842,480 | 173,016 |
| CWS Adoption Subsidy & Vendor | | 272,396 |
| State Foster Home | | 42,589 |
| Foster Care Special Provision | | 42,373 |
| SFHF Maximization | | 19,302 |
| Foster Care At Risk Maximization | | 1,181 |

16. Commitments and Contingencies

Unemployment Benefits

The County has elected to pay the direct cost of employment security benefits in lieu of employment security taxes on the payroll. A liability for benefit payments could accrue in the year following discharge of employees.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

Construction Commitments

The County had commitments, as shown below, for construction contracts outstanding at June 30, 2009. The projects are accounted for in the Government Capital Projects fund and Enterprise Capital Project Funds and are mainly funded by debt proceeds.

| <u>Project</u> | <u>Balance of Contracts</u> |
|---|---------------------------------|
| Waccamaw Waterline | 3,500 |
| Utility Operations Center | 3,712,645 |
| Transmission System Improvements | 10,625 |
| Carolina Shores North | 234,263 |
| Phase 4 Riversea Plantation | 430,864 |
| West Brunswick Water Reclamation Facility | 4,408,144 |
| Cedar Grove Middle School | 974,854 |
| Town Creek Elementary School | 398,871 |
| Ocean Isle Beach Park | 1,874,770 |
| Cedar Grove Park | 600,569 |
| DSS/Cafeteria/Health Dept AC | 141,894 |
| Water Fund | 25,004 |
| Wastewater Fund | 50,009 |
| General Fund | 42,358 |
| | <u>\$ 12,908,370</u> |

Grants

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. At June 30, 2009, the County believes that any required refunds would be immaterial and therefore no provision has been made in the accompanying financial statements for the refund of grant money received.

17. Stewardship, Compliance and Accountability

A. Deficit Fund Balance of Net Assets of Individual Funds

The following individual funds had deficit fund balances as of June 30, 2009:

| | |
|-------------------------|------------|
| Special Revenue: | |
| Grant Project Fund | \$ 338,954 |

The County plans to properly capitalize the funds with grant receipts or local transfers.

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REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by the Governmental Accounting Standards Board

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to the Required Schedules for the Law Enforcement Officer's Special Separation Allowance
- Schedule of Funding Progress for the Other Post Employment Benefits
- Schedule of Employer Contributions for the Other Post Employment Benefits
- Notes to the Required Schedules for the Other Post Employment Benefits

COUNTY OF BRUNSWICK, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets A | Actuarial Accrued Liability (AAL) | | Funded Ratio A / B | Covered Payroll C | UAAL as a Percentage Covered Payroll (B - A) / C |
|--------------------------|-----------------------------|-----------------------------------|---------------------------|--------------------|-------------------|--|
| | | -Projected Unit Credit B | Unfunded AAL (UAAL) B - A | | | |
| 12/31/2008 | \$ - | \$ 1,159,480 | \$ 1,159,480 | 0.00% | \$ 6,513,142 | 17.80% |
| 12/31/2007 | - | 961,761 | 961,761 | 0.00% | 5,030,787 | 19.12% |
| 12/31/2006 | - | 706,154 | 706,154 | 0.00% | 4,126,694 | 17.11% |
| 12/31/2005 | - | 686,980 | 686,980 | 0.00% | 4,201,836 | 16.35% |
| 12/31/2004 | - | 700,612 | 700,612 | 0.00% | 3,554,883 | 19.71% |
| 12/31/2003 | - | 611,561 | 611,561 | 0.00% | 3,100,151 | 19.73% |
| 12/31/2002 | - | 514,216 | 514,216 | 0.00% | 2,970,724 | 17.31% |
| 12/31/2001 | - | 445,483 | 445,483 | 0.00% | 2,533,125 | 17.59% |
| 12/31/2000 | - | 405,564 | 405,564 | 0.00% | 2,283,364 | 17.76% |
| 12/31/1999 | - | 229,060 | 229,060 | 0.00% | 2,309,143 | 9.92% |

Schedule of Employer Contributions

| Year Ended June 30 | Annual Required Contribution (ARC) | Amount Contributed By Employer | Percentage of ARC Contributed |
|--------------------|------------------------------------|--------------------------------|-------------------------------|
| 2009 | \$ 129,250 | \$ 46,283 | 35.81% |
| 2008 | 100,185 | 37,308 | 37.24% |
| 2007 | 99,949 | 30,673 | 30.69% |
| 2006 | 101,041 | 26,210 | 25.94% |
| 2005 | 86,211 | 12,977 | 15.05% |
| 2004 | 76,871 | 13,335 | 17.35% |
| 2003 | 65,290 | 23,080 | 35.35% |
| 2002 | 58,387 | 23,968 | 41.05% |
| 2001 | 41,638 | 29,184 | 70.09% |
| 2000 | 36,279 | 16,587 | 45.72% |

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows:

| | | |
|-------------------------------|-----------------------------|-------------------------------|
| Valuation date | 12/31/2008 | |
| Actuarial cost method | Projected unit credit | |
| Amortization method | Level percent of pay closed | |
| Remaining amortization period | 22 years | |
| Asset valuation method | Market value | |
| Actuarial Assumptions: | | |
| Investment rate of return * | 7.25% | * Includes inflation at 3.75% |
| Projected salary increases * | 4.5 - 12.3% | |
| Cost of living adjustments | N/A | |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**OTHER POST EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets A | Actuarial Accrued Liability (AAL) -Projected Unit Credit B | Unfunded AAL (UAAL) B - A | Funded Ratio A / B | Covered Payroll C | UAAL as a Percentage Covered Payroll (B - A) / C |
|---------------------------------|--|---|--------------------------------------|-------------------------------|------------------------------|---|
| 12/31/2008 | - | \$ 51,697,990 | \$ 51,697,990 | 0.00% | \$ 33,371,151 | 154.9% |
| 12/31/2006 | - | 49,458,857 | 49,458,857 | 0.00% | 24,093,567 | 205.3% |

Schedule of Employer Contributions

| Year Ended June 30 | Annual Required Contribution (ARC) | Amount Contributed | Percentage of ARC Contributed |
|---------------------------|---|---------------------------|--------------------------------------|
| 2009 | \$ 5,648,091 | \$ 957,882 | 17.0% |
| 2008 | 5,150,934 | 814,736 | 15.8% |

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows:

| | |
|-------------------------------|----------------------------|
| Valuation date | 12/31/2008 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level percent of pay, open |
| Remaining amortization period | 30 years |
| Asset valuation method | Market value of assets |
| Actuarial assumptions: | |
| Investment rate of return * | 4.00% |
| Medical cost trend rate | 5%-10.5% |
| Year of ultimate trend rate | 2016 |

*Includes inflation at 3.75%

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SUPPLEMENTARY

INFORMATION

TAB

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND - This fund is the principal fund of the County and is used to account for the receipt and expenditure of resources that are traditionally associated with local government and that are not required to be accounted for in other funds.

COUNTY CAPITAL RESERVE FUND - This fund was established in accordance with North Carolina law to account for the accumulation of resources to be used for construction. When construction begins, the fund balance will be transferred to a Capital Projects Fund.

EDUCATION CAPITAL PROJECTS FUND - This fund is used to account for the additions and improvements to Brunswick County Public Schools and Brunswick Community College which are financed by transfers from the general fund and capital reserve funds, bond proceeds, and financing agreements.

COUNTY CAPITAL PROJECTS FUND - This fund is used to account for additions and improvements of major county facilities which are financed by transfers from the general fund and capital reserve funds, bond proceeds, and financing agreements.

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|-------------------|-------------------|---|-------------------|
| Revenues: | | | | |
| Ad Valorem Taxes: | | | | |
| Current year taxes | \$ 95,747,065 | \$ 96,240,283 | \$ 493,218 | \$ 94,116,181 |
| Prior years taxes | 2,182,092 | 2,089,813 | (92,279) | 2,145,958 |
| Penalties and interest | 670,000 | 618,865 | (51,135) | 678,582 |
| | <u>98,599,157</u> | <u>98,948,961</u> | <u>349,804</u> | <u>96,940,721</u> |
| Local Option Sales Taxes: | | | | |
| Article 39 (1%) | 7,454,000 | 8,060,654 | 606,654 | 9,233,434 |
| Article 40 (1/2%) | 4,486,055 | 4,552,822 | 66,767 | 4,823,347 |
| Article 42 (1/2%) | 4,320,982 | 4,495,989 | 175,007 | 4,771,639 |
| Article 44 (1/2%) | 2,417,500 | 2,631,672 | 214,172 | 4,232,972 |
| | <u>18,678,537</u> | <u>19,741,137</u> | <u>1,062,600</u> | <u>23,061,392</u> |
| Other Taxes and Licenses: | | | | |
| Deed stamp excise tax | 1,700,000 | 1,823,931 | 123,931 | 3,330,285 |
| White goods disposal tax | 36,000 | 32,449 | (3,551) | 36,991 |
| Solid waste tax | - | 19,416 | 19,416 | - |
| Scrap tire disposal fee | 140,000 | 148,204 | 8,204 | 137,228 |
| | <u>1,876,000</u> | <u>2,024,000</u> | <u>148,000</u> | <u>3,504,504</u> |
| Unrestricted Intergovernmental: | | | | |
| Beer and wine tax | 245,000 | 244,224 | (776) | 240,565 |
| Court facility fees | 190,000 | 174,374 | (15,626) | 187,017 |
| Jail fees | 246,514 | 317,082 | 70,568 | 273,907 |
| | <u>681,514</u> | <u>735,680</u> | <u>54,166</u> | <u>701,489</u> |
| Restricted Intergovernmental: | | | | |
| State and federal grant | 18,905,328 | 18,691,227 | (214,101) | 17,154,919 |
| Payments in lieu of taxes | - | 4,833 | 4,833 | 2,146 |
| ABC education requirement | - | 2,485 | 2,485 | 3,273 |
| ABC law enforcement services | 3,100 | 1,653 | (1,447) | 4,124 |
| State drug tax | 18,000 | 16,595 | (1,405) | 92,272 |
| | <u>18,926,428</u> | <u>18,716,793</u> | <u>(209,635)</u> | <u>17,256,734</u> |
| Permits and Fees: | | | | |
| Building permits | 1,100,000 | 967,959 | (132,041) | 1,455,140 |
| Register of Deeds | 970,222 | 1,070,443 | 100,221 | 1,211,439 |
| Inspection fees | 175,000 | 144,689 | (30,311) | 205,768 |
| Concealed handgun permit | 47,000 | 73,390 | 26,390 | 40,915 |
| Other permit and fees | 1,070,777 | 1,133,432 | 62,655 | 1,214,722 |
| | <u>3,362,999</u> | <u>3,389,913</u> | <u>26,914</u> | <u>4,127,984</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|---------------------------------------|--------------------|--------------------|---|--------------------|
| Sales and Services: | | | | |
| Solid waste fees | 1,200,000 | 1,333,327 | 133,327 | 1,724,255 |
| School resource officer reimbursement | 805,816 | 761,047 | (44,769) | 637,391 |
| Rents | 5,334 | 5,334 | - | 5,334 |
| EMS Charges | 2,324,000 | 2,403,519 | 79,519 | 2,206,666 |
| Food Services | 1,420,000 | 1,401,742 | (18,258) | 1,385,911 |
| Public health user fees | 831,752 | 861,938 | 30,186 | 1,069,809 |
| Social services fees | 43,600 | 56,149 | 12,549 | 54,463 |
| Public housing fees | 11,000 | 14,195 | 3,195 | 9,661 |
| Tax collection fees | 130,000 | 150,296 | 20,296 | 80,847 |
| Other sales and services | 160,548 | 213,395 | 52,847 | 203,830 |
| Fuel reimbursement | 865,000 | 738,225 | (126,775) | 777,455 |
| Recreation services | 220,248 | 194,681 | (25,567) | 224,367 |
| | <u>8,017,298</u> | <u>8,133,848</u> | <u>116,550</u> | <u>8,379,989</u> |
| Investment earnings | <u>1,420,500</u> | <u>1,260,028</u> | <u>(160,472)</u> | <u>3,119,176</u> |
| Other: | | | | |
| Tax refunds - sales and gas tax | 500 | 345 | (155) | 1,156 |
| ABC bottles taxes | 42,000 | 45,892 | 3,892 | 47,334 |
| County Board of Alcohol Control | 24,000 | 24,000 | - | 24,000 |
| Contributions | 63,305 | 13,368 | (49,937) | 4,399 |
| Other revenues | 542,864 | 953,877 | 411,013 | 824,915 |
| | <u>672,669</u> | <u>1,037,482</u> | <u>364,813</u> | <u>901,804</u> |
| Total revenues | <u>152,235,102</u> | <u>153,987,842</u> | <u>1,752,740</u> | <u>157,993,793</u> |
| Expenditures: | | | | |
| General Government: | | | | |
| Governing Body: | | | | |
| Salaries | 187,878 | 198,067 | (10,189) | 156,618 |
| Fringe benefits | 66,318 | 76,701 | (10,383) | 55,328 |
| Operating costs | 199,111 | 178,538 | 20,573 | 137,455 |
| | <u>453,307</u> | <u>453,306</u> | <u>1</u> | <u>349,401</u> |
| County Administration: | | | | |
| Salaries | 684,791 | 690,952 | (6,161) | 590,319 |
| Fringe benefits | 181,384 | 175,121 | 6,263 | 160,245 |
| Operating costs | 131,500 | 102,366 | 29,134 | 99,259 |
| | <u>997,675</u> | <u>968,439</u> | <u>29,236</u> | <u>849,823</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--------------------------------|------------------|------------------|---|------------------|
| Finance: | | | | |
| Salaries | 688,143 | 680,604 | 7,539 | 656,409 |
| Fringe benefits | 223,174 | 223,521 | (347) | 214,500 |
| Operating costs | 357,859 | 298,020 | 59,839 | 252,323 |
| Capital outlay | 6,700 | 6,243 | 457 | 13,000 |
| | <u>1,275,876</u> | <u>1,208,388</u> | <u>67,488</u> | <u>1,136,232</u> |
| Tax Administration: | | | | |
| Salaries | 1,473,426 | 1,432,390 | 41,036 | 1,336,092 |
| Fringe benefits | 513,306 | 507,482 | 5,824 | 478,852 |
| Operating costs | 440,665 | 257,575 | 183,090 | 364,127 |
| Capital outlay | 52,088 | 51,158 | 930 | 37,364 |
| | <u>2,479,485</u> | <u>2,248,605</u> | <u>230,880</u> | <u>2,216,435</u> |
| Revenue Collector: | | | | |
| Salaries | 462,180 | 450,989 | 11,191 | 430,914 |
| Fringe benefits | 177,432 | 167,639 | 9,793 | 158,399 |
| Operating costs | 83,157 | 71,839 | 11,318 | 90,639 |
| | <u>722,769</u> | <u>690,467</u> | <u>32,302</u> | <u>679,952</u> |
| Geographic Information: | | | | |
| Salaries | 402,525 | 390,795 | 11,730 | 364,799 |
| Fringe benefits | 134,417 | 134,271 | 146 | 126,295 |
| Operating costs | 140,594 | 109,883 | 30,711 | 121,349 |
| | <u>677,536</u> | <u>634,949</u> | <u>42,587</u> | <u>612,443</u> |
| County Attorney: | | | | |
| Salaries | 268,247 | 267,429 | 818 | 235,152 |
| Fringe benefits | 71,268 | 71,711 | (443) | 64,857 |
| Operating costs | 135,495 | 135,867 | (372) | 48,091 |
| | <u>475,010</u> | <u>475,007</u> | <u>3</u> | <u>348,100</u> |
| Court Facilities: | | | | |
| Salaries | 58,503 | 55,289 | 3,214 | 44,771 |
| Fringe benefits | 17,019 | 16,962 | 57 | 15,667 |
| Operating costs | 188,699 | 138,757 | 49,942 | 124,266 |
| Capital outlay | 9,037 | 9,036 | 1 | - |
| | <u>273,258</u> | <u>220,044</u> | <u>53,214</u> | <u>184,704</u> |
| Board of Elections: | | | | |
| Salaries | 309,406 | 309,430 | (24) | 203,220 |
| Fringe benefits | 86,546 | 87,291 | (745) | 73,718 |
| Operating costs | 241,552 | 224,246 | 17,306 | 184,663 |
| | <u>637,504</u> | <u>620,967</u> | <u>16,537</u> | <u>461,601</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|-----------------------|----------------------|---|----------------------|
| Register of Deeds: | | | | |
| Salaries | 713,284 | 708,210 | 5,074 | 698,657 |
| Fringe benefits | 297,420 | 296,362 | 1,058 | 301,193 |
| Operating costs | 1,193,199 | 1,184,972 | 8,227 | 1,875,062 |
| | <u>2,203,903</u> | <u>2,189,544</u> | <u>14,359</u> | <u>2,874,912</u> |
| Total general government | <u>10,196,323</u> | <u>9,709,716</u> | <u>486,607</u> | <u>9,713,603</u> |
| Central Services: | | | | |
| Management Information Systems: | | | | |
| Salaries | 572,215 | 572,719 | (504) | 475,596 |
| Fringe benefits | 182,228 | 185,722 | (3,494) | 154,369 |
| Operating costs | 275,577 | 201,892 | 73,685 | 322,708 |
| Capital outlay | 15,000 | 14,334 | 666 | 30,935 |
| | <u>1,045,020</u> | <u>974,667</u> | <u>70,353</u> | <u>983,608</u> |
| Service Center: | | | | |
| Salaries | 565,641 | 557,803 | 7,838 | 544,905 |
| Fringe benefits | 197,004 | 199,961 | (2,957) | 194,997 |
| Operating costs | 1,334,811 | 957,641 | 377,170 | 1,182,431 |
| Capital outlay | 20,411 | 20,411 | - | 13,892 |
| | <u>2,117,867</u> | <u>1,735,816</u> | <u>382,051</u> | <u>1,936,225</u> |
| Engineering: | | | | |
| Salaries | 271,286 | 271,811 | (525) | 243,809 |
| Fringe benefits | 88,035 | 89,654 | (1,619) | 80,717 |
| Operating costs | 66,813 | 56,731 | 10,082 | 99,108 |
| Capital outlay | 15,900 | 23,838 | (7,938) | - |
| | <u>442,034</u> | <u>442,034</u> | <u>-</u> | <u>423,634</u> |
| Operation Services: | | | | |
| Salaries | 2,130,198 | 2,065,617 | 64,581 | 1,978,166 |
| Fringe benefits | 797,305 | 803,310 | (6,005) | 771,208 |
| Operating costs | 2,559,525 | 2,174,235 | 385,290 | 2,376,985 |
| Capital outlay | 113,160 | 113,160 | - | 235,978 |
| | <u>5,600,188</u> | <u>5,156,322</u> | <u>443,866</u> | <u>5,362,337</u> |
| Non-departmental: | | | | |
| Fringe benefits | 1,876,523 | 1,799,765 | 76,758 | 1,563,335 |
| Operating costs | 415,883 | 431,715 | (15,832) | - |
| Capital outlay | - | - | - | 49,316 |
| | <u>2,292,406</u> | <u>2,231,480</u> | <u>60,926</u> | <u>1,612,651</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--------------------------------------|-------------------|-------------------|---|-------------------|
| Food Services: | | | | |
| Salaries | 310,364 | 309,428 | 936 | 293,893 |
| Fringe benefits | 143,482 | 144,051 | (569) | 132,234 |
| Operating costs | 1,116,154 | 1,107,110 | 9,044 | 1,122,667 |
| | <u>1,570,000</u> | <u>1,560,589</u> | <u>9,411</u> | <u>1,548,794</u> |
| Total central services | <u>13,067,515</u> | <u>12,100,908</u> | <u>966,607</u> | <u>11,867,249</u> |
| Public Safety: | | | | |
| District Attorney: | | | | |
| Salaries | 133,390 | 123,306 | 10,084 | 33,326 |
| Fringe benefits | 24,764 | 22,714 | 2,050 | 2,685 |
| Operating costs | 83,754 | 69,186 | 14,568 | 58,705 |
| | <u>241,908</u> | <u>215,206</u> | <u>26,702</u> | <u>94,716</u> |
| Sheriff: | | | | |
| Salaries | 5,999,686 | 6,014,593 | (14,907) | 5,031,452 |
| Fringe benefits | 2,028,278 | 2,012,351 | 15,927 | 1,685,534 |
| Operating costs | 1,636,681 | 1,508,756 | 127,925 | 1,523,650 |
| Capital outlay | 1,016,619 | 915,878 | 100,741 | 943,047 |
| | <u>10,681,264</u> | <u>10,451,578</u> | <u>229,686</u> | <u>9,183,683</u> |
| Criminal Justice Partnership: | | | | |
| Salaries | 89,956 | 89,616 | 340 | 82,616 |
| Fringe benefits | 32,019 | 32,681 | (662) | 30,677 |
| Operating costs | 172,742 | 137,881 | 34,861 | 128,759 |
| Capital outlay | - | - | - | 15,497 |
| | <u>294,717</u> | <u>260,178</u> | <u>34,539</u> | <u>257,549</u> |
| Detention Center: | | | | |
| Salaries | 3,401,397 | 3,380,419 | 20,978 | 2,554,770 |
| Fringe benefits | 1,258,293 | 1,269,943 | (11,650) | 933,420 |
| Operating costs | 1,577,203 | 1,482,737 | 94,466 | 1,406,819 |
| Capital outlay | 623 | - | 623 | 67,757 |
| | <u>6,237,516</u> | <u>6,133,099</u> | <u>104,417</u> | <u>4,962,766</u> |
| Emergency Medical: | | | | |
| Salaries | 3,849,486 | 3,781,412 | 68,074 | 3,500,552 |
| Fringe benefits | 1,221,787 | 1,200,856 | 20,931 | 1,077,739 |
| Operating costs | 1,003,049 | 950,807 | 52,242 | 1,007,359 |
| Capital outlay | 565,944 | 515,637 | 50,307 | 1,273,049 |
| | <u>6,640,266</u> | <u>6,448,712</u> | <u>191,554</u> | <u>6,858,699</u> |
| Emergency Management: | | | | |
| Salaries | 412,493 | 398,346 | 14,147 | 357,409 |
| Fringe benefits | 118,428 | 118,662 | (234) | 110,570 |
| Operating costs | 346,519 | 216,852 | 129,667 | 241,166 |
| Capital outlay | 21,798 | 18,615 | 3,183 | 156,280 |
| | <u>899,238</u> | <u>752,475</u> | <u>146,763</u> | <u>865,425</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|------------------------------------|-------------------|-------------------|---|-------------------|
| Other Agencies: | | | | |
| Fire districts | 223,000 | 223,000 | - | 365,570 |
| Rescue Squads | 408,200 | 278,342 | 129,858 | 249,433 |
| | <u>631,200</u> | <u>501,342</u> | <u>129,858</u> | <u>615,003</u> |
| Public Inspections: | | | | |
| Salaries | 538,648 | 544,590 | (5,942) | 545,548 |
| Fringe benefits | 186,178 | 189,568 | (3,390) | 198,988 |
| Operating costs | 93,730 | 54,632 | 39,098 | 85,032 |
| Capital outlay | - | - | - | 31,668 |
| | <u>818,556</u> | <u>788,790</u> | <u>29,766</u> | <u>861,236</u> |
| Coroner: | | | | |
| Operating costs | 70,000 | 68,844 | 1,156 | 68,618 |
| Central Communications: | | | | |
| Salaries | 1,448,862 | 1,343,043 | 105,819 | 1,126,251 |
| Fringe benefits | 542,355 | 474,444 | 67,911 | 385,688 |
| Operating costs | 710,954 | 487,304 | 223,650 | 445,690 |
| Capital outlay | 261,018 | 210,925 | 50,093 | 183,881 |
| | <u>2,963,189</u> | <u>2,515,716</u> | <u>447,473</u> | <u>2,141,510</u> |
| Animal Control: | | | | |
| Salaries | 461,847 | 442,825 | 19,022 | 406,451 |
| Fringe benefits | 179,887 | 173,399 | 6,488 | 159,608 |
| Operating costs | 234,148 | 188,081 | 46,067 | 172,380 |
| Capital outlay | 19,695 | 19,695 | - | 52,838 |
| | <u>895,577</u> | <u>824,000</u> | <u>71,577</u> | <u>791,277</u> |
| Total public safety | <u>30,373,431</u> | <u>28,959,940</u> | <u>1,413,491</u> | <u>26,700,482</u> |
| Transportation: | | | | |
| Brunswick County Airport | 66,000 | 66,000 | - | 66,000 |
| Odell Williamson Municipal Airport | 27,500 | 27,500 | - | 27,500 |
| Brunswick Interconnector Service | 7,458 | 7,458 | - | 7,103 |
| Brunswick Transit System | 155,781 | 155,781 | - | 170,326 |
| Total transportation | <u>256,739</u> | <u>256,739</u> | <u>-</u> | <u>270,929</u> |
| Environmental Protection: | | | | |
| Solid Waste: | | | | |
| Salaries | 412,412 | 397,772 | 14,640 | 404,731 |
| Fringe benefits | 139,483 | 139,413 | 70 | 151,345 |
| Operating costs | 12,244,462 | 11,873,720 | 370,742 | 11,436,156 |
| Capital outlay | 113,367 | 113,367 | - | 139,173 |
| | <u>12,909,724</u> | <u>12,524,272</u> | <u>385,452</u> | <u>12,131,405</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|---|-------------------|-------------------|---|-------------------|
| Storm Water Ordinance Enforcement: | | | | |
| Salaries | 66,757 | 66,875 | (118) | 62,789 |
| Fringe benefits | 20,228 | 20,129 | 99 | 19,243 |
| Operating costs | 1,701 | 1,682 | 19 | 4,407 |
| | <u>88,686</u> | <u>88,686</u> | <u>-</u> | <u>86,439</u> |
| Other: | | | | |
| Forestry services | 235,525 | 235,524 | 1 | 197,671 |
| Lockwood Folly & Shallotte Dredging | 305,783 | 305,783 | - | - |
| Lockwood Folly River Aquatic Restoration | 154,659 | 111,836 | 42,823 | - |
| Eastern Channel Dredging | 182,900 | - | 182,900 | - |
| Soil Restoration | 10,192 | 10,192 | - | - |
| Artificial Reef Program | 11,000 | 11,000 | - | 11,000 |
| Brunswick County Beach Consortium | 30,000 | 30,000 | - | 30,000 |
| Coastal Watershed Management | - | - | - | 57,041 |
| Cape Fear RC&D | 9,000 | 9,000 | - | 9,000 |
| | <u>939,059</u> | <u>713,335</u> | <u>225,724</u> | <u>304,712</u> |
| Total environmental protection | <u>13,937,469</u> | <u>13,326,293</u> | <u>611,176</u> | <u>12,522,556</u> |
| Economic Development: | | | | |
| Code Enforcement: | | | | |
| Salaries | 174,801 | 169,229 | 5,572 | 149,522 |
| Fringe benefits | 65,076 | 63,775 | 1,301 | 56,102 |
| Operating costs | 43,961 | 19,282 | 24,679 | 26,932 |
| | <u>283,838</u> | <u>252,286</u> | <u>31,552</u> | <u>232,556</u> |
| Planning: | | | | |
| Salaries | 669,990 | 630,277 | 39,713 | 595,840 |
| Fringe benefits | 229,828 | 221,984 | 7,844 | 212,567 |
| Operating costs | 250,276 | 123,817 | 126,459 | 192,342 |
| Capital outlay | - | - | - | 18,682 |
| | <u>1,150,094</u> | <u>976,078</u> | <u>174,016</u> | <u>1,019,431</u> |
| Cooperative Extension: | | | | |
| Salaries | 380,303 | 355,569 | 24,734 | 321,023 |
| Fringe benefits | 101,600 | 88,466 | 13,134 | 70,985 |
| Operating costs | 153,002 | 130,119 | 22,883 | 106,315 |
| Capital outlay | - | - | - | - |
| | <u>634,905</u> | <u>574,154</u> | <u>60,751</u> | <u>498,323</u> |
| Soil and Water Conservation: | | | | |
| Salaries | 122,888 | 124,798 | (1,910) | 115,366 |
| Fringe benefits | 45,844 | 46,972 | (1,128) | 44,390 |
| Operating costs | 16,807 | 13,768 | 3,039 | 14,607 |
| | <u>185,539</u> | <u>185,538</u> | <u>1</u> | <u>174,363</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|------------------------------------|------------------|------------------|---|------------------|
| Public Housing Section 8: | | | | |
| Salaries | 184,279 | 172,136 | 12,143 | 212,838 |
| Fringe benefits | 74,283 | 72,829 | 1,454 | 72,849 |
| Operating costs | 2,363,265 | 2,332,803 | 30,462 | 2,131,202 |
| | <u>2,621,827</u> | <u>2,577,768</u> | <u>44,059</u> | <u>2,416,889</u> |
| Community Development: | | | | |
| Operating costs | 6,500 | 6,500 | - | 74,144 |
| | <u>6,500</u> | <u>6,500</u> | <u>-</u> | <u>74,144</u> |
| Economic Development: | | | | |
| Salaries | 189,657 | 188,712 | 945 | 86,302 |
| Fringe benefits | 57,504 | 58,449 | (945) | 25,302 |
| Operating costs | 139,786 | 139,786 | - | 272,744 |
| | <u>386,947</u> | <u>386,947</u> | <u>-</u> | <u>384,348</u> |
| Other Economic Development: | | | | |
| Inlet Committee-Save Our Sands | 10,000 | 10,000 | - | - |
| Lockwood Folly Marketplace | 51,500 | 51,500 | - | - |
| Committee of 100 | 19,235 | 19,235 | - | - |
| | <u>80,735</u> | <u>80,735</u> | <u>-</u> | <u>-</u> |
| Total economic development | <u>5,350,385</u> | <u>5,040,006</u> | <u>310,379</u> | <u>4,800,054</u> |
| Human Services: | | | | |
| Health: | | | | |
| Administration: | | | | |
| Salaries | 2,320,184 | 2,208,569 | 111,615 | 2,085,521 |
| Fringe benefits | 881,409 | 793,739 | 87,670 | 757,423 |
| Operating costs | 252,080 | 177,097 | 74,983 | 93,280 |
| Capital outlay | 59,715 | 18,322 | 41,393 | 31,124 |
| | <u>3,513,388</u> | <u>3,197,727</u> | <u>315,661</u> | <u>2,967,348</u> |
| Communicable Diseases: | | | | |
| Operating costs | 276,299 | 256,978 | 19,321 | 172,057 |
| Capital outlay | 6,500 | - | 6,500 | 6,306 |
| | <u>282,799</u> | <u>256,978</u> | <u>25,821</u> | <u>178,363</u> |
| Adult Health Maintenance: | | | | |
| Salaries | 62,525 | 61,823 | 702 | 30,165 |
| Fringe benefits | 19,166 | 19,453 | (287) | 8,169 |
| Operating costs | 162,576 | 151,856 | 10,720 | 71,521 |
| | <u>244,267</u> | <u>233,132</u> | <u>11,135</u> | <u>109,855</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|---------------------------------------|------------------|------------------|---|------------------|
| Senior Health: | | | | |
| Salaries | 184,341 | 170,453 | 13,888 | 162,855 |
| Fringe Benefits | 49,216 | 47,320 | 1,896 | 47,470 |
| Operating costs | 251,201 | 207,189 | 44,012 | 192,922 |
| | <u>484,758</u> | <u>424,962</u> | <u>59,796</u> | <u>403,247</u> |
| Maternal and Child Health: | | | | |
| Salaries | 389,798 | 386,469 | 3,329 | 353,755 |
| Fringe benefits | 160,670 | 160,712 | (42) | 152,822 |
| Operating costs | 928,124 | 795,199 | 132,925 | 793,818 |
| | <u>1,478,592</u> | <u>1,342,380</u> | <u>136,212</u> | <u>1,300,395</u> |
| Environmental Health: | | | | |
| Salaries | 992,654 | 982,971 | 9,683 | 1,116,453 |
| Fringe benefits | 321,786 | 322,179 | (393) | 379,779 |
| Operating costs | 239,570 | 135,064 | 104,506 | 179,430 |
| Capital outlay | - | - | - | 15,562 |
| | <u>1,554,010</u> | <u>1,440,214</u> | <u>113,796</u> | <u>1,691,224</u> |
| Total health | <u>7,557,814</u> | <u>6,895,393</u> | <u>662,421</u> | <u>6,650,432</u> |
| Veterans' Services: | | | | |
| Salaries | 86,620 | 87,545 | (925) | 81,012 |
| Fringe benefits | 31,077 | 31,708 | (631) | 29,896 |
| Operating costs | 19,341 | 9,685 | 9,656 | 14,878 |
| Total veterans' services | <u>137,038</u> | <u>128,938</u> | <u>8,100</u> | <u>125,786</u> |
| Social Services: | | | | |
| Administration: | | | | |
| Salaries | 5,472,421 | 5,188,853 | 283,568 | 4,716,369 |
| Fringe benefits | 1,967,060 | 1,872,915 | 94,145 | 1,685,429 |
| Operating costs | 1,206,472 | 1,132,743 | 73,729 | 939,481 |
| Capital outlay | - | - | - | 100,719 |
| | <u>8,645,953</u> | <u>8,194,511</u> | <u>451,442</u> | <u>7,441,998</u> |
| Community Alternative Program: | | | | |
| Salaries | 416,822 | 337,422 | 79,400 | 329,644 |
| Fringe benefits | 167,517 | 181,655 | (14,138) | 177,988 |
| Operating costs | 71,410 | 72,630 | (1,220) | 71,125 |
| | <u>655,749</u> | <u>591,707</u> | <u>64,042</u> | <u>578,757</u> |
| Title III-In Home Care: | | | | |
| Salaries | 226,605 | 198,052 | 28,553 | 196,879 |
| Fringe benefits | 130,371 | 115,709 | 14,662 | 118,616 |
| Operating costs | 15,100 | 14,947 | 153 | 12,981 |
| | <u>372,076</u> | <u>328,708</u> | <u>43,368</u> | <u>328,476</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|-------------------|-------------------|---|-------------------|
| Other Operating Costs: | | | | |
| Medical assistance | 2,212,126 | 1,946,574 | 265,552 | 3,742,758 |
| Aid to the blind | 9,300 | 4,870 | 4,430 | 4,605 |
| Adoption assistance | 390,000 | 255,546 | 134,454 | 234,774 |
| Special assistance to disabled and elderly | 590,000 | 508,708 | 81,292 | 495,405 |
| Foster care | 1,107,800 | 402,732 | 705,068 | 284,555 |
| State foster home | 432,546 | 139,615 | 292,931 | 118,801 |
| Special assistance | 6,500 | - | 6,500 | 3,161 |
| Day care | 5,663,752 | 5,663,752 | - | 5,884,517 |
| Special Child Adoption Assistance | 120,023 | 29,436 | 90,587 | 13,462 |
| | <u>10,532,047</u> | <u>8,951,233</u> | <u>1,580,814</u> | <u>10,782,038</u> |
| Total social services | <u>20,205,825</u> | <u>18,066,159</u> | <u>2,139,666</u> | <u>19,131,269</u> |
| Other Human Services: | | | | |
| Southeastern Mental Health Center | 693,882 | 693,881 | 1 | 700,606 |
| Other | 2,289,915 | 2,285,635 | 4,280 | 2,023,571 |
| | <u>2,983,797</u> | <u>2,979,516</u> | <u>4,281</u> | <u>2,724,177</u> |
| Total human services | <u>30,884,474</u> | <u>28,070,006</u> | <u>2,814,468</u> | <u>28,631,664</u> |
| Education: | | | | |
| Public schools | 31,861,066 | 31,861,066 | - | 29,202,801 |
| Community college | 3,529,358 | 3,529,358 | - | 2,895,763 |
| Total education | <u>35,390,424</u> | <u>35,390,424</u> | <u>-</u> | <u>32,098,564</u> |
| Culture and Recreation: | | | | |
| Parks and Recreation: | | | | |
| Salaries | 1,253,976 | 1,161,924 | 92,052 | 1,067,895 |
| Fringe benefits | 403,177 | 394,308 | 8,869 | 367,226 |
| Operating costs | 907,400 | 866,019 | 41,381 | 914,644 |
| Capital outlay | 612,973 | 195,248 | 417,725 | 1,785,376 |
| | <u>3,177,526</u> | <u>2,617,499</u> | <u>560,027</u> | <u>4,135,141</u> |
| Brunswick County Library: | | | | |
| Salaries | 811,444 | 777,653 | 33,791 | 757,249 |
| Fringe benefits | 305,027 | 295,039 | 9,988 | 294,477 |
| Operating costs | 387,949 | 239,909 | 148,040 | 323,782 |
| Capital outlay | 9,184 | 9,184 | - | - |
| | <u>1,513,604</u> | <u>1,321,785</u> | <u>191,819</u> | <u>1,375,508</u> |
| Other Culture and Recreation: | | | | |
| Contributions | 174,243 | 94,620 | 79,623 | 45,800 |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|---------------|----------------------|---|----------------------|
| Total culture and recreation | 4,865,373 | 4,033,904 | 831,469 | 5,556,449 |
| Debt Service: | | | | |
| Principal retirement | 9,642,804 | 9,616,456 | 26,348 | 7,975,512 |
| Interest and fees | 6,474,762 | 6,439,614 | 35,148 | 4,861,013 |
| Total debt service | 16,117,566 | 16,056,070 | 61,496 | 12,836,525 |
| Total expenditures | 160,439,699 | 152,944,006 | 7,495,693 | 144,998,075 |
| Revenues over (under) expenditures | (8,204,597) | 1,043,836 | 9,248,433 | 12,995,718 |
| Other Financing Sources (Uses): | | | | |
| Gain on sale of real property | - | - | - | 489,997 |
| | - | - | - | 489,997 |
| Transfers From Other Funds: | | | | |
| Transfer from county capital reserve fund | 582,018 | 582,018 | - | 338,351 |
| | 582,018 | 582,018 | - | 338,351 |
| Transfers To Other Funds: | | | | |
| Transfer to school capital reserve - net | (963,637) | (963,637) | - | (3,432,787) |
| Transfer to leasing fund - net | - | - | - | 3,727 |
| Transfer to special school capital reserve | (82,092) | (82,092) | - | (2,466,364) |
| Transfer to grant project funds | (83,405) | (83,405) | - | (50,000) |
| Transfer to register of deeds technology fund | (96,881) | (96,881) | - | (121,088) |
| Transfer to county capital reserve fund | (8,115,255) | (8,115,255) | - | (1,833,637) |
| Transfer to county capital project funds | (1,105,001) | (1,105,001) | - | (6,290,212) |
| | (10,446,271) | (10,446,271) | - | (14,190,361) |
| Budgetary Financing Sources (Uses): | | | | |
| Contingency | - | - | - | - |
| Appropriated fund balance | 18,068,850 | - | (18,068,850) | - |
| | 18,068,850 | - | (18,068,850) | - |
| Total other financing sources (uses) | 8,204,597 | (9,864,253) | (18,068,850) | (13,362,013) |
| Revenues and other financing sources over expenditures and other financing uses | <u>\$ -</u> | (8,820,417) | <u>\$ (8,820,417)</u> | (366,295) |
| Fund balance, beginning of year | | 64,149,609 | | 64,515,904 |
| Fund balance, end of year | | <u>\$ 55,329,192</u> | | <u>\$ 64,149,609</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
 ACTUAL AND CHANGES IN FUND BALANCE - COUNTY CAPITAL RESERVE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|------------------|----------------------|---|---------------------|
| Revenues: | | | | |
| Investment earnings | \$ 292,000 | \$ 412,564 | \$ 120,564 | \$ 601,712 |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out): | | | | |
| Transfer from general fund | 8,115,255 | 8,115,255 | - | - |
| Transfer to general fund | (582,018) | (582,018) | - | 1,833,637 |
| Transfer to county capital project fund | (16,044,355) | (4,018,148) | 12,026,207 | (2,008,615) |
| Appropriated fund balance | 8,219,118 | - | (8,219,118) | - |
| Total other financing sources (uses) | <u>(292,000)</u> | <u>3,515,089</u> | <u>3,807,089</u> | <u>(174,978)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | 3,927,653 | <u>\$ 3,927,653</u> | 426,734 |
| Fund balance, beginning of year | | <u>8,333,968</u> | | <u>7,907,234</u> |
| Fund balance, end of year | | <u>\$ 12,261,621</u> | | <u>\$ 8,333,968</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL - EDUCATION CAPITAL PROJECTS FUND
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

| | Project Budget | Actual | | Total to Date |
|--|-------------------|----------------------|----------------------|----------------------|
| | | Prior Year(s) | Current Year | |
| Revenues: | | | | |
| Restricted intergovernmental revenues | \$ 1,255,823 | \$ 714,975 | \$ 416,223 | \$ 1,131,198 |
| Investment earnings | 1,831,166 | 1,580,163 | 271,860 | 1,852,023 |
| Total revenues | <u>3,086,989</u> | <u>2,295,138</u> | <u>688,083</u> | <u>2,983,221</u> |
| Expenditures: | | | | |
| Brunswick County Schools capital projects | 15,934,217 | 10,377,387 | 2,202,735 | 12,580,122 |
| Waccamaw Elementary School addition/renovation | 4,356,690 | 4,355,690 | 1,000 | 4,356,690 |
| Cedar Grove Middle School | 19,085,722 | 2,455,971 | 14,585,091 | 17,041,062 |
| Town Creek Elementary School | 17,545,957 | 4,837,383 | 11,077,691 | 15,915,074 |
| Belville Classroom addition | 2,166,574 | 1,222,383 | 944,191 | 2,166,574 |
| Brunswick Community College | 31,665,911 | 11,786,263 | 12,369,511 | 24,155,774 |
| Total expenditures | <u>90,755,071</u> | <u>35,035,077</u> | <u>41,180,219</u> | <u>76,215,296</u> |
| Revenues over (under) expenditures | (87,668,082) | (32,739,939) | (40,492,136) | (73,232,075) |
| Other Financing Sources (Uses): | | | | |
| Transfer from general fund | 372,871 | 372,871 | - | 372,871 |
| Transfer from special school capital reserve | 5,174,136 | 4,514,327 | 659,808 | 5,174,135 |
| Transfer from school capital reserve | 11,922,750 | 10,569,095 | 1,353,655 | 11,922,750 |
| Premium on bonds issued | 476,476 | 476,476 | - | 476,476 |
| Debt financing issued | 69,721,849 | 69,721,849 | - | 69,721,849 |
| Total other financing sources (uses) | <u>87,668,082</u> | <u>85,654,618</u> | <u>2,013,463</u> | <u>87,668,081</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 52,914,679</u> | (38,478,673) | <u>\$ 14,436,006</u> |
| Fund balance, beginning of year | | | <u>52,914,679</u> | |
| Fund balance, end of year | | | <u>\$ 14,436,006</u> | |

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL - COUNTY CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

| | Project Budget | Actual | | Total to Date |
|--|-------------------|------------------|------------------|------------------|
| | | Prior Year(s) | Current Year | |
| Revenues: | | | | |
| Restricted intergovernmental | \$ 9,766,496 | \$ 5,606,215 | \$ 2,362,035 | \$ 7,968,250 |
| Investment earnings | 380,613 | 472,442 | 13,718 | 486,160 |
| Other | 960,771 | 192,425 | 713,193 | 905,618 |
| Total revenues | <u>11,107,880</u> | <u>6,271,082</u> | <u>3,088,946</u> | <u>9,360,028</u> |
| Expenditures: | | | | |
| Capital Improvements: | | | | |
| General government: | | | | |
| Complex Maintenance and Service Road | 119,741 | 92,984 | 26,757 | 119,741 |
| David R. Sandifer County Administration Building | 7,204,323 | 6,234,223 | 970,100 | 7,204,323 |
| Parking Improvement | 350,000 | - | 40,885 | 40,885 |
| | <u>7,674,064</u> | <u>6,327,207</u> | <u>1,037,742</u> | <u>7,364,949</u> |
| Public safety: | | | | |
| Detention Center Phase 2 | 10,476,037 | 10,453,854 | 22,183 | 10,476,037 |
| Human Services: | | | | |
| DSS/Café Addition | 7,300,601 | 315,908 | 6,267,855 | 6,583,763 |
| Southport Senior/Community Center | 2,533,843 | 23,418 | 50,000 | 73,418 |
| | <u>9,834,444</u> | <u>339,326</u> | <u>6,317,855</u> | <u>6,657,181</u> |
| Transportation: | | | | |
| Airport Improvements | 9,739,613 | 6,466,480 | 2,059,037 | 8,525,517 |
| Environmental protection: | | | | |
| Landfill Closure | 1,704,228 | 1,704,228 | - | 1,704,228 |
| C&D Landfill Expansion | 42,300 | 8,000 | 12,000 | 20,000 |
| | <u>1,746,528</u> | <u>1,712,228</u> | <u>12,000</u> | <u>1,724,228</u> |
| Economic development: | | | | |
| Riversea Plantation Phase 4 | 542,372 | - | 55,120 | 55,120 |
| Goose Marsh Phase 1B | 170,821 | - | - | - |
| Avalon | 10,000 | - | 6,887 | 6,887 |
| | <u>723,193</u> | <u>-</u> | <u>62,007</u> | <u>62,007</u> |

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL - COUNTY CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

| | Project Budget | Prior Year(s) | Actual Current Year | Total to Date |
|--|---------------------------|--------------------------|------------------------------------|--------------------------|
| Culture and recreation: | | | | |
| Highway 211 Land Purchase | 3,469,422 | 3,463,902 | 5,520 | 3,469,422 |
| Ocean Isle Beach Park | 3,145,850 | 67,801 | 916,969 | 984,770 |
| Leland Library | 72,190 | - | 36,069 | 36,069 |
| Cedar Grove Park | 5,745,894 | 2,724,482 | 2,132,338 | 4,856,820 |
| | <u>12,433,356</u> | <u>6,256,185</u> | <u>3,090,896</u> | <u>9,347,081</u> |
| | | | | |
| Total expenditures | <u>52,627,235</u> | <u>31,555,280</u> | <u>12,601,720</u> | <u>44,157,000</u> |
| | | | | |
| Revenues over (under) expenditures | (41,519,355) | (25,284,198) | (9,512,774) | (34,796,972) |
| | | | | |
| Other Financing Sources (Uses): | | | | |
| Debt issued | 5,674,576 | 5,674,576 | - | 5,674,576 |
| Transfer from county capital reserve fund | 35,844,779 | 30,721,631 | 5,123,149 | 35,844,780 |
| Total other financing sources (uses) | <u>41,519,355</u> | <u>36,396,207</u> | <u>5,123,149</u> | <u>41,519,356</u> |
| | | | | |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 11,112,009</u> | <u>(4,389,625)</u> | <u>\$ 6,722,384</u> |
| | | | | |
| Fund balance, beginning of year | | | <u>11,112,009</u> | |
| | | | | |
| Fund balance, end of year | | | <u>\$ 6,722,384</u> | |

NON MAJOR GOVERNMENTAL FUNDS

OCCUPANCY TAX FUND - This fund is used to account for the proceeds of the room occupancy tax levied pursuant to Session Law 1997-364. The proceeds are transferred to the Brunswick County Tourism Development Authority, which is a discretely presented component unit of the County.

BRUNSWICK COUNTY LEASING CORPORATION FUND - This fund is the general fund of the blended component unit of the County. This fund accounts for Trustee held funds under Certificate of Participation Agreements, which were used to finance general government facilities and school renovations.

EMERGENCY TELEPHONE SYSTEM FUND - This fund accounts for the 911 revenues received by the State 911 Board to enhance the State's 911 system.

GRANT PROJECT FUND - This fund accounts for Grant funds received for certain economic development and public safety projects.

SAD REVOLVING FUND - This fund accounts for collections of assessments from Special Assessment Districts for water and wastewater line construction. Collections are designated for future capital outlays in Special Assessment Districts.

SPECIAL SCHOOL CAPITAL RESERVE (AD VALOREM) FUND - This fund was established in accordance with North Carolina law to account for the accumulation of ad Valorem tax revenues for the construction of school facilities. When construction begins, the fund balance will be transferred to a Capital Projects Fund.

SCHOOL CAPITAL RESERVE (SALES TAX) FUND - This fund was established in accordance with North Carolina law to account for the accumulation of supplemental and additional supplemental sales taxes for public school capital outlays or retirement of public school indebtedness.

REGISTER OF DEEDS TECHNOLOGY ENHANCEMENT FUND - This fund accounts for the fees collected by the Register of Deeds that North Carolina law requires be set aside and placed in a non-reverting automation enhancement and preservation fund.

COASTAL EVENTS CENTER FUND - This fund was established for the accumulation of resources to be used for the development of a Coastal Events Center on land owned by the county.

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS

June 30, 2009

| | <u>Special Revenue Funds</u> | | | |
|--|-------------------------------|--|--|-----------------------------------|
| | <u>Occupancy Tax Fund</u> | <u>Brunswick County Leasing Corporation Fund</u> | <u>Emergency Telephone System Fund</u> | <u>Grant Project Fund</u> |
| Assets: | | | | |
| Cash, cash equivalents and investments | \$ 45,530 | \$ - | \$ 735,246 | \$ - |
| Cash, cash equivalents and investments -restricted | - | 757 | - | - |
| Interest receivable | - | - | 2,626 | - |
| Receivables - net | 201,689 | - | - | - |
| Due from other governmental agencies | - | - | 77,562 | 360,957 |
| Due from other funds | - | - | - | - |
| Total assets | <u>\$ 247,219</u> | <u>\$ 757</u> | <u>\$ 815,434</u> | <u>\$ 360,957</u> |
| Liabilities and Fund Balance: | | | | |
| Liabilities: | | | | |
| Accounts payable and other liabilities | \$ 247,219 | \$ - | \$ 13,519 | \$ 163,412 |
| Due to other funds | - | 478 | - | 536,499 |
| Total liabilities | <u>247,219</u> | <u>478</u> | <u>13,519</u> | <u>699,911</u> |
| Fund Balance: | | | | |
| Reserved for: | | | | |
| State statute | - | - | 80,188 | - |
| Unreserved: | | | | |
| Designated for subsequent year's expenditures | - | - | 380,075 | - |
| Unreserved | - | 279 | 341,652 | (338,954) |
| Total fund balance (deficit) | <u>-</u> | <u>279</u> | <u>801,915</u> | <u>(338,954)</u> |
| Total liabilities and fund balance (deficit) | <u>\$ 247,219</u> | <u>\$ 757</u> | <u>\$ 815,434</u> | <u>\$ 360,957</u> |

Schedule B-1

| <u>SAD Revolving Fund</u> | <u>Special School Capital Reserve (Ad Valorem) Fund</u> | <u>School Capital Reserve (Sales Tax) Fund</u> | <u>ROD- Technology Enhancement Fund</u> | <u>Coastal Events Center Fund</u> | <u>Total</u> |
|-----------------------------------|---|--|---|---------------------------------------|---------------------|
| \$ - | \$ 5,333,111 | \$ 911,428 | \$ 633,639 | \$ 7,001 | \$ 7,665,955 |
| - | - | - | - | - | 757 |
| - | 15,145 | 12,949 | 1,927 | 22 | 32,669 |
| - | - | - | - | - | 201,689 |
| - | - | - | - | - | 438,519 |
| - | - | 644,177 | - | - | 644,177 |
| <u>\$ -</u> | <u>\$ 5,348,256</u> | <u>\$ 1,568,554</u> | <u>\$ 635,566</u> | <u>\$ 7,023</u> | <u>\$ 8,983,766</u> |
| \$ - | \$ - | \$ - | \$ 2,659 | \$ - | \$ 426,809 |
| - | - | - | - | - | 536,977 |
| - | - | - | 2,659 | - | 963,786 |
| - | 15,145 | 657,126 | 1,927 | 22 | 754,408 |
| - | - | 10,861 | - | - | 390,936 |
| - | 5,333,111 | 900,567 | 630,980 | 7,001 | 6,874,636 |
| - | 5,348,256 | 1,568,554 | 632,907 | 7,023 | 8,019,980 |
| <u>\$ -</u> | <u>\$ 5,348,256</u> | <u>\$ 1,568,554</u> | <u>\$ 635,566</u> | <u>\$ 7,023</u> | <u>\$ 8,983,766</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (DEFICIT) -
NON MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

| | Special Revenue Funds | | | |
|--|-------------------------------|--|--|-----------------------------------|
| | Occupancy Tax Fund | Brunswick County Leasing Corporation Fund | Emergency Telephone System Fund | Grant Project Fund |
| Revenues: | | | | |
| Other taxes and licenses | \$ 1,030,525 | \$ - | \$ - | \$ - |
| Restricted intergovernmental | - | - | 1,142,702 | 1,530,140 |
| Investment earnings | - | 878 | 14,820 | - |
| Total revenues | <u>1,030,525</u> | <u>878</u> | <u>1,157,522</u> | <u>1,530,140</u> |
| Expenditures: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | 735,782 | 673,690 |
| Economic and physical development | 1,030,525 | - | - | 408,517 |
| Total expenditures | <u>1,030,525</u> | <u>-</u> | <u>735,782</u> | <u>1,082,207</u> |
| Revenues over (under) expenditures | - | 878 | 421,740 | 447,933 |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out): | | | | |
| Transfers from General Fund (net) | - | - | - | 83,405 |
| Transfers to Education Capital Project Funds | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>83,405</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | - | 878 | 421,740 | 531,338 |
| Fund balance (deficit), beginning of year | <u>-</u> | <u>(599)</u> | <u>380,175</u> | <u>(870,292)</u> |
| Fund balance (deficit), end of year | <u>\$ -</u> | <u>\$ 279</u> | <u>\$ 801,915</u> | <u>\$ (338,954)</u> |

Schedule B-2

| <u>SAD Revolving Fund</u> | <u>Special School Capital Reserve (Ad Valorem) Fund</u> | <u>School Capital Reserve (Sales Tax) Fund</u> | <u>ROD- Technology Enhancement Fund</u> | <u>Coastal Events Center Fund</u> | <u>Total</u> |
|-----------------------------------|---|--|---|---------------------------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,030,525 |
| - | - | - | - | - | 2,672,842 |
| - | 109,689 | 114,252 | 12,987 | 144 | 252,770 |
| - | 109,689 | 114,252 | 12,987 | 144 | 3,956,137 |
| - | - | - | 117,085 | - | 117,085 |
| - | - | - | - | - | 1,409,472 |
| - | - | - | - | - | 1,439,042 |
| - | - | - | 117,085 | - | 2,965,599 |
| - | 109,689 | 114,252 | (104,098) | 144 | 990,538 |
| - | 82,092 | 963,637 | 96,881 | - | 1,226,015 |
| - | (659,808) | (1,353,655) | - | - | (2,013,463) |
| - | (577,716) | (390,018) | 96,881 | - | (787,448) |
| - | (468,027) | (275,766) | (7,217) | 144 | 203,090 |
| - | 5,816,283 | 1,844,320 | 640,124 | 6,879 | 7,816,890 |
| <u>\$ -</u> | <u>\$ 5,348,256</u> | <u>\$ 1,568,554</u> | <u>\$ 632,907</u> | <u>\$ 7,023</u> | <u>\$ 8,019,980</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
 ACTUAL AND CHANGES IN FUND BALANCE - OCCUPANCY TAX FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|---|------------------|------------------|---|------------------|
| Revenues: | | | | |
| Other taxes and licenses | \$ 1,065,000 | \$ 1,030,525 | \$ (34,475) | \$ 1,090,000 |
| Expenditures: | | | | |
| Economic and physical development | <u>1,065,000</u> | <u>1,030,525</u> | <u>34,475</u> | <u>1,090,000</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | - | <u>\$ -</u> | - |
| Fund balance, beginning of year | | <u>-</u> | | <u>-</u> |
| Fund balance, end of year | | <u>\$ -</u> | | <u>\$ -</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL AND CHANGES IN FUND BALANCE (DEFICIT) -
 BRUNSWICK COUNTY LEASING CORPORATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|---------------|---------------|---|-----------------|
| Revenues: | | | | |
| Investment earnings | \$ - | \$ 878 | \$ 878 | \$ 2,384 |
| Expenditures: | | | | |
| Public safety | - | - | - | 1,825 |
| Revenues over (under) expenditures | - | 878 | 878 | 559 |
| Other Financing Sources (Uses): | | | | |
| Transfer to general fund | - | - | - | (3,728) |
| Total other financing sources (uses) | - | - | - | (3,728) |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>878</u> | <u>\$ 878</u> | <u>(3,169)</u> |
| Fund balance (deficit), beginning of year | | <u>(599)</u> | | <u>2,570</u> |
| Fund balance (deficit), end of year | | <u>\$ 279</u> | | <u>\$ (599)</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
 ACTUAL AND CHANGES IN FUND BALANCE - EMERGENCY TELEPHONE SYSTEM FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|------------------|-------------------|---|-------------------|
| Revenues: | | | | |
| Other taxes and licenses | \$ - | \$ - | \$ - | \$ 347,496 |
| Restricted intergovernmental | 900,000 | 1,142,702 | 242,702 | 373,209 |
| Investment earnings | 12,000 | 14,820 | 2,820 | 27,513 |
| Total revenues | <u>912,000</u> | <u>1,157,522</u> | <u>245,522</u> | <u>748,218</u> |
| Expenditures: | | | | |
| Public safety | <u>1,321,163</u> | <u>735,782</u> | <u>585,381</u> | <u>873,053</u> |
| Revenues over (under) expenditures | (409,163) | 421,740 | 830,903 | (124,835) |
| Other Financing Sources (Uses): | | | | |
| Transfer to general fund | - | - | - | (298,350) |
| Appropriated fund balance | <u>409,163</u> | <u>-</u> | <u>(409,163)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>409,163</u> | <u>-</u> | <u>(409,163)</u> | <u>(298,350)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | 421,740 | <u>\$ 421,740</u> | (423,185) |
| Fund balance, beginning of year | | <u>380,175</u> | | <u>803,360</u> |
| Fund balance, end of year | | <u>\$ 801,915</u> | | <u>\$ 380,175</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
 ACTUAL - GRANT PROJECT FUND
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

| | Grant Authorization | Actual | | Total to Date |
|--|------------------------|---------------------|---------------------|---------------------|
| | | Prior Year(s) | Current Year | |
| Revenues: | | | | |
| Restricted intergovernmental-CDBG-Scattered Site 2007 | \$ 399,995 | \$ - | \$ 399,995 | \$ 399,995 |
| Restricted intergovernmental-CHAF | 767,820 | 291,388 | 443,254 | 734,642 |
| Restricted intergovernmental-CDBG Water Connection | 74,347 | - | 74,347 | 74,347 |
| Restricted intergovernmental-Single Family Rehabilitation 2008 | 400,000 | - | - | - |
| Restricted intergovernmental-USDA Housing Preservation | 90,000 | - | 24,844 | 24,844 |
| Restricted intergovernmental-Emergency Services Grants | 771,072 | - | 540,562 | 540,562 |
| Restricted intergovernmental-General Grants | <u>123,000</u> | <u>-</u> | <u>47,138</u> | <u>47,138</u> |
| Total revenues | <u>2,626,234</u> | <u>291,388</u> | <u>1,530,140</u> | <u>1,821,528</u> |
| Expenditures: | | | | |
| CDBG-Scattered Site 2007 | 449,853 | 448,813 | 1,040 | 449,853 |
| CHAF | 791,367 | 721,061 | 65,305 | 786,366 |
| CDBG-Water Connection Program | 74,347 | 23,738 | 50,609 | 74,347 |
| Single Family Rehabilitation 2008 | 400,000 | 8,426 | 203,455 | 211,881 |
| USDA Housing Preservation | 135,000 | - | 40,970 | 40,970 |
| Emergency Services - Public Safety | 771,072 | - | 673,690 | 673,690 |
| Urgent Repair | 90,000 | - | - | - |
| General Economic and Physical Development | <u>48,000</u> | <u>-</u> | <u>47,138</u> | <u>47,138</u> |
| Total expenditures | <u>2,759,639</u> | <u>1,202,038</u> | <u>1,082,207</u> | <u>2,284,245</u> |
| Revenues over (under) expenditures | (133,405) | (910,650) | 447,933 | (462,717) |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out): | | | | |
| Transfers from general fund | <u>133,405</u> | <u>50,000</u> | <u>83,405</u> | <u>133,405</u> |
| Total other financing sources (uses) | <u>133,405</u> | <u>50,000</u> | <u>83,405</u> | <u>133,405</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ (860,650)</u> | 531,338 | <u>\$ (329,312)</u> |
| Fund balance (deficit), beginning of year | | | <u>(870,292)</u> | |
| Fund balance (deficit), end of year | | | <u>\$ (338,954)</u> | |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
 ACTUAL AND CHANGES IN FUND BALANCE - SAD REVOLVING FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|---------------|---------------|---|-------------|
| Other Financing Sources (Uses): | | | | |
| Transfer to water capital reserve | - | - | - | (56,907) |
| Total other financing sources (uses) | - | - | - | (56,907) |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | - | <u>\$ -</u> | (56,907) |
| Fund balance, beginning of year | | - | | 56,907 |
| Fund balance, end of year | | <u>\$ -</u> | | <u>\$ -</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
 ACTUAL AND CHANGES IN FUND BALANCE - SPECIAL SCHOOL CAPITAL RESERVE
 (AD VALOREM) FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|------------------|---------------------|---|---------------------|
| Revenues: | | | | |
| Investment earnings | \$ 62,500 | \$ 109,689 | \$ 47,189 | \$ 133,806 |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out): | | | | |
| Transfer from general fund | 82,092 | 82,092 | - | 2,466,364 |
| Transfer to education capital project funds | (1,298,592) | (659,808) | 638,784 | (1,796,203) |
| Appropriated fund balance | <u>1,154,000</u> | <u>-</u> | <u>(1,154,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(62,500)</u> | <u>(577,716)</u> | <u>(515,216)</u> | <u>670,161</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>(468,027)</u> | <u>\$ (468,027)</u> | <u>803,967</u> |
| Fund balance, beginning of year | | <u>5,816,283</u> | | <u>5,012,316</u> |
| Fund balance, end of year | | <u>\$ 5,348,256</u> | | <u>\$ 5,816,283</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
 ACTUAL AND CHANGES IN FUND BALANCE - SCHOOL CAPITAL RESERVE
 (SALES TAX) FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|-----------------|---------------------|---|---------------------|
| Revenues: | | | | |
| Investment earnings | \$ 86,700 | \$ 114,252 | \$ 27,552 | \$ 218,130 |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out): | | | | |
| Transfer from general fund | 963,636 | 963,637 | 1 | 3,432,787 |
| Transfer to school capital projects | (1,549,692) | (1,353,655) | 196,037 | (3,303,600) |
| Appropriated fund balance | 499,356 | - | (499,356) | - |
| Total other financing sources (uses) | <u>(86,700)</u> | <u>(390,018)</u> | <u>(303,318)</u> | <u>129,187</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>(275,766)</u> | <u>\$ (275,766)</u> | 347,317 |
| Fund balance, beginning of year | | <u>1,844,320</u> | | <u>1,497,003</u> |
| Fund balance, end of year | | <u>\$ 1,568,554</u> | | <u>\$ 1,844,320</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
 ACTUAL AND CHANGES IN FUND BALANCE -
 REGISTER OF DEEDS TECHNOLOGY ENHANCEMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|---------------|-------------------|---|-------------------|
| Revenues: | | | | |
| Investment earnings | \$ 10,000 | \$ 12,987 | \$ 2,987 | \$ 29,271 |
| Expenditures: | | | | |
| General government | 164,655 | 117,085 | 47,570 | 150,800 |
| Revenues over (under) expenditures | (154,655) | (104,098) | 50,557 | (121,529) |
| Other Financing Sources (Uses): | | | | |
| Transfers In (Out): | | | | |
| Transfer from general fund | 96,881 | 96,881 | - | 121,088 |
| Appropriated fund balance | 57,774 | - | (57,774) | - |
| Total other financing sources (uses) | 154,655 | 96,881 | (57,774) | 121,088 |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | (7,217) | <u>\$ (7,217)</u> | (441) |
| Fund balance, beginning of year | | <u>640,124</u> | | <u>640,565</u> |
| Fund balance, end of year | | <u>\$ 632,907</u> | | <u>\$ 640,124</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
 ACTUAL AND CHANGES IN FUND BALANCE -
 COASTAL EVENTS CENTER FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|---------------|-----------------|---|-----------------|
| Revenues: | | | | |
| Investment earnings | \$ - | \$ 144 | \$ 144 | \$ 315 |
| Contributions | - | - | - | 1,228 |
| Total revenues | <u>-</u> | <u>144</u> | <u>144</u> | <u>1,543</u> |
| Expenditures: | | | | |
| Culture and recreation | <u>6,879</u> | <u>-</u> | <u>6,879</u> | <u>2,317</u> |
| Revenues over (under) expenditures | (6,879) | 144 | 7,023 | (774) |
| Other Financing Sources (Uses): | | | | |
| Fund balance appropriated | <u>6,879</u> | <u>-</u> | <u>(6,879)</u> | <u>-</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>144</u> | <u>\$ 144</u> | <u>(774)</u> |
| Fund balance, beginning of year | | <u>6,879</u> | | <u>7,653</u> |
| Fund balance, end of year | | <u>\$ 7,023</u> | | <u>\$ 6,879</u> |

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

MAJOR ENTERPRISE FUNDS:

WATER FUND - This fund is used to account for the County's water operations.

WATER CAPITAL PROJECTS FUND - This fund is used to account for additions and improvements of major water enterprise facilities which are financed by transfers from the water capital reserve funds, bond proceeds, and financing agreements.

WASTEWATER FUND - This fund is used to account for the County's wastewater operations.

WASTEWATER CAPITAL PROJECTS FUND - This fund is used to account for additions and improvements of major wastewater enterprise facilities which are financed by transfers from the wastewater capital reserve funds, bond proceeds, and financing agreements.

NON MAJOR ENTERPRISE FUNDS:

WATER CAPITAL RESERVE FUND - This fund was established in accordance with North Carolina law to account for the accumulation of resources to be used for water enterprise capital projects. When construction begins, the fund balance will be transferred to a Water Capital Project.

WASTEWATER CAPITAL RESERVE FUND - This fund was established in accordance with North Carolina law to account for the accumulation of resources to be used for wastewater enterprise capital projects. When construction begins, the fund balance will be transferred to a Wastewater Capital Project.

COUNTY OF BRUNSWICK, NORTH CAROLINA

Schedule C-1

COMBINING BALANCE SHEET - WATER FUND (NON-GAAP)
June 30, 2009

| | <u>Water Fund</u> | <u>Water Capital Projects</u> | <u>Total</u> |
|---|-----------------------|-----------------------------------|-----------------------|
| Current Assets: | | | |
| Cash and cash equivalents and investments | \$ 17,872,886 | \$ 8,363,721 | \$ 26,236,607 |
| Interest receivable | 53,049 | - | 53,049 |
| Receivables, net | 2,314,712 | - | 2,314,712 |
| Due from other governmental agencies | 195,275 | 393,289 | 588,564 |
| Inventories | 270,675 | - | 270,675 |
| Total current assets | <u>20,706,597</u> | <u>8,757,010</u> | <u>29,463,607</u> |
| Current Liabilities: | | | |
| Accounts payable and other liabilities | 915,186 | 1,232,236 | 2,147,422 |
| Customer deposits | 1,267,109 | - | 1,267,109 |
| Due to other funds | - | 492,945 | 492,945 |
| Total liabilities | <u>2,182,295</u> | <u>1,725,181</u> | <u>3,907,476</u> |
| Expendable net assets | 18,524,302 | 7,031,829 | 25,556,131 |
| Noncurrent Items: | | | |
| Capital assets | 99,597,702 | - | 99,597,702 |
| Accrued compensated absences | (277,902) | - | (277,902) |
| Accrued other post-employment benefits | (730,129) | - | (730,129) |
| Long-term debt | (2,022,620) | - | (2,022,620) |
| Total net assets | <u>\$ 115,091,353</u> | <u>\$ 7,031,829</u> | <u>\$ 122,123,182</u> |

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - WATER SYSTEM
OPERATING FUND (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|--------------------|----------------------|---|---------------------|
| Revenues: | | | | |
| User charges | \$ 18,713,450 | \$ 18,146,663 | \$ (566,787) | \$ 18,829,782 |
| Restricted intergovernmental revenue | - | 17,269 | 17,269 | 64,006 |
| Investment earnings | 306,000 | 421,482 | 115,482 | 867,277 |
| Other | 488,910 | 505,823 | 16,913 | 558,985 |
| Total revenues | <u>19,508,360</u> | <u>19,091,237</u> | <u>(417,123)</u> | <u>20,320,050</u> |
| Expenditures: | | | | |
| Salaries | 3,790,066 | 3,567,662 | 222,404 | 3,384,070 |
| Fringe benefits | 1,429,394 | 1,380,954 | 48,440 | 1,287,717 |
| Operating expenditures | 7,723,545 | 6,658,972 | 1,064,573 | 6,858,117 |
| Capital outlay | 1,121,240 | 863,666 | 257,574 | 1,044,635 |
| Debt Service: | | | | |
| Principal | 931,200 | 388,200 | 543,000 | 803,551 |
| Interest | 246,813 | 96,813 | 150,000 | 122,443 |
| Total expenditures | <u>15,242,258</u> | <u>12,956,267</u> | <u>2,285,991</u> | <u>13,500,533</u> |
| Revenues over (under) expenditures | 4,266,102 | 6,134,970 | 1,868,868 | 6,819,517 |
| Other Financing Sources (Uses): | | | | |
| Transfers to water capital reserve fund | (8,946,551) | (8,946,551) | - | (4,844,511) |
| Transfer to water capital projects | - | - | - | 33,817 |
| Transfer to wastewater capital projects | - | - | - | 352,000 |
| Transfer from water capital reserve fund | 195,150 | 195,150 | - | 124,525 |
| Appropriated net assets | 4,485,299 | - | (4,485,299) | - |
| Total other financing sources (uses) | <u>(4,266,102)</u> | <u>(8,751,401)</u> | <u>(4,485,299)</u> | <u>(4,334,169)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>(2,616,431)</u> | <u>\$ (2,616,431)</u> | <u>\$ 2,485,348</u> |
| Reconciliation From Budgetary Basis | | | | |
| To Full Accrual Basis: | | | | |
| Revenues and Transfers - Water Capital Projects: | | | | |
| Revenues from water capital projects | | 161,000 | | |
| Other transfers | | 11,069,779 | | |
| Capital project expenditures | | (5,147,458) | | |
| CIP additions from capital projects | | 5,147,458 | | |
| Other Reconciling Items: | | | | |
| Capitalized capital outlay and CIP adjustment | | 780,596 | | |
| Change in vacation accrual | | (21,578) | | |
| Change in other post-employment benefits | | (369,204) | | |
| Change in inventory | | 81,430 | | |
| Retirement of long-term debt | | 388,200 | | |
| Contributed capital assets | | 4,712,494 | | |
| Depreciation | | (2,870,983) | | |
| Change in net assets - GAAP basis | | <u>\$ 11,315,303</u> | | |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
WATER CAPITAL PROJECT FUNDS (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

| | Project Budget | Actual | | Total to Date |
|--|-------------------|-------------------|---------------------|---------------------|
| | | Prior Year(s) | Current Year | |
| Revenues: | | | | |
| Restricted intergovernmental revenue | \$ 900,000 | \$ 239,000 | \$ 161,000 | \$ 400,000 |
| Total revenues | <u>900,000</u> | <u>239,000</u> | <u>161,000</u> | <u>400,000</u> |
| Expenditures: | | | | |
| Utility Board Projects | 12,951 | 12,951 | - | 12,951 |
| Utility Operations Center | 5,193,979 | 239,514 | 1,124,483 | 1,363,997 |
| Supply Water and Sewer Extensions | 1,559,682 | 1,559,682 | - | 1,559,682 |
| Waccamaw Water Line and Tank Project | 3,694,461 | 2,617,895 | 1,048,914 | 3,666,809 |
| 2006 Subdivision Petition Water Lines | 2,112,046 | 1,961,897 | 137,137 | 2,099,034 |
| Cedar Grove and Empire Road Water Lines | 810,437 | 810,437 | - | 810,437 |
| 2007 Subdivision Petition Water Lines | 1,334,380 | 116,096 | 1,061,477 | 1,177,573 |
| Transmission System Improvements | 1,020,000 | 191,688 | 753,862 | 945,550 |
| Northwest Water Plant Expansion | 353,000 | 178,916 | 93,992 | 272,908 |
| Longwood Road Water Line Extension | 312,800 | - | 219,506 | 219,506 |
| Southwest Elevated Water Tank | 2,000,000 | - | 125,962 | 125,962 |
| Navassa Water Tank | 450,000 | - | 31,318 | 31,318 |
| Carolina Shores North Line Extension | 1,514,629 | - | 550,807 | 550,807 |
| Total expenditures | <u>20,368,365</u> | <u>7,689,076</u> | <u>5,147,458</u> | <u>12,836,534</u> |
| Revenues over (under) expenditures | (19,468,365) | (7,450,076) | (4,986,458) | (12,436,534) |
| Other Financing Sources (Uses): | | | | |
| Transfers from water capital reserve fund | 767,620 | 767,620 | 11,069,779 | 11,837,399 |
| Transfer from water fund | <u>18,700,745</u> | <u>7,630,964</u> | - | <u>7,630,964</u> |
| Total other financing sources (uses) | <u>19,468,365</u> | <u>8,398,584</u> | <u>11,069,779</u> | <u>19,468,363</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 948,508</u> | <u>\$ 6,083,321</u> | <u>\$ 7,031,829</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

Schedule D-1

COMBINING BALANCE SHEET - WASTEWATER FUND (NON-GAAP)
June 30, 2009

| | <u>Wastewater Fund</u> | <u>Wastewater Capital Projects</u> | <u>Total</u> |
|---|----------------------------|--|----------------------|
| Current Assets: | | | |
| Cash and cash equivalents and investments | \$ 846,467 | \$ 6,149,567 | \$ 6,996,034 |
| Restricted cash | 641,744 | 7,940,124 | 8,581,868 |
| Interest receivable | 2,723 | - | 2,723 |
| Receivables, net | 1,214,663 | 815,679 | 2,030,342 |
| Due from other governmental agencies | 75,357 | 607,868 | 683,225 |
| Inventories | 133,425 | - | 133,425 |
| Total current assets | <u>2,914,379</u> | <u>15,513,238</u> | <u>18,427,617</u> |
| Current Liabilities: | | | |
| Accounts payable and other liabilities | 235,414 | 3,198,025 | 3,433,439 |
| Due to other funds | - | 1,259 | 1,259 |
| Total liabilities | <u>235,414</u> | <u>3,199,284</u> | <u>3,434,698</u> |
| Expendable net assets | 2,678,965 | 12,313,954 | 14,992,919 |
| Noncurrent Items: | | | |
| Capital assets | 171,651,736 | - | 171,651,736 |
| Accrued compensated absences | (81,664) | - | (81,664) |
| Accrued other post-employment benefits | (310,579) | - | (310,579) |
| Deferred revenues | (1,952,268) | - | (1,952,268) |
| Long-term debt | <u>(115,862,754)</u> | - | <u>(115,862,754)</u> |
| Total net assets | <u>\$ 56,123,436</u> | <u>\$ 12,313,954</u> | <u>\$ 68,437,390</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL - WASTEWATER FUND (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|-------------------|-------------------|---|---------------------|
| Revenues: | | | | |
| User charges | \$ 10,787,734 | \$ 10,849,552 | \$ 61,818 | \$ 11,626,634 |
| Restricted Intergovernmental revenues | - | 10,419 | 10,419 | - |
| Investment earnings | 57,000 | 38,859 | (18,141) | 117,529 |
| Other | - | 453 | 453 | 70,451 |
| Total revenues | <u>10,844,734</u> | <u>10,899,283</u> | <u>54,549</u> | <u>11,814,614</u> |
| Expenditures: | | | | |
| Salaries | 1,473,711 | 1,382,959 | 90,752 | 1,221,344 |
| Fringe benefits | 559,010 | 536,486 | 22,524 | 459,012 |
| Operating expenditures | 2,443,828 | 2,292,039 | 151,789 | 2,528,334 |
| Capital outlay | 1,204,589 | 963,303 | 241,286 | 992,945 |
| Debt Service: | | | | |
| Principal | 4,247,767 | 4,247,763 | 4 | 2,750,330 |
| Interest | 2,434,060 | 2,434,057 | 3 | 2,535,428 |
| Total expenditures | <u>12,362,965</u> | <u>11,856,607</u> | <u>506,358</u> | <u>10,487,393</u> |
| Revenues over (under) expenditures | (1,518,231) | (957,324) | 560,907 | 1,327,221 |
| Other Financing Sources (Uses): | | | | |
| Transfer from wastewater capital reserve fund | 1,524,927 | 1,524,927 | - | 261,808 |
| Transfer to wastewater capital projects | - | - | - | 2,174,945 |
| Transfer to wastewater capital reserve fund | (208,090) | (208,090) | - | (4,234,463) |
| Appropriated Net Assets | 201,394 | - | (201,394) | - |
| Total other financing sources (uses) | <u>1,518,231</u> | <u>1,316,837</u> | <u>(201,394)</u> | <u>(1,797,710)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>359,513</u> | <u>\$ 359,513</u> | <u>\$ (470,489)</u> |

Reconciliation From Budgetary Basis**To Full Accrual Basis:****Revenues and Transfers - Wastewater Capital Projects:**

| | |
|---|--------------|
| Revenues from wastewater capital projects | - |
| Investment earnings | 578,793 |
| Restricted Intergovernmental Revenue | 4,858,352 |
| Grant subsidy | 583,290 |
| Transfers in (out) | 1,416,982 |
| Capital project expenditures | (34,391,583) |
| CIP additions from capital projects | 34,391,583 |

Other Reconciling Items:

| | |
|--|----------------------|
| Change in vacation accrual | (11,124) |
| Change in other post-employment benefits | (180,916) |
| Capitalized expenditures | 1,053,347 |
| Contributed assets | 8,528,650 |
| Change in inventory | (11,934) |
| Retirement of long-term debt | 4,247,763 |
| Depreciation | (3,015,802) |
| Change in net assets - GAAP basis | <u>\$ 18,406,914</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
WASTEWATER CAPITAL PROJECT FUNDS (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

| | <u>Project Budget</u> | <u>Actual</u> | | <u>Total to Date</u> |
|--|---------------------------|--------------------------|-------------------------|--------------------------|
| | | <u>Prior Year(s)</u> | <u>Current Year</u> | |
| Revenues: | | | | |
| Restricted intergovernmental revenue | \$ 11,940,317 | \$ 40,000 | \$ 4,858,352 | \$ 4,898,352 |
| Other | 166,539 | 174,543 | - | 174,543 |
| Grant subsidy | 2,344,500 | 1,357,000 | 583,290 | 1,940,290 |
| Investment earnings | 2,013,660 | 1,630,110 | 578,793 | 2,208,903 |
| Total revenues | <u>16,465,016</u> | <u>3,201,653</u> | <u>6,020,435</u> | <u>9,222,088</u> |
| Expenditures: | | | | |
| West Brunswick Regional Water Reclamation Ph 1 | 59,464,466 | 59,068,681 | 2,402 | 59,071,083 |
| West Brunswick Regional Water Reclamation Ph 2 | 56,371,091 | 8,095,103 | 32,410,285 | 40,505,388 |
| Southwest Main & Pump Station (Shalotte) | 6,429,256 | 5,173,206 | 441,788 | 5,614,994 |
| Southwest Main & Pump Station (Sea Trail) | 10,506,625 | 9,957,144 | 549,481 | 10,506,625 |
| Sunset Beach Wastewater Collection System | 1,745,000 | 1,240,848 | 61,630 | 1,302,478 |
| Calabash Wastewater Collection System | 1,050,000 | 233,450 | 424,848 | 658,298 |
| Regional Pump Station | 1,385,881 | 50,420 | 297,331 | 347,751 |
| Pinewood Force Main | 200,000 | - | 36,039 | 36,039 |
| Northeast Brunswick Regional Water Reclamation | 615,000 | - | 167,779 | 167,779 |
| Total expenditures | <u>137,767,319</u> | <u>83,818,852</u> | <u>34,391,583</u> | <u>118,210,435</u> |
| Revenues over (under) expenditures | (121,302,303) | (80,617,199) | (28,371,148) | (108,988,347) |
| Other Financing Sources (Uses): | | | | |
| Long term debt issued | 117,665,320 | 117,665,319 | - | 117,665,319 |
| Transfers from wastewater capital reserve fund | 2,236,983 | 820,000 | 1,416,982 | 2,236,982 |
| Transfers from wastewater fund | 1,400,000 | 1,400,000 | - | 1,400,000 |
| Total other financing sources (uses) | <u>121,302,303</u> | <u>119,885,319</u> | <u>1,416,982</u> | <u>121,302,301</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 39,268,120</u> | <u>\$(26,954,166)</u> | <u>\$ 12,313,954</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL - WATER CAPITAL RESERVE (NON-GAAP)

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|------------------|---------------------|---|---------------------|
| Revenues: | | | | |
| Investment earnings | \$ 105,000 | \$ 197,606 | \$ 92,606 | \$ 286,306 |
| Assessments | - | 40,479 | 40,479 | 169,356 |
| Total revenues | <u>105,000</u> | <u>238,085</u> | <u>133,085</u> | <u>455,662</u> |
| Other Financing Sources (Uses): | | | | |
| Transfer from SAD fund | - | - | - | 56,907 |
| Transfer from water fund | 8,946,551 | 8,946,551 | - | 4,719,986 |
| Transfer to water fund | (195,150) | (195,150) | - | - |
| Transfer to water capital project funds | (14,274,212) | (11,069,779) | 3,204,433 | (1,293,306) |
| Transfer to wastewater capital reserve fund | - | - | - | (46,569) |
| Appropriated net assets | <u>5,417,811</u> | <u>-</u> | <u>(5,417,811)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(105,000)</u> | <u>(2,318,378)</u> | <u>(2,213,378)</u> | <u>3,437,018</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>(2,080,293)</u> | <u>\$ (2,080,293)</u> | <u>\$ 3,892,680</u> |
| Net Assets: | | | | |
| Beginning of year, July 1 | | <u>5,451,311</u> | | |
| End of year, June 30 | | <u>\$ 3,371,018</u> | | |

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL - WASTEWATER CAPITAL RESERVE (NON-GAAP)

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>2008</u> |
|--|------------------|---------------------|---|---------------------|
| Revenues: | | | | |
| Investment earnings | \$ 94,100 | \$ 169,049 | \$ 74,949 | \$ 154,943 |
| Assessments | <u>64,160</u> | <u>64,370</u> | <u>210</u> | <u>332,433</u> |
| Total revenues | <u>158,260</u> | <u>233,419</u> | <u>75,159</u> | <u>487,376</u> |
| Other Financing Sources (Uses): | | | | |
| Transfer from wastewater Fund | 208,090 | 208,090 | - | 3,972,655 |
| Transfer from water reserve fund | - | - | - | 46,569 |
| Transfer to wastewater fund | (1,524,927) | (1,524,927) | - | - |
| Transfer to wastewater capital project funds | (3,405,163) | (1,416,982) | 1,988,181 | (484,003) |
| Appropriated net assets | <u>4,563,740</u> | <u>-</u> | <u>(4,563,740)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(158,260)</u> | <u>(2,733,819)</u> | <u>(2,575,559)</u> | <u>3,535,221</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>(2,500,400)</u> | <u>\$ (2,500,400)</u> | <u>\$ 4,022,597</u> |
| Net Assets: | | | | |
| Beginning of year, July 1 | | <u>4,659,203</u> | | |
| End of year, June 30 | | <u>\$ 2,158,803</u> | | |

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF FUND NET ASSETS- NONMAJOR ENTERPRISE FUNDS

June 30, 2009

| | <u>Water Capital Reserve</u> | <u>Wastewater Capital Reserve</u> | <u>Total</u> |
|---------------------------------------|----------------------------------|---------------------------------------|---------------------|
| Assets: | | | |
| Current Assets: | | | |
| Cash and cash equivalents/investments | \$ 3,335,716 | \$ 2,136,319 | \$ 5,472,035 |
| Interest receivable | 35,302 | 22,484 | 57,786 |
| Assessments receivable | 45,404 | 359,390 | 404,794 |
| Total current assets | <u>\$ 3,416,422</u> | <u>\$ 2,518,193</u> | <u>\$ 5,934,615</u> |
| Expendable net assets: | 3,416,422 | 2,518,193 | 5,934,615 |
| Noncurrent Items: | | | |
| Deferred revenue | (45,404) | (359,390) | (404,794) |
| Total net assets | <u>\$ 3,371,018</u> | <u>\$ 2,158,803</u> | <u>\$ 5,529,821</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

| | <u>Water Capital Reserve</u> | <u>Wastewater Capital Reserve</u> | <u>Total</u> |
|--|----------------------------------|---------------------------------------|---------------------|
| Operating Revenues: | | | |
| Assessments | \$ 40,479 | \$ 64,370 | \$ 104,849 |
| Nonoperating Revenues: | | | |
| Investment earnings | 197,606 | 169,049 | 366,655 |
| Total revenues | <u>238,085</u> | <u>233,419</u> | <u>471,504</u> |
| Other Financing Sources (Uses): | | | |
| Transfers in | 8,946,551 | 208,090 | 9,154,641 |
| Transfers out | <u>(11,264,929)</u> | <u>(2,941,909)</u> | <u>(14,206,838)</u> |
| Total other financing sources (uses) | <u>(2,318,378)</u> | <u>(2,733,819)</u> | <u>(5,052,197)</u> |
| Increase (decrease) in net assets | (2,080,293) | (2,500,400) | (4,580,693) |
| Net assets, beginning of year | <u>5,451,311</u> | <u>4,659,203</u> | <u>10,110,514</u> |
| Net assets, end of year | <u>\$ 3,371,018</u> | <u>\$ 2,158,803</u> | <u>\$ 5,529,821</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| | <u>Water Capital Reserve</u> | <u>Wastewater Capital Reserve</u> | <u>Total</u> |
|---|----------------------------------|---------------------------------------|---------------------|
| Cash Flows From Operating Activities: | | | |
| Assessments | \$ 40,479 | \$ 64,370 | \$ 104,849 |
| Cash Flows From Noncapital Financing Activities: | | | |
| Transfers in (out) | <u>(2,318,378)</u> | <u>(2,733,819)</u> | <u>(5,052,197)</u> |
| Cash Flows From Investing Activities: | | | |
| Interest on investments | <u>195,804</u> | <u>166,473</u> | <u>362,277</u> |
| Net increase (decrease) in cash and cash equivalents | (2,082,095) | (2,502,976) | (4,585,071) |
| Cash and cash equivalents, beginning of year | <u>5,417,811</u> | <u>4,639,295</u> | <u>10,057,106</u> |
| Cash and cash equivalents, end of year | <u>\$ 3,335,716</u> | <u>\$ 2,136,319</u> | <u>\$ 5,472,035</u> |

AGENCY FUNDS

Social Services Fund - This fund accounts for monies held by the Social Services Department for the benefit of certain individuals in the County.

Smithville Township Fund - This fund accounts for the proceeds of the special hospital tax collected by the County on behalf of the citizens of Smithville Township.

Intergovernmental Collections Fund - This fund accounts for the proceeds of the motor vehicle taxes and other ad Valorem taxes that are collected by the County on behalf of the municipalities within the County and for fines and forfeitures collected by the Clerk of Court which are remitted to the Brunswick County Schools.

Sheriff Department Trust Fund - This fund accounts for the proceeds of court ordered property sales necessary to satisfy a debt.

Brunswick County Hospital Authority - This fund accounts for monies held by Brunswick County for the Brunswick County Hospital Authority.

Save Our Sands: The Inlet Committee - This fund accounts for an inter-local government lobbying entity for beach sediment management for which the County acts as fiscal agent.

Inmate Trust Fund - This fund accounts for monies held by Brunswick County on the behalf of inmates in the Brunswick County Detention Center.

3% Interest Payable to State Fund – This fund accounts for monies due to the State of North Carolina collected as a late payment penalty on delinquent motor vehicle taxes.

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| | <u>Balance 2008</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance 2009</u> |
|---|-------------------------|----------------------|------------------------|-------------------------|
| SOCIAL SERVICES FUND | | | | |
| Assets: | | | | |
| Cash, cash equivalents and investments | \$ 52,168 | \$ 166,169 | \$ (176,019) | \$ 42,318 |
| Interest receivable | 390 | 128 | (390) | 128 |
| Receivables - net | 7,910 | - | (7,910) | - |
| Total assets | <u>\$ 60,468</u> | <u>\$ 166,297</u> | <u>\$ (184,319)</u> | <u>\$ 42,446</u> |
| Liabilities: | | | | |
| Other | <u>\$ 60,468</u> | <u>\$ 355,380</u> | <u>\$ (373,402)</u> | <u>\$ 42,446</u> |
| SMITHVILLE TOWNSHIP FUND | | | | |
| Assets: | | | | |
| Cash, cash equivalents and investments | \$ 1,157,085 | \$ 2,158,019 | \$ (2,211,917) | \$ 1,103,187 |
| Interest receivable | 6,646 | 5,614 | (6,646) | 5,614 |
| Taxes receivable - net | 34,055 | 2,179,691 | (2,173,471) | 40,275 |
| Total assets | <u>\$ 1,197,786</u> | <u>\$ 4,343,324</u> | <u>\$ (4,392,034)</u> | <u>\$ 1,149,076</u> |
| Liabilities: | | | | |
| Other | \$ 34,055 | \$ 2,179,691 | \$ (2,173,471) | \$ 40,275 |
| Due to other governmental agencies | 1,163,731 | 2,163,633 | (2,218,563) | 1,108,801 |
| Total liabilities | <u>\$ 1,197,786</u> | <u>\$ 4,343,324</u> | <u>\$ (4,392,034)</u> | <u>\$ 1,149,076</u> |
| INTERGOVERNMENTAL COLLECTIONS FUND | | | | |
| Assets: | | | | |
| Cash, cash equivalents and investments | \$ 216,857 | \$ 24,066,429 | \$ (24,283,286) | \$ - |
| Taxes receivable - net | 48,229 | 39,665 | (48,229) | 39,665 |
| Other | - | 149,535 | - | 149,535 |
| Total assets | <u>\$ 265,086</u> | <u>\$ 24,255,629</u> | <u>\$ (24,331,515)</u> | <u>\$ 189,200</u> |
| Liabilities: | | | | |
| Due to other governmental agencies | \$ 265,086 | \$ 24,066,429 | \$ (24,331,515) | \$ - |
| Due to other funds | - | 189,200 | - | 189,200 |
| Total liabilities | <u>\$ 265,086</u> | <u>\$ 24,255,629</u> | <u>\$ (24,331,515)</u> | <u>\$ 189,200</u> |
| SHERIFF DEPARTMENT TRUST FUND | | | | |
| Assets: | | | | |
| Cash, cash equivalents and investments | <u>\$ 1,578</u> | <u>\$ 830,225</u> | <u>\$ (792,310)</u> | <u>\$ 39,493</u> |
| Liabilities: | | | | |
| Other | <u>\$ 1,578</u> | <u>\$ 830,225</u> | <u>\$ (792,310)</u> | <u>\$ 39,493</u> |
| BRUNSWICK HOSPITAL AUTHORITY | | | | |
| Assets: | | | | |
| Cash, cash equivalents and investments | \$ 528,316 | \$ 65,663 | \$ (4,615) | \$ 589,364 |
| Interest receivable | 2,967 | 1,813 | (2,967) | 1,813 |
| Total assets | <u>\$ 531,283</u> | <u>\$ 67,476</u> | <u>\$ (7,582)</u> | <u>\$ 591,177</u> |
| Liabilities: | | | | |
| Other | <u>\$ 531,283</u> | <u>\$ 67,476</u> | <u>\$ (7,582)</u> | <u>\$ 591,177</u> |

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

| | <u>Balance 2008</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance 2009</u> |
|--|-------------------------|----------------------|------------------------|-------------------------|
| INLET COMMITTEE SAVE OUR SANDS | | | | |
| Assets: | | | | |
| Cash, cash equivalents and investments | \$ - | \$ 67,500 | \$ (35,820) | \$ 31,680 |
| Liabilities: | | | | |
| Other | \$ - | \$ 67,500 | \$ (35,820) | \$ 31,680 |
| INMATE TRUST FUND | | | | |
| Assets: | | | | |
| Cash, cash equivalents and investments | \$ 13,406 | \$ 181,986 | \$ (176,543) | \$ 18,849 |
| Liabilities: | | | | |
| Other | \$ 13,406 | \$ 181,986 | \$ (176,543) | \$ 18,849 |
| 3% INTEREST PAYABLE TO STATE FUND | | | | |
| Assets: | | | | |
| Cash, cash equivalents and investments | \$ 140 | \$ 26,423 | \$ (24,927) | \$ 1,636 |
| Liabilities: | | | | |
| Other | \$ 140 | \$ 26,423 | \$ (24,927) | \$ 1,636 |
| COMBINING TOTALS | | | | |
| Assets: | | | | |
| Cash, cash equivalents and investments | \$ 1,969,550 | \$ 27,562,414 | \$ (27,705,437) | \$ 1,826,527 |
| Interest receivable | 10,003 | 7,555 | (10,003) | 7,555 |
| Receivables, net | 90,194 | 2,219,356 | (2,229,610) | 79,940 |
| Other | - | 149,535 | - | 149,535 |
| Total assets | <u>\$ 2,069,747</u> | <u>\$ 29,938,860</u> | <u>\$ (29,945,050)</u> | <u>\$ 2,063,557</u> |
| Liabilities: | | | | |
| Due to other governmental agencies | \$ 1,428,817 | \$ 26,230,062 | \$ (26,550,078) | \$ 1,108,801 |
| Due to other funds | - | 189,200 | - | 189,200 |
| Other | 640,930 | 3,708,681 | (3,584,055) | 765,556 |
| Total liabilities | <u>\$ 2,069,747</u> | <u>\$ 30,127,943</u> | <u>\$ (30,134,133)</u> | <u>\$ 2,063,557</u> |

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SUPPLEMENTAL FINANCIAL DATA

This section includes additional information on property taxes.

Schedule of Ad Valorem Taxes Receivable - General Fund

Analysis of Current Tax Levy - County-Wide Levy

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| <u>Fiscal Year</u> | <u>Uncollected Balance June 30, 2008</u> | <u>Additions</u> | <u>Collections and Credits</u> | <u>Uncollected Balance June 30, 2009</u> |
|---|--|-----------------------|------------------------------------|--|
| 2008-09 | \$ - | \$ 100,905,188 | \$ 96,284,992 | \$ 4,620,196 |
| 2007-08 | 2,475,409 | - | 1,660,327 | 815,082 |
| 2006-07 | 648,221 | - | 275,645 | 372,576 |
| 2005-06 | 402,684 | - | 130,013 | 272,671 |
| 2004-05 | 272,056 | - | 56,622 | 215,434 |
| 2003-04 | 215,424 | - | 33,211 | 182,213 |
| 2002-03 | 236,935 | - | 28,582 | 208,353 |
| 2001-02 | 238,492 | - | 17,831 | 220,661 |
| 2000-01 | 187,282 | - | 12,049 | 175,233 |
| 1999-00 | 171,084 | - | 15,972 | 155,112 |
| 1998-99 | 163,037 | - | 163,037 | - |
| | <u>\$ 5,010,624</u> | <u>\$ 100,905,188</u> | <u>\$ 98,678,281</u> | 7,237,531 |
| Less: Allowance for uncollected taxes receivable General Fund | | | | <u>3,626,388</u> |
| Ad Valorem taxes receivable (net) | | | | <u>\$ 3,611,143</u> |
| Reconciliation with Revenues: | | | | |
| Ad Valorem taxes - General Fund | | | | \$ 98,948,961 |
| Reconciling Items: | | | | |
| Interest collected and penalties, net of interest on refunds of appeals | | | | (618,865) |
| Releases on prior year tax | | | | 219,090 |
| Prior Year Motor Vehicle amounts less than billing minimum | | | | 87,958 |
| Current Year Motor Vehicle amounts less than billing minimum | | | | 44,709 |
| Collection of prior year taxes previously written off | | | | <u>(3,572)</u> |
| Total collections and credits | | | | <u>\$ 98,678,281</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| | County-Wide | | Property Excluding Registered Vehicles | Registered Motor Vehicles | |
|---|--------------------------|------------|---|---------------------------------|---------------------|
| | Property Valuation | Rate | | | Amount of Levy |
| Original levy excluding motor vehicles | \$ 32,151,977,526 | \$ 0.00305 | \$ 98,130,510 | \$ 98,130,510 | \$ - |
| Registered motor vehicles | 933,239,233 | | 2,846,429 | - | 2,846,429 |
| Penalties | - | | 69,948 | 69,948 | - |
| Total | <u>33,085,216,759</u> | | <u>101,046,887</u> | <u>98,200,458</u> | <u>2,846,429</u> |
| Abatements | (61,109,117) | | (141,699) | (115,600) | (26,099) |
| Total valuation | <u>\$ 33,024,107,642</u> | | | | |
| Net levy | | | 100,905,188 | 98,084,858 | 2,820,330 |
| Less uncollected taxes at June 30, 2009 | | | <u>4,620,196</u> | <u>4,267,697</u> | <u>352,499</u> |
| Current year's taxes collected | | | <u>\$ 96,284,992</u> | <u>\$ 93,817,161</u> | <u>\$ 2,467,831</u> |
| Current levy collection percentage | | | <u>95.42%</u> | <u>95.65%</u> | <u>87.50%</u> |
| Prior year levy collection percentage | | | <u>97.48%</u> | <u>97.83%</u> | <u>88.41%</u> |

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NON-MAJOR COMPONENT UNIT FINANCIAL DATA

Brunswick County Board of Alcoholic Control, a component unit of Brunswick County, is a legally separate entity for which the County is financially accountable. The Board issues separate financial statements.

Brunswick County Airport Commission, a component unit of Brunswick County, is a legally separate entity for which the County is financially accountable. The Board issues separate financial statements.

Brunswick County Tourism Development Authority, a component unit of Brunswick County, is a legally separate entity for which the County is financially accountable. The Board issues separate financial statements.

Brunswick County Economic Development Commission, a component unit of Brunswick County, is a legally separate entity for which the County is financially accountable. The Board issues separate financial statements.

Brunswick County Hospital Authority (the "Authority"), a component unit of Brunswick County, is a legally separate entity for which the County is financially accountable. The Authority does not issue separate financial statements.

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON-MAJOR COMPONENT UNITS

June 30, 2009

| | <u>Brunswick County Board of Alcoholic Control</u> | <u>Brunswick County Airport Commission</u> | <u>Brunswick County Tourism Development Authority</u> | <u>Brunswick County Economic Development Commission</u> | <u>Brunswick County Hospital Authority</u> | <u>Totals</u> |
|---|--|--|---|---|--|----------------------|
| Assets: | | | | | | |
| Current Assets: | | | | | | |
| Cash, cash equivalents and investments | \$ 343,113 | \$ 195,393 | \$ 334,901 | \$ 215,633 | \$ - | \$ 1,089,040 |
| Receivables, net | - | 8,243 | - | - | - | 8,243 |
| Due from other governments | - | 858 | 243,334 | - | 591,177 | 835,369 |
| Inventory | 219,844 | 19,729 | - | - | - | 239,573 |
| Other assets | 10,656 | - | 9,841 | - | - | 20,497 |
| Total current assets | <u>573,613</u> | <u>224,223</u> | <u>588,076</u> | <u>215,633</u> | <u>591,177</u> | <u>2,192,722</u> |
| Capital assets, net | <u>1,265,999</u> | <u>14,758,279</u> | <u>6,902</u> | <u>11,178</u> | <u>-</u> | <u>16,042,358</u> |
| Total assets | <u>\$ 1,839,612</u> | <u>\$ 14,982,502</u> | <u>\$ 594,978</u> | <u>\$ 226,811</u> | <u>\$ 591,177</u> | <u>\$ 18,235,080</u> |
| Liabilities and Net Assets: | | | | | | |
| Liabilities: | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts payable and liabilities | \$ 231,850 | \$ 15,275 | \$ 26,368 | \$ 9,020 | \$ - | \$ 282,513 |
| Due to other governments | - | 159,147 | - | - | - | 159,147 |
| Total current liabilities | <u>231,850</u> | <u>174,422</u> | <u>26,368</u> | <u>9,020</u> | <u>-</u> | <u>441,660</u> |
| Noncurrent Liabilities: | | | | | | |
| Debt obligation - long-term portion | <u>700,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>700,000</u> |
| Total noncurrent liabilities | <u>700,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>700,000</u> |
| Total liabilities | <u>931,850</u> | <u>174,422</u> | <u>26,368</u> | <u>9,020</u> | <u>-</u> | <u>1,141,660</u> |
| Net Assets: | | | | | | |
| Invested in capital assets, net of related debt | 565,399 | 14,758,279 | 6,902 | 11,178 | - | 15,341,758 |
| Restricted: | | | | | | |
| Economic development | - | - | - | 206,613 | - | 206,613 |
| Other purposes | 65,877 | - | - | - | - | 65,877 |
| Unrestricted | <u>276,486</u> | <u>49,801</u> | <u>561,708</u> | <u>-</u> | <u>591,177</u> | <u>1,479,172</u> |
| Total net assets | <u>907,762</u> | <u>14,808,080</u> | <u>568,610</u> | <u>217,791</u> | <u>591,177</u> | <u>17,093,420</u> |
| Total liabilities and net assets | <u>\$ 1,839,612</u> | <u>\$ 14,982,502</u> | <u>\$ 594,978</u> | <u>\$ 226,811</u> | <u>\$ 591,177</u> | <u>\$ 18,235,080</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| | Brunswick County Board of Alcoholic Control | Brunswick County Airport Commission | Brunswick County Tourism Development Authority | Brunswick County Economic Development Commission | Brunswick County Hospital Authority | Totals |
|---------------------------------------|--|--|---|---|--|----------------------|
| Revenues | | | | | | |
| Sales and services | \$ 1,712,773 | \$ 644,538 | \$ 1,021,356 | \$ 14,231 | \$ 52,511 | \$ 3,445,409 |
| Operating grants | - | 71,800 | - | 142,000 | - | 213,800 |
| Capital grants | - | 3,153,362 | - | - | - | 3,153,362 |
| Investment earnings | 830 | 2,893 | 2,115 | 76 | 11,998 | 17,912 |
| Total revenues | <u>1,713,603</u> | <u>3,872,593</u> | <u>1,023,471</u> | <u>156,307</u> | <u>64,509</u> | <u>6,830,483</u> |
| Expenses | | | | | | |
| Operating expenses | <u>1,644,789</u> | <u>874,320</u> | <u>946,096</u> | <u>117,022</u> | <u>4,615</u> | <u>3,586,842</u> |
| Revenues over (under) expenses | <u>68,814</u> | <u>2,998,273</u> | <u>77,375</u> | <u>39,285</u> | <u>59,894</u> | <u>3,243,641</u> |
| Net Assets, beginning of year | <u>838,948</u> | <u>11,809,807</u> | <u>491,235</u> | <u>178,506</u> | <u>531,283</u> | <u>13,849,779</u> |
| Net Assets, end of year | <u>\$ 907,762</u> | <u>\$ 14,808,080</u> | <u>\$ 568,610</u> | <u>\$ 217,791</u> | <u>\$ 591,177</u> | <u>\$ 17,093,420</u> |

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STATISTICAL SECTION

This section includes detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends – These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time:

- Net Assets by Components (unaudited)
- Changes in Net Assets (unaudited)
- Governmental Activities Tax Revenues by Source (unaudited)
- Fund Balance, Governmental Funds (unaudited)
- Changes in Fund Balance, Governmental Funds (unaudited)

Revenue Capacity – These tables contain information to help the reader assess the factors affecting the County's ability to generate its property taxes:

- Assessed Value and Estimated Actual Value of Taxable Property (unaudited)
- Property Tax Rates-Direct and All Overlapping Governments (unaudited)
- Principal Property Taxpayers (unaudited)
- Property Tax Levies and Collections – General Fund (unaudited)

Debt Capacity – These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future:

- Ratio of Outstanding Debt by Type (unaudited)
- Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita (unaudited)
- Direct and Underlying Governmental Activities Debt (unaudited)
- Legal Debt Margin Information (unaudited)
- Pledged-Revenue Coverage (unaudited)

Demographic and Economic Information – These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments:

- Demographic Statistics (unaudited)
- Principal Employers (unaudited)
- Full-time Equivalent County Government Employees by Function (unaudited)

Operating Information – These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs:

- Operating Indicators by Function/Program (unaudited)
- Capital Asset Statistics by Function/Program (unaudited)

COUNTY OF BRUNSWICK, NORTH CAROLINA

**Net Assets by Component
(accrual basis of accounting)**

Last Seven Fiscal Years

| | <u>2003</u> | <u>2004</u> | <u>Fiscal Year (1)</u> <u>2005</u> |
|---|-----------------------|-----------------------|---------------------------------------|
| Governmental activities | | | |
| Invested in capital assets, net of related debt | \$ 53,185,729 | \$ 48,903,970 | \$ 37,137,060 |
| Restricted | 28,600,076 | 23,334,978 | 23,334,978 |
| Unrestricted | (25,957,111) | (12,454,484) | (2,843,693) |
| Total governmental activities net assets | <u>\$ 55,828,694</u> | <u>\$ 59,784,464</u> | <u>\$ 57,628,345</u> |
| Business-type activities | | | |
| Invested in capital assets, net of related debt | \$ 76,595,678 | \$ 80,543,952 | \$ 39,904,058 |
| Unrestricted | 12,458,138 | 12,088,889 | 61,659,379 |
| Total business-type activities net assets | <u>\$ 89,053,816</u> | <u>\$ 92,632,841</u> | <u>\$ 101,563,437</u> |
| Primary Government | | | |
| Invested in capital assets, net of related debt | \$ 129,781,407 | \$ 129,447,922 | \$ 77,041,118 |
| Restricted | 28,600,076 | 23,334,978 | 23,334,978 |
| Unrestricted | (13,498,973) | (365,595) | 58,815,686 |
| Total primary government net assets | <u>\$ 144,882,510</u> | <u>\$ 152,417,305</u> | <u>\$ 159,191,782</u> |

Notes:

(1) Seven years presented due to implementation of GASB Statement 34 in Fiscal Year 2003.

Table 1

| <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 54,279,043 | \$ 67,118,730 | \$ 37,377,510 | \$ 80,832,411 |
| - | - | - | - |
| 13,102,857 | 12,669,940 | 31,112,731 | (19,213,539) |
| <u>\$ 67,381,900</u> | <u>\$ 79,788,670</u> | <u>\$ 68,490,241</u> | <u>\$ 61,618,872</u> |
| | | | |
| \$ 93,748,105 | \$ 114,088,014 | \$ 104,963,579 | \$ 161,945,932 |
| 28,132,662 | 28,311,927 | 65,985,290 | 34,144,461 |
| <u>\$ 121,880,767</u> | <u>\$ 142,399,941</u> | <u>\$ 170,948,869</u> | <u>\$ 196,090,393</u> |
| | | | |
| \$ 148,027,148 | \$ 181,206,744 | \$ 142,341,089 | \$ 242,778,343 |
| - | - | - | - |
| 41,235,519 | 40,981,867 | 97,098,021 | 14,930,922 |
| <u>\$ 189,262,667</u> | <u>\$ 222,188,611</u> | <u>\$ 239,439,110</u> | <u>\$ 257,709,265</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**Changes in Net Assets
(accrual basis of accounting)
Last Seven Fiscal Years**

| | Fiscal Year (1) | | | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2003 | 2004 | 2005 | 2006 |
| Expenses | | | | |
| Governmental activities: | | | | |
| General government | \$ 8,763,176 | \$ 9,126,904 | \$ 12,265,609 | \$ 11,650,297 |
| Public safety | 13,325,392 | 14,901,214 | 16,613,151 | 21,488,245 |
| Central services | 7,089,722 | 8,524,633 | 9,819,916 | 11,415,044 |
| Human services | 19,321,396 | 19,498,577 | 21,705,607 | 24,449,640 |
| Transportation | 2,443,617 | 3,046,258 | 860,256 | 1,553,193 |
| Environmental protection | 11,386,071 | 9,412,246 | 9,737,741 | 10,201,646 |
| Cultural and recreation | 2,663,326 | 2,446,057 | 3,094,606 | 2,932,943 |
| Economic and physical development | 5,541,528 | 5,261,136 | 5,800,337 | 5,888,020 |
| Education | 42,890,086 | 41,780,114 | 35,261,269 | 40,347,613 |
| Revaluation Services | 221,065 | - | - | - |
| Interest on long-term debt | 3,785,689 | 4,297,354 | 6,016,632 | 4,120,523 |
| Total governmental activities | <u>117,431,068</u> | <u>118,294,493</u> | <u>121,175,124</u> | <u>134,047,164</u> |
| Business-type activities: | | | | |
| Water | 9,095,020 | 9,847,383 | 9,599,753 | 10,906,786 |
| Wastewater | 708,840 | 1,693,765 | 3,541,858 | 2,937,019 |
| Total business-type activities | <u>9,803,860</u> | <u>11,541,148</u> | <u>13,141,611</u> | <u>13,843,805</u> |
| Total primary government expenses | <u>\$ 127,234,928</u> | <u>\$ 129,835,641</u> | <u>\$ 134,316,735</u> | <u>\$ 147,890,969</u> |
| Program Revenues | | | | |
| Governmental activities | | | | |
| Charges for services: | | | | |
| General government | \$ 3,563,811 | \$ 2,486,888 | \$ 2,344,425 | \$ 3,445,947 |
| Public safety | 1,448,782 | 2,855,570 | 4,496,621 | 4,610,690 |
| Central services | 788,960 | 758,966 | 1,304,404 | 1,133,005 |
| Human services | 551,612 | 935,055 | 2,199,295 | 1,450,075 |
| Environmental protection | 1,029,562 | 1,391,467 | 2,092,870 | 2,315,762 |
| Cultural and recreation | 138,818 | - | 285,906 | 717,351 |
| Economic and physical development | 94,929 | 105,907 | 997,435 | - |
| Education | - | 453,891 | - | - |
| Operating grants and contributions: | | | | |
| General government | 58,747 | 510,279 | 84,566 | - |
| Public safety | 370,893 | 683,683 | 932,645 | - |
| Central services | 60,115 | - | 128,721 | - |
| Human services | 8,917,650 | 9,524,915 | 9,333,298 | 15,222,947 |
| Transportation | 2,960,927 | 1,985,015 | - | - |
| Environmental protection | 208,703 | 263,178 | 221,070 | - |
| Cultural and recreation | 158,421 | 131,359 | 138,984 | - |
| Economic and physical development | 2,430,821 | 2,486,436 | 2,584,521 | - |
| Education | - | - | - | - |

Table 2

| | Fiscal Year (1) | | |
|----|--------------------|-----------------------|-----------------------|
| | 2007 | 2008 | 2009 |
| \$ | 14,898,739 | \$ 25,786,285 | \$ 10,824,875 |
| | 23,757,912 | 28,704,704 | 32,475,041 |
| | 11,661,193 | 12,491,337 | 12,874,270 |
| | 26,746,227 | 30,203,435 | 29,448,343 |
| | 1,005,751 | 2,258,368 | 2,315,776 |
| | 11,272,811 | 12,551,871 | 14,390,242 |
| | 1,060,589 | 4,449,488 | 4,578,694 |
| | 6,879,523 | 7,213,679 | 6,844,987 |
| | 38,167,647 | 47,784,629 | 50,907,860 |
| | - | - | - |
| | 4,255,116 | 4,294,959 | 6,439,614 |
| | <u>139,705,508</u> | <u>175,738,755</u> | <u>171,099,702</u> |
| | 13,871,031 | 16,426,295 | 14,967,806 |
| | 9,168,580 | 7,926,725 | 9,775,273 |
| | <u>23,039,611</u> | <u>24,353,020</u> | <u>24,743,079</u> |
| \$ | <u>162,745,119</u> | <u>\$ 200,091,775</u> | <u>\$ 195,842,781</u> |

| | | | |
|----|------------|--------------|--------------|
| \$ | 4,726,587 | \$ 1,480,767 | \$ 1,832,978 |
| | 4,034,126 | 5,309,134 | 5,228,230 |
| | 1,320,217 | 2,163,366 | 2,139,967 |
| | 2,770,323 | 1,124,272 | 918,087 |
| | - | 1,928,085 | 1,546,722 |
| | 2,631,302 | 224,367 | 194,681 |
| | 8,397 | 1,224,383 | 1,147,627 |
| | - | 76,459 | - |
| | - | - | - |
| | - | 710,170 | 1,405,174 |
| | - | - | - |
| | 17,047,108 | 17,158,192 | 18,693,712 |
| | - | - | - |
| | - | - | - |
| | - | 1,228 | - |
| | - | 139,731 | 1,530,140 |
| | - | 2,146 | 4,833 |

Continued on next page

COUNTY OF BRUNSWICK, NORTH CAROLINA

**Changes in Net Assets
(accrual basis of accounting)
Last Seven Fiscal Years**

| | Fiscal Year (1) | | | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2003 | 2004 | 2005 | 2006 |
| Capital grants and contributions: | | | | |
| General government | - | 421,823 | - | - |
| Public safety | - | 272,142 | - | - |
| Transportation | 4,035 | - | - | - |
| Cultural and recreation | - | - | 3,556,280 | - |
| Economic and physical development | - | 1,781,872 | - | 1,626,521 |
| Education | - | 331,223 | - | 548,439 |
| Total governmental activities program revenues | <u>22,786,786</u> | <u>27,379,669</u> | <u>30,701,041</u> | <u>31,070,737</u> |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Water | 14,000,842 | 13,461,240 | 12,729,168 | 15,985,038 |
| Wastewater | 714,571 | 1,527,189 | 4,196,991 | 8,406,018 |
| Operating grants and contributions: | | | | |
| Water | 62,500 | - | - | - |
| Wastewater | 5,455,145 | - | - | - |
| Capital grants and contributions: | | | | |
| Water | 1,522,630 | 1,708,819 | 1,206,673 | 4,058,527 |
| Wastewater | - | 2,531,517 | 1,318,004 | 4,355,512 |
| Total business-type activities program revenues | <u>21,755,688</u> | <u>19,228,765</u> | <u>19,450,836</u> | <u>32,805,095</u> |
| Total primary government program revenues | <u>\$ 44,542,474</u> | <u>\$ 46,608,434</u> | <u>\$ 50,151,877</u> | <u>\$ 63,875,832</u> |
| Net (expense)/revenue | | | | |
| Governmental activities | \$ (94,644,282) | \$ (90,914,824) | \$ (90,474,083) | \$ (102,976,427) |
| Business-type activities | <u>11,951,828</u> | <u>7,687,617</u> | <u>6,309,225</u> | <u>18,961,290</u> |
| Total primary government net (expense)/revenue | <u>\$ (82,692,454)</u> | <u>\$ (83,227,207)</u> | <u>\$ (84,164,858)</u> | <u>\$ (84,015,137)</u> |
| General Revenues and Other Changes in Net Assets | | | | |
| Governmental activities: | | | | |
| Ad Valorem taxes | \$ 63,283,441 | \$ 67,717,315 | \$ 73,327,947 | \$ 78,767,616 |
| Local option taxes | 14,157,057 | 16,636,215 | 18,867,402 | 21,061,222 |
| Other taxes | 1,505,532 | 5,303,623 | 7,061,892 | 8,761,948 |
| Unrestricted Grants and contributions | 2,316,096 | - | - | - |
| Investment earnings | 976,947 | 921,742 | 1,832,774 | 4,199,756 |
| Loss on disposal of capital assets | 2,419,628 | - | (10,909,492) | - |
| Transfers | <u>(3,540,536)</u> | <u>4,291,705</u> | <u>(1,862,584)</u> | <u>(60,169)</u> |
| Total governmental activities | <u>81,118,165</u> | <u>94,870,600</u> | <u>88,317,939</u> | <u>112,730,373</u> |
| Business-type activities: | | | | |
| Investment earnings | 128,951 | 183,113 | 758,787 | 1,295,870 |
| Transfers | <u>3,540,536</u> | <u>(4,291,705)</u> | <u>1,862,584</u> | <u>60,168</u> |
| Total business-type activities | <u>3,669,487</u> | <u>(4,108,592)</u> | <u>2,621,371</u> | <u>1,356,038</u> |
| Total primary government | <u>\$ 84,787,652</u> | <u>\$ 90,762,008</u> | <u>\$ 90,939,310</u> | <u>\$ 114,086,411</u> |

Table 2 (Continued)

| | Fiscal Year (1) | |
|------------------------|-------------------------|-------------------------|
| 2007 | 2008 | 2009 |
| 1,337 | - | - |
| - | - | - |
| - | 1,568,395 | 2,362,035 |
| 100,000 | (55,153) | 713,193 |
| - | 574,128 | 416,223 |
| - | - | - |
| <u>32,639,397</u> | <u>33,629,670</u> | <u>38,133,602</u> |
| 18,085,844 | 19,502,863 | 18,692,965 |
| 13,187,399 | 12,161,118 | 10,914,375 |
| - | - | - |
| - | - | - |
| 3,056,007 | 9,101,531 | 4,890,763 |
| 7,963,239 | 9,994,682 | 13,980,711 |
| <u>42,292,489</u> | <u>50,760,194</u> | <u>48,478,814</u> |
| <u>\$ 74,931,886</u> | <u>\$ 84,389,864</u> | <u>\$ 86,612,416</u> |
| \$ (107,066,111) | \$ (142,109,085) | \$ (132,966,100) |
| <u>19,252,878</u> | <u>26,407,174</u> | <u>23,735,735</u> |
| <u>\$ (87,813,233)</u> | <u>\$ (115,701,911)</u> | <u>\$ (109,230,365)</u> |
| \$ 84,223,342 | \$ 97,218,426 | \$ 101,088,129 |
| 23,256,105 | 23,061,392 | 19,741,137 |
| 6,340,890 | 4,942,000 | 3,054,525 |
| - | - | - |
| 5,200,749 | 5,155,748 | 2,210,940 |
| - | 489,997 | - |
| 451,795 | (56,907) | - |
| <u>119,472,881</u> | <u>130,810,656</u> | <u>126,094,731</u> |
| 1,718,088 | 2,084,847 | 1,405,789 |
| (451,795) | 56,907 | - |
| <u>1,266,293</u> | <u>2,141,754</u> | <u>1,405,789</u> |
| <u>\$ 120,739,174</u> | <u>\$ 132,952,410</u> | <u>\$ 127,500,520</u> |

Continued on next page

COUNTY OF BRUNSWICK, NORTH CAROLINA

Changes in Net Assets
(accrual basis of accounting)
 Last Seven Fiscal Years

| | Fiscal Year (1) | | | |
|---------------------------------|------------------------|---------------------|---------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 |
| Change in Net Assets | | | | |
| Governmental activities | \$ (13,526,117) | \$ 3,955,776 | \$ (2,156,144) | \$ 9,753,946 |
| Business-type activities | 15,621,315 | 3,579,025 | 8,930,596 | 20,317,328 |
| Total primary government | \$ 2,095,198 | \$ 7,534,801 | \$ 6,774,452 | \$ 30,071,274 |

Notes:

(1) Seven years presented due to implementation of GASB Statement 34 in Fiscal Year 2003.

Table 2 (Continued)

| | Fiscal Year (1) | | |
|----------------------|------------------------|----------------------|--|
| <u>2007</u> | <u>2008</u> | <u>2009</u> | |
| \$ 12,406,770 | \$ (11,298,429) | \$ (6,871,369) | |
| 20,519,171 | 28,548,928 | 25,141,524 | |
| <u>\$ 32,925,941</u> | <u>\$ 17,250,499</u> | <u>\$ 18,270,155</u> | |

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 3

Governmental Activities Tax Revenues By Source
 Last Ten Fiscal Years

| Fiscal Year | Property Tax | Sales Tax | Franchise Tax | Video Programming Tax | Alcoholic Beverage Tax | Total |
|--------------------|---------------------|------------------|----------------------|------------------------------|-------------------------------|--------------|
| 2000 | \$52,822,490 | \$11,664,082 | \$138,503 | \$ - | \$186,928 | \$64,812,003 |
| 2001 | 55,689,742 | 12,233,671 | 147,751 | - | 192,083 | 68,263,247 |
| 2002 | 60,982,737 | 12,645,932 | 42,579 | - | - | 73,671,248 |
| 2003 | 62,753,363 | 14,157,055 | 288,250 | - | 203,180 | 77,401,848 |
| 2004 | 68,478,690 | 16,636,215 | 194,982 | - | 209,433 | 85,519,320 |
| 2005 | 74,520,219 | 18,867,402 | 218,647 | - | 220,257 | 93,826,525 |
| 2006 | 79,137,087 | 21,061,222 | 331,736 | - | 227,627 | 100,757,672 |
| 2007 | 84,422,322 | 23,256,105 | 212,941 | - | 241,782 | 108,133,150 |
| 2008 | 96,940,721 | 23,061,392 | 4,785 | 424,364 | 240,565 | 120,671,827 |
| 2009 | 98,948,961 | 19,741,137 | 6,768 | 451,989 | 244,224 | 119,393,079 |

Note: During FY 07-08, Franchise Fees were eliminated by the State and replaced by the Video Programming Tax.

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COUNTY OF BRUNSWICK, NORTH CAROLINA

**Fund Balance, Governmental Funds
(modified accrual basis of accounting)
Last Ten Fiscal Years**

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2000 | 2001 | 2002 | 2003 |
| General Fund | | | | |
| Reserved for: | | | | |
| Reserved by State statute | \$ 5,425,472 | \$ 4,502,400 | \$ 8,180,594 | \$ 10,046,645 |
| Reserved for prepaid expenditures | - | - | - | 456,935 |
| Reserved for encumbrances | 112,826 | 86,778 | 157,522 | 313,218 |
| Total Reserved | 5,538,298 | 4,589,178 | 8,338,116 | 10,816,798 |
| Unreserved: | | | | |
| Designated for subsequent year's expenditures | 6,612,512 | 6,966,655 | 6,998,894 | 8,964,082 |
| Undesignated | 29,032,530 | 30,039,556 | 28,212,854 | 25,470,111 |
| Total Unreserved | 35,645,042 | 37,006,211 | 35,211,748 | 34,434,193 |
| Total General fund | \$ 41,183,340 | \$ 41,595,389 | \$ 43,549,864 | \$ 45,250,991 |
| All Other Governmental Funds | | | | |
| Reserved for: | | | | |
| Reserved by State statute | \$ 1,395,790 | \$ 982,852 | \$ 1,055,610 | \$ 2,099,862 |
| Reserved for debt service | 273,580 | 243,571 | 222,438 | 466 |
| Reserved for encumbrances | 3,500 | - | - | 58,975 |
| Total Reserved | 1,672,870 | 1,226,423 | 1,278,048 | 2,159,303 |
| Unreserved: | | | | |
| Special revenue funds: | | | | |
| Designated for subsequent year's expenditures | 13,135,195 | 15,429,221 | 16,479,421 | 14,073,517 |
| Undesignated | 2,032,239 | 2,274,955 | 176,252 | 1,158,571 |
| Total Special revenue funds | 15,167,434 | 17,704,176 | 16,655,673 | 15,232,088 |
| Capital project funds: | | | | |
| Designated for subsequent year's expenditures | 13,069,032 | 54,060,090 | 23,675,138 | 23,587,187 |
| Undesignated | - | - | - | - |
| Total Capital projects funds | 13,069,032 | 54,060,090 | 23,675,138 | 23,587,187 |
| Total Unreserved | 28,236,466 | 71,764,266 | 40,330,811 | 38,819,275 |
| Total all other governmental funds | \$ 29,909,336 | \$ 72,990,689 | \$ 41,608,859 | \$ 40,978,578 |

Table 4

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| \$ 9,343,625 | \$ 15,952,860 | \$ 10,811,942 | \$ 7,334,790 | \$ 8,593,169 | \$ 7,038,563 |
| 7,396 | 7,396 | 615,218 | 723,193 | - | - |
| 703,282 | - | - | 1,180,390 | 1,662,584 | 422,367 |
| <u>10,054,303</u> | <u>15,960,256</u> | <u>11,427,160</u> | <u>9,238,373</u> | <u>10,255,753</u> | <u>7,460,930</u> |
| 9,508,984 | - | - | - | 16,031,493 | 7,399,231 |
| 34,931,768 | 37,742,809 | 50,219,523 | 55,277,531 | 37,862,364 | 40,469,031 |
| <u>44,440,752</u> | <u>37,742,809</u> | <u>50,219,523</u> | <u>55,277,531</u> | <u>53,893,857</u> | <u>47,868,262</u> |
| <u>\$ 54,495,055</u> | <u>\$ 53,703,065</u> | <u>\$ 61,646,683</u> | <u>\$ 64,515,904</u> | <u>\$ 64,149,610</u> | <u>\$ 55,329,192</u> |
| | | | | | |
| \$ 2,090,313 | \$ 1,087,511 | \$ 1,545,431 | \$ 1,574,922 | \$ 1,597,869 | \$ 754,408 |
| 10,629 | 2,994 | 5,729 | 2,570 | (599) | - |
| 4,412 | - | - | 15,448,518 | 27,602,520 | 6,987,992 |
| <u>2,105,354</u> | <u>1,090,505</u> | <u>1,551,160</u> | <u>17,026,010</u> | <u>29,199,790</u> | <u>7,742,400</u> |
| | | | | | |
| 12,120,812 | - | - | - | 8,333,968 | 12,356,096 |
| 6,525,147 | 22,173,785 | 11,323,483 | 14,984,776 | 6,219,620 | 7,171,097 |
| <u>18,645,959</u> | <u>22,173,785</u> | <u>11,323,483</u> | <u>14,984,776</u> | <u>14,553,588</u> | <u>19,527,193</u> |
| | | | | | |
| 26,812,610 | - | - | - | - | 14,170,398 |
| - | 23,406,310 | 26,794,098 | 584,112 | 584,112 | - |
| <u>26,812,610</u> | <u>23,406,310</u> | <u>26,794,098</u> | <u>584,112</u> | <u>36,424,168</u> | <u>14,170,398</u> |
| | | | | | |
| 45,458,569 | 45,580,095 | 38,117,581 | 15,568,888 | 50,977,756 | 33,697,591 |
| <u>\$ 47,563,923</u> | <u>\$ 46,670,600</u> | <u>\$ 39,668,741</u> | <u>\$ 32,594,898</u> | <u>\$ 80,177,546</u> | <u>\$ 41,439,991</u> |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**Changes in Fund Balance, Governmental Funds
(modified accrual basis of accounting)
Last Ten Fiscal Years**

| | Fiscal Year | | | |
|---|----------------------|----------------------|------------------------|---------------------|
| | 2000 | 2001 | 2002 | 2003 |
| Revenues | | | | |
| Ad Valorem taxes | \$ 52,822,490 | \$ 55,689,742 | \$ 60,982,737 | \$ 62,753,365 |
| Special assessments | 613,622 | 195,141 | 133,020 | 126,715 |
| Local option sales taxes | 11,664,082 | 12,233,671 | 12,645,932 | 14,157,057 |
| Other taxes and licenses | 2,462,099 | 2,404,842 | 3,113,877 | 3,635,749 |
| Unrestricted intergovernmental | 1,453,454 | 1,443,569 | 858,933 | 203,180 |
| Restricted intergovernmental | 15,804,365 | 12,231,840 | 13,576,626 | 17,271,304 |
| Permits and fees | 2,618,547 | 2,566,947 | 2,736,242 | 3,622,045 |
| Sales and services | 1,524,456 | 1,557,769 | 2,139,248 | 2,321,659 |
| Investment earnings | 3,559,505 | 4,907,985 | 2,355,520 | 976,947 |
| Other revenue | 1,450,336 | 2,462,691 | 1,831,837 | 2,227,232 |
| Total revenues | 93,972,956 | 95,694,197 | 100,373,972 | 107,295,253 |
| Expenditures | | | | |
| General government | 6,122,335 | 6,642,733 | 7,255,635 | 8,235,688 |
| Public safety | 11,594,574 | 11,734,944 | 12,347,137 | 13,248,649 |
| Central services | 5,772,999 | 6,403,783 | 6,580,556 | 7,282,407 |
| Human services | 17,604,712 | 17,689,885 | 18,835,128 | 19,113,587 |
| Transportation | 25,000 | 25,000 | 25,000 | 85,000 |
| Environmental protection | 7,894,033 | 8,676,632 | 8,814,119 | 9,262,908 |
| Culture and recreation | 2,201,201 | 2,674,561 | 2,667,069 | 2,804,605 |
| Economic and physical development | 4,034,151 | 3,975,640 | 5,687,237 | 5,457,347 |
| Education | 18,811,801 | 21,299,792 | 20,913,994 | 22,117,450 |
| Capital Outlay | 11,220,106 | 17,666,126 | 33,997,817 | 24,341,937 |
| Debt Service: | | | | |
| Principal retirement | 3,598,194 | 4,101,264 | 4,851,485 | 4,815,084 |
| Interest and fiscal charges | 1,026,020 | 2,472,147 | 4,061,178 | 3,785,689 |
| Total expenditures | 89,905,126 | 103,362,507 | 126,036,355 | 120,550,351 |
| Revenues over (under) expenditures | 4,067,830 | (7,668,310) | (25,662,383) | (13,255,098) |
| Other Financing Sources (Uses) | | | | |
| Issuance of long-term debt | 13,000,000 | 54,300,000 | - | 18,320,000 |
| Premium on Bonds Issued | - | - | - | - |
| Payment to escrow agent-refunded debt | - | - | - | - |
| Proceeds from capital lease | - | - | - | - |
| Sale of capital assets | - | - | - | - |
| Transfer from other funds | 12,337,147 | 11,769,864 | 11,581,677 | 15,197,821 |
| Transfer to other funds | (18,064,585) | (14,908,152) | (15,346,649) | (19,191,877) |
| Total other financing sources (uses) | 7,272,562 | 51,161,712 | (3,764,972) | 14,325,944 |
| Net change in fund balances | \$ 11,340,392 | \$ 43,493,402 | \$ (29,427,355) | \$ 1,070,846 |
| Debt service as a percentage of noncapital expenditures | 5.9% | 7.7% | 9.7% | 8.9% |

Table 5

| Fiscal Year | | | | | |
|----------------------|-----------------------|---------------------|-----------------------|----------------------|------------------------|
| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| \$ 68,478,690 | \$ 74,520,219 | \$ 79,137,087 | \$ 84,422,322 | \$ 96,940,721 | \$ 98,948,961 |
| 81,718 | 123,739 | 64,430 | - | - | - |
| 16,636,215 | 18,867,402 | 21,061,222 | 23,256,105 | 23,061,392 | 19,741,137 |
| 5,303,623 | 7,149,284 | 8,889,952 | 6,340,890 | 4,942,000 | 3,054,525 |
| 239,433 | 244,257 | 251,627 | 265,782 | 701,489 | 735,680 |
| 17,022,785 | 15,562,908 | 17,655,444 | 18,597,043 | 19,912,197 | 24,167,893 |
| 5,654,018 | 6,279,187 | 7,550,776 | 7,591,795 | 4,127,984 | 3,389,913 |
| 3,367,844 | 4,045,435 | 4,921,912 | 5,217,986 | 8,379,989 | 8,133,848 |
| 921,742 | 1,832,774 | 4,199,756 | 5,200,749 | 5,155,748 | 2,210,940 |
| 1,129,707 | 572,923 | 548,246 | 853,493 | 924,338 | 1,750,675 |
| <u>118,835,775</u> | <u>129,198,128</u> | <u>144,280,452</u> | <u>151,746,165</u> | <u>164,145,858</u> | <u>162,133,572</u> |
| 8,586,235 | 11,199,360 | 10,869,890 | 11,168,979 | 9,864,403 | 9,826,801 |
| 15,906,193 | 19,068,489 | 20,976,344 | 23,070,557 | 27,575,360 | 30,369,412 |
| 9,219,309 | 10,022,451 | 12,348,752 | 11,276,503 | 11,867,248 | 12,100,908 |
| 19,444,080 | 21,478,307 | 24,451,543 | 26,466,751 | 28,631,664 | 28,070,006 |
| 85,000 | 85,000 | 85,000 | 93,500 | 270,929 | 256,739 |
| 9,563,180 | 9,932,288 | 10,163,812 | 11,069,839 | 12,522,556 | 13,326,293 |
| 3,375,151 | 3,256,502 | 4,339,985 | 4,363,027 | 5,558,766 | 4,033,904 |
| 5,823,286 | 5,678,048 | 5,765,438 | 6,802,351 | 6,947,615 | 6,479,048 |
| 23,088,975 | 24,540,416 | 25,624,225 | 27,987,072 | 32,098,564 | 35,390,424 |
| 24,587,868 | 16,552,848 | 18,667,947 | 23,327,285 | 35,055,019 | 53,781,939 |
| 5,451,171 | 6,609,797 | 6,372,162 | 6,697,377 | 7,975,512 | 9,616,456 |
| 4,360,746 | 6,116,632 | 4,620,523 | 4,255,116 | 4,861,013 | 6,439,614 |
| <u>129,491,194</u> | <u>134,540,138</u> | <u>144,285,621</u> | <u>156,578,357</u> | <u>183,228,649</u> | <u>209,691,544</u> |
| <u>(10,655,419)</u> | <u>(5,342,010)</u> | <u>(5,169)</u> | <u>(4,832,192)</u> | <u>(19,082,791)</u> | <u>(47,557,972)</u> |
| 25,348,765 | 22,674,694 | 1,007,492 | 175,770 | 65,300,000 | - |
| - | - | - | - | 566,054 | - |
| (3,275,000) | (17,385,545) | - | - | - | - |
| - | - | - | - | - | - |
| 119,366 | 230,106 | - | - | 489,997 | - |
| 20,162,719 | 24,449,183 | 34,901,277 | 24,969,412 | 21,600,857 | 17,059,900 |
| <u>(15,871,016)</u> | <u>(26,311,766)</u> | <u>(34,961,447)</u> | <u>(24,517,617)</u> | <u>(21,657,764)</u> | <u>(17,059,900)</u> |
| <u>26,484,834</u> | <u>3,656,672</u> | <u>947,322</u> | <u>627,565</u> | <u>66,299,144</u> | <u>-</u> |
| <u>\$ 15,829,415</u> | <u>\$ (1,685,338)</u> | <u>\$ 942,153</u> | <u>\$ (4,204,627)</u> | <u>\$ 47,216,353</u> | <u>\$ (47,557,972)</u> |
| 9.4% | 10.8% | 8.8% | 8.2% | 8.7% | 10.3% |

COUNTY OF BRUNSWICK, NORTH CAROLINA

**Assessed Value and Estimated Actual Value of Taxable Property
(amounts expressed in thousands)**

Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Real Property | | Personal Property | |
|------------------------------------|-------------------------|------------------------|-------------------|--------------|
| | Residential Property | Commercial Property | Motor Vehicles | Other |
| 2000 | \$ 6,189,908 | \$ 1,271,311 | \$ 523,451 | \$ 1,748,103 |
| 2001 | 6,400,833 | 1,354,135 | 574,585 | 1,686,225 |
| 2002 | 6,750,348 | 1,471,673 | 606,949 | 1,691,520 |
| 2003 | 7,081,979 | 1,530,909 | 634,170 | 1,629,599 |
| 2004 | 8,917,420 | 1,872,343 | 670,135 | 1,682,987 |
| 2005 | 9,425,726 | 1,954,738 | 737,823 | 1,690,560 |
| 2006 | 10,131,558 | 2,063,869 | 828,607 | 1,706,215 |
| 2007 | 10,898,562 | 2,315,751 | 899,654 | 1,698,714 |
| 2008 | 24,137,625 | 5,539,507 | 954,681 | 1,785,364 |
| 2009 | 25,171,023 | 6,030,188 | 933,239 | 1,958,369 |

Source: Annual County Report of Valuation and Property Tax Levies

Note:

A revaluation of real property is required by the North Carolina General Statutes at least every eight years. Real property in Brunswick County is reassessed once every four years. The last revaluation was completed January 2007. The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.

Table 6

| Less: | | | | | |
|----------------------|----------------------|---------------|------------------|----------------------|--|
| Tax Exempt | Total Taxable | Total | Estimated | Assessed | |
| Real Property | Assessed | Direct | Actual | Value as a | |
| | Value | Tax | Taxable | Percentage of | |
| | | Rate | Value | Actual Value | |
| \$ 169,141 | \$ 9,563,632 | \$ 0.00565 | \$ 9,563,632 | 100.00% | |
| 179,979 | 9,835,799 | 0.00593 | 10,552,300 | 93.21% | |
| 184,076 | 10,336,414 | 0.00593 | 12,051,316 | 85.77% | |
| 193,301 | 10,683,356 | 0.00520 | 13,153,603 | 81.22% | |
| 235,475 | 12,907,410 | 0.00540 | 12,907,410 | 100.00% | |
| 241,148 | 13,567,699 | 0.00540 | 15,527,236 | 87.38% | |
| 240,038 | 14,490,211 | 0.00540 | 18,112,764 | 80.00% | |
| 287,626 | 15,525,055 | 0.00540 | 24,840,088 | 62.50% | |
| 992,640 | 31,424,537 | 0.00305 | 31,649,247 | 99.29% | |
| 1,007,602 | 33,085,217 | 0.00305 | 33,736,328 | 98.07% | |

COUNTY OF BRUNSWICK, NORTH CAROLINA

Property Tax Rates-Direct and All Overlapping Governments (Per \$100 of Assessed Value)

Last Ten Fiscal Years

| | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| County: | | | | | |
| Brunswick | \$ 0.3050 | \$ 0.3050 | \$ 0.5400 | \$ 0.5400 | \$ 0.5400 |
| Municipalities: | | | | | |
| Village of Bald Head Island | 0.2600 | 0.2600 | 0.4650 | 0.4650 | 0.4650 |
| Town of Belville | 0.0911 | 0.0911 | 0.1500 | 0.1500 | 0.1500 |
| City of Boiling Spring Lakes | 0.1200 | 0.1200 | 0.2500 | 0.2500 | 0.2500 |
| Town of Bolivia | 0.0500 | 0.0500 | 0.0600 | 0.0600 | 0.0600 |
| Town of Calabash | 0.0700 | 0.0700 | 0.1000 | 0.1000 | 0.1000 |
| Town of Carolina Shores | 0.0800 | 0.0800 | 0.0800 | 0.0800 | 0.0800 |
| Town of Caswell Beach | 0.1500 | 0.1500 | 0.2200 | 0.2100 | 0.2200 |
| Town of Holden Beach | 0.0690 | 0.0690 | 0.1800 | 0.1800 | 0.1800 |
| Town of Leland | 0.1166 | 0.1166 | 0.1800 | 0.1800 | 0.1800 |
| Town of Long Beach | * | * | * | * | * |
| Town of Navassa | 0.2000 | 0.2000 | 0.2700 | 0.2700 | 0.2700 |
| City of Northwest | 0.1500 | 0.1700 | 0.2000 | 0.2000 | 0.2000 |
| Town of Oak Island | 0.1245 | 0.1400 | 0.3300 | 0.3300 | 0.3500 |
| Town of Ocean Isle Beach | 0.0800 | 0.0900 | 0.1400 | 0.1400 | 0.1500 |
| Town of Sandy Creek | 0.3000 | 0.3000 | 0.3500 | 0.3500 | 0.3500 |
| Town of Shallotte | 0.2700 | 0.2700 | 0.3200 | 0.3200 | 0.2900 |
| Town of St. James Plantation | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| City of Southport | 0.1500 | 0.1800 | 0.2700 | 0.2700 | 0.3000 |
| Town of Sunset Beach | 0.1150 | 0.0900 | 0.1450 | 0.1300 | 0.1300 |
| Town of Varnamtown | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Other Districts: (3) | | | | | |
| North Brunswick Sanitary District | NA | NA | NA | NA | NA |
| Southeastern Brunswick Sanitary District | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Smithville Township | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 |

Notes:

- (1) Property was revalued in January 1999, January 2003 and January 2007.
- (2) The property tax rates for each of the governments listed above are based on unit-wide tax rates. For each government, certain motor vehicles were taxed at the preceding year's rate.
- (3) The North Brunswick Sanitary District has not enacted property taxes as of June 30, 2009. The Smithville Township is a hospital district. The levy collected is specific for debt retirement and capital improvements.

Source: Brunswick County Tax Department.

Table 7

| 2004 | 2003 | 2002 | 2001 | 2000 |
|-------------|-------------|-------------|-------------|-------------|
| \$ 0.5200 | \$ 0.5925 | \$ 0.5925 | \$ 0.5650 | \$ 0.5500 |
| 0.4650 | 0.6350 | 0.6350 | 0.6350 | 0.6350 |
| 0.1500 | 0.1500 | 0.1500 | 0.1500 | 0.1500 |
| 0.2500 | 0.2500 | 0.2500 | 0.2500 | 0.2500 |
| 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 |
| 0.1000 | 0.0600 | 0.0600 | 0.0600 | 0.0600 |
| 0.0800 | 0.0800 | 0.0600 | 0.0600 | 0.0600 |
| 0.2100 | 0.2700 | 0.2400 | 0.2400 | 0.3800 |
| 0.1800 | 0.1900 | 0.1900 | 0.1900 | 0.1900 |
| 0.1800 | 0.1800 | 0.1800 | 0.1800 | 0.1800 |
| * | * | * | * | * |
| 0.2500 | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| 0.2000 | 0.2000 | 0.2000 | 0.1700 | 0.1700 |
| 0.3650 | 0.3800 | 0.3800 | 0.3400 | 0.3400 |
| 0.1600 | 0.1600 | 0.1400 | 0.1400 | 0.1400 |
| 0.3500 | 0.1000 | 0.3500 | 0.2500 | 0.2000 |
| 0.2900 | 0.3100 | 0.3100 | 0.2700 | 0.2400 |
| 0.0700 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| 0.3300 | 0.4000 | 0.4000 | 0.4300 | 0.4900 |
| 0.1200 | 0.0900 | 0.0950 | 0.0950 | 0.0950 |
| 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| NA | NA | NA | NA | NA |
| 0.0000 | 0.0500 | 0.1500 | 0.2000 | 0.2250 |
| 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 |

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 8

Principal Property Taxpayers
Current Year and Nine Years Ago

| Taxpayer | Type of Business | Fiscal Year 2009 | | | Fiscal Year 2000 | | |
|--------------------------------------|------------------|-------------------------|------|--|-------------------------|------|--|
| | | 2008 Assessed Valuation | Rank | Percentage of Total Assessed Valuation | 1999 Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| Progress Energy Carolinas, Inc. | Utility | \$ 792,927,931 | 1 | 2.40% | \$ 803,103,999 | 1 | 8.40% |
| N. C. Eastern Municipal Power Agency | Utility | 309,630,006 | 2 | 0.94% | 212,720,005 | 3 | 2.22% |
| DAK LLC | Chemicals | 176,139,150 | 3 | 0.53% | 318,813,900 | 2 | 3.33% |
| Brunswick Electric Membership Corp. | Utility | 135,076,522 | 4 | 0.41% | 61,091,393 | 8 | 0.64% |
| Bald Head Island Ltd | Developer | 117,133,691 | 5 | 0.35% | 64,693,232 | 7 | 0.68% |
| MAS Properties LLC | Developer | 109,911,731 | 6 | 0.33% | | | |
| Red Mountain Timberco I LLC | Forestry | 90,207,993 | 7 | 0.27% | | | |
| Archer Daniels Midland Company | Chemicals | 81,327,413 | 8 | 0.25% | 110,970,348 | 4 | 1.16% |
| Odell Williamson | Developer | 81,037,311 | 9 | 0.24% | 85,265,140 | 5 | 0.89% |
| Seawatch at Sunset Harbor Inc | Developer | 67,420,121 | 10 | 0.20% | | | |
| Sustainable Forest | Timber | | | | 74,530,190 | 6 | 0.78% |
| Sea Trail Corporation | Developer | | | | 60,814,580 | 9 | 0.64% |
| Ocean Isle Development Company | Developer | | | | 34,938,858 | 10 | 0.37% |
| Totals | | <u>\$ 1,960,811,869</u> | | <u>5.93%</u> | <u>\$ 1,826,941,645</u> | | <u>19.10%</u> |

Source: Brunswick County Tax Department

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 9

Property Tax Levies and Collections - General Fund

Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Total Tax Levy | Current Tax Collections | Percent of Levy Collected | Delinquent Tax Collections | Total Tax Collections | Ratio of Total Tax Collections to Tax Levy | Outstanding Delinquent Taxes | Ratio of Delinquent Taxes to Tax Levy |
|---------------------------|----------------|-------------------------|---------------------------|----------------------------|-----------------------|--|------------------------------|---------------------------------------|
| 2000 | \$52,963,804 | \$50,565,486 | 95.5% | \$ 1,930,915 | \$52,496,401 | 99.1% | \$5,616,929 | 10.6% |
| 2001 | 55,576,580 | 53,047,566 | 95.4% | 2,185,221 | 55,232,787 | 99.2% | 5,959,722 | 10.7% |
| 2002 | 61,214,433 | 58,085,913 | 94.9% | 2,654,094 | 60,740,007 | 99.2% | 6,434,148 | 10.5% |
| 2003 | 63,391,002 | 59,851,207 | 94.4% | 2,473,772 | 62,324,979 | 98.3% | 7,500,173 | 11.8% |
| 2004 | 67,177,741 | 64,507,758 | 96.0% | 3,412,376 | 67,920,134 | 101.1% | 6,757,810 | 10.1% |
| 2005 | 72,980,743 | 70,810,206 | 97.0% | 3,162,044 | 73,972,250 | 101.4% | 5,771,568 | 7.9% |
| 2006 | 77,993,000 | 75,849,114 | 97.3% | 2,673,750 | 78,522,864 | 100.7% | 5,241,705 | 6.7% |
| 2007 | 83,653,780 | 81,622,970 | 97.6% | 2,392,525 | 84,015,495 | 100.4% | 4,879,989 | 5.8% |
| 2008 | 96,784,569 | 94,153,697 | 97.3% | 2,445,657 | 96,599,356 | 99.8% | 4,922,666 | 5.1% |
| 2009 | 101,046,887 | 96,240,283 | 95.2% | 2,089,813 | 98,330,096 | 97.3% | 7,237,531 | 7.2% |

Note: This schedule includes data from only the General Fund countywide property tax levy.

COUNTY OF BRUNSWICK, NORTH CAROLINA

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Governmental Activities | | |
|------------------------------------|---------------------------------|-------------------------------------|----------------------|
| | General Obligation Bonded | Certificates of Participation | Installment Loans |
| 2000 | \$18,801,880 | \$1,025,000 | \$11,724,386 |
| 2001 | 53,674,628 | 15,420,000 | 7,803,890 |
| 2002 | 55,781,171 | 16,235,000 | 9,733,831 |
| 2003 | 69,922,714 | 14,600,000 | 5,880,721 |
| 2004 | 80,818,576 | 25,075,000 | 1,132,453 |
| 2005 | 81,484,694 | 23,935,000 | 285,687 |
| 2006 | 77,290,352 | 21,865,000 | 1,185,359 |
| 2007 | 73,080,454 | 19,755,000 | 983,650 |
| 2008 | 97,465,000 | 17,625,000 | 36,053,592 |
| 2009 | 91,020,000 | 16,355,000 | 34,152,136 |

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

- (1) State Data Center; projection as of June 30, 2009; annual estimates previous nine years
- (2) Bureau of Economic Analysis; amounts are for prior calendar year

Table 10

| General Obligation Bonded | Business-Type Activities | | | Total Primary Government | (2) Ratio Debt to Personal Income | (1) Per Capita |
|--|--|--------------------------|---|---|--|-------------------------------|
| | Certificates of Participation | Revenue Bonds | SRF Debt & Installment Loans | | | |
| \$14,208,120 | \$2,510,000 | \$ - | \$2,430,755 | \$50,700,141 | 3.4% | \$ 687.27 |
| 9,210,372 | 1,725,000 | - | 1,865,876 | 89,699,766 | 5.4% | 1,171.58 |
| 11,693,829 | 890,000 | - | 1,274,240 | 95,608,071 | 5.3% | 1,209.56 |
| 6,802,286 | - | - | 654,613 | 97,860,334 | 5.3% | 1,201.15 |
| 36,016,424 | - | - | 1,945,689 | 144,988,142 | 7.5% | 1,712.73 |
| 2,525,306 | - | 39,447,389 | 25,622,555 | 173,300,631 | 7.9% | 1,947.00 |
| 1,754,648 | - | 32,779,319 | 36,502,809 | 171,377,487 | 7.0% | 1,816.40 |
| 1,009,546 | - | 38,084,416 | 34,223,830 | 167,136,896 | 6.2% | 1,685.36 |
| 295,000 | - | 89,757,733 | 32,468,604 | 273,664,929 | 9.4% | 2,660.12 |
| - | - | 87,192,068 | 30,693,306 | 259,412,510 | n/a | 2,433.83 |

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 11

**Ratio of Net General Obligation Bonded Debt to Assessed Value and
Net General Obligation Bonded Debt per Capita
Last Ten Fiscal Years**

| Fiscal Year Ended June 30 | Assessed Value (000 omitted) | Gross General Obligation Bonded Debt | Less Debt Payable from Enterprise Fund | Net General Obligation Bonded Debt | Ratio Net General Obligation Bonded Debt to Assessed Value | (1) Population | Net General Obligation Bonded Debt per Capita |
|--|---|---|---|---|---|---------------------------|--|
| 2000 | \$ 9,563,632 | \$33,010,000 | \$14,288,120 | \$18,721,880 | 0.2% | 73,770 | \$253.79 |
| 2001 | 9,835,799 | 67,475,000 | 11,693,829 | 55,781,171 | 0.6% | 76,563 | 728.57 |
| 2002 | 10,366,414 | 62,885,000 | 9,210,372 | 53,674,628 | 0.5% | 79,044 | 679.05 |
| 2003 | 10,683,356 | 76,725,000 | 6,802,286 | 69,922,714 | 0.7% | 81,472 | 858.24 |
| 2004 | 12,907,410 | 85,295,000 | 4,476,425 | 80,818,575 | 0.6% | 84,653 | 954.70 |
| 2005 | 13,567,699 | 84,010,000 | 2,525,306 | 81,484,694 | 0.6% | 89,009 | 915.47 |
| 2006 | 14,490,211 | 79,045,000 | 1,754,648 | 77,290,352 | 0.5% | 94,350 | 819.19 |
| 2007 | 15,525,054 | 74,090,000 | 1,009,546 | 73,080,454 | 0.5% | 99,170 | 736.92 |
| 2008 | 31,424,537 | 97,760,000 | 295,000 | 97,465,000 | 0.3% | 102,877 | 947.39 |
| 2009 | 33,085,217 | 91,020,000 | - | 91,020,000 | 0.3% | 106,586 | 853.96 |

Notes:

(1) State Data Center; projection as of June 30, 2009; annual estimates previous nine years

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 12

Direct and Underlying Governmental Activities Debt
General Obligation Bonds
 June 30, 2009

| | General Obligation Bonded Debt | Percent Applicable To County | Amount Applicable To County |
|---------------------------------------|---|---|--|
| Direct: | | | |
| Brunswick County | \$91,020,000 | 100% | \$91,020,000 |
| Underlying Debt: | | | |
| City of Boiling Springs Lake | 4,397,000 | 100% | 4,397,000 |
| City of Navassa | 12,436 | 100% | 12,436 |
| City of Northwest | 649,000 | 100% | 649,000 |
| Town of Sandy Creek | 281,000 | 100% | 281,000 |
| City of Southport | 101,500 | 100% | 101,500 |
| Southeast Brunswick Sanitary District | <u>1,053,000</u> | 100% | <u>1,053,000</u> |
| Totals | <u><u>\$97,513,936</u></u> | | <u><u>\$97,513,936</u></u> |

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Brunswick County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

COUNTY OF BRUNSWICK, NORTH CAROLINA

Legal Debt Margin Information
Last Ten Fiscal Years

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> |
| Debt limit | \$765,090,521 | \$786,863,862 | \$826,913,125 | \$854,668,411 |
| Total net debt applicable to limit | <u>31,551,266</u> | <u>81,750,002</u> | <u>76,898,517</u> | <u>90,403,435</u> |
| Legal margin | <u>\$733,539,255</u> | <u>\$705,113,860</u> | <u>\$750,014,608</u> | <u>\$764,264,976</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 4.1% | 10.4% | 9.3% | 10.6% |

Table 13

| Fiscal Year | | | | | |
|----------------------|----------------------|------------------------|------------------------|------------------------|------------------------|
| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| \$1,032,592,800 | \$1,085,415,887 | \$1,159,216,908 | \$1,242,004,397 | \$2,513,962,929 | \$2,646,817,341 |
| <u>107,026,029</u> | <u>105,705,381</u> | <u>99,155,352</u> | <u>94,828,650</u> | <u>151,143,592</u> | <u>141,527,136</u> |
| <u>\$925,566,771</u> | <u>\$979,710,506</u> | <u>\$1,060,061,556</u> | <u>\$1,147,175,747</u> | <u>\$2,362,819,337</u> | <u>\$2,505,290,205</u> |
| 10.4% | 9.7% | 8.6% | 7.6% | 6.0% | 5.3% |

Calculation of Legal Debt Margin for Fiscal Year 2008:

| | |
|--|-------------------------|
| Assessed value of taxable property | \$33,085,216,759 |
| | x 0.08 |
| Debt limit- 8 percent of assessed value | <u>2,646,817,341</u> |
| Gross debt: | |
| Total bonded debt | 178,212,068 |
| Total certificates of participation | 16,355,000 |
| Total installment purchases | <u>64,845,442</u> |
| Gross debt | 259,412,510 |
| Less: Water and wastewater revenue bonds & installment purchases | <u>117,885,374</u> |
| | |
| Total amount of debt applicable to debt limit (net debt) | <u>141,527,136</u> |
| Legal debt margin | <u>\$ 2,505,290,205</u> |

Note: Under State finance law, Brunswick County's outstanding general obligation debt should not exceed 8 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 14

Pledged-Revenue Coverage
Last Ten Fiscal Years

Net Coverage:

| Fiscal Year Ended June 30 | <u>Enterprise Funds</u> | | | <u>All Enterprise Fund Debt Service</u> | | | <u>Enterprise Fund Parity Debt Service</u> | | | Net Coverage |
|---------------------------|--|--|------------------------------|---|-----------------|--------------|--|-----------------|--------------|--------------|
| | <u>Operating Revenue Plus Interest</u> | <u>Operating Expenses Excluding OPEB (Net of Depreciation)</u> | <u>Net Available Revenue</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | |
| 2000 | \$ 12,433,212 | \$ 6,146,842 | \$ 6,286,370 | \$ 3,345,755 | \$ 1,085,209 | \$ 4,430,964 | \$ - | \$ - | \$ - | 1.42 |
| 2001 | 12,277,094 | 6,859,360 | 5,417,734 | 3,864,740 | 921,368 | 4,786,108 | - | - | - | 1.13 |
| 2002 | 12,382,731 | 6,214,512 | 6,168,219 | 3,910,863 | 737,119 | 4,647,982 | - | - | - | 1.33 |
| 2003 | 14,844,364 | 7,398,018 | 7,446,346 | 3,918,735 | 549,000 | 4,467,735 | - | - | - | 1.67 |
| 2004 | 15,171,542 | 8,880,099 | 6,291,443 | 2,980,475 | 356,550 | 3,337,025 | - | - | - | 1.89 |
| 2005 | 17,684,946 | 9,656,725 | 8,028,221 | 2,376,969 | 1,405,014 | 3,781,983 | 217,611 | 285,617 | 503,228 | 2.12 |
| 2006 | 25,686,926 | 10,054,792 | 15,632,134 | 1,457,752 | 2,833,230 | 4,290,982 | 273,069 | 1,871,606 | 2,144,675 | 3.64 |
| 2007 | 32,991,331 | 15,095,168 | 17,896,163 | 3,557,232 | 2,951,486 | 6,508,718 | 1,089,903 | 1,859,771 | 2,949,674 | 2.75 |
| 2008 | 33,748,828 | 15,774,804 | 17,974,024 | 3,553,881 | 2,657,871 | 6,211,752 | 1,126,683 | 1,823,841 | 2,950,524 | 2.89 |
| 2009 | 31,013,129 | 15,775,304 | 15,237,825 | 4,635,963 | 2,530,870 | 7,166,833 | 2,565,666 | 1,782,885 | 4,348,551 | 2.13 |

Required Coverage:

| Fiscal Year Ended June 30 | Net Available Revenue | 20% Unrestricted Net Assets | Total Debt Service | Parity Debt Service | 20% Parity Debt Service | Coverage | |
|---------------------------|-----------------------|-----------------------------|--------------------|---------------------|-------------------------|-------------|-------------|
| | | | | | | 100% Parity | 120% Parity |
| 2006 | \$ 15,632,134 | \$ 4,431,840 | \$ 4,290,982 | \$ 2,144,675 | \$ 428,935 | 3.64 | 4.25 |
| 2007 | 17,896,163 | 4,771,794 | 6,508,718 | 2,949,674 | 589,935 | 2.75 | 3.19 |
| 2008 | 17,974,024 | 6,834,562 | 6,211,752 | 2,950,524 | 590,105 | 2.89 | 3.65 |
| 2009 | 15,237,825 | 5,427,576 | 7,166,833 | 4,348,551 | 869,710 | 2.13 | 2.57 |

Notes:

- (1) The County issued water and wastewater revenue bonds May 2004 and January 2008.
- (2) Water and Wastewater Revenues include investment earnings.
- (3) Operating expenses are exclusive of OPEB and net of depreciation and interest expense.
- (4) All water and wastewater debt service includes interest and principal of General Obligation Bonds, Revenue Bonds, State loans and other installment debt.

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 15

Demographic Statistics
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | (1) Population | (2) Personal Income (in thousands) | (2) Per Capita Income | (1) Median Age | (3) School Enrollment | (4) Unemployment Rate |
|---------------------------|-------------------|--|--------------------------|-------------------|--------------------------|--------------------------|
| 2000 | 73,770 | \$1,500,718 | \$21,028 | 42.3 | 9,980 | 4.1% |
| 2001 | 76,563 | 1,653,216 | 22,410 | 42.5 | 10,085 | 4.6% |
| 2002 | 79,044 | 1,819,075 | 23,892 | 42.8 | 10,318 | 5.4% |
| 2003 | 81,472 | 1,829,637 | 23,299 | 43.2 | 10,426 | 6.1% |
| 2004 | 84,653 | 1,942,639 | 24,013 | 43.6 | 10,528 | 6.4% |
| 2005 | 89,009 | 2,195,457 | 26,229 | 43.9 | 10,789 | 5.0% |
| 2006 | 94,350 | 2,440,703 | 27,645 | 44.1 | 11,133 | 4.1% |
| 2007 | 99,170 | 2,683,411 | 28,585 | 44.7 | 11,505 | 4.7% |
| 2008 | 102,877 | 2,907,482 | 29,379 | 45.0 | 11,599 | 6.1% |
| 2009 | 106,586 | not available | not available | 41.0 | 11,841 | 11.0% |

Notes:

- (1) State Data Center; projection as of June 30, 2009; annual estimates previous nine years
- (2) Bureau of Economic Analysis; figures are for prior calendar year
- (3) Brunswick County School System (20th day ADM)
- (4) North Carolina Employment Security Commission

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 16

Principal Employers
Current Year and Nine Years Ago

| Name of Employer | Type of Business | Fiscal Year 2009 | | | Fiscal Year 2000 | | |
|-------------------------------------|-------------------------|------------------|------|---------------------------|------------------|------|---------------------------|
| | | Employees | Rank | % Total County Employment | Employees | Rank | % Total County Employment |
| Brunswick County Board of Education | Education | 1,951 | 1 | 4.25% | 1,300 | 1 | 3.82% |
| Progress Energy Carolinas, Inc. | Utility | 1,050 | 2 | 2.29% | 1,000 | 3 | 2.94% |
| County of Brunswick | Local Government | 994 | 3 | 2.17% | 700 | 4 | 2.06% |
| Wal-Mart Associates Inc. | Retail Chain | 750 | 4 | 1.63% | | | |
| Brunswick Community Hospital LLC | Medical Care Facility | 708 | 5 | 1.54% | 300 | 5 | 0.88% |
| Brunswick Community College | Education | 464 | 6 | 1.01% | | | |
| Bald Head Island LP | Financial Activities | 400 | 7 | 0.87% | | | |
| DAK Americas | Dacron Polyester Fiber | 397 | 8 | 0.87% | 1,000 | 2 | 2.94% |
| Food Lion LLC | Grocery Chain | 372 | 9 | 0.81% | | | |
| Troon Gulf | Leisure and Hospitality | 250 | 10 | 0.54% | | | |
| Victaulic Company of America | Pipe Fittings & Seals | | | | 185 | 8 | 0.54% |
| Sunny Point Military Terminal | Military | | | | 300 | 6 | 0.88% |
| Dosher Memorial Hospital | Medical Care Facility | | | | 200 | 7 | 0.59% |
| Archer Daniels Midland Company | Citric Acid | | | | 165 | 10 | 0.49% |
| Armada, Inc. | Automobile Parts | | | | 180 | 9 | 0.53% |
| Totals | | 7,336 | | 15.04% | 5,330 | | 14.71% |

Source: NC Employment Security Commission; total county employment

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 17

Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

| Function: | Fiscal Year | | | | | | | | | |
|-----------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|--------------|------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| General government | 75 | 75 | 77 | 78 | 84 | 87 | 98 | 105.5 | 111.5 | 110.5 |
| Public safety | 175 | 175 | 196 | 193 | 201 | 221 | 224 | 275 | 340 | 340 |
| Central services | 68 | 68 | 70 | 75 | 80 | 79 | 83 | 88 | 94 | 94 |
| Human services | 210 | 210 | 198 | 246 | 253 | 234 | 264 | 244 | 254 | 244 |
| Transportation | 15 | 15 | 17 | 13 | 0 | 0 | 0 | 0 | 0 | 0 |
| Environmental protection | 9 | 9 | 9 | 9 | 9 | 10 | 12 | 10 | 10 | 9 |
| Cultural and recreation | 52 | 52 | 37 | 37 | 39 | 44 | 45 | 45 | 46 | 46 |
| Economic and physical development | 27 | 27 | 29 | 33 | 42 | 33 | 30 | 37 | 42 | 41 |
| Utilities | 55 | 55 | 59 | 61 | 66 | 78 | 86 | 98.5 | 109.5 | 109.5 |
| Total | 686 | 686 | 692 | 745 | 774 | 786 | 842 | 903 | 1,007 | 994 |

Source: County Finance Department

Note: This schedule represents the number of approved permanent FTE's as of June 30, 2009.

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 18

Operating Indicators by Function/Program
Last Five Fiscal Years

| | Fiscal Year | | | | |
|---|-------------|------------|------------|------------|------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Law enforcement: | | | | | |
| Civil papers issued | 9,278 | 9,025 | 7,761 | 9,312 | 9,921 |
| Criminal papers issued | 12,058 | 11,346 | 15,285 | 16,685 | 16,597 |
| Uniform mileage | 1,501,832 | 1,801,864 | 2,092,423 | 2,159,680 | 2,526,651 |
| Emergency Services: | 34,926 | 36,037 | 37,365 | 45,951 | 49,542 |
| Fire Protection: | | | | | |
| Number of calls answered | 7,018 | 7,893 | 8,879 | 9,323 | 9,742 |
| Number of inspections conducted | 1,224 | 1,272 | 1,424 | 1,310 | 1,482 |
| Emergency Medical Services: | | | | | |
| Number of calls answered | 10,049 | 13,492 | 15,254 | 15,860 | 17,545 |
| Number of transports | 4,389 | 7,667 | 12,265 | 8,884 | 9,905 |
| Code enforcement/building permits: | | | | | |
| Number of code violations | 760 | 873 | 2,114 | 2,000 | 2,312 |
| Number of building permits: | | | | | |
| Single family residential | 3,268 | 3,905 | 2,841 | 1,722 | 974 |
| Commercial | 280 | 410 | 516 | 463 | 365 |
| Parks and Recreation: | | | | | |
| Number of athletic fields rented | 60 | 75 | 71 | 8 | 30 |
| Youth recreation: | | | | | |
| Certified coaches | 665 | 695 | 705 | 1,001 | 161 |
| Sports teams | 46 | 49 | 61 | 62 | 69 |
| Participants | 675 | 735 | 975 | 981 | 2,119 |
| Adult recreation: | | | | | |
| Sports teams | 41 | 45 | 49 | 53 | 86 |
| Participants | 640 | 700 | 790 | 800 | 1,700 |
| Fitness program participants | 1,195 | 1,250 | 1,475 | 1,525 | 4,153 |
| Solid waste: | | | | | |
| Waste received (tons per 1,000 population) | 1,995 | 2,078 | 1,654 | 1,337 | 1,147 |
| Ratio of recyclable to total waste received | 5.4% | 6.2% | 5.5% | 5.0% | 4.8% |
| Public Utilities: | | | | | |
| Water customers | 19,949 | 22,412 | 28,270 | 29,955 | 30,675 |
| Water average daily treatment (in gallons) | 12,350,000 | 12,910,000 | 13,750,000 | 13,640,000 | 13,572,000 |
| Wastewater customers | 5,017 | 6,241 | 7,565 | 8,378 | 8,622 |
| Wastewater average daily treatment (in gallons) | 1,210,000 | 1,322,000 | 2,080,000 | 2,253,000 | 2,584,000 |
| Education: | | | | | |
| Number of teachers | 727 | 731 | 752 | 756 | 788 |
| Number of students | 10,789 | 11,133 | 11,505 | 11,599 | 11,841 |
| Number of charter students | 277 | 340 | 396 | 443 | 483 |

Sources: Various government departments.

Note: Data not collected prior to 2005

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 19

Capital Asset Statistics by Function/Program
Last Five Fiscal Years

| | Fiscal Year | | | | |
|--|-------------|------------|------------|------------|------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 |
| Law enforcement: | | | | | |
| Police stations | 13 | 13 | 13 | 13 | 14 |
| Police patrol units | 30 | 33 | 44 | 47 | 51 |
| Detention center capacity | 196 | 196 | 196 | 440 | 440 |
| Emergency services: | | | | | |
| Fire stations | 22 | 22 | 22 | 22 | 22 |
| Fire trucks | 97 | 97 | 110 | 121 | 129 |
| Rescue stations | 14 | 15 | 15 | 15 | 15 |
| EMS vehicles | 27 | 28 | 28 | 28 | 28 |
| Culture and recreational: | | | | | |
| Community centers | 7 | 7 | 7 | 7 | 7 |
| Parks | 10 | 11 | 11 | 12 | 13 |
| Golf courses | 38 | 35 | 36 | 39 | 39 |
| Museums | 2 | 2 | 2 | 3 | 3 |
| Planetarium | - | - | 1 | 1 | 1 |
| Libraries (branches) | 5 | 5 | 5 | 5 | 5 |
| Public Utilities: | | | | | |
| Miles of water mains | 570.00 | 642.37 | 727.00 | 795.00 | 839.00 |
| Maximum daily water capacity (in gallons) | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 |
| Miles of Wastewater mains | 90.3 | 238.2 | 299.0 | 360.0 | 403.0 |
| Maximum daily wastewater capacity (in gallons) | 3,050,000 | 4,650,000 | 6,115,000 | 6,115,000 | 6,115,000 |
| Miles of streets | 815.46 | 818.35 | 818.35 | 818.48 | 850.00 |
| Number of traffic lights | 43 | 50 | 56 | 57 | 64 |
| Hospitals: | | | | | |
| Number of hospitals | 2 | 2 | 2 | 2 | 2 |
| Number of patient beds: | | | | | |
| Licensed Acute Care | 96 | 96 | 96 | 96 | 96 |
| Licensed Skilled Care | 64 | 64 | 64 | 64 | 64 |
| Education: | | | | | |
| Number of schools | 16 | 16 | 17 | 17 | 17 |
| **Two additional schools will open August 2009 | | | | | |
| Number of charter schools | 1 | 1 | 1 | 1 | 1 |

Sources: Various government departments.

Note: Data not collected prior to 2005

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