

COUNTY OF BRUNSWICK NORTH CAROLINA

*COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010*



**COUNTY OF BRUNSWICK
NORTH CAROLINA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended
June 30, 2010**

**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, 2010

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County of Brunswick

Finance Department

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Telephone (910) 253-2070
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October 18, 2010

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, 2010.

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, 2010, 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, 2010, 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 110,292, which is an increase of nearly 50% 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 81. 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 two years 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 thirty-six plant announcements, creating 5,048 new jobs and over \$446.0 million in new capital investment. Brunswick County has four improved industrial parks and three planned industrial parks with great potential for future development.

Development of the North Carolina International Terminal on the Cape Fear River near Southport has been placed on indefinite hold by the North Carolina Ports Authority. The proposed terminal could handle between 2 and 3 million TEUs of cargo annually, which is in the size range of the major ports in Savannah, GA and Charleston, SC. The estimated cost of the project, including dredging of an expanded channel through the Frying Pan Shoals and the Cape Fear River, is between 2 and 3 billion dollars. The North Carolina State Ports Authority retains ownership of the 600 acre site and leadership of the Authority has suggested that the concept will be revisited as the global economic climate improves.

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 nearing completion of construction and is located 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 in 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. Trade, transportation, and utilities account for a quarter of all employment in Brunswick County. Leisure and hospitality represent 19% of employment, while education and health services account for 16%, construction and manufacturing for 13%, professional and business services for 8% and public administration for another 7%. Various other employment sectors make up the remaining 12%.

The County and State's unemployment rates at August 2010 were 10.1 and 9.8 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 2015 provides a plan, based on need, to fund and acquire various projects.

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. In September 2010, the County entered into a contract amendment with BB&T to reduce the interest rate on the Series 2008 School Installment Placement from 4.15% to 3.67% resulting savings of \$1.3 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 \$3.5 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. The County issued Recovery Zone Economic Development Series 2010 Installment Financing to fund improvements to the Leland Library in the amount of \$0.73 million. The County issued Recovery Zone Economic Development Series 2010 Revenue bonds to fund the island portion of the Sunset Beach wastewater collection system, improvements to the Northwest Water Plant and service line extension totaling \$25.81 million. The County assumed \$4.7 million of USDA General Obligation Bonds using the County's two-thirds general obligation capacity for FY 10 to acquire the Boiling Spring Lake water system.

The Capital Improvement Plan for general government in FY 11 is \$0.4 million from the capital reserve fund for renovations to government complex facilities. Also included in the County Capital Improvement Plan are additional utility projects that total approximately \$20.3 million for fiscal year 2011. Water system improvements total over \$10.2 million and include waterline extensions and transmission improvements. Wastewater improvements for fiscal year 2011 total \$10.1 million and expansion to the Northeast Brunswick Regional Water Reclamation Facility of \$7.3 million, \$1.0 million for improvements to the Bricklanding subdivision system and \$0.5 for the design of the

Boiling Spring Lakes plant, transmission and collection systems. The enterprise projects are anticipated to be funded with new debt proceeds of approximately \$14.7 million with the remaining \$5.6 million provided from county funds and debt proceeds remaining unspent on completed projects.

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 completed the expansion of the West Brunswick Regional Water Reclamation Facility Phase 2 from 3 mgd to 6 mgd in 2009 and provided 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 serves 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.

The County acquired the City of Boiling Spring Lakes water system in 2010 and assumed the city's outstanding general obligation financing of \$4.6 million issued thru the USDA. The County plans to construct a sewer collection system in the commercial area of the city financed thru assessments to property owners. The County is responsible for constructing the facility to treat the wastewater and is currently assessment alternatives for treatment.

The County has begun the first phase of expansion and transmission improvements to the Northwest Water Plant. 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 H2GO (formerly North Brunswick Sanitary District) and is fully supported by user charges. A preliminary engineering report has been issued, design is underway and plans are to expand the Northeast Facility in 2011 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. The cost of the plant expansion has been estimated to be \$7.43 million and the transmission system improvements are estimated to be \$3.17 million for a total of \$10.6 million with the debt to be serviced by the regional participant contributions and County retail water fees.

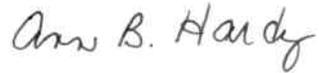
Awards and Acknowledgements

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, 2009. 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,

A handwritten signature in black ink that reads "Ann B. Hardy". The signature is written in a cursive, flowing style.

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, 2009

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, 2010

Board of County Commissioners

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

County Officials

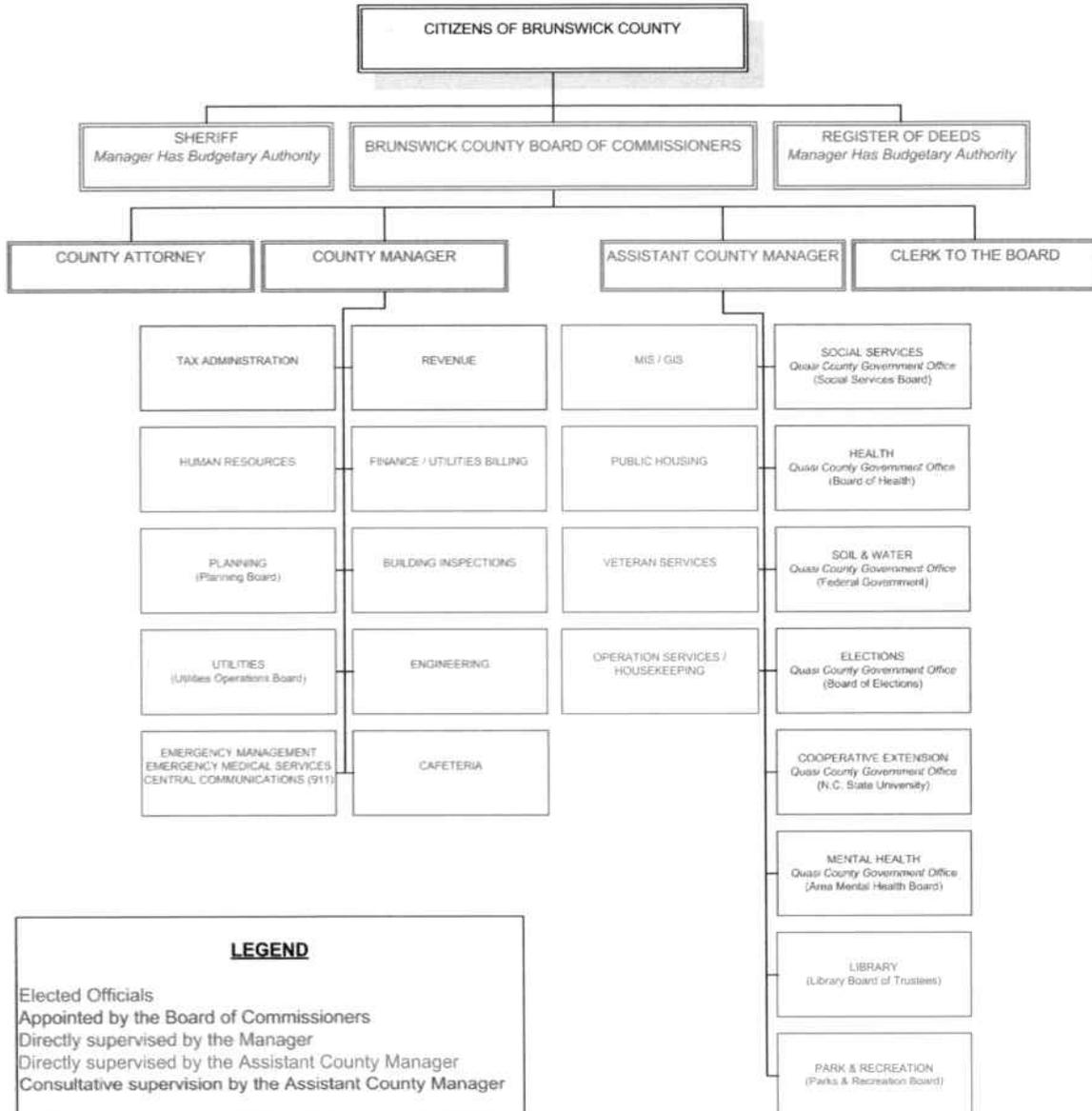
Marty K. Lawing
Steve Stone, MPA
John Ingram
Charles Miller
Brenda M. Clemmons
Debby Gore
Huey Marshall, Esq.
Jana Berg, Esq.
Ann B. Hardy, MPA, CPA
Julie A. Miller, CPA
Greg Bellamy
Al Hight
Anthony Marzano

Donald Yousey
Leslie Bell

Pam Cheers
Tom Davis
Ken Perry
Neil Walters
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
Section 8 Coordinator
Tax Administrator
Revenue Collector
Acting 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, 2010, 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 Hospital Authority or the Brunswick County Airport Commission which represents 96 percent of the assets and net assets, and 85 percent of the revenues, of the component unit columns. Those financial statements were audited by other auditors whose reports thereon have 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 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, and the Brunswick County Hospital Authority 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, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 4, 2010 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 considered in assessing 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, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, 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 4, 2010

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, 2010. 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 \$63.3 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 \$81.7 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 50 further explains the effect of education debt on net assets.
- The County's net assets of governmental activities increased by \$1.7 million mainly due to a change in the State required method of estimating future landfill closure and monitoring costs.
- As of the close of the 2010 fiscal year, the County's general fund reported amounts reserved for State statute of \$5.9 million and prepaid expenditures of \$0.9 million. The unreserved fund balance of \$47.0 million decreased \$0.9 million from \$47.9 million in the prior fiscal year. The FY 2011 original budgeted fund balance appropriation of \$3.0 million was made to balance the operating budget. An additional \$0.3 million of fund balance has been appropriated in FY 2011 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 which is designated for health expenditures totals an additional \$3.0 million and resulting in a total designated fund balance appropriated for subsequent years of \$6.3 million. Approximately \$40.7 million is available for spending at the government's discretion (*unreserved and undesignated fund balance*.) In addition, the County budget included 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 2011 was due to a decline in the tax collection rate, reduced sales tax revenue, and a reduction of other revenues related to the economy.

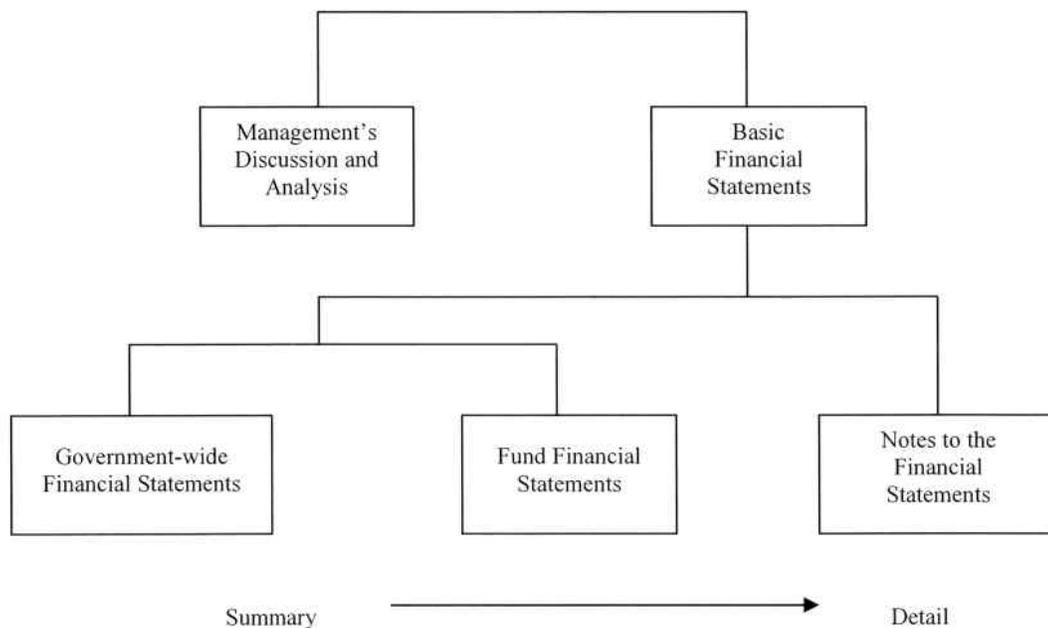
- The County bond rating with Fitch is AA for general obligation bonds, AA- for certificates of participation bonds and revenue bonds which were adjusted upward due to recalibration from the agency. Moody's Investor Services ratings were also recalibrated and improved to Aa2 for general obligation bonds, Aa3 for certificates of participation and revenue bonds. The County maintained its general obligation bond rating of AA from Standard & Poor's bond rating agency, with certificate of participation and revenue bonds both rated A+.

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 along with an internal service fund for the County's self-insured workers' compensation program.

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 two types 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. The *Internal Service Fund* is used to report the activities for the financing of workers' compensation self-insurance cost incurred.

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 26-63 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 64-65 of this report.

Brunswick County's Net Assets
Figure 2

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 92,892,703	\$ 111,021,393	\$ 47,062,063	\$ 53,331,635	\$ 139,954,766	\$ 164,353,028
Capital asset (net)	<u>131,101,926</u>	<u>125,709,627</u>	<u>309,444,894</u>	<u>271,249,438</u>	<u>440,546,820</u>	<u>396,959,065</u>
Total assets	<u>223,994,629</u>	<u>236,731,020</u>	<u>356,506,957</u>	<u>324,581,073</u>	<u>580,501,586</u>	<u>561,312,093</u>
Noncurrent liabilities	144,396,853	154,642,167	130,308,944	114,617,685	274,705,797	269,259,852
Other liabilities	<u>16,257,165</u>	<u>20,469,981</u>	<u>14,084,975</u>	<u>13,872,995</u>	<u>30,342,140</u>	<u>34,342,976</u>
Total Liabilities	<u>160,654,018</u>	<u>175,112,148</u>	<u>144,393,919</u>	<u>128,490,680</u>	<u>305,047,937</u>	<u>303,602,828</u>
Net assets:						
Invested in capital assets, net of related debt	84,644,800	80,832,411	187,205,988	161,945,932	271,850,788	242,778,343
Unrestricted	<u>(21,304,189)</u>	<u>(19,213,539)</u>	<u>24,907,050</u>	<u>34,144,461</u>	<u>3,602,861</u>	<u>14,930,922</u>
Total net assets	<u>\$ 63,340,611</u>	<u>\$ 61,618,872</u>	<u>\$ 212,113,038</u>	<u>\$ 196,090,393</u>	<u>\$ 275,453,649</u>	<u>\$ 257,709,265</u>

The assets of Brunswick County governmental activities exceeded its liabilities by \$63.3 million as of June 30, 2010. Net assets are reported in two categories: invested in capital assets, net of related debt of \$84.6 million and unrestricted net assets of (\$21.3) 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.

	Amount (in millions)
Total capital assets	\$ 131.1
Less long-term debt	(128.6)
Less current maturities of long-term debt	(10.5)
Landfill closure included in long-term debt	6.1
Current portion of compensated absences	0.3
Education general obligation debt payable	81.7
Restricted cash from unexpended debt proceeds	<u>4.6</u>
Total invested in capital assets, net of related debt	<u>\$ 84.7</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, 2010, the unrestricted net assets were (\$21.3) 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
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Changes for services	\$ 12,611,366	\$ 13,008,292	\$ 29,635,737	\$ 29,607,340	\$ 42,247,103	\$ 42,615,632
Operating grants and contributions	21,120,954	21,633,859	-	-	21,120,954	21,633,859
Capital grants and contributions	3,589,732	3,491,451	13,666,280	18,871,474	17,256,012	22,362,925
General revenues:						
Ad valorem taxes	101,876,707	101,088,129	-	-	101,876,707	101,088,129
Local option sales taxes	15,061,747	19,741,137	-	-	15,061,747	19,741,137
Other taxes	3,249,224	3,054,525	-	-	3,249,224	3,054,525
Sale of real property	-	-	-	-	-	-
Investment earnings	<u>713,501</u>	<u>2,210,940</u>	<u>354,975</u>	<u>1,405,789</u>	<u>1,068,476</u>	<u>3,616,729</u>
Total revenues	<u>158,223,231</u>	<u>164,228,333</u>	<u>43,656,992</u>	<u>49,884,603</u>	<u>201,880,223</u>	<u>214,112,936</u>
Expenses:						
General government	10,891,485	10,824,875	-	-	10,891,485	10,824,875
Public safety	32,431,363	32,475,041	-	-	32,431,363	32,475,041
Central services	12,035,434	12,874,270	-	-	12,035,434	12,874,270
Human services	31,201,132	29,448,343	-	-	31,201,132	29,448,343
Transportation	4,292,392	2,315,776	-	-	4,292,392	2,315,776
Environmental protection	7,362,499	14,390,242	-	-	7,362,499	14,390,242
Cultural and recreation	1,908,173	4,578,694	-	-	1,908,173	4,578,694
Economic and physical development	7,614,811	6,844,987	-	-	7,614,811	6,844,987
Education	42,391,583	50,907,860	-	-	42,391,583	50,907,860
Interest on long-term debt	6,372,620	6,439,614	-	-	6,372,620	6,439,614
Water and wastewater	-	-	<u>27,634,348</u>	<u>24,743,079</u>	<u>27,634,348</u>	<u>24,743,079</u>
Total expenses	<u>156,501,492</u>	<u>171,099,702</u>	<u>27,634,348</u>	<u>24,743,079</u>	<u>184,135,840</u>	<u>195,842,781</u>
Increase (decrease) in net assets before transfers	1,721,739	(6,871,369)	16,022,644	25,141,524	17,744,383	18,270,155
Transfers	-	-	-	-	-	-
Increase (decrease) in net assets						
Net assets, July 1	<u>61,618,872</u>	<u>68,490,241</u>	<u>196,090,394</u>	<u>170,948,870</u>	<u>257,709,266</u>	<u>239,439,111</u>
Net assets, June 30	<u>\$ 63,340,611</u>	<u>\$ 61,618,872</u>	<u>\$ 212,113,038</u>	<u>\$ 196,090,394</u>	<u>\$ 275,453,649</u>	<u>\$ 257,709,266</u>

Governmental activities. Governmental activities accounted for \$63.3 million, which is 23 percent of the total net assets. Operating grants funded \$21.1 million of the County's governmental activities.

Business-type activities. Business-type activities increased the County's net assets by \$16.0 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 \$81.1 million, which is a decrease of \$15.7 million in comparison with the prior year primarily due to the construction of education and county facilities. Approximately 91 percent of this total amount, \$73.9 million, constitutes unreserved fund balance available for spending at the County's discretion. Of the unreserved fund balance of \$73.9 million at June 30, 2010, approximately \$17.0 million or approximately 23 percent was designated for subsequent year expenditures and capital projects leaving an unreserved and undesignated fund balance of \$56.9 million or 77 percent.

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 \$47.0 million, while total fund balance for the general fund decreased from \$55.3 to \$54.2 million due to transfers to the purchase of land for an expansion to the county's construction and demolition landfill. Amounts in the General Fund balance designated for subsequent year's expenditures totaled \$6.3 million, leaving \$40.7 million unreserved and undesignated. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total general fund expenditures. Unreserved general fund balance represents 31.2% of total general fund expenditures, while total general fund balance represents 35.9% of that same amount. The County Capital Reserve fund balance decreased \$3.6 million due to funds transferred for county capital projects. The Education Capital Project and County Capital Project fund balances decreased \$7.4 million and \$3.5 million, respectively, due to planned capital project expenditures in those funds. The Non Major Governmental Funds balance was unchanged.

Enterprise Funds. The Water Fund's net assets increased \$6.9 million to \$129 million. The Wastewater Fund's net assets increased \$8.4 million to \$76.8 million. The net assets of Non Major Enterprise funds increased \$0.8 million to \$6.3 million. The increases in the net assets of the enterprise funds are from completion of capital projects and capital contributions.

Internal service fund. The Workers' Compensation Internal service fund originated during the fiscal year and accumulated \$0.7 million of net assets by the end of the fiscal year.

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 increased revenues by \$3.5 million. The majority of the increase was comprised of \$2.8 million increase in restricted intergovernmental revenues. Total actual revenues exceeded amended budgeted amounts by \$1.9 million. Total actual expenditures were nearly \$6.1 million less than amended budgeted amounts, with over half of that amount relating to expenditures lower than budgeted in public safety and human services.

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 \$24.9 million. The primary factor affecting this amount was a net increase of \$38.2 million 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, 2010 amounts to \$440.6 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, H2GO (formerly 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 \$12.6 million as of June 30, 2010.

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 \$110.5 million as of June 30, 2010.

Brunswick County's Capital Assets
Figure 4

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
	2010	2009	2010	2009	2010	2009
Land	\$ 10,863,120	\$ 10,863,120	\$ 2,829,409	\$ 2,829,409	\$ 13,692,529	\$ 13,692,529
Operating plants, buildings & improvements	108,249,285	59,507,298	94,355,102	91,802,770	202,604,387	151,310,068
Equipment and vehicles	7,442,826	9,667,607	3,949,715	2,803,383	11,392,541	12,470,990
Distribution and collection systems	-	-	140,102,796	114,727,681	140,102,796	114,727,681
Construction in progress	<u>4,546,695</u>	<u>45,671,604</u>	<u>68,207,872</u>	<u>59,086,194</u>	<u>72,754,567</u>	<u>104,757,798</u>
Total capital assets, net	<u>\$ 131,101,926</u>	<u>\$ 125,709,629</u>	<u>\$ 309,444,894</u>	<u>\$ 271,249,437</u>	<u>\$ 440,546,820</u>	<u>\$ 396,959,066</u>

Additional information on Brunswick County's capital assets can be found in Note 4 on pages 40 and 41 of this report.

Long-term Debt. At the end of the current fiscal year, Brunswick County had total general obligation bonded debt outstanding of \$88.9 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	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 84,560,000	\$ 91,020,000	\$ 4,342,000	\$ -	\$ 88,902,000	\$ 91,020,000
Certificates of participation	15,080,000	16,355,000	-	-	15,080,000	16,355,000
Installment purchases & revolving loans	33,060,608	34,152,136	44,131,981	30,693,307	77,192,589	64,845,443
Revenue bonds	-	-	84,523,497	87,192,068	84,523,497	87,192,068
Other	<u>22,157,853</u>	<u>23,243,559</u>	<u>1,958,351</u>	<u>1,400,274</u>	<u>24,116,204</u>	<u>24,643,833</u>
Total long-term debt	<u>\$ 154,858,461</u>	<u>\$ 164,770,695</u>	<u>\$ 134,955,829</u>	<u>\$ 119,285,649</u>	<u>\$ 289,814,290</u>	<u>\$ 284,056,344</u>

The legal debt limit is \$2.68 billion. The legal debt margin on June 30, 2010 was \$2.55 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 10.39% and to total general fund expenditures is 12.1%. The County's governmental general obligation debt per capita is \$767 as of June 30, 2010 while the County's governmental activities gross debt per capita (excluding landfill closure/post closure, accrued compensated absences and pension benefit obligations) is \$1,204 due to \$137 in outstanding Certificates of Participation for other long term financing for construction and renovation of

various County and Education Buildings and \$300 for equipment installment purchases and construction of new schools.

The County's total debt had a net increase of \$5.8 million, 2.0 percent, during the current fiscal year. The key factor in this increase was the issuance of new enterprise fund debt. Additional information on Brunswick County's long-term debt can be found in Note 7 on pages 43-50 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 10.6 percent at June 30, 2010, compared to the state's seasonally adjusted unemployment rate of 9.8 percent currently and 10.8 percent at June 30, 2010.
- Inflationary trends in the region are similar to national indices.
- Population estimation of 110,292 has grown nearly 50 percent since 2000.

All of these factors were considered in preparing Brunswick County's budget for fiscal year 2010-2011.

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2010-2011

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. The next revaluation is scheduled for the 2011 levy. 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, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Total
Assets:				
Current Assets:				
Cash and cash equivalents/investments	\$ 74,887,484	\$ 31,083,511	\$ 105,970,995	\$ 951,557
Restricted cash and investments	4,563,482	10,758,572	15,322,054	-
Interest receivable	172,134	68,350	240,484	-
Taxes receivable, net	4,958,664	-	4,958,664	-
Receivables and special assessments, net	1,193,568	3,454,985	4,648,553	-
Other governmental agencies	6,218,532	1,471,705	7,690,237	893,799
Inventories	-	224,940	224,940	278,579
Prepaid items	898,839	-	898,839	33,568
Total current assets	<u>92,892,703</u>	<u>47,062,063</u>	<u>139,954,766</u>	<u>2,157,503</u>
Capital Assets:				
Non-depreciable capital assets	15,409,815	71,037,281	86,447,096	-
Depreciable capital assets, net	<u>115,692,111</u>	<u>238,407,613</u>	<u>354,099,724</u>	<u>16,210,106</u>
Total capital assets	<u>131,101,926</u>	<u>309,444,894</u>	<u>440,546,820</u>	<u>16,210,106</u>
Total assets	<u>\$ 223,994,629</u>	<u>\$ 356,506,957</u>	<u>\$ 580,501,586</u>	<u>\$ 18,367,609</u>
Liabilities and Net Assets:				
Liabilities:				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 5,718,961	\$ 5,348,254	\$ 11,067,215	\$ 201,386
Current maturities of long-term debt	10,461,608	4,646,885	15,108,493	62,800
Due to other funds	-	-	-	-
Due other governmental agencies	-	-	-	234,182
Deposits	-	1,347,406	1,347,406	-
Unearned revenues	76,596	2,742,430	2,819,026	-
Total current liabilities	<u>16,257,165</u>	<u>14,084,975</u>	<u>30,342,140</u>	<u>498,368</u>
Noncurrent Liabilities:				
Accrued compensated absences	2,912,996	333,832	3,246,828	-
Law enforcement pension obligation	791,578	-	791,578	-
Other post employment benefits	12,085,089	1,592,519	13,677,608	-
Long-term debt	<u>128,607,190</u>	<u>128,382,593</u>	<u>256,989,783</u>	<u>549,500</u>
Total noncurrent liabilities	<u>144,396,853</u>	<u>130,308,944</u>	<u>274,705,797</u>	<u>549,500</u>
Total liabilities	<u>160,654,018</u>	<u>144,393,919</u>	<u>305,047,937</u>	<u>1,047,868</u>
Net Assets:				
Invested in capital assets, net of related debt	84,644,800	187,205,988	271,850,788	15,597,806
Restricted For:				
Other purposes	-	-	-	66,442
Unrestricted	<u>(21,304,189)</u>	<u>24,907,050</u>	<u>3,602,861</u>	<u>1,655,493</u>
Total net assets	<u>\$ 63,340,611</u>	<u>\$ 212,113,038</u>	<u>\$ 275,453,649</u>	<u>\$ 17,319,741</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Government Activities:				
General government	\$ 10,891,485	\$ 1,387,017	\$ -	\$ -
Public safety	32,431,363	5,635,307	1,088,201	-
Central services	12,035,434	1,535,716	-	-
Human services	31,201,132	1,335,443	19,082,231	-
Transportation	4,292,392	-	-	3,400,594
Environmental protection	7,362,499	1,275,381	-	-
Cultural and recreation	1,908,173	188,117	-	-
Economic and physical development	7,614,811	1,254,385	946,912	-
Education	42,391,583	-	3,610	189,138
Interest on long-term debt	6,372,620	-	-	-
Total governmental activities	<u>156,501,492</u>	<u>12,611,366</u>	<u>21,120,954</u>	<u>3,589,732</u>
Business-type Activities:				
Water	15,977,572	17,591,342	-	3,448,505
Wastewater	11,656,776	12,044,395	-	10,217,775
Total business-type activities	<u>27,634,348</u>	<u>29,635,737</u>	<u>-</u>	<u>13,666,280</u>
Total primary government	<u>\$ 184,135,840</u>	<u>\$ 42,247,103</u>	<u>\$ 21,120,954</u>	<u>\$ 17,256,012</u>
Discretely presented component units	<u>\$ 3,667,153</u>	<u>\$ 3,382,242</u>	<u>\$ 79,300</u>	<u>\$ 419,654</u>

General Revenues:

Ad valorem taxes
Local option sales taxes
Deed stamp excise taxes and 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

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	Total
\$ (9,504,468)	\$ -	\$ (9,504,468)	
(25,707,855)	-	(25,707,855)	
(10,499,718)	-	(10,499,718)	
(10,783,458)	-	(10,783,458)	
(891,798)	-	(891,798)	
(6,087,118)	-	(6,087,118)	
(1,720,056)	-	(1,720,056)	
(5,413,514)	-	(5,413,514)	
(42,198,835)	-	(42,198,835)	
(6,372,620)	-	(6,372,620)	
<u>(119,179,440)</u>	<u>-</u>	<u>(119,179,440)</u>	
	- 5,062,275	5,062,275	
	- 10,605,394	10,605,394	
	- 15,667,669	15,667,669	
<u>(119,179,440)</u>	<u>15,667,669</u>	<u>(103,511,771)</u>	
			\$ 214,043
101,876,707	-	101,876,707	-
15,061,747	-	15,061,747	-
3,249,224	-	3,249,224	-
713,501	354,975	1,068,476	12,275
<u>120,901,179</u>	<u>354,975</u>	<u>121,256,154</u>	<u>12,275</u>
-	-	-	-
<u>120,901,179</u>	<u>354,975</u>	<u>121,256,154</u>	<u>12,275</u>
1,721,739	16,022,644	17,744,383	226,318
61,618,872	196,090,394	257,709,266	17,093,423
<u>\$ 63,340,611</u>	<u>\$ 212,113,038</u>	<u>\$ 275,453,649</u>	<u>\$ 17,319,741</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

	Major Funds				Non Major Governmental Funds	Total Governmental Funds
	General	County Capital Reserve	Education Capital Project	County Capital Project		
Assets:						
Cash, cash equivalents and investments	\$ 52,891,162	\$ 8,608,075	3,110,251	\$ 1,444,227	\$ 8,011,378	\$ 74,065,093
Cash, cash equivalents and investments - restricted	-	-	3,843,328	720,154	-	4,563,482
Interest receivable	127,604	24,299	-	-	19,746	171,649
Taxes receivable - net	4,958,664	-	-	-	-	4,958,664
Receivables - net	1,007,322	-	-	-	186,246	1,193,568
Due from other governmental agencies	4,518,933	-	109,946	1,512,090	77,563	6,218,532
Due from other funds	561,203	-	-	-	576,291	1,137,494
Prepaid expenditures	898,839	-	-	-	-	898,839
Total assets	<u>\$ 64,963,727</u>	<u>\$ 8,632,374</u>	<u>\$ 7,063,525</u>	<u>\$ 3,676,471</u>	<u>\$ 8,871,224</u>	<u>\$ 93,207,321</u>
Liabilities, Equity, and Other Credits:						
Liabilities:						
Accounts payable and other liabilities	\$ 4,874,878	\$ -	\$ 58,911	\$ 403,093	\$ 273,874	\$ 5,610,756
Due to other funds	576,291	-	-	-	561,203	1,137,494
Deferred revenues	5,366,073	-	-	-	-	5,366,073
Total liabilities	<u>10,817,242</u>	<u>-</u>	<u>58,911</u>	<u>403,093</u>	<u>835,077</u>	<u>12,114,323</u>
Fund Balances:						
Reserved for:						
State statute	5,884,249	-	-	-	97,309	5,981,558
Encumbrances	342,107	-	-	-	-	342,107
Prepaid expenditures	898,839	-	-	-	-	898,839
Unreserved, undesignated	40,743,387	-	-	-	-	40,743,387
Unreserved, designated for subsequent year's expenditures	6,277,903	-	-	-	405,785	6,683,688
Unreserved, reported in nonmajor:						
Special revenue funds	-	8,632,374	-	-	7,533,053	16,165,427
Capital projects funds	-	-	7,004,614	3,273,378	-	10,277,992
Total fund balances	<u>54,146,485</u>	<u>8,632,374</u>	<u>7,004,614</u>	<u>3,273,378</u>	<u>8,036,147</u>	<u>81,092,998</u>
Total liabilities and fund balances	<u>\$ 64,963,727</u>	<u>\$ 8,632,374</u>	<u>\$ 7,063,525</u>	<u>\$ 3,676,471</u>	<u>\$ 8,871,224</u>	<u>\$ 93,207,321</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						\$ 81,092,998
Amounts reported for governmental activities in the statement of net assets are different because:						
Change in internal service net assets, attributed to governmental activities						714,671
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds						131,101,926
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds						5,289,477
Long-term liabilities, including interest and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds						(154,858,461)
Net assets reported as governmental activities						<u>\$ 63,340,611</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 YEAR ENDED JUNE 30, 2010

	Major Funds					Total Governmental Funds
	General	County Capital Reserve	Education Capital Project	County Capital Project	Non Major Governmental Funds	
Revenues:						
Ad valorem taxes	\$ 100,529,188	\$ -	\$ -	\$ -	\$ -	\$ 100,529,188
Local option sales taxes	15,061,747	-	-	-	-	15,061,747
Other taxes and licenses	2,256,944	-	-	-	992,280	3,249,224
Unrestricted intergovernmental revenues	549,711	-	-	-	-	549,711
Restricted intergovernmental revenues	19,166,063	-	189,138	3,197,699	1,816,007	24,368,907
Permits and fees	3,261,887	-	-	-	-	3,261,887
Sales and services	7,559,876	-	-	-	-	7,559,876
Investment earnings	507,300	101,543	12,641	523	90,168	712,175
Other	910,912	-	-	-	61,655	972,567
Total revenues	<u>149,803,628</u>	<u>101,543</u>	<u>201,779</u>	<u>3,198,222</u>	<u>2,960,110</u>	<u>156,265,282</u>
Expenditures:						
Current:						
General government	9,535,462	-	-	16,484	78,213	9,630,159
Public safety	28,394,390	-	-	-	938,570	29,332,960
Central services	11,699,222	-	-	-	-	11,699,222
Human services	26,668,707	-	-	3,246,288	-	29,914,995
Transportation	280,466	-	-	4,011,926	-	4,292,392
Environmental protection	12,455,131	-	-	1,745,055	-	14,200,186
Culture and recreation	3,831,067	-	-	2,329,951	-	6,161,018
Economic and physical development	5,107,168	-	-	625,418	1,592,795	7,325,381
Education	34,451,976	-	9,936,926	-	-	44,388,902
Debt Service:						
Principal retirement	10,041,528	-	-	-	-	10,041,528
Interest and fiscal charges	8,162,795	-	-	-	-	8,162,795
Total expenditures	<u>150,627,912</u>	<u>-</u>	<u>9,936,926</u>	<u>11,975,122</u>	<u>2,609,578</u>	<u>175,149,538</u>
Revenues over (under) expenditures	<u>(824,284)</u>	<u>101,543</u>	<u>(9,735,147)</u>	<u>(8,776,900)</u>	<u>350,532</u>	<u>(18,884,256)</u>
Other Financing Sources (Uses):						
Sale of capital assets	-	-	-	202,895	-	202,895
Payment to escrow agent for refunded debt	(23,500,000)	-	-	-	-	(23,500,000)
Transfers from other funds	980,790	-	2,303,755	4,400,000	1,969,388	9,653,933
Transfers to other funds	(3,619,388)	(3,730,790)	-	-	(2,303,755)	(9,653,933)
Premiums on bonds issued	1,790,175	-	-	-	-	1,790,175
Debt financing issued	23,990,000	-	-	725,000	-	24,715,000
Total other financing sources (uses)	<u>(358,423)</u>	<u>(3,730,790)</u>	<u>2,303,755</u>	<u>5,327,895</u>	<u>(334,367)</u>	<u>3,208,070</u>
Net change in fund balances	<u>(1,182,707)</u>	<u>(3,629,247)</u>	<u>(7,431,392)</u>	<u>(3,449,005)</u>	<u>16,165</u>	<u>(15,676,186)</u>
Fund balance, beginning of year	<u>55,329,192</u>	<u>12,261,621</u>	<u>14,436,006</u>	<u>6,722,383</u>	<u>8,019,982</u>	<u>96,769,184</u>
Fund balance, end of year	<u>\$ 54,146,485</u>	<u>\$ 8,632,374</u>	<u>\$ 7,004,614</u>	<u>\$ 3,273,378</u>	<u>\$ 8,036,147</u>	<u>\$ 81,092,998</u>

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 YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds (Exhibit D)	\$ (15,676,186)
<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	1,347,519
Emergency services revenues	(752)
Public Health revenues	31,953
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.	(4,250,948)
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.	11,495,398
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.	(789,267)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements.	(5,313,831)
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.	33,541,528
Change in closure/post closure liability estimate. Expenses are reported as incurred in the funds.	5,336,654
Change in internal service net assets, attributed to governmental activities	714,671
Proceeds from issuance of debt are reported as revenues in the governmental fund statement. However, in the statement of activities, it is not a revenue, rather it is an increase in liabilities.	<u>(24,715,000)</u>
Change in net assets of governmental activities per Exhibit B	<u>\$ 1,721,739</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 YEAR ENDED JUNE 30, 2010

	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	\$ 98,191,101	\$98,383,101	\$100,529,188	\$ 2,146,087	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	15,922,000	16,162,525	15,061,747	(1,100,778)	-	-	-	-
Other taxes and licenses	1,712,000	2,112,000	2,256,944	144,944	-	-	-	-
Unrestricted intergovernmental revenues	695,000	539,708	549,711	10,003	-	-	-	-
Restricted intergovernmental revenues	15,574,366	18,396,373	19,166,063	769,690	-	-	-	-
Permits and fees	3,003,201	3,169,856	3,261,887	92,031	-	-	-	-
Sales and services	8,108,065	7,889,958	7,559,876	(330,082)	-	-	-	-
Investment earnings	613,000	613,000	507,300	(105,700)	-	143,500	101,543	(41,957)
Other	562,380	644,051	910,912	266,861	-	-	-	-
Total revenues	<u>144,381,113</u>	<u>147,910,572</u>	<u>149,803,628</u>	<u>1,893,056</u>	<u>-</u>	<u>143,500</u>	<u>101,543</u>	<u>(41,957)</u>
Expenditures:								
Current:								
General government	9,874,423	10,298,731	9,535,462	763,269	-	-	-	-
Central services	12,704,029	12,455,021	11,699,222	755,799	-	-	-	-
Public safety	28,446,741	30,110,752	28,394,390	1,716,362	-	-	-	-
Transportation	100,958	280,466	280,466	-	-	-	-	-
Environmental protection	12,749,850	12,579,259	12,455,131	124,128	-	-	-	-
Economic and physical development	5,001,201	5,685,530	5,107,168	578,362	-	-	-	-
Human services	26,223,286	28,215,441	26,668,707	1,546,734	-	-	-	-
Education	34,451,976	34,451,976	34,451,976	-	-	-	-	-
Culture and recreation	3,876,783	4,400,372	3,831,067	569,305	-	-	-	-
Debt Service:								
Principal retirement	9,741,528	10,041,528	10,041,528	-	-	-	-	-
Interest and fiscal charges	6,053,868	8,224,842	8,162,795	62,047	-	-	-	-
Total expenditures	<u>149,224,643</u>	<u>156,743,918</u>	<u>150,627,912</u>	<u>6,116,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(4,843,530)</u>	<u>(8,833,346)</u>	<u>(824,284)</u>	<u>8,009,062</u>	<u>-</u>	<u>143,500</u>	<u>101,543</u>	<u>(41,957)</u>
Other Financing Sources (Uses):								
Long-term debt issued	-	23,990,000	23,990,000	-	-	-	-	-
Advance repayment of debt	-	(23,500,000)	(23,500,000)	-	-	-	-	-
Premiums on bonds	-	1,790,176	1,790,175	(1)	-	-	-	-
Transfers from other funds	3,150,000	4,130,790	980,790	(3,150,000)	-	-	-	-
Transfers to other funds	(1,765,433)	(4,074,780)	(3,619,388)	455,392	(11,965,160)	(12,019,802)	(3,730,790)	8,289,012
Contingency	(400,000)	(31,986)	-	31,986	-	-	-	-
Appropriated fund balance	3,858,963	6,529,146	-	(6,529,146)	11,965,160	11,876,302	-	(11,876,302)
Total other financing sources (uses)	<u>4,843,530</u>	<u>8,833,346</u>	<u>(358,423)</u>	<u>(9,191,769)</u>	<u>-</u>	<u>(143,500)</u>	<u>(3,730,790)</u>	<u>(3,587,290)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(1,182,707)</u>	<u>\$ (1,182,707)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,629,247)</u>	<u>\$ (3,629,247)</u>
Fund balance, beginning of year			<u>55,329,192</u>				<u>12,261,621</u>	
Fund balance, end of year			<u>\$ 54,146,485</u>				<u>\$ 8,632,374</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, 2010

	Business-type Activities - Enterprise				
	Major Funds		Nonmajor Funds	Total	Workers' Compensation
	Water	Wastewater			
Assets:					
Current Assets:					
Cash and cash equivalents/investments	21,322,462	\$ 3,476,966	\$ 6,284,083	\$ 31,083,511	\$ 822,391
Cash and cash equivalents/investments - restricted	-	10,758,572	-	10,758,572	-
Interest receivable	35,621	3,008	29,721	68,350	485
Receivables and special assessments, net	2,265,261	871,195	318,529	3,454,985	-
Due from other governmental agencies	869,248	602,457	-	1,471,705	-
Inventories	113,781	111,159	-	224,940	-
Due from other funds	462,497	-	-	462,497	-
Total current assets	<u>25,068,870</u>	<u>15,823,357</u>	<u>6,632,333</u>	<u>47,524,560</u>	<u>822,876</u>
Capital Assets:					
Non-depreciable capital assets	7,496,575	63,540,706	-	71,037,281	-
Depreciable capital assets, net	107,858,901	130,548,712	-	238,407,613	-
Total capital assets	<u>115,355,476</u>	<u>194,089,418</u>	<u>-</u>	<u>309,444,894</u>	<u>-</u>
Total assets	<u>\$ 140,424,346</u>	<u>\$ 209,912,775</u>	<u>\$ 6,632,333</u>	<u>\$ 356,969,454</u>	<u>\$ 822,876</u>
Liabilities and Net Assets:					
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	\$ 2,412,591	\$ 2,935,663	\$ -	\$ 5,348,254	\$ 108,205
Current portion of debt	183,010	4,463,875	-	4,646,885	-
Customer deposits	1,347,406	-	-	1,347,406	-
Due to other funds	-	462,497	-	462,497	-
Total current liabilities	<u>3,943,007</u>	<u>7,862,035</u>	<u>-</u>	<u>11,805,042</u>	<u>108,205</u>
Noncurrent Liabilities:					
Compensated absences	253,831	80,001	-	333,832	-
Other post employment benefits	1,125,175	467,344	-	1,592,519	-
Deferred revenues	-	2,423,901	318,529	2,742,430	-
Noncurrent portion of debt	6,109,271	122,273,322	-	128,382,593	-
Total noncurrent liabilities	<u>7,488,277</u>	<u>125,244,568</u>	<u>318,529</u>	<u>133,051,374</u>	<u>-</u>
Total liabilities	<u>11,431,284</u>	<u>133,106,603</u>	<u>318,529</u>	<u>144,856,416</u>	<u>108,205</u>
Net Assets:					
Invested in capital assets, net of related debt	109,087,927	78,118,061	-	187,205,988	-
Unrestricted (deficit)	19,905,135	(1,311,889)	6,313,804	24,907,050	714,671
Total net assets	<u>\$ 128,993,062</u>	<u>\$ 76,806,172</u>	<u>\$ 6,313,804</u>	<u>\$ 212,113,038</u>	<u>\$ 714,671</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 YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise				
	Major Funds		Nonmajor Funds	Total	Workers' Compensation
	Water	Wastewater			
Operating Revenues:					
User charges	\$ 17,192,749	\$ 11,287,684	\$ -	\$ 28,480,433	\$ 1,209,078
Assessments	-	-	119,109	119,109	-
Intergovernmental revenues	-	509,438	-	509,438	-
Other	358,957	167,800	-	526,757	-
Total operating revenues	<u>17,551,706</u>	<u>11,964,922</u>	<u>119,109</u>	<u>29,635,737</u>	<u>1,209,078</u>
Operating Expenses:					
Salaries and employee benefits	5,599,123	2,106,518	-	7,705,641	-
Operating expenses	7,655,330	2,254,346	-	9,909,676	495,733
Depreciation and amortization	2,624,180	3,377,087	-	6,001,267	-
Total operating expenses	<u>15,878,633</u>	<u>7,737,951</u>	<u>-</u>	<u>23,616,584</u>	<u>495,733</u>
Operating income (loss)	<u>1,673,073</u>	<u>4,226,971</u>	<u>119,109</u>	<u>6,019,153</u>	<u>713,345</u>
Nonoperating Revenues (Expenses):					
Investment earnings	155,259	49,219	150,497	354,975	1,326
Interest expense	(98,939)	(3,918,825)	-	(4,017,764)	-
Total nonoperating revenues (expenses)	<u>56,320</u>	<u>(3,869,606)</u>	<u>150,497</u>	<u>(3,662,789)</u>	<u>1,326</u>
Income before transfers and capital contributions	1,729,393	357,365	269,606	2,356,364	714,671
Transfers in (out)	1,691,982	(2,206,358)	514,376	-	-
Capital Contributions	-	4,705,991	-	4,705,991	-
Dedicated service lines	3,448,505	5,511,784	-	8,960,289	-
Total transfers and capital contributions	<u>5,140,487</u>	<u>8,011,417</u>	<u>514,376</u>	<u>13,666,280</u>	<u>-</u>
Increase (decrease) in net assets	6,869,880	8,368,782	783,982	16,022,644	714,671
Net assets, beginning of year	<u>122,123,182</u>	<u>68,437,390</u>	<u>5,529,822</u>	<u>196,090,394</u>	<u>-</u>
Net assets, end of year	<u>\$ 128,993,062</u>	<u>\$ 76,806,172</u>	<u>\$ 6,313,804</u>	<u>\$ 212,113,038</u>	<u>\$ 714,671</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 YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise				
	Major Funds		Nonmajor Funds	Total	Workers' Compensation
	Water	Wastewater			
Cash Flows From Operating Activities:					
Receipts from customers	\$17,681,455	\$ 13,595,701	\$ 119,109	\$ 31,396,265	\$ 1,209,078
Payments to suppliers for goods and services	(7,513,953)	(2,649,087)	-	(10,163,040)	(387,528)
Payments to or on behalf of employees	(5,203,416)	(1,944,148)	-	(7,147,564)	-
Net cash provided by (used in) operating activities	<u>4,964,086</u>	<u>9,002,466</u>	<u>119,109</u>	<u>14,085,661</u>	<u>821,550</u>
Cash Flows From Noncapital Financing Activities:					
Transfers in (out)	1,691,982	(2,206,358)	514,376	-	-
Advances (repayments) of interfund debt	(955,442)	461,237	-	(494,205)	-
Net cash provided (used) by noncapital financing activities	<u>736,540</u>	<u>(1,745,121)</u>	<u>514,376</u>	<u>(494,205)</u>	<u>-</u>
Net Cash From Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(10,364,424)	(20,302,985)	-	(30,667,409)	-
Interest paid	(98,940)	(3,918,827)	-	(4,017,767)	-
Proceeds from issuance of long-term debt	-	15,188,075	-	15,188,075	-
Principal payments on long-term debt	(324,096)	(4,320,900)	-	(4,644,996)	-
Capital contributions	-	4,705,991	-	4,705,991	-
Net cash provided (used) in capital and related financing activities	<u>(10,787,460)</u>	<u>(8,648,646)</u>	<u>-</u>	<u>(19,436,106)</u>	<u>-</u>
Cash Flows From Investing Activities:					
Interest on investments	<u>172,687</u>	<u>48,934</u>	<u>178,563</u>	<u>400,184</u>	<u>841</u>
Net increase (decrease) in cash and cash equivalents	(4,914,147)	(1,342,367)	812,048	(5,444,466)	822,391
Cash and cash equivalents, beginning of year	<u>26,236,609</u>	<u>15,577,905</u>	<u>5,472,035</u>	<u>47,286,549</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$21,322,462</u>	<u>\$ 14,235,538</u>	<u>\$ 6,284,083</u>	<u>\$ 41,842,083</u>	<u>\$ 822,391</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 YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise				
	Major Funds		Nonmajor Funds	Total	Workers' Compensation
	Water	Wastewater			
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 1,673,073	\$ 4,226,971	\$ 119,109	\$ 6,019,153	\$ 713,345
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	2,624,180	3,377,087	-	6,001,267	-
Changes in Assets and Liabilities:					
(Increase) decrease in accounts receivable	49,452	1,159,146	-	1,208,598	-
(Increase) decrease in sales tax refund receivable	(280,686)	80,770	-	(199,916)	-
(Increase) in assessments receivable	-	-	(318,529)	(318,529)	-
(Increase) decrease in inventories	156,894	22,266	-	179,160	-
Increase (decrease) in accounts payable/accrued expenses	660,876	(335,407)	-	325,469	108,205
Increase (decrease) in deferred revenue	-	471,633	318,529	790,162	-
Increase (decrease) in customer deposits	80,297	-	-	80,297	-
Net cash provided by (used in) operating activities	<u>\$ 4,964,086</u>	<u>\$ 9,002,466</u>	<u>\$ 119,109</u>	<u>\$ 14,085,661</u>	<u>\$ 821,550</u>
Supplemental Disclosures of Noncash Transactions					
Assumption of long-term debt for capital assets	<u>\$ 4,569,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,569,025</u>	<u>\$ -</u>
Dedicated service lines	<u>\$ 3,448,505</u>	<u>\$ 5,511,784</u>	<u>\$ -</u>	<u>\$ 8,960,289</u>	<u>\$ -</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, 2010**

Assets:

Cash, cash equivalents and investments	\$ 2,138,362
Interest receivable	4,945
Taxes receivable	<u>63,042</u>
Total assets	<u>\$ 2,206,349</u>

Liabilities:

Due to other governmental agencies	\$ 1,336,369
Other	<u>869,980</u>
Total liabilities	<u>\$ 2,206,349</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, 2010

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 110,292, 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.

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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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 for the EDC totaled \$375,276 for the fiscal year ended June 30, 2010. 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 \$88,000 for the fiscal year ended June 30, 2010. 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.

Other Component Unit

Brunswick County Industrial Facility and Pollution Control Financing Authority

Brunswick County Industrial Facility and Pollution Control Financing Authority exist 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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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, 2010, 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 display information about the primary government (the County) and its component units. These statements include all of the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. 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.

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 OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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.

The County reports the following internal service fund:

Workers' Compensation Internal service fund – This fund is used to account for risk management operations of the County for the financing of workers' compensation self-insurance costs incurred.

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 as fiscal agent; the Inmate Trust Fund which accounts for personal funds of the inmates in the detention center; and the 3% Interest Payable

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

in return. State shared revenues, sales tax, property taxes, federal grants funding federal mandates, and most donations are examples of nonexchange transactions.

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 2009 through February 2010 apply to the fiscal year ended June 30, 2010. 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.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and they by general revenues.

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 \$2,670,183 which was largely the result of the purchase of land for an expansion to the County's construction and demolition landfill.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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.

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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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.

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, 2010 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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

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 \$4,342,000 water general obligation debt outstanding.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as another 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Reserved for prepaid expenditures is a portion of fund balance not available for appropriation because it represents the year-end balance of prepaid items that are not expendable available resources.

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.

Designations of Fund Balance:

Designations of equity represent tentative management plans that are subject to change. The General Fund and Special Revenue unreserved fund balance had the following designations at June 30, 2010:

General Fund:

Appropriated fund balance-general activities	\$ 3,313,103
Appropriated fund balance-public health	<u>2,964,800</u>
Total general fund	<u>6,277,903</u>

Special Revenue Funds:

Emergency telephone system	<u>405,785</u>
Total special revenue funds	<u>405,785</u>
Total	<u>\$ 6,683,688</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 policy 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are: allowance for doubtful accounts and depreciation lives.

2. Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments of the County as of June 30, 2010 include the following:

	Reported at Fair Value
Cash on Hand	\$ 6,500
Deposits - NOW, SuperNOW, MMDA and Certificates of Deposit	112,590,142
Investments:	
North Carolina Capital Management Trust	<u>10,834,769</u>
Total	<u>\$ 123,431,411</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 under collateralization and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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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, 2010, the deposits of the County had a reported value of \$112,590,142 and bank balances of \$112,540,308. Of the bank balances \$9,682,339 was covered by federal depository insurance and \$102,857,969 was covered by collateral held under the Pooling Method.

B. Investments

As of June 30, 2010, the County had the following investments and maturities:

Investment Type	Fair Value	Less Than 6 Months	6 - 12 Months	1 - 3 Years
North Carolina Capital Management Trust:				
Cash Portfolio	\$ 7,483,442	N/A	N/A	N/A
Term Portfolio*	<u>3,351,327</u>	<u>N/A</u>	<u>3,351,327</u>	<u>N/A</u>
Total	<u>\$ 10,834,769</u>	<u>\$ -</u>	<u>\$ 3,351,327</u>	<u>\$ -</u>

*Because the NC Capital Management Trust Term Portfolio had duration of 0.70 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 investment policy 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, 2010, 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, 2010. 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, 2010.

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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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.

3. Accounts Receivable

Disaggregate Information

Type of Receivable	Amount (Net of Allowance)		
	Governmental Activities	Business-Type Activities	Total
Customer Billings	\$ 619,334	\$ 3,133,542	\$ 3,752,876
Assessments	-	318,529	318,529
Miscellaneous	574,234	2,914	577,148
	<u>\$ 1,193,568</u>	<u>\$ 3,454,985</u>	<u>\$ 4,648,553</u>

The County's accounts receivable as of June 30, 2010 are presented net of allowance for doubtful accounts as follows:

	Allowance for Doubtful Accounts		
	General Fund	Water Fund	Wastewater Fund
Taxes Receivable	\$ 3,916,789	\$ -	\$ -
EMS Fees	360,650	-	-
Health Fees	585,050	-	-
User Charges	-	423,931	68,490
	<u>\$ 4,862,489</u>	<u>\$ 423,931</u>	<u>\$ 68,490</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

Due from other governments that is owed to the County consists of the following:

	Governmental Activities	Business-Type Activities	Total
Local option sales tax	\$ 2,391,053	\$ -	\$ -
Sales tax refunds	567,911	1,094,831	1,662,742
NC Department of Transportation grant reimbursements	1,431,781	-	1,431,781
Due from federal government for grant assistance	30,041	-	30,041
Due from State of North Carolina for grant assistance	1,707,194	-	1,707,194
Emergency telephone system	77,563	-	77,563
Due from Southeastern Mental Health rents	3,821	-	3,821
Due from Brunswick County Schools reimbursements	9,168	-	9,168
Lower Cape Fear Water & Sewer Authority reimbursement	-	55,231	55,231
City of Southport capital project reimbursements	-	300,000	300,000
City of Navassa sewer fees	-	21,643	21,643
Total	<u>\$ 6,218,532</u>	<u>\$ 1,471,705</u>	<u>\$ 7,690,237</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>
2006	\$ 1,366,222	\$ 447,438	\$ 1,813,660
2007	1,895,422	450,163	2,345,585
2008	2,894,518	426,941	3,321,459
2009	<u>3,096,976</u>	<u>178,076</u>	<u>3,275,052</u>
Total	<u>\$ 9,253,138</u>	<u>\$ 1,502,618</u>	<u>\$ 10,755,756</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

4. Capital Assets

Governmental capital assets at June 30, 2010 are summarized as follows:

	<u>June 30, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2010</u>
Non-Depreciable Assets:				
Land	\$ 10,863,120	\$ -	\$ -	\$ 10,863,120
Construction in Progress	<u>45,671,604</u>	<u>9,777,547</u>	<u>50,902,456</u>	<u>4,546,695</u>
Total non-depreciable assets	<u>56,534,724</u>	<u>9,777,547</u>	<u>50,902,456</u>	<u>15,409,815</u>
Depreciable Assets				
Buildings and improvements	80,207,230	51,268,818	308,655	131,167,393
Equipment and vehicles	<u>26,857,776</u>	<u>1,351,488</u>	<u>1,890,116</u>	<u>26,319,148</u>
Total depreciable assets	<u>107,065,006</u>	<u>52,620,306</u>	<u>2,198,771</u>	<u>157,486,541</u>
Less accumulated depreciation				
Buildings and improvements	20,699,932	2,253,312	35,136	22,918,108
Equipment and vehicles	<u>17,190,169</u>	<u>3,060,519</u>	<u>1,374,366</u>	<u>18,876,322</u>
Total accumulated depreciation	<u>37,890,101</u>	<u>5,313,831</u>	<u>1,409,502</u>	<u>41,794,430</u>
Total depreciable assets, net	<u>69,174,905</u>	<u>47,306,475</u>	<u>789,269</u>	<u>115,692,111</u>
Total Capital Assets	<u>\$ 125,709,629</u>	<u>\$ 57,084,022</u>	<u>\$ 51,691,725</u>	<u>\$ 131,101,926</u>

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

<u>Function</u>	<u>Depreciation Expense</u>
General government	\$ 653,806
Public safety	2,514,490
Central services	440,075
Human services	237,764
Environmental protection	211,733
Economic and physical development	124,368
Cultural and recreation	689,146
Education	<u>442,449</u>
Total	<u>\$ 5,313,831</u>

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

Enterprise fund capital assets at June 30, 2010 are summarized as follows:

Water Fund	June 30, 2009	Increases	Decreases	June 30, 2010
Non-Depreciable Assets:				
Land	\$ 760,138	\$ -	\$ -	\$ 760,138
Construction in Progress	<u>10,453,467</u>	<u>9,527,071</u>	<u>13,244,101</u>	<u>6,736,437</u>
Total non-depreciable assets	<u>11,213,605</u>	<u>9,527,071</u>	<u>13,244,101</u>	<u>7,496,575</u>
Depreciable Assets				
Operating Plants, buildings and improvements	29,203,381	5,353,408	-	34,556,789
Distribution system	93,146,866	15,354,295	-	108,501,161
Equipment and vehicles	<u>5,063,527</u>	<u>1,391,282</u>	<u>28,712</u>	<u>6,426,097</u>
Total depreciable assets	<u>127,413,774</u>	<u>22,098,985</u>	<u>28,712</u>	<u>149,484,047</u>
Less accumulated depreciation				
Operating Plants, buildings and improvements	13,508,245	786,617	-	14,294,862
Distribution system	22,329,281	1,692,286	-	24,021,567
Equipment and vehicles	<u>3,192,152</u>	<u>145,277</u>	<u>28,712</u>	<u>3,308,717</u>
Total accumulated depreciation	<u>39,029,678</u>	<u>2,624,180</u>	<u>28,712</u>	<u>41,625,146</u>
Total depreciable assets, net	<u>88,384,096</u>	<u>19,474,805</u>	<u>-</u>	<u>107,858,901</u>
Total capital Assets	<u>\$ 99,597,701</u>	<u>\$ 29,001,876</u>	<u>\$ 13,244,101</u>	<u>\$ 115,355,476</u>
Wastewater Fund				
Non-Depreciable Assets:				
Land	\$ 2,069,271	\$ -	\$ -	\$ 2,069,271
Construction in Progress	<u>48,632,727</u>	<u>19,204,742</u>	<u>6,366,034</u>	<u>61,471,435</u>
Total non-depreciable assets	<u>50,701,998</u>	<u>19,204,742</u>	<u>6,366,034</u>	<u>63,540,706</u>
Depreciable Assets				
Operating Plants, buildings and improvements	82,589,775	86,893	-	82,676,668
Collection system	45,479,273	12,780,932	-	58,260,205
Equipment and vehicles	<u>1,539,518</u>	<u>108,235</u>	<u>-</u>	<u>1,647,753</u>
Total depreciable assets	<u>129,608,566</u>	<u>12,976,060</u>	<u>-</u>	<u>142,584,626</u>
Less accumulated depreciation				
Operating Plants, buildings and improvements	6,482,141	2,101,352	-	8,583,493
Collection system	1,569,177	1,067,826	-	2,637,003
Equipment and vehicles	<u>607,510</u>	<u>207,908</u>	<u>-</u>	<u>815,418</u>
Total accumulated depreciation	<u>8,658,828</u>	<u>3,377,086</u>	<u>-</u>	<u>12,035,914</u>
Total depreciable assets, net	<u>120,949,738</u>	<u>9,598,974</u>	<u>-</u>	<u>130,548,712</u>
Total capital Assets	<u>\$ 171,651,736</u>	<u>\$ 28,803,716</u>	<u>\$ 6,366,034</u>	<u>\$ 194,089,418</u>
Total Enterprise Fund Assets, Net	<u>\$ 271,249,437</u>			<u>\$ 309,444,894</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

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	\$ 2,590,143	\$ 1,043,999	\$ 3,634,142
Construction Costs Payable	462,004	3,998,708	4,460,712
Accrued Salaries and Fringes	2,247,526	305,547	2,553,073
Other deposits held by County	<u>419,288</u>	<u>-</u>	<u>419,288</u>
Total	<u>\$ 5,718,961</u>	<u>\$ 5,348,254</u>	<u>\$ 11,067,215</u>

Interfund Receivables / Payables

Interfund Balances as of June 30, 2010 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>		
	<u>General</u>	<u>Non-Major Governmental</u>	<u>Total</u>
General	\$ -	\$ 561,203	\$ 561,203
Non Major Governmental	<u>576,291</u>	<u>-</u>	<u>576,291</u>
Total	<u>\$ 576,291</u>	<u>\$ 561,203</u>	<u>\$ 1,137,494</u>

\$561,203 represents amounts due to the General Fund from the Education Capital Project Fund for capital project advances. \$576,291 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.

Interfund Transfers

<u>From:</u>	<u>General Fund</u>	<u>County Capital Reserve Fund</u>	<u>Education Capital Project Fund</u>	<u>County Capital Project Fund</u>	<u>Non Major Governmental Fund</u>	<u>Total Governmental Funds</u>
General	\$ -	\$ -	\$ -	\$ 1,650,000	\$ 1,969,388	\$ 3,619,388
County Capital Reserve	980,790	-	-	2,750,000	-	3,730,790
Education Capital Project	-	-	-	-	-	-
County Capital Project	-	-	-	-	-	-
Non Major Governmental	<u>-</u>	<u>-</u>	<u>2,303,755</u>	<u>-</u>	<u>-</u>	<u>2,303,755</u>
Totals	<u>\$ 980,790</u>	<u>\$ -</u>	<u>\$ 2,303,755</u>	<u>\$ 4,400,000</u>	<u>\$ 1,969,388</u>	<u>\$ 9,653,933</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

The County's General Fund transferred funds during fiscal year 2010 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, 2010 is composed of the following elements:

	General Fund			Proprietary Funds		
	Deferred Revenue	Unearned Revenue	Total	Deferred Revenue	Unearned Revenue	Total
Prepaid Taxes, not yet earned	\$ -	\$ 76,596	\$ 76,596	\$ -	\$ -	\$ -
Taxes Receivable	4,958,664	-	4,958,664	-	-	-
EMS Receivable	72,129	-	72,129	-	-	-
Health Department Receivable	258,684	-	258,684	-	-	-
Special Assessments	-	-	-	-	318,529	318,529
Prepaid Wastewater Capacity	-	-	-	-	1,686,243	1,686,243
Other	-	-	-	-	737,658	737,658
Total	<u>\$ 5,289,477</u>	<u>\$ 76,596</u>	<u>\$ 5,366,073</u>	<u>\$ -</u>	<u>\$ 2,742,430</u>	<u>\$ 2,742,430</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, 2010**

The County's General Obligation Bonds consisted of the following at June 30, 2010:

Original Issue		Payment Information		Outstanding Balance	
Date	Rate	Period	Amount	Governmental Activities	Business-Type Activities
2001	4.25% - 5.00%	Annual	\$800,000 - \$2,800,000	\$ 2,400,000	\$ -
(partially refunded in 2006 and 2009)					
2003	2.50% - 4.50%	Annual	\$750,000 - \$1,000,000	11,820,000	-
2004	3.00% - 5.00%	Annual	\$600,000 - \$2,080,000	10,080,000	-
2005	3.00% - 4.00%	Annual	\$95,000 - \$1,040,000	7,965,000	-
2005	3.75% - 4.50%	Annual	\$125,000 - \$400,000	2,875,000	-
2007	4.00% - 5.00%	Annual	\$100,000 - \$280,000	2,880,000	-
2007	4.00% - 5.00%	Annual	\$1,110,000 - \$2,260,000	22,850,000	-
2009	3.00% - 5.00%	Annual	\$60,000 - \$2,465,000	23,690,000	-
2005	4.25%	Annual	\$55,000 - \$200,000	-	4,342,000
(assumed by County in 2010)					
Total General Obligation Bonds				<u>84,560,000</u>	<u>4,342,000</u>
Revenue Bonds					
2004	3.00% - 5.375%	Annual	\$805,000 - \$2,235,000	-	28,150,000
2004	4.25%	Monthly	\$19,188 - \$50,143	-	6,418,497
2008	3.50% - 5.00%	Monthly	\$1,395,000 - \$3,630,000	-	49,955,000
Total Revenue Bonds				<u>-</u>	<u>84,523,497</u>
				<u>\$ 84,560,000</u>	<u>\$ 88,865,497</u>

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, 2010 for which the County held no collateral totaled \$81,680,000 and was comprised of the following issues: School Series 2001 \$2,400,000, 2001 refunding \$23,690,000, 2003 \$11,820,000, 2004 \$10,080,000, 2005B refunding \$7,965,000, Community College Series 2005 \$2,875,000 and 2007 \$22,850,000.

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 \$133,108,613. Principal and interest

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

paid for the current year and total operating revenues were \$5,974,687 and \$29,635,737, 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, 2010.

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, 2010 is as follows:

Operating revenues and investment earnings	\$ 29,990,712
Operating expense excluding OPEB (net of depreciation)	<u>17,063,506</u>
Net revenue available for debt service	12,927,206
Add: 20% surplus account (expendable net assets)	<u>4,458,264</u>
Adjusted net revenues	<u>\$ 17,385,470</u>
Senior debt service	\$ 5,974,687
Subordinate debt service	<u>2,688,074</u>
Total debt service	8,662,761
Add: 20% senior debt service	<u>1,194,937</u>
Adjusted debt service	<u>\$ 9,857,698</u>
Coverage Test 1	
Adjusted net revenues/adjusted debt service	<u>1.76</u>
Coverage Test 2	
Net revenues/total debt service	<u>1.49</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

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, 2010:

Issued	Payment Information			Balance	
	Period	Amount	Rate	Governmental Activities	Purpose and Collateral
2004	Annual	\$390,000 - \$1,250,000	2.00% - 5.00%	\$ 5,460,000	Construct law enforcement center and schools
2006	Annual	\$75,000 - \$1,005,000	3.00% - 4.25%	<u>9,620,000</u>	Refund portion of 2000 COPS; County Courthouse
				<u>\$ 15,080,000</u>	

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

C. Installment Purchases and State Revolving Fund Loans

The County's Installment Purchase notes payable consisted of the following at June 30, 2010:

<u>Payment Information</u>			<u>Outstanding Balance</u>		
<u>Period</u>	<u>Amount</u>	<u>Rate</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Collateral</u>
Annual	\$138,093	4.00%	\$ 130,608	\$ -	Park Field Lighting
Annual	\$1,602,000-\$1,790,000	4.15%	32,205,000	-	Schools
Annual	\$70,000 - \$75,000	5.18%	725,000	-	Library
Annual	\$1,152,000 - \$1,846,000	5.38%	-	14,750,000	Wastewater System
Annual	\$21,904	0.00%	-	438,075	Wastewater System
			<u>\$ 33,060,608</u>	<u>\$ 15,188,075</u>	

The County's State Revolving Fund Loans payable consisted of the following at June 30, 2010:

<u>Payment Information</u>			<u>Outstanding Balance</u>		
<u>Period</u>	<u>Amount</u>	<u>Rate</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Collateral</u>
Annual	\$375,000	2.55%	\$ -	\$ 3,558,134	Wastewater System
Annual	\$511,525 - \$790,275	2.21%	-	8,000,000	Wastewater System
Annual	\$806,645 - \$1,220,552	2.21%	-	16,665,868	Wastewater System
Annual	\$75,160	3.04%	-	601,280	Wastewater System
Annual	\$39,541	2.95%	-	118,624	Wastewater System
			<u>\$ -</u>	<u>\$ 28,943,906</u>	
Total Installment Purchase & SRF Loans			<u>\$ 33,060,608</u>	<u>\$ 44,131,981</u>	

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

D. Changes in Long-Term Debt

The following is a summary of changes in governmental long-term debt for the year ended June 30, 2010 for the County:

Governmental Activities	June 30, 2009	Additions	Retirements	June 30, 2010	Current Maturities
General obligation bonds	\$ 91,020,000	\$ 23,990,000	\$ 30,450,000	\$ 84,560,000	\$ 6,710,000
Certificates of participation	16,355,000	-	1,275,000	15,080,000	1,395,000
Installment purchases	34,152,136	725,000	1,816,528	33,060,608	1,969,608
Compensated absences	3,160,848	3,458,764	3,431,616	3,187,996	275,000
Pension benefit obligation	667,168	124,410	-	791,578	-
Other post-employment benefits	7,985,699	4,099,390	-	12,085,089	-
Landfill closure & post-closure	<u>11,429,844</u>	<u>-</u>	<u>5,336,654</u>	<u>6,093,190</u>	<u>112,000</u>
Total	<u>\$ 164,770,695</u>	<u>\$ 32,397,564</u>	<u>\$ 42,309,798</u>	<u>\$ 154,858,461</u>	<u>\$ 10,461,608</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 \$22,157,853 which is comprised of compensated absences of \$3,187,996, pension benefit obligation of \$791,578, other post-employment benefits of \$12,085,089 and landfill closure and post-closure of \$6,093,190.

The following is a summary of changes in business-type long-term debt for the year ended June 30, 2010 for the County:

Business-Type Activities	June 30, 2009	Additions	Retirements	June 30, 2010	Current Maturities
Revenue bonds	\$ 87,192,068	\$ -	\$ 2,668,571	\$ 84,523,497	\$ 2,767,594
General obligation bonds	-	4,569,025	227,025	4,342,000	57,000
Installment purchases	-	15,188,075	-	15,188,075	21,904
State Revolving Fund Loans	30,693,307	-	1,749,401	28,943,906	1,768,387
Compensated absences	359,566	491,129	484,863	365,832	32,000
Other post-employment benefits	<u>1,040,708</u>	<u>551,811</u>	<u>-</u>	<u>1,592,519</u>	<u>-</u>
Total	<u>\$ 119,285,649</u>	<u>\$ 20,800,040</u>	<u>\$ 5,129,860</u>	<u>\$ 134,955,829</u>	<u>\$ 4,646,885</u>

The total of other debt not issued for capital is \$1,958,351 which is comprised of compensated absences of \$365,832 and other post-employment benefits of \$1,592,519.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

In May 2010, the County acquired the Boiling Spring Lakes water system by assuming the outstanding USDA General Obligation Bonds in the amount of \$4,569,025. The County utilized its two-thirds general obligation debt capacity for FY 2009-10 allowing the County to assume up to two-thirds of the general obligation principal payments made during the fiscal year without a bond referendum of the voting public. While the taxing power is pledged, the county plans to service the debt with water service revenues.

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		
2011	\$ 6,710,000	\$ 3,453,273	\$ 1,395,000	\$ 613,937	\$ 1,969,608	\$ 1,380,192		
2012	6,695,000	3,183,373	1,390,000	563,207	1,866,000	1,296,972		
2013	6,670,000	2,925,559	1,380,000	511,994	1,866,000	1,218,760		
2014	6,940,000	2,637,361	1,370,000	460,206	1,866,000	1,140,549		
2015	7,235,000	2,347,060	1,365,000	408,332	1,866,000	1,062,337		
2016-2020	38,350,000	7,040,182	6,620,000	1,172,066	9,305,000	4,141,103		
2021-2025	11,960,000	746,037	1,560,000	160,875	8,952,000	2,228,675		
2026-2030	-	-	-	-	5,370,000	445,710		
Totals	<u>\$ 84,560,000</u>	<u>\$ 22,332,845</u>	<u>\$ 15,080,000</u>	<u>\$ 3,890,617</u>	<u>\$ 33,060,608</u>	<u>\$ 12,914,298</u>		

Business- Type Activities	General Obligation Bonds		Revenue Bonds		Installment Purchases		State Revolving Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 57,000	\$ 184,535	\$ 2,767,594	\$ 3,990,812	\$ 21,904	\$ 793,550	\$ 1,768,387	\$ 656,363
2012	60,000	182,113	2,881,761	3,877,120	1,173,904	793,550	1,787,791	615,507
2013	62,000	179,563	2,992,919	3,763,450	1,235,904	731,572	1,807,622	574,424
2014	65,000	176,928	3,108,414	3,646,461	1,300,904	666,259	1,788,349	532,503
2015	68,000	174,165	3,245,030	3,515,119	1,369,904	597,449	1,809,065	491,502
2016-2020	383,000	825,223	18,670,484	15,122,877	8,020,520	1,817,956	9,222,083	1,828,429
2021-2025	471,000	736,568	23,172,295	10,124,839	1,955,520	835,882	9,040,059	780,751
2026-2030	581,000	627,555	24,055,000	4,365,688	109,515	-	1,720,550	37,938
2031-2035	715,000	493,213	3,630,000	178,750	-	-	-	-
2036-2040	881,000	327,675	-	-	-	-	-	-
2041-2045	999,000	127,457	-	-	-	-	-	-
Totals	<u>\$ 4,342,000</u>	<u>\$ 4,034,995</u>	<u>\$ 84,523,497</u>	<u>\$ 48,585,116</u>	<u>\$ 15,188,075</u>	<u>\$ 6,236,218</u>	<u>\$ 28,943,906</u>	<u>\$ 5,517,417</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

F. Invested in Capital Assets, Net of Debt

The total invested in capital assets, net of related debt at June 30, 2010 is composed of the following elements:

	Governmental	Business-type	Total
Total capital assets (net of depreciation)	<u>\$ 131,101,926</u>	<u>\$ 309,444,894</u>	<u>\$ 440,546,820</u>
Total debt, gross	154,858,461	134,955,829	289,814,290
Less:			
Education debt for which the County does not hold title	81,680,000	-	81,680,000
Other debt not issued for capital	22,157,853	1,958,351	24,116,204
Unexpended proceeds	<u>4,563,482</u>	<u>10,758,572</u>	<u>15,322,054</u>
Total capital debt	<u>46,457,126</u>	<u>122,238,906</u>	<u>168,696,032</u>
Invested in capital assets, net of related debt	<u>\$ 84,644,800</u>	<u>\$ 187,205,988</u>	<u>\$ 271,850,788</u>

G. Other Debt Disclosures

At June 30, 2010, the County had a legal debt margin of \$2.5 billion.

In July 2010, the County issued Recovery Zone Economic Development Series Revenue Bonds in the amount of \$25,810,000 to provide funds to finance the island portion of the Sunset Beach wastewater collection system, improvements to the Northwest Water Plant and service line extensions. The debt will be serviced by property owner assessments and customer revenues.

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, 2010, 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 ("LGMERS"), a cost-sharing, multiple-employer defined benefit pension plan administered by

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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.

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, 2010, 2009 and 2008 were \$2,083,366, \$2,071,326, and \$1,868,816 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, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits terminated plan members entitled to but not yet receiving benefits	4
Active plan members	<u>124</u>
Total	<u>128</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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

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.

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	\$	161,165
Interest on net pension obligation		48,370
Adjustment to annual required contribution		<u>(42,027)</u>
Annual pension cost		167,508
Contributions made		<u>43,098</u>
Increase in net pension, obligation		124,410
Net pension obligation, beginning of year		<u>667,168</u>
Net pension obligation, end of year	\$	<u><u>791,578</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
2008	\$ 105,825	35.25%	\$ 578,818
2009	134,633	34.38%	667,168
2010	167,508	25.73%	791,578

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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As of December 31, 2009, 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 \$1,518,510. The covered payroll (annual payroll of active employees covered by the plan) was \$6,481,914, and the ratio of the UAAL to the covered payroll was 23.43%. 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.

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, 2010 were \$434,333 which consisted of \$318,688 from the County and \$115,645 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, 2010 were \$2,638,572 which consisted of \$1,819,509 from the County and \$819,063 from the employees.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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 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, 2010, the County's required and actual contributions were \$14,634.

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 month's 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 payrolls, 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, 2010, the County's contributions to the State for death benefits were \$45,410. 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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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. The plan is a single-employer defined benefit plan. A separate report is not issued for the plan.

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

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

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 \$996,890 or 2.24% 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 \$53,696. 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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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 pension obligation		-
Adjustment to annual required contribution		-
Annual pension cost		5,648,091
Contributions made		996,890
Increase in net pension, obligation		4,651,201
Net pension obligation, beginning of year		9,026,407
Net pension obligation, end of year		\$ 13,677,608

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$ 5,150,934	15.8%	\$ 4,336,198
2009	\$ 5,648,091	17.0%	\$ 9,026,407
2010	\$ 5,648,091	17.7%	\$ 13,677,608

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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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 payrolls on an open basis. The remaining amortization period at December 31, 2008, was 30 years.

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 March 28, 2014. The final phases of the landfill, Phases 6A, 6B, and 6C, were permitted for 588,000 CY. It is estimated that approximately 60% 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, 2010, the volume utilized has not exceeded the permitted capacity.

The C&D debris tonnages continue to decline and the County continues to divert a portion of the C&D debris waste stream to Sandlands Landfill. It is anticipated that the life of the C&D debris landfill will extend to at least FY 2012-2013 based on a tonnage of 40,000 tons/year and no diversion of C&D debris.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Phase 5 was permitted for 147,000 CY in December 2004 and the permit was extended to March 28, 2014. Phases 6A, 6B, and 6C were permitted for 588,000 CY and the permit was extended to March 28, 2014. The County's engineering consultants estimated that approximately 100% of Phase 5 has been used and approximately 60% 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 purchased 259 acres adjacent to the existing C&D landfill at a cost of \$1,650,000 on June 3, 2010 for the expansion of the C&D landfill. Included in the County's five year capital improvement plan are \$750,000 in FY 2011-12 for expansion design fees and \$3,750,000 in FY 2012-13 for construction costs 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, 2010 which is 60%. It is estimated that closure of the C&D debris landfill will not occur until sometime around 2013. The MSW landfill was closed in 1997. At June 30, 2010, 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, 2010, the combined closure and postclosure care costs for both landfills are expected to total \$6,093,190 based on an escalation factor of 2%. Of that amount, \$6,093,190 has been accrued at June 30, 2010 and is included in the Long-Term Debt reported on the statement of net assets.

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 \$1,745,055 of costs related to its landfill expansion during 2010.

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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 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.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR's.)

Changes in the balances in claims for workers' compensation insurance during the last fiscal year are as follows:

	<u>2010</u>
Unpaid claims, beginning	\$ -
Incurred claims	603,939
Claim payments	<u>495,733</u>
Unpaid claims, ending	<u>\$ 108,206</u>

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, 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 a lawsuit brought by the North Carolina Eastern Municipal Power Agency on July 19, 2010 for an alleged clerical error resulting in the agency's overpayment of 2008 ad valorem property tax in the amount of \$500,623.18. The County plans to vigorously defend itself from the claim but there exists at least a reasonable possibility that the County may not prevail in the lawsuit.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

The County is also a defendant in various other 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, 2010, the amount of general obligation bonds issued for this purpose that was still outstanding was \$25,725,000. The County made total debt service payments related to the bonds of \$2,576,473 during the fiscal year. Of that total, \$1,395,000 was for principal and \$1,181,473 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 \$3,435,831 to the Community College for operating purposes during the fiscal year ended June 30, 2010.

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, 2010. 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 \$688,986 for operating purposes during the year ended June 30, 2010. 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, 2010

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, 2010.

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, 2010 was \$913,157.

In addition, the Authority made payments to the County during the fiscal year totaling \$223,626 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. Each participant is charged capacity service fees based on their share of the capacity in the plant. The County's share of capacity and related debt service is funded by the retail revenue of the County's customers. The participant capacity service fees are combined with the county's retail revenue to service the debt associated with the plant. Participants are also charged treatment service fees based on the metered flow they send to the plant. The participant fees and the costs allocation to the County for their customer flow are combined so that the operating and maintenance costs of the plant are recovered by county retail revenues and participant service fees on a proportional and breakeven basis. 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 completed construction of the expansion of the West Brunswick Regional Water Reclamation Facility Phase 2 in January 2010 which increased the plant capacity from 3 mgd to 6 mgd and provided a transmission line to serve the Town of Oak Island. The cost of the expanded facilities was \$56.4 million. The sources of funding are revenue bonds, construction grants and loans funds, and grants. Each participant is charged capacity service fees based on their share of the capacity in the plant. The County's share of capacity and related debt service is funded by the retail revenue of the County's customers. The participant capacity service fees are combined with the

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

county's retail revenue to service the debt associated with the plant. Participants are also charged treatment service fees based on the metered flow they send to the plant. The participant fees and the costs allocation to the County for their customer flow are combined so that the operating and maintenance costs of the plant are recovered by county retail revenues and participant service fees on a proportional and breakeven basis. 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 constructed 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 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.

	<u>Federal</u>	<u>State</u>
Temporary Assistance for Needy Families	\$ 730,206	\$ (82)
Refugee Assistance	1,598	-
Low-Income Home Energy Assistance	442,936	-
Links Transitional Fund	15,449	-
Medicaid	74,288,824	25,751,514
Housing Assistance Program	2,130,607	-
Food Stamp Program	19,412,992	-
Special Supplemental Food Program for Women, Infants, and Children	1,850,801	-
State Foster Care and Adoption Programs	934,905	192,149
State/County Special Assistance for Adults	-	448,438
CWS Adoption Subsidy & Vendor	-	271,904
State Foster Home	-	54,508
SFHF Maximization	-	52,884
Foster Care At Risk Maximization	-	928
Foster Care Special Provision	-	53,507

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

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.

Construction Commitments

The County had commitments, as shown below, for construction contracts outstanding at June 30, 2010. The projects are accounted for in the Government Capital Projects fund and Enterprise Capital Project Funds and are mainly funded by debt proceeds.

Project	Balance of Contracts
Utility operations center	\$ 7,307
Northwest Water Plant expansion	10,847,800
Southwest elevated tank	416,886
Navassa elevated tank	184,900
Waterline extension projects	761,052
Ocean Isle Beach Park	287,487
Leland Library	595,825
West Brunswick Wastewater Treatment Plant Phase 1	383,400
West Brunswick Wastewater Treatment Plant Phase 2	754,357
Sunset Beach Wastewater	3,165,854
Calabash Wastewater	318,775
Highway 74/76 Industrial Park wastewater line	699,739
	<u>\$ 18,423,382</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, 2010, 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

The Occupancy tax fund collected more tax revenue that was budgeted in the amount of \$114,293. The fund expended the same amount in excess of budget due to paying the taxes to the Tourism Development Authority and charging a collection fee for county collection services. The County plans to closely monitor the budget in the future.

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 YEAR ENDED JUNE 30, 2010

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial 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
12/31/2009	\$ -	\$ 1,518,510	\$ 1,518,510	0.00%	\$ 6,481,914	23.43%
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%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2010	\$ 161,165	\$ 43,098	26.74%
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%

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	12/31/2009	
Actuarial cost method	Projected unit credit	
Amortization method	Level dollar closed	
Remaining amortization period	21 years	
Asset valuation method	Market value	
Actuarial Assumptions:		
Investment rate of return *	5.00%	* 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 YEAR ENDED JUNE 30, 2010**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a
		Liability (AAL) -Projected Unit Credit B				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
2010	\$ 5,648,091	\$ 996,890	17.7%
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 YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Ad Valorem Taxes:				
Current year taxes	\$ 95,734,101	\$ 96,670,479	\$ 936,378	\$ 96,240,283
Prior year taxes	2,100,000	3,138,811	1,038,811	2,089,813
Penalties and interest	549,000	719,898	170,898	618,865
	<u>98,383,101</u>	<u>100,529,188</u>	<u>2,146,087</u>	<u>98,948,961</u>
Local Option Sales Taxes:				
Article 39 (1%)	6,700,000	6,233,524	(466,476)	8,060,654
Article 40 (1/2%)	4,485,000	4,330,424	(154,576)	4,552,822
Article 42 (1/2%)	4,437,000	3,786,534	(650,466)	4,495,989
Article 44 (1/2%)	540,525	711,265	170,740	2,631,672
	<u>16,162,525</u>	<u>15,061,747</u>	<u>(1,100,778)</u>	<u>19,741,137</u>
Other Taxes and Licenses:				
Scrap tire disposal fee	140,000	119,188	(20,812)	148,204
Deed stamp excise tax	1,900,000	2,018,158	118,158	1,823,931
Solid waste tax	36,000	49,751	13,751	19,416
White goods disposal tax	36,000	69,847	33,847	32,449
	<u>2,112,000</u>	<u>2,256,944</u>	<u>144,944</u>	<u>2,024,000</u>
Unrestricted Intergovernmental:				
Beer and wine tax	80,000	77,229	(2,771)	244,224
Court facility fees	165,000	166,064	1,064	174,374
Jail fees	294,708	306,418	11,710	317,082
	<u>539,708</u>	<u>549,711</u>	<u>10,003</u>	<u>735,680</u>
Restricted Intergovernmental:				
State and federal grant	17,278,813	18,062,873	784,060	18,691,226
ARRA federal grant	1,049,205	1,012,006	(37,199)	-
Payments in lieu of taxes	1,000	3,610	2,610	4,833
ABC education requirement	-	7,352	7,352	2,485
ABC law enforcement services	2,000	4,070	2,070	1,653
State drug tax	65,355	76,152	10,797	16,595
	<u>18,396,373</u>	<u>19,166,063</u>	<u>769,690</u>	<u>18,716,792</u>
Permits and Fees:				
Building permits	875,000	828,337	(46,663)	967,959
Register of deeds	1,073,225	1,024,923	(48,302)	1,070,443
Inspection fees	130,000	144,477	14,477	144,689
Concealed handgun permit	52,345	58,270	5,925	73,390
Other permit and fees	1,039,286	1,205,880	166,594	1,133,430
	<u>3,169,856</u>	<u>3,261,887</u>	<u>92,031</u>	<u>3,389,911</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Sales and Services:				
Solid waste fees	1,200,000	1,125,138	(74,862)	1,333,327
School resource officer reimbursement	885,394	758,122	(127,272)	761,047
Rents	5,334	5,334	-	5,334
EMS Charges	2,810,000	2,628,771	(181,229)	2,403,519
Food Services	1,420,000	1,215,612	(204,388)	1,401,743
Public health user fees	728,042	902,950	174,908	861,938
Social services fees	48,100	57,485	9,385	56,149
Public housing fees	7,400	48,505	41,105	14,195
Tax collection fees	145,000	159,495	14,495	150,296
Other sales and services	169,898	150,243	(19,655)	213,394
Fuel reimbursement	226,000	320,104	94,104	738,225
Recreation services	244,790	188,117	(56,673)	194,681
	<u>7,889,958</u>	<u>7,559,876</u>	<u>(330,082)</u>	<u>8,133,848</u>
Investment earnings	<u>613,000</u>	<u>507,300</u>	<u>(105,700)</u>	<u>1,260,028</u>
Other:				
Tax refunds - sales and gas tax	500	662	162	345
ABC bottles taxes	42,000	38,986	(3,014)	45,892
County Board of Alcohol Control	24,000	24,000	-	24,000
Contributions	12,589	66,217	53,628	13,368
Other revenues	564,962	781,047	216,085	953,876
	<u>644,051</u>	<u>910,912</u>	<u>266,861</u>	<u>1,037,481</u>
Total revenues	<u>147,910,572</u>	<u>149,803,628</u>	<u>1,893,056</u>	<u>153,987,838</u>
Expenditures:				
General Government:				
Governing Body:				
Salaries	184,601	180,788	3,813	198,067
Fringe benefits	68,949	64,897	4,052	76,701
Operating costs	195,000	166,457	28,543	178,538
	<u>448,550</u>	<u>412,142</u>	<u>36,408</u>	<u>453,306</u>
County Administration:				
Salaries	702,734	686,046	16,688	690,952
Fringe benefits	199,200	181,171	18,029	175,121
Operating costs	107,000	81,964	25,036	102,364
	<u>1,008,934</u>	<u>949,181</u>	<u>59,753</u>	<u>968,437</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Finance:				
Salaries	711,130	686,555	24,575	680,604
Fringe benefits	230,633	218,266	12,367	223,522
Operating costs	393,098	279,727	113,371	298,021
Capital outlay	-	-	-	6,243
	<u>1,334,861</u>	<u>1,184,548</u>	<u>150,313</u>	<u>1,208,390</u>
Tax Administration:				
Salaries	1,427,751	1,373,740	54,011	1,432,391
Fringe benefits	531,978	490,964	41,014	507,482
Operating costs	410,165	314,824	95,341	257,576
Capital outlay	-	-	-	51,158
	<u>2,369,894</u>	<u>2,179,528</u>	<u>190,366</u>	<u>2,248,607</u>
Revenue Collector:				
Salaries	457,808	456,534	1,274	450,989
Fringe benefits	180,131	172,505	7,626	167,639
Operating costs	82,490	74,344	8,146	71,838
	<u>720,429</u>	<u>703,383</u>	<u>17,046</u>	<u>690,466</u>
Geographic Information:				
Salaries	404,539	403,126	1,413	390,796
Fringe benefits	147,965	145,640	2,325	134,270
Operating costs	66,380	64,883	1,497	109,885
	<u>618,884</u>	<u>613,649</u>	<u>5,235</u>	<u>634,951</u>
County Attorney:				
Salaries	296,131	295,457	674	267,429
Fringe benefits	73,468	73,363	105	71,710
Operating costs	53,640	31,142	22,498	135,867
Capital outlay	6,700	5,267	1,433	-
	<u>429,939</u>	<u>405,229</u>	<u>24,710</u>	<u>475,006</u>
Court Facilities:				
Salaries	111,321	109,797	1,524	56,044
Fringe benefits	208,614	93,070	115,544	61,069
Operating costs	107,445	76,778	30,667	93,899
Capital outlay	-	-	-	9,036
	<u>427,380</u>	<u>279,645</u>	<u>147,735</u>	<u>220,048</u>
Board of Elections:				
Salaries	356,501	328,643	27,858	309,429
Fringe benefits	91,686	80,897	10,789	87,291
Operating costs	143,819	83,371	60,448	224,246
	<u>592,006</u>	<u>492,911</u>	<u>99,095</u>	<u>620,966</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Register of Deeds:				
Salaries	698,513	697,173	1,340	708,210
Fringe benefits	295,899	295,596	303	296,362
Operating costs	<u>1,353,442</u>	<u>1,322,477</u>	<u>30,965</u>	<u>1,184,973</u>
	<u>2,347,854</u>	<u>2,315,246</u>	<u>32,608</u>	<u>2,189,545</u>
Total general government	<u>10,298,731</u>	<u>9,535,462</u>	<u>763,269</u>	<u>9,709,722</u>
Central Services:				
Management Information Systems:				
Salaries	658,120	638,417	19,703	572,719
Fringe benefits	208,854	199,769	9,085	185,721
Operating costs	327,000	217,231	109,769	201,892
Capital outlay	<u>165,000</u>	<u>127,029</u>	<u>37,971</u>	<u>14,334</u>
	<u>1,358,974</u>	<u>1,182,446</u>	<u>176,528</u>	<u>974,666</u>
Service Center:				
Salaries	587,050	555,115	31,935	557,803
Fringe benefits	219,918	205,840	14,078	199,961
Operating costs	746,584	602,103	144,481	957,641
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,411</u>
	<u>1,553,552</u>	<u>1,363,058</u>	<u>190,494</u>	<u>1,735,816</u>
Engineering:				
Salaries	274,989	260,312	14,677	271,810
Fringe benefits	91,285	81,302	9,983	89,654
Operating costs	20,998	16,665	4,333	56,730
Capital outlay	<u>89,000</u>	<u>88,501</u>	<u>499</u>	<u>23,838</u>
	<u>476,272</u>	<u>446,780</u>	<u>29,492</u>	<u>442,032</u>
Operation Services:				
Salaries	2,112,058	2,032,460	79,598	2,065,618
Fringe benefits	833,464	788,970	44,494	803,310
Operating costs	2,351,900	2,244,944	106,956	2,174,236
Capital outlay	<u>102,005</u>	<u>89,679</u>	<u>12,326</u>	<u>113,160</u>
	<u>5,399,427</u>	<u>5,156,053</u>	<u>243,374</u>	<u>5,156,324</u>
Non-departmental:				
Fringe benefits	1,755,250	1,755,249	1	1,799,766
Operating costs	<u>397,046</u>	<u>397,046</u>	<u>-</u>	<u>431,715</u>
	<u>2,152,296</u>	<u>2,152,295</u>	<u>1</u>	<u>2,231,481</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Food Services:				
Salaries	320,808	312,821	7,987	309,428
Fringe benefits	148,541	143,646	4,895	144,051
Operating costs	1,045,151	942,123	103,028	1,107,109
	<u>1,514,500</u>	<u>1,398,590</u>	<u>115,910</u>	<u>1,560,588</u>
 Total central services	 <u>12,455,021</u>	 <u>11,699,222</u>	 <u>755,799</u>	 <u>12,100,907</u>
 Public Safety:				
District Attorney:				
Salaries	126,623	125,519	1,104	123,306
Fringe benefits	38,024	36,679	1,345	22,714
Operating costs	110,786	76,706	34,080	69,184
	<u>275,433</u>	<u>238,904</u>	<u>36,529</u>	<u>215,204</u>
 Sheriff:				
Salaries	6,347,462	6,219,263	128,199	6,014,595
Fringe benefits	2,114,060	2,085,333	28,727	2,012,350
Operating costs	1,690,515	1,542,293	148,222	1,647,575
Capital outlay	329,197	288,827	40,370	777,059
	<u>10,481,234</u>	<u>10,135,716</u>	<u>345,518</u>	<u>10,451,579</u>
 Criminal Justice Partnership:				
Salaries	93,362	93,362	-	89,616
Fringe benefits	33,081	33,026	55	32,681
Operating costs	154,930	144,726	10,204	137,881
	<u>281,373</u>	<u>271,114</u>	<u>10,259</u>	<u>260,178</u>
 Detention Center:				
Salaries	3,491,778	3,283,989	207,789	3,380,419
Fringe benefits	1,337,950	1,240,803	97,147	1,269,943
Operating costs	1,804,522	1,688,846	115,676	1,482,738
	<u>6,634,250</u>	<u>6,213,638</u>	<u>420,612</u>	<u>6,133,100</u>
 Emergency Medical:				
Salaries	3,865,792	3,861,738	4,054	3,781,413
Fringe benefits	1,259,593	1,257,208	2,385	1,200,856
Operating costs	992,235	908,310	83,925	950,805
Capital outlay	535,453	526,929	8,524	515,637
	<u>6,653,073</u>	<u>6,554,185</u>	<u>98,888</u>	<u>6,448,711</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Emergency Management:				
Salaries	397,419	373,791	23,628	398,347
Fringe benefits	113,153	109,135	4,018	118,662
Operating costs	267,767	169,266	98,501	216,853
Capital outlay	-	-	-	18,615
	<u>778,339</u>	<u>652,192</u>	<u>126,147</u>	<u>752,477</u>
Other Agencies:				
Fire districts	300,000	300,000	-	223,000
Rescue Squads	357,200	238,666	118,534	278,342
	<u>657,200</u>	<u>538,666</u>	<u>118,534</u>	<u>501,342</u>
Public Inspections:				
Salaries	581,721	578,880	2,841	544,589
Fringe benefits	202,509	200,068	2,441	189,568
Operating costs	57,110	45,674	11,436	54,633
	<u>841,340</u>	<u>824,622</u>	<u>16,718</u>	<u>788,790</u>
Coroner:				
Operating costs	70,000	61,413	8,587	68,844
Central Communications:				
Salaries	1,419,669	1,275,664	144,005	1,343,041
Fringe benefits	556,278	460,291	95,987	474,446
Operating costs	564,851	314,340	250,511	487,304
Capital outlay	32,306	13,694	18,612	210,925
	<u>2,573,104</u>	<u>2,063,989</u>	<u>509,115</u>	<u>2,515,716</u>
Animal Control:				
Salaries	470,215	463,851	6,364	442,825
Fringe benefits	182,991	181,304	1,687	173,399
Operating costs	185,200	169,263	15,937	188,084
Capital outlay	27,000	25,533	1,467	19,695
	<u>865,406</u>	<u>839,951</u>	<u>25,455</u>	<u>824,003</u>
Total public safety	<u>30,110,752</u>	<u>28,394,390</u>	<u>1,716,362</u>	<u>28,959,944</u>
Transportation:				
Cape Fear Regional Jetport	88,000	88,000	-	66,000
Odell Williamson Municipal Airport	27,500	27,500	-	27,500
Cape Fear Transportation Authority	7,458	7,458	-	7,458
Brunswick Transit System	157,508	157,508	-	155,781
Total transportation	<u>280,466</u>	<u>280,466</u>	<u>-</u>	<u>256,739</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Environmental Protection:				
Solid Waste:				
Salaries	345,434	342,492	2,942	397,772
Fringe benefits	128,059	121,868	6,191	139,414
Operating costs	11,683,144	11,618,890	64,254	11,873,720
Capital outlay	10,000	8,976	1,024	113,367
	<u>12,166,637</u>	<u>12,092,226</u>	<u>74,411</u>	<u>12,524,273</u>
Storm Water Ordinance Enforcement:				
Salaries	68,840	68,526	314	66,874
Fringe benefits	20,517	20,217	300	20,129
Operating costs	1,200	850	350	1,682
	<u>90,557</u>	<u>89,593</u>	<u>964</u>	<u>88,685</u>
Other:				
Forestry services	212,000	187,768	24,232	235,524
Lockwood Folly & Shallotte Dredging	-	-	-	305,783
Soil Restoration	-	-	-	10,192
Artificial Reef Program	-	-	-	11,000
Brunswick County Beach Consortium	30,000	30,000	-	30,000
Cape Fear River Corridor	9,000	9,000	-	9,000
Lockwood Folly River Aquatic Restoration	71,065	46,544	24,521	111,836
	<u>322,065</u>	<u>273,312</u>	<u>48,753</u>	<u>713,335</u>
Total environmental protection	<u>12,579,259</u>	<u>12,455,131</u>	<u>124,128</u>	<u>13,326,293</u>
Economic Development:				
Code Enforcement:				
Salaries	173,411	127,092	46,319	169,229
Fringe benefits	63,938	47,363	16,575	63,776
Operating costs	28,041	14,408	13,633	19,283
	<u>265,390</u>	<u>188,863</u>	<u>76,527</u>	<u>252,288</u>
Planning:				
Salaries	698,138	694,416	3,722	630,277
Fringe benefits	240,037	238,537	1,500	221,984
Operating costs	222,256	188,261	33,995	123,817
	<u>1,160,431</u>	<u>1,121,214</u>	<u>39,217</u>	<u>976,078</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Cooperative Extension:				
Salaries	352,752	275,546	77,206	355,570
Fringe benefits	113,050	96,159	16,891	88,467
Operating costs	204,875	186,715	18,160	130,119
	<u>670,677</u>	<u>558,420</u>	<u>112,257</u>	<u>574,156</u>
Soil and Water Conservation:				
Salaries	126,883	126,424	459	124,798
Fringe benefits	47,585	47,436	149	46,973
Operating costs	16,803	14,966	1,837	13,768
	<u>191,271</u>	<u>188,826</u>	<u>2,445</u>	<u>185,539</u>
Public Housing Section 8:				
Salaries	231,739	182,714	49,025	172,137
Fringe benefits	82,924	65,329	17,595	72,829
Operating costs	2,589,697	2,354,776	234,921	2,332,803
	<u>2,904,360</u>	<u>2,602,819</u>	<u>301,541</u>	<u>2,577,769</u>
Community Development:				
Operating costs	106,900	61,750	45,150	6,500
Economic Development:				
Salaries	189,544	188,813	731	188,711
Fringe benefits	58,457	57,963	494	58,449
Operating costs	128,500	128,500	-	139,786
	<u>376,501</u>	<u>375,276</u>	<u>1,225</u>	<u>386,946</u>
Other Economic Development:				
Inlet Committee-Save Our Sands	10,000	10,000	-	10,000
Lockwood Folly Marketplace	-	-	-	51,500
Committee of 100	-	-	-	19,235
	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>80,735</u>
Total economic development	<u>5,685,530</u>	<u>5,107,168</u>	<u>578,362</u>	<u>5,040,011</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Human Services:				
Health:				
Administration:				
Salaries	2,342,196	2,310,605	31,591	2,208,569
Fringe benefits	863,626	817,857	45,769	793,740
Operating costs	130,402	73,438	56,964	177,099
Capital outlay	24,526	24,526	-	18,322
	<u>3,360,750</u>	<u>3,226,426</u>	<u>134,324</u>	<u>3,197,730</u>
Communicable Diseases:				
Operating costs	284,434	247,860	36,574	256,983
Adult Health Maintenance:				
Salaries	62,198	62,308	(110)	61,823
Fringe benefits	19,341	19,234	107	19,453
Operating costs	146,830	148,342	(1,512)	151,856
	<u>228,369</u>	<u>229,884</u>	<u>(1,515)</u>	<u>233,132</u>
Senior Health				
Salaries	178,262	177,877	385	170,453
Fringe benefits	48,415	48,031	384	47,320
Operating costs	195,400	193,157	2,243	207,189
	<u>422,077</u>	<u>419,065</u>	<u>3,012</u>	<u>424,962</u>
Maternal and Child Health:				
Salaries	386,565	385,985	580	386,468
Fringe benefits	160,066	159,049	1,017	160,713
Operating costs	873,974	802,172	71,802	795,196
	<u>1,420,605</u>	<u>1,347,206</u>	<u>73,399</u>	<u>1,342,377</u>
Environmental Health:				
Salaries	916,148	909,812	6,336	982,972
Fringe benefits	286,505	282,314	4,191	322,178
Operating costs	564,992	314,927	250,065	135,063
Capital outlay	13,000	13,000	-	-
	<u>1,780,645</u>	<u>1,520,053</u>	<u>260,592</u>	<u>1,440,213</u>
Total health	<u>7,496,880</u>	<u>6,990,494</u>	<u>506,386</u>	<u>6,895,397</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Veterans' Services:				
Salaries	89,195	87,546	1,649	87,546
Fringe benefits	32,178	31,761	417	31,709
Operating costs	14,069	10,111	3,958	9,685
Total veterans' services	<u>135,442</u>	<u>129,418</u>	<u>6,024</u>	<u>128,940</u>
Social Services:				
Administration:				
Salaries	5,414,045	5,315,490	98,555	5,188,853
Fringe benefits	2,035,956	1,912,392	123,564	1,872,915
Operating costs	1,116,540	968,609	147,931	1,132,743
	<u>8,566,541</u>	<u>8,196,491</u>	<u>370,050</u>	<u>8,194,511</u>
Community Alternative Program:				
Salaries	386,917	322,141	64,776	337,421
Fringe benefits	193,352	170,635	22,717	181,655
Operating costs	75,468	60,664	14,804	72,630
	<u>655,737</u>	<u>553,440</u>	<u>102,297</u>	<u>591,706</u>
Title III-In Home Care:				
Salaries	233,426	203,299	30,127	198,052
Fringe benefits	125,199	118,819	6,380	115,709
Operating costs	16,100	15,120	980	14,947
	<u>374,725</u>	<u>337,238</u>	<u>37,487</u>	<u>328,708</u>
Other Operating Costs:				
Medical assistance	17,000	16,985	15	1,946,574
Aid to the blind	6,500	4,773	1,727	4,870
Adoption assistance	325,000	268,788	56,212	255,546
Special assistance to disabled and elderly	600,000	477,915	122,085	508,708
Foster care	520,000	373,311	146,689	402,732
State foster home	230,000	221,599	8,401	139,615
Special assistance	3,500	-	3,500	-
Day care	6,276,775	6,186,314	90,461	5,663,752
Special child adoption assistance	90,587	23,587	67,000	29,436
	<u>8,069,362</u>	<u>7,573,272</u>	<u>496,090</u>	<u>8,951,233</u>
Total social services	<u>17,666,365</u>	<u>16,660,441</u>	<u>1,005,924</u>	<u>18,066,158</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Other Human Services:				
Southeastern Mental Health Center	692,000	688,986	3,014	693,881
Other human services	<u>2,224,754</u>	<u>2,199,368</u>	<u>25,386</u>	<u>2,285,635</u>
	<u>2,916,754</u>	<u>2,888,354</u>	<u>28,400</u>	<u>2,979,516</u>
Total human services	<u>28,215,441</u>	<u>26,668,707</u>	<u>1,546,734</u>	<u>28,070,011</u>
Education:				
Public schools - current	31,016,145	31,016,145	-	31,861,066
Community college - current	<u>3,435,831</u>	<u>3,435,831</u>	<u>-</u>	<u>3,529,358</u>
Total education	<u>34,451,976</u>	<u>34,451,976</u>	<u>-</u>	<u>35,390,424</u>
Culture and Recreation:				
Parks and Recreation:				
Salaries	1,243,417	1,144,992	98,425	1,161,925
Fringe benefits	418,418	363,048	55,370	394,307
Operating costs	804,839	726,883	77,956	866,016
Capital outlay	<u>534,305</u>	<u>302,504</u>	<u>231,801</u>	<u>195,248</u>
	<u>3,000,979</u>	<u>2,537,427</u>	<u>463,552</u>	<u>2,617,496</u>
Brunswick County Library:				
Salaries	761,628	759,402	2,226	777,655
Fringe benefits	302,134	294,381	7,753	295,040
Operating costs	242,256	222,050	20,206	239,908
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,184</u>
	<u>1,306,018</u>	<u>1,275,833</u>	<u>30,185</u>	<u>1,321,787</u>
Other Culture and Recreation:				
Contributions	<u>93,375</u>	<u>17,807</u>	<u>75,568</u>	<u>94,620</u>
Total culture and recreation	<u>4,400,372</u>	<u>3,831,067</u>	<u>569,305</u>	<u>4,033,903</u>
Debt Service:				
Principal retirement	10,041,528	10,041,528	-	9,616,455
Interest and fees	<u>8,224,842</u>	<u>8,162,795</u>	<u>62,047</u>	<u>6,439,593</u>
Total debt service	<u>18,266,370</u>	<u>18,204,323</u>	<u>62,047</u>	<u>16,056,048</u>
Total expenditures	<u>156,743,918</u>	<u>150,627,912</u>	<u>6,116,006</u>	<u>152,944,002</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues over (under) expenditures	(8,833,346)	(824,284)	8,009,062	1,043,836
Other Financing Sources (Uses):				
Issuance of long-term debt	23,990,000	23,990,000	-	-
Premiums on bonds	1,790,176	1,790,175	(1)	-
Payment to escrow agent for refunded debt	(23,500,000)	(23,500,000)	-	-
	<u>2,280,176</u>	<u>2,280,175</u>	<u>(1)</u>	<u>-</u>
Transfers From Other Funds:				
Transfer from county capital reserve fund	4,130,790	980,790	(3,150,000)	582,018
	<u>4,130,790</u>	<u>980,790</u>	<u>(3,150,000)</u>	<u>582,018</u>
Transfers To Other Funds:				
Transfer to school capital reserve fund - net	(907,933)	(452,845)	455,088	(963,637)
Transfer from leasing fund - net	-	304	304	-
Transfer to special school capital reserve fund	(1,408,426)	(1,408,426)	-	(82,092)
Transfer to grant project funds	(15,000)	(15,000)	-	(83,405)
Transfer to register of deeds technology fund	(93,421)	(93,421)	-	(96,881)
Transfer to county capital reserve fund	-	-	-	(8,115,255)
Transfer to county capital project funds	(1,650,000)	(1,650,000)	-	(1,105,001)
	<u>(4,074,780)</u>	<u>(3,619,388)</u>	<u>455,392</u>	<u>(10,446,271)</u>
Budgetary Financing Sources (Uses):				
Contingency	(31,986)	-	31,986	-
Appropriated fund balance	6,529,146	-	(6,529,146)	-
	<u>6,497,160</u>	<u>-</u>	<u>(6,497,160)</u>	<u>-</u>
Total other financing sources (uses)	<u>8,833,346</u>	<u>(358,423)</u>	<u>(9,191,769)</u>	<u>(9,864,253)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,182,707)</u>	<u>\$ (1,182,707)</u>	<u>(8,820,417)</u>
Fund balance, beginning of year		<u>55,329,192</u>		<u>64,149,609</u>
Fund balance, end of year		<u>\$ 54,146,485</u>		<u>\$ 55,329,192</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 YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Investment earnings	\$ 143,500	\$ 101,543	\$ (41,957)	\$ 412,564
Other Financing Sources (Uses):				
Transfers In (Out):				
Transfer from general fund	-	-	-	8,115,255
Transfer to general fund	(4,130,790)	(980,790)	3,150,000	(582,018)
Transfer to county capital project fund	(7,889,012)	(2,750,000)	5,139,012	(4,018,148)
Appropriated fund balance	<u>11,876,302</u>	<u>-</u>	<u>(11,876,302)</u>	<u>-</u>
Total other financing sources (uses)	<u>(143,500)</u>	<u>(3,730,790)</u>	<u>(3,587,290)</u>	<u>3,515,089</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (3,629,247)</u>	<u>\$ (3,629,247)</u>	<u>\$ 3,927,653</u>
Fund balance, beginning of year		<u>12,261,621</u>		<u>8,333,968</u>
Fund balance, end of year		<u>\$ 8,632,374</u>		<u>\$ 12,261,621</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET TO ACTUAL - EDUCATION CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Project Budget	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental revenues	\$ 3,598,723	\$ 1,131,198	\$ 189,138	\$ 1,320,336
Investment earnings	1,469,911	1,490,767	12,641	1,503,408
Other	-	-	-	-
Total revenues	<u>5,068,634</u>	<u>2,621,965</u>	<u>201,779</u>	<u>2,823,744</u>
Expenditures:				
Brunswick County Schools capital projects	21,050,872	12,580,122	2,618,162	15,198,283
Cedar Grove Middle School	19,085,722	17,041,062	1,691,885	18,732,947
Town Creek Elementary School	17,545,957	15,915,074	747,883	16,662,957
Brunswick Community College	31,665,911	24,155,775	4,878,996	29,034,771
Total expenditures	<u>89,348,462</u>	<u>69,692,033</u>	<u>9,936,926</u>	<u>79,628,958</u>
Revenues over (under) expenditures	(84,279,828)	(67,070,068)	(9,735,147)	(76,805,214)
Other Financing Sources (Uses):				
Transfer from general fund	372,871	372,871	-	372,871
Transfer from special school capital reserve fund	3,628,226	3,356,626	271,600	3,628,226
Transfer from school capital reserve fund	14,302,255	11,800,100	2,032,155	13,832,255
Premium on bonds issued	476,476	476,476	-	476,476
Debt financing issued	65,500,000	65,500,000	-	65,500,000
Total other financing sources (uses)	<u>84,279,828</u>	<u>81,506,074</u>	<u>2,303,755</u>	<u>83,809,828</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 14,436,006</u>	<u>(7,431,392)</u>	<u>\$ 7,004,614</u>
Fund balance, beginning of year			<u>14,436,006</u>	
Fund balance, end of year			<u>\$ 7,004,614</u>	

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO
ACTUAL - COUNTY CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Project Budget	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Restricted intergovernmental	\$ 7,996,416	\$ 3,497,167	\$ 3,197,699	\$ 6,694,866
Investment earnings	71,940	105,546	523	106,069
Other	713,193	713,193	-	713,193
Total revenues	<u>8,781,549</u>	<u>4,315,906</u>	<u>3,198,222</u>	<u>7,514,128</u>
Expenditures:				
Capital Improvements:				
General government:				
Parking Improvements	350,000	40,885	16,484	57,369
Environmental protection:				
C&D Landfill expansion	2,092,300	20,000	1,745,055	1,765,055
Economic Development:				
Riversea Plantation Phase 4	542,372	55,120	432,930	488,050
Avalon	200,000	6,887	192,488	199,375
Goose Marsh	170,821	-	-	-
	<u>913,193</u>	<u>62,007</u>	<u>625,418</u>	<u>687,425</u>
Human Services:				
Brunswick Center at Southport	2,605,783	73,418	2,515,863	2,589,281
DSS, Food Services & Health Building Improvements	7,455,601	6,583,763	730,425	7,314,188
	<u>10,061,384</u>	<u>6,657,181</u>	<u>3,246,288</u>	<u>9,903,469</u>
Cultural and recreation:				
Ocean Isle Beach Park	3,145,850	984,770	1,668,073	2,652,843
Cedar Grove Park	5,745,894	4,856,820	626,518	5,483,338
Leland Library	797,190	36,069	35,360	71,429
	<u>9,688,934</u>	<u>5,877,659</u>	<u>2,329,951</u>	<u>8,207,610</u>
Transportation:				
Airport Improvements	9,686,209	3,618,367	4,011,926	7,630,293
Total expenditures	<u>32,792,020</u>	<u>16,276,099</u>	<u>11,975,122</u>	<u>28,251,221</u>
Revenues over (under) expenditures	(24,010,471)	(11,960,193)	(8,776,900)	(20,737,093)
Other Financing Sources (Uses):				
Sale of capital assets	202,895	-	202,895	202,895
Transfer from county capital reserve fund	10,499,315	7,749,315	2,750,000	10,499,315
Transfer from general fund	9,193,683	7,543,683	1,650,000	9,193,683
Debt financing issued	4,025,000	3,300,000	725,000	4,025,000
Premium on bonds issued	89,578	89,578	-	89,578
Total other financing sources (uses)	<u>24,010,471</u>	<u>18,682,576</u>	<u>5,327,895</u>	<u>24,010,471</u>
Net change in fund balance	\$ -	\$ 6,722,383	(3,449,005)	\$ 3,273,378
Fund balance, beginning of year			6,722,383	
Fund balance, end of year			<u>\$ 3,273,378</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.

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, 2010

	Occupancy Tax Fund	Brunswick County Leasing Corporation Fund	Emergency Telephone System Fund	Grant Project
Assets:				
Cash, cash equivalents and investments	\$ 60,454	\$ -	\$ 748,446	\$ 19,748
Interest receivable	-	-	1,595	-
Receivables - net	181,246	-	-	5,000
Due from other governmental agencies	-	-	77,563	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 241,700</u>	<u>\$ -</u>	<u>\$ 827,604</u>	<u>\$ 24,748</u>
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 241,700	\$ -	\$ 26,877	\$ 2,304
Due to other funds	-	-	-	-
Total liabilities	<u>241,700</u>	<u>-</u>	<u>26,877</u>	<u>2,304</u>
Fund Balance:				
Reserved for:				
State statute	-	-	79,158	-
Designated for subsequent year's expenditures	-	-	405,785	-
Unreserved	-	-	315,784	22,444
Total fund balances	<u>-</u>	<u>-</u>	<u>800,727</u>	<u>22,444</u>
Total liabilities and fund balances	<u>\$ 241,700</u>	<u>\$ -</u>	<u>\$ 827,604</u>	<u>\$ 24,748</u>

Special Revenue Funds

Special School Capital Reserve (Ad Valorem) Fund	School Capital Reserve (Sales Tax) Fund	ROD- Technology Enhancement Fund	Coastal Events Center Fund	Total
\$ 6,520,409	\$ -	\$ 655,253	\$ 7,068	\$ 8,011,378
10,083	6,833	1,222	13	19,746
-	-	-	-	186,246
-	-	-	-	77,563
-	576,291	-	-	576,291
<u>\$ 6,530,492</u>	<u>\$ 583,124</u>	<u>\$ 656,475</u>	<u>\$ 7,081</u>	<u>\$ 8,871,224</u>
\$ -	\$ -	\$ 2,993	\$ -	\$ 273,874
-	561,203	-	-	561,203
-	561,203	2,993	-	835,077
10,083	6,833	1,222	13	97,309
-	-	-	-	405,785
6,520,409	15,088	652,260	7,068	7,533,053
<u>6,530,492</u>	<u>21,921</u>	<u>653,482</u>	<u>7,081</u>	<u>8,036,147</u>
<u>\$ 6,530,492</u>	<u>\$ 583,124</u>	<u>\$ 656,475</u>	<u>\$ 7,081</u>	<u>\$ 8,871,224</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 YEAR ENDED JUNE 30, 2010**

	<u>Occupancy Tax Fund</u>	<u>Brunswick County Leasing Corporation Fund</u>	<u>Emergency Telephone System Fund</u>
Revenues:			
Other taxes and licenses	\$ 992,280	\$ -	\$ -
Restricted intergovernmental	-	-	930,750
Other revenue	-	-	-
Investment earnings	-	24	6,632
Total revenues	<u>992,280</u>	<u>24</u>	<u>937,382</u>
Expenditures:			
General government	-	-	-
Public safety	-	-	938,570
Economic and physical development	992,281	-	-
Total expenditures	<u>992,281</u>	<u>-</u>	<u>938,570</u>
Revenues over (under) expenditures	(1)	24	(1,188)
Other Financing Sources (Uses):			
Transfers to/from general fund - net	-	(304)	-
Transfer to school capital project funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(304)</u>	<u>-</u>
Net change in fund balances	(1)	(280)	(1,188)
Fund balance (deficit), beginning of year	<u>1</u>	<u>280</u>	<u>801,915</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800,727</u>

Special Revenue Funds

Grant Project	Special School Capital Reserve (Ad Valorem) Fund	School Capital Reserve (Sales Tax) Fund	ROD-Technology Enhancement Fund	Coastal Events Center Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 992,280
885,257	-	-	-	-	1,816,007
61,655	-	-	-	-	61,655
-	45,410	32,677	5,367	58	90,168
<u>946,912</u>	<u>45,410</u>	<u>32,677</u>	<u>5,367</u>	<u>58</u>	<u>2,960,110</u>
-	-	-	78,213	-	78,213
-	-	-	-	-	938,570
600,514	-	-	-	-	1,592,795
<u>600,514</u>	<u>-</u>	<u>-</u>	<u>78,213</u>	<u>-</u>	<u>2,609,578</u>
346,398	45,410	32,677	(72,846)	58	350,532
15,000	1,408,426	452,845	93,421	-	1,969,388
-	(271,600)	(2,032,155)	-	-	(2,303,755)
<u>15,000</u>	<u>1,136,826</u>	<u>(1,579,310)</u>	<u>93,421</u>	<u>-</u>	<u>(334,367)</u>
361,398	1,182,236	(1,546,633)	20,575	58	16,165
<u>(338,954)</u>	<u>5,348,256</u>	<u>1,568,554</u>	<u>632,907</u>	<u>7,023</u>	<u>8,019,982</u>
<u>\$ 22,444</u>	<u>\$ 6,530,492</u>	<u>\$ 21,921</u>	<u>\$ 653,482</u>	<u>\$ 7,081</u>	<u>\$ 8,036,147</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
 ACTUAL AND CHANGES IN FUND BALANCE - OCCUPANCY TAX FUND
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Other taxes and licenses	\$ 877,987	\$ 992,280	\$ 114,293	\$ 1,030,525
Expenditures:				
Economic and physical development	<u>877,987</u>	<u>992,281</u>	<u>(114,294)</u>	<u>1,030,524</u>
Net change in fund balance	<u>\$ -</u>	(1)	<u>\$ (1)</u>	1
Fund balance, beginning of year		<u>1</u>		<u>-</u>
Fund balance, end of year		<u>\$ -</u>		<u>\$ 1</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 YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Investment earnings	\$ -	\$ 24	\$ 24	\$ 879
Other Financing Sources (Uses):				
Transfers In (Out):				
Transfer from general fund	5,040,941	1,940,407	(3,100,534)	5,093,353
Transfer to general fund	(5,040,941)	(1,940,711)	3,100,230	(5,093,353)
Total other financing sources (uses)	<u>-</u>	<u>(304)</u>	<u>(304)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(280)</u>	<u>\$ (280)</u>	<u>879</u>
Fund balance (deficit), beginning of year		<u>280</u>		<u>(599)</u>
Fund balance, end of year		<u>\$ -</u>		<u>\$ 280</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 YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Restricted intergovernmental	\$ 930,750	\$ 930,750	\$ -	\$ 1,142,703
Investment earnings	3,000	6,632	3,632	14,820
Total revenues	<u>933,750</u>	<u>937,382</u>	<u>3,632</u>	<u>1,157,523</u>
Expenditures:				
Public safety	<u>1,343,025</u>	<u>938,570</u>	<u>404,455</u>	<u>735,783</u>
Revenues over (under) expenditures	(409,275)	(1,188)	408,087	421,740
Other Financing Sources (Uses):				
Appropriated fund balance	<u>409,275</u>	<u>-</u>	<u>(409,275)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,188)</u>	<u>\$ (1,188)</u>	421,740
Fund balance, beginning of year		<u>801,915</u>		<u>380,175</u>
Fund balance, end of year		<u>\$ 800,727</u>		<u>\$ 801,915</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO
 ACTUAL - GRANT PROJECT FUND
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental - CDBG-Scattered Site 2009	\$ 400,000	\$ -	\$ -	\$ -
Restricted intergovernmental - CDBG Water Connection 2009	73,000	-	-	-
Restricted intergovernmental - CDBG- Capacity Building	75,000	-	-	-
Restricted intergovernmental - CHAF	767,820	734,642	-	734,642
Restricted intergovernmental - USDA Housing Preservation (HPG)	90,000	24,844	35,579	60,423
Restricted intergovernmental - Single Family Rehab 2008	400,000	-	400,000	400,000
Restricted intergovernmental - ARRA Sheriff's	99,555	-	84,491	84,491
Restricted intergovernmental - Urgent Repair	75,000	-	37,500	37,500
Restricted intergovernmental - Urgent Repair 2010	75,000	-	37,500	37,500
Restricted intergovernmental - Emergency Services Grants	827,564	540,562	290,187	830,749
Restricted intergovernmental - General Grants	65,000	47,138	-	47,138
Other revenue	56,655	-	61,655	61,655
Total revenues	<u>3,004,594</u>	<u>1,347,186</u>	<u>946,912</u>	<u>2,294,098</u>
Expenditures:				
CDBG - Scattered Site 2009	400,000	-	2,100	2,100
CDBG Water Connection 2009	73,000	-	38,896	38,896
CDBG - Capacity Building	75,000	-	5,751	5,751
CHAF	791,367	786,366	-	786,366
USDA Housing Preservation (HPG)	135,000	40,970	87,483	128,453
Single Family Rehabilitation - 2008	456,655	211,882	238,757	450,639
ARRA Sheriff's Department	99,555	-	84,491	84,491
Urgent Repair	90,000	-	53,214	53,214
Urgent Repair - 2010	90,000	-	-	-
Emergency Services - Public Safety	827,564	673,690	89,822	763,512
General Economic and Physical Development	65,000	47,138	-	47,138
Total expenditures	<u>3,103,141</u>	<u>1,760,046</u>	<u>600,514</u>	<u>2,360,560</u>
Revenues over (under) expenditures	(98,547)	(412,860)	346,398	(66,462)
Other Financing Sources (Uses):				
Transfers In (Out):				
Transfers from general fund	98,547	73,906	15,000	88,906
Total other financing sources (uses)	<u>98,547</u>	<u>73,906</u>	<u>15,000</u>	<u>88,906</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (338,954)</u>	361,398	<u>\$ 22,444</u>
Fund balance, beginning of year			(338,954)	
Fund balance, end of year			<u>\$ 22,444</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 YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Investment earnings	\$ -	\$ 45,410	\$ 45,410	\$ 109,689
Other Financing Sources (Uses):				
Transfers In (Out):				
Transfer from general fund	1,408,426	1,408,426	-	82,092
Transfer to education capital project funds	(1,408,426)	(271,600)	1,136,826	(659,808)
Total other financing sources (uses)	<u>-</u>	<u>1,136,826</u>	<u>1,136,826</u>	<u>(577,716)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,182,236</u>	<u>\$ 1,182,236</u>	<u>(468,027)</u>
Fund balance, beginning of year		<u>5,348,256</u>		<u>5,816,283</u>
Fund balance, end of year		<u>\$ 6,530,492</u>		<u>\$ 5,348,256</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 YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Investment earnings	\$ -	\$ 32,677	\$ 32,677	\$ 114,252
Other Financing Sources (Uses):				
Transfers In (Out):				
Transfer from general fund-net	907,933	452,845	(455,088)	963,637
Transfer to school capital project funds	(2,502,155)	(2,032,155)	470,000	(1,353,655)
Appropriated fund balance	<u>1,594,222</u>	<u>-</u>	<u>(1,594,222)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,579,310)</u>	<u>(1,579,310)</u>	<u>(390,018)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,546,633)</u>	<u>\$ (1,546,633)</u>	<u>(275,766)</u>
Fund balance, beginning of year		<u>1,568,554</u>		<u>1,844,320</u>
Fund balance, end of year		<u>\$ 21,921</u>		<u>\$ 1,568,554</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 YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Investment earnings	\$ 3,500	\$ 5,367	\$ 1,867	\$ 12,987
Expenditures:				
General government	96,921	78,213	18,708	117,085
Revenues over (under) expenditures	(93,421)	(72,846)	20,575	(104,098)
Other Financing Sources (Uses):				
Transfers In (Out):				
Transfer from general fund	93,421	93,421	-	96,881
Net change in fund balance	<u>\$ -</u>	20,575	<u>\$ 20,575</u>	(7,217)
Fund balance, beginning of year		<u>632,907</u>		<u>640,124</u>
Fund balance, end of year		<u>\$ 653,482</u>		<u>\$ 632,907</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 YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Investment earnings	\$ -	\$ 58	\$ 58	\$ 144
Net change in fund balance	<u>\$ -</u>	58	<u>\$ 58</u>	144
Fund balance, beginning of year		<u>7,023</u>		<u>6,879</u>
Fund balance, end of year		<u>\$ 7,081</u>		<u>\$ 7,023</u>

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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

COMBINING BALANCE SHEET - WATER FUND (NON-GAAP)
JUNE 30, 2010

	<u>Water Fund</u>	<u>Water Capital Projects</u>	<u>Total</u>
Current Assets:			
Cash, cash equivalents and investments	\$ 18,511,054	\$ 2,811,408	\$ 21,322,462
Interest receivable	35,621	-	35,621
Receivables and special assessments, net	2,265,261	-	2,265,261
Due from other governmental agencies	365,025	504,223	869,248
Due from other funds	462,497	-	462,497
Inventories	113,781	-	113,781
Total current assets	<u>21,753,239</u>	<u>3,315,631</u>	<u>25,068,870</u>
Current Liabilities:			
Accounts payable and other liabilities	1,086,550	1,326,041	2,412,591
Customer deposits	1,347,406	-	1,347,406
Current portion of debt	183,010	-	183,010
Total current liabilities	<u>2,616,966</u>	<u>1,326,041</u>	<u>3,943,007</u>
Expendable net assets	19,136,273	1,989,590	21,125,863
Noncurrent Items:			
Non-depreciable capital assets	7,496,575	-	7,496,575
Depreciable capital assets, net	107,858,901	-	107,858,901
Compensated absences	(253,831)	-	(253,831)
Other post-employment benefits	(1,125,175)	-	(1,125,175)
Non-current portion of debt	(6,109,271)	-	(6,109,271)
Total net assets	<u>\$ 127,003,472</u>	<u>\$ 1,989,590</u>	<u>\$ 128,993,062</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - WATER SYSTEM
 OPERATING FUND (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
User charges	\$ 17,259,431	\$ 17,192,749	\$ (66,682)	\$ 18,146,663
Restricted intergovernmental revenue	-	-	-	17,268
Investment earnings	180,000	155,259	(24,741)	421,482
Other	392,982	358,957	(34,025)	505,823
Total revenues	<u>17,832,413</u>	<u>17,706,965</u>	<u>(125,448)</u>	<u>19,091,236</u>
Expenditures:				
Salaries	3,878,542	3,782,912	95,630	3,567,663
Fringe benefits	1,489,060	1,420,504	68,556	1,380,954
Operating expenditures	8,094,080	6,418,653	1,675,427	6,658,970
Capital outlay	6,619,166	6,486,161	133,005	863,666
Debt Service:				
Principal	152,072	324,096	(172,024)	388,200
Interest	98,940	98,939	1	96,813
Total expenditures	<u>20,331,860</u>	<u>18,531,265</u>	<u>1,800,595</u>	<u>12,956,266</u>
Revenues over (under) expenditures	(2,499,447)	(824,300)	1,675,147	6,134,970
Other Financing Sources (Uses):				
Long-term debt issued	4,397,000	4,569,025	172,025	-
Transfer to water capital reserve fund	(2,342,851)	(2,342,851)	-	(8,946,551)
Transfer to water capital project fund	(450,000)	(450,000)	-	-
Transfer from water capital reserve fund	-	-	-	195,150
Appropriated net assets	895,298	-	(895,298)	-
Total other financing sources (uses)	<u>2,499,447</u>	<u>1,776,174</u>	<u>(723,273)</u>	<u>(8,751,401)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>951,874</u>	<u>\$ 951,874</u>	<u>\$ (2,616,431)</u>
Reconciliation From Budgetary Basis				
To Full Accrual Basis:				
Capital Project Related Items:				
Revenues from water capital projects		-		
Proceeds from debt		-		
Other transfers		4,484,833		
Capital project expenditures		(9,527,071)		
Other Reconciling Items:				
Proceeds from debt		(4,569,025)		
CIP additions from capital projects		9,527,071		
Capitalized capital outlay and CIP adjustment		5,406,378		
Change in vacation accrual		(661)		
Change in other post-employment benefits		(395,046)		
Change in inventory		(156,894)		
Retirement of long-term debt		324,096		
Contributed capital assets		3,448,505		
Depreciation		(2,624,180)		
Change in net assets - GAAP basis		<u>\$ 6,869,880</u>		

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL -
 WATER CAPITAL PROJECT FUNDS (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Project Budget	Actual		Total to Date
		Prior Year	Current Year	
Revenues:				
Restricted intergovernmental revenue	\$ 1,275,000	\$ 775,000	\$ -	\$ 775,000
Expenditures:				
Southport elevated tank	1,983,915	1,983,915	-	1,983,915
Waccamaw line and tank project	3,694,461	3,666,809	3,251	3,670,060
Utility operations center	5,443,979	1,363,997	3,976,813	5,340,810
2006 Subdivision petition projects	2,099,036	2,099,036	-	2,099,036
2007 Subdivision petition projects	1,177,573	1,177,573	-	1,177,573
Transmission system improvements	1,020,000	945,550	11,073	956,623
Northwest water plant expansion	11,706,400	272,908	582,027	854,935
Longwood road line extension	2,900,000	219,506	2,361,835	2,581,341
Southwest elevated storage tank	2,217,400	125,961	1,641,346	1,767,307
Navassa water tank	650,000	31,319	423,179	454,498
Carolina Shores North line extension	1,114,629	550,809	152,464	703,273
FY 09-10 system improvements	1,000,000	-	148,970	148,970
Grey Bridge Road and Hwy 211 line extension	190,250	-	135,050	135,050
2010 Recovery Zone line extensions	865,256	-	91,063	91,063
Total expenditures	<u>36,062,899</u>	<u>12,437,383</u>	<u>9,527,071</u>	<u>21,964,454</u>
Revenues over (under) expenditures	(34,787,899)	(11,662,383)	(9,527,071)	(21,189,454)
Other Financing Sources (Uses):				
Long term debt issued	11,608,856	-	-	-
Transfers from water capital reserve fund	22,304,043	18,269,210	4,034,833	22,304,043
Transfers from water fund	875,000	425,000	450,000	875,000
Total other financing sources (uses)	<u>34,787,899</u>	<u>18,694,210</u>	<u>4,484,833</u>	<u>23,179,043</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 7,031,827	\$ (5,042,238)	\$ 1,989,589

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WASTEWATER FUND (NON-GAAP)
JUNE 30, 2010

	<u>Wastewater Fund</u>	<u>Wastewater Capital Projects</u>	<u>Total</u>
Current Assets:			
Cash and cash equivalents/investments	\$ -	\$ 3,476,966	\$ 3,476,966
Restricted cash	638,507	10,120,065	10,758,572
Interest receivable	3,008	-	3,008
Receivables and special assessments, net	871,195	-	871,195
Due from other governmental agencies	88,215	514,242	602,457
Inventories	111,159	-	111,159
Total current assets	<u>1,712,084</u>	<u>14,111,273</u>	<u>15,823,357</u>
Current Liabilities:			
Accounts payable and other liabilities	262,996	2,672,667	2,935,663
Current portion of debt	4,463,875	-	4,463,875
Due to other funds	462,497	-	462,497
Total current liabilities	<u>5,189,368</u>	<u>2,672,667</u>	<u>7,862,035</u>
Expendable net assets	(3,477,284)	11,438,606	7,961,322
Noncurrent Items:			
Non-depreciable capital assets	63,540,706	-	63,540,706
Depreciable capital assets, net	130,548,712	-	130,548,712
Compensated absences	(80,001)	-	(80,001)
Other post-employment benefits	(467,344)	-	(467,344)
Deferred revenues	(2,423,901)	-	(2,423,901)
Non-current portion of debt	(122,273,322)	-	(122,273,322)
Total net assets	<u>\$ 65,367,566</u>	<u>\$ 11,438,606</u>	<u>\$ 76,806,172</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
User charges	\$ 12,448,447	\$ 11,287,684	\$ (1,160,763)	10,849,551
Investment earnings	15,000	18,831	3,831	10,419
Restricted intergovernmental revenues	-	-	-	38,859
Other	210,117	167,800	(42,317)	453
Total revenues	<u>12,673,564</u>	<u>11,474,315</u>	<u>(1,199,249)</u>	<u>10,899,282</u>
Expenditures:				
Salaries	1,487,235	1,409,706	77,529	1,382,959
Fringe benefits	559,110	534,442	24,668	536,486
Operating expenditures	3,207,471	2,820,598	386,873	2,292,042
Capital outlay	622,777	509,733	113,044	963,303
Debt Service:				
Principal	4,320,904	4,320,901	3	4,247,762
Interest	3,918,828	3,918,825	3	2,434,057
Total expenditures	<u>14,116,325</u>	<u>13,514,205</u>	<u>602,120</u>	<u>11,856,609</u>
Revenues over (under) expenditures	(1,442,761)	(2,039,890)	(597,129)	(957,327)
Other Financing Sources (Uses):				
Transfer to wastewater capital reserve fund	(1,666,891)	(1,634,858)	32,033	(208,090)
Transfer from wastewater capital project fund	1,400,000	1,400,000	-	-
Transfer from wastewater capital reserve fund	133,000	133,000	-	1,524,927
Contingency	(1,400,000)	-	1,400,000	-
Appropriated net assets	2,976,652	-	(2,976,652)	-
Total other financing sources (uses)	<u>1,442,761</u>	<u>(101,858)</u>	<u>(1,544,619)</u>	<u>1,316,837</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(2,141,748)</u>	<u>\$ (2,141,748)</u>	<u>\$ 359,510</u>

Reconciliation From Budgetary Basis**To Full Accrual Basis:****Capital Project Activities:**

Investment earnings	30,388
Proceeds from issuance of long-term debt	15,188,075
Restricted intergovernmental revenue	365,167
Capital contributions	4,705,991
Grant subsidy	144,271
Other transfers	(2,104,500)
Capital project expenditures	(19,204,742)
Other Reconciling Items:	
Proceeds from issuance of long-term debt	(15,188,075)
CIP additions from capital projects	19,204,742
Capitalized capital outlay and CIP adjustment	1,098,252
Change in vacation accrual	(5,605)
Change in other post-employment benefits	(156,765)
Contributed assets	5,511,784
Change in inventory	(22,266)
Retirement of long-term debt	4,320,900
Depreciation	(3,377,087)
Change in net assets - GAAP basis	<u>\$ 8,368,782</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL
WASTEWATER CAPITAL PROJECT FUNDS (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Project Budget	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Restricted intergovernmental revenue	\$ 640,317	\$ 40,000	\$ 365,167	\$ 405,167
Capital contributions	11,800,000	4,858,351	4,705,991	9,564,342
Other	42,939	42,939	-	42,939
Grant subsidy	2,344,500	1,940,290	-	1,940,290
ARRA Interest Subsidies	-	-	144,271	144,271
Investment earnings	1,912,280	2,107,525	30,388	2,137,913
Total revenues	<u>16,740,036</u>	<u>8,989,105</u>	<u>5,245,817</u>	<u>14,234,922</u>
Expenditures:				
West Brunswick Regional Water Reclamation Ph 1	59,464,466	59,071,083	3,250	59,074,333
West Brunswick Regional Water Reclamation Ph 2	56,371,091	40,505,385	12,498,200	53,003,585
Southwest Main & Pump Station (Shallotte)	6,429,256	5,614,994	448,591	6,063,585
Sunset Beach Wastewater Collection System	13,786,000	1,302,478	2,021,901	3,324,379
Calabash Collection System	4,614,000	658,298	3,284,272	3,942,570
Regional Pump Station	1,385,881	347,751	150,772	498,523
Pinewood Force Main	225,000	36,039	170,081	206,120
Northeast Brunswick WWTP Expansion	706,000	167,779	405,918	573,697
Shallotte Acquisition	200,000	-	93,078	93,078
Sea Aire Canal	66,500	-	41,017	41,017
Hwy 74/76 Industrial Park Line	953,000	-	87,662	87,662
Carolina Shores WWTP Upgrade	45,000	-	-	-
Total expenditures	<u>144,246,194</u>	<u>107,703,807</u>	<u>19,204,742</u>	<u>126,908,549</u>
Revenues over (under) expenditures	(127,506,158)	(98,714,702)	(13,958,925)	(112,673,627)
Other Financing Sources (Uses):				
Long term debt issued	120,095,315	104,505,314	14,750,000	119,255,314
Bond premium (discount)	2,754,760	2,754,760	-	2,754,760
ARRA debt proceeds	3,000,000	-	438,075	438,075
Gain on sale of real property	123,600	131,600	-	131,600
Transfer to water capital reserve fund	1,532,483	2,236,983	(704,500)	1,532,483
Transfer to wastewater fund	-	1,400,000	(1,400,000)	-
Total other financing sources (uses)	<u>127,506,158</u>	<u>111,028,657</u>	<u>13,083,575</u>	<u>124,112,232</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 12,313,955</u>	<u>\$ (875,350)</u>	<u>\$ 11,438,605</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Investment earnings	\$ 110,000	\$ 68,806	\$ (41,194)	\$ 199,237
Assessments	<u>26,000</u>	<u>39,636</u>	<u>13,636</u>	<u>38,849</u>
Income before transfers	<u>136,000</u>	<u>108,442</u>	<u>(27,558)</u>	<u>238,086</u>
Transfer from water fund	2,342,851	2,342,851	-	8,946,551
Transfer to water fund	-	-	-	(195,150)
Transfer to water capital project funds	(5,788,200)	(4,034,833)	1,753,367	(11,069,779)
Appropriated fund balance	<u>3,309,349</u>	<u>-</u>	<u>(3,309,349)</u>	<u>-</u>
Total transfers	<u>(136,000)</u>	<u>(1,691,982)</u>	<u>(1,555,982)</u>	<u>(2,318,378)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(1,583,540)</u>	<u>\$ (1,583,540)</u>	<u>\$ (2,080,292)</u>
Net Assets:				
Beginning of year, July 1		<u>3,371,018</u>		
End of year, June 30		<u>\$ 1,787,478</u>		

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND

ACTUAL - WASTEWATER CAPITAL RESERVE (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Investment earnings	\$ 10,000	\$ 81,691	\$ 71,691	\$ 173,248
Assessments	-	79,473	79,473	60,170
Income before transfers	<u>10,000</u>	<u>161,164</u>	<u>151,164</u>	<u>233,418</u>
Transfer from wastewater fund	1,666,891	1,634,858	(32,033)	208,090
Transfer to wastewater fund	(133,000)	(133,000)	-	(1,524,927)
Transfer from wastewater capital projects	(1,917,096)	704,500	2,621,596	(1,416,982)
Appropriated fund balance	<u>373,205</u>	<u>-</u>	<u>(373,205)</u>	<u>-</u>
Total transfers	<u>(10,000)</u>	<u>2,206,358</u>	<u>2,216,358</u>	<u>(2,733,819)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>2,367,522</u>	<u>\$ 2,367,522</u>	<u>\$ (2,500,401)</u>
Net Assets:				
Beginning of year, July 1		<u>2,158,804</u>		
End of year, June 30		<u>\$ 4,526,326</u>		

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF FUND NET ASSETS- NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2010

	<u>Water Capital Reserve</u>	<u>Wastewater Capital Reserve</u>	<u>Total</u>
Assets:			
Current Assets:			
Cash, cash equivalents and investments	\$ 1,773,250	\$ 4,510,833	\$ 6,284,083
Assessments receivable, net	38,613	279,916	318,529
Interest receivable	14,228	15,493	29,721
Total current assets	<u>1,826,091</u>	<u>4,806,242</u>	<u>6,632,333</u>
Expendable net assets:	1,826,091	4,806,242	6,632,333
Noncurrent Item:			
Deferred revenue	(38,613)	(279,916)	(318,529)
Total net assets	<u>\$ 1,787,478</u>	<u>\$ 4,526,326</u>	<u>\$ 6,313,804</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Water Capital Reserve</u>	<u>Wastewater Capital Reserve</u>	<u>Total</u>
Operating Revenues:			
Assessments	\$ 39,636	\$ 79,473	\$ 119,109
Nonoperating Revenues:			
Investment earnings	68,806	81,691	150,497
Income before transfers	108,442	161,164	269,606
Transfers in	2,342,851	1,634,858	3,977,709
Transfers out	(4,034,833)	571,500	(3,463,333)
Total transfers	(1,691,982)	2,206,358	514,376
Increase (decrease) in net assets	(1,583,540)	2,367,522	783,982
Net assets, beginning of year	3,371,018	2,158,804	5,529,822
Net assets, end of year	<u>\$ 1,787,478</u>	<u>\$ 4,526,326</u>	<u>\$ 6,313,804</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Water Capital Reserve</u>	<u>Wastewater Capital Reserve</u>	<u>Total</u>
Cash Flows From Noncapital Financing Activities:			
Assessments	\$ 39,636	\$ 79,473	\$ 119,109
Cash Flows From Noncapital Financing Activities:			
Transfers in (out)	<u>(1,691,982)</u>	<u>2,206,358</u>	<u>514,376</u>
Cash Flows From Investing Activities:			
Interest on investments	<u>89,880</u>	<u>88,683</u>	<u>178,563</u>
Net increase (decrease) in cash and cash equivalents	(1,562,466)	2,374,514	812,048
Cash and cash equivalents, beginning of year	<u>3,335,716</u>	<u>2,136,319</u>	<u>5,472,035</u>
Cash and cash equivalents, end of year	<u>\$ 1,773,250</u>	<u>\$ 4,510,833</u>	<u>\$ 6,284,083</u>

INTERNAL SERVICE FUND

Internal service funds are used to account for the County's activities which are similar to those often found in the private sector. The measurement focus is on the flow of economic resources.

WORKERS' COMPENSATION INTERNAL SERVICE FUND - This fund is used to account for risk management operations of the County and for the financing of workers' compensation self-insurance costs incurred.

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND
 ACTUAL AND CHANGES IN FUND BALANCE - WORKERS' COMPENSATION INTERNAL SERVICE FUND (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2010
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2009</u>
Revenues:				
Charges for services	\$ 1,209,078	\$ 1,209,078	\$ -	\$ -
Investment earnings	-	1,326	1,326	-
Total revenues	<u>1,209,078</u>	<u>1,210,404</u>	<u>1,326</u>	<u>-</u>
Expenditures:				
Premiums	<u>1,209,078</u>	<u>495,733</u>	<u>713,345</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>714,671</u>	<u>\$ 714,671</u>	<u>-</u>
Net assets, beginning of year		<u>-</u>		<u>-</u>
Net assets, end of year		<u>\$ 714,671</u>		<u>\$ -</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 YEAR ENDED JUNE 30, 2010

	<u>Balance 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 2010</u>
SOCIAL SERVICES FUND				
Assets:				
Cash, cash equivalents and investments	\$ 42,318	\$ 141,495	\$ 141,554	\$ 42,259
Interest receivable	128	269	319	78
Total assets	<u>\$ 42,446</u>	<u>\$ 141,764</u>	<u>\$ 141,873</u>	<u>\$ 42,337</u>
Liabilities:				
Other	<u>\$ 42,446</u>	<u>\$ 332,445</u>	<u>\$ 332,554</u>	<u>\$ 42,337</u>
SMITHVILLE TOWNSHIP FUND				
Assets:				
Cash, cash equivalents and investments	\$ 1,103,187	\$ 2,208,858	\$ 2,224,488	\$ 1,087,557
Interest receivable	5,614	10,432	12,348	3,698
Taxes receivable,net	40,276	2,252,163	2,257,095	35,344
Total assets	<u>\$ 1,149,077</u>	<u>\$ 4,471,453</u>	<u>\$ 4,493,931</u>	<u>\$ 1,126,599</u>
Liabilities:				
Other	\$ 40,276	\$ 2,252,163	\$ 2,267,773	\$ 24,666
Due to other governmental agencies	1,108,801	2,219,290	2,226,158	1,101,933
Total liabilities	<u>\$ 1,149,077</u>	<u>\$ 4,471,453</u>	<u>\$ 4,493,931</u>	<u>\$ 1,126,599</u>
INTERGOVERNMENTAL COLLECTIONS FUND				
Assets:				
Cash, cash equivalents and investments	\$ -	\$ 25,539,587	\$ 25,332,849	\$ 206,738
Taxes receivable,net	39,665	27,698	39,665	27,698
Other	149,535	-	149,535	-
Total assets	<u>\$ 189,200</u>	<u>\$ 25,567,285</u>	<u>\$ 25,522,049</u>	<u>\$ 234,436</u>
Liabilities:				
Due to other funds	\$ 189,200	\$ -	\$ 189,200	\$ -
Due to other governmental agencies	-	25,567,285	25,332,849	234,436
Total liabilities	<u>\$ 189,200</u>	<u>\$ 25,567,285</u>	<u>\$ 25,522,049</u>	<u>\$ 234,436</u>
SHERIFF DEPARTMENT TRUST FUND				
Assets:				
Cash, cash equivalents and investments	<u>\$ 39,493</u>	<u>\$ 734,636</u>	<u>\$ 680,564</u>	<u>\$ 93,565</u>
Liabilities:				
Other	<u>\$ 39,493</u>	<u>\$ 734,636</u>	<u>\$ 680,564</u>	<u>\$ 93,565</u>
BRUNSWICK HOSPITAL AUTHORITY				
Assets:				
Cash, cash equivalents and investments	\$ 589,364	\$ 64,825	\$ -	\$ 654,189
Interest Receivable	1,813	3,838	4,482	1,169
Total assets	<u>\$ 591,177</u>	<u>\$ 68,663</u>	<u>\$ 4,482</u>	<u>\$ 655,358</u>
Liabilities:				
Other	<u>\$ 591,177</u>	<u>\$ 68,663</u>	<u>\$ 4,482</u>	<u>\$ 655,358</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Balance 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 2010</u>
INLET COMMITTEE SAVE OUR SANDS				
Assets:				
Cash, cash equivalents and investments	\$ 31,680	\$ 65,180	\$ 66,780	\$ 30,080
Liabilities:				
Other	\$ 31,680	\$ 65,180	\$ 66,780	\$ 30,080
INMATE TRUST FUND				
Assets:				
Cash, cash equivalents and investments	\$ 18,849	\$ 193,945	\$ 190,116	\$ 22,678
Liabilities:				
Other	\$ 18,849	\$ 193,945	\$ 190,116	\$ 22,678
3% INTEREST PAYABLE TO STATE				
Assets:				
Cash, cash equivalents and investments	\$ 1,636	\$ 26,717	\$ 27,057	\$ 1,296
Liabilities:				
Other	\$ 1,636	\$ 26,717	\$ 27,057	\$ 1,296
COMBINING TOTALS				
Assets:				
Cash, cash equivalents and investments	\$ 1,826,527	\$ 28,975,243	\$ 28,663,408	\$ 2,138,362
Interest receivable	7,555	14,539	17,149	4,945
Taxes receivable, net	79,941	2,279,861	2,296,760	63,042
Other	149,535	-	149,535	-
Total assets	<u>\$ 2,063,558</u>	<u>\$ 31,269,643</u>	<u>\$ 31,126,852</u>	<u>\$ 2,206,349</u>
Liabilities:				
Due to other governmental agencies	\$ 1,108,801	\$ 27,786,575	\$ 27,559,007	\$ 1,336,369
Due to other funds	189,200	-	189,200	-
Other	765,557	3,673,749	3,569,326	869,980
Total liabilities	<u>\$ 2,063,558</u>	<u>\$ 31,460,324</u>	<u>\$ 31,317,533</u>	<u>\$ 2,206,349</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
JUNE 30, 2010

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2009</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2010</u>
2009-10	\$ -	\$ 101,769,536	\$ 96,713,452	\$ 5,056,084
2008-09	4,664,905	-	2,734,160	1,930,745
2007-08	852,599	-	405,137	447,462
2006-07	397,802	-	115,281	282,521
2005-06	297,885	-	69,357	228,528
2004-05	215,435	-	23,033	192,402
2003-04	182,213	-	17,182	165,031
2002-03	208,353	-	13,932	194,421
2001-02	220,661	-	10,893	209,768
2000-01	175,232	-	6,741	168,491
1999-00	155,113	-	155,113	-
	<u>\$ 7,370,198</u>	<u>\$ 101,769,536</u>	<u>\$ 100,264,281</u>	8,875,453
Less: Allowance for uncollected taxes receivable General Fund				<u>3,916,789</u>
Ad valorem taxes receivable (net)				<u>\$ 4,958,664</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 100,529,188
Reconciling Items:				
Interest collected and penalties				(719,898)
Releases on prior year tax				285,995
Prior year motor vehicle amounts less than minimum billing				132,667
Current year motor vehicle amounts less than minimum billing				42,970
Collection of taxes previously written off				<u>(6,641)</u>
Total collections and credits				<u>\$ 100,264,281</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2010

	County-Wide			Property Excluding Registered Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy		
Original levy excluding motor vehicles	\$ 32,673,827,131	\$ 0.00305	\$ 99,171,801	\$ 99,171,801	\$ -
Registered motor vehicles	872,773,368		2,662,047	-	2,662,047
Penalties	-		57,213	57,213	-
Total	<u>33,546,600,499</u>		<u>101,891,061</u>	<u>99,229,014</u>	<u>2,662,047</u>
Abatements	<u>(53,924,091)</u>		<u>(121,525)</u>	<u>(99,069)</u>	<u>(22,456)</u>
Total valuation	<u>\$ 33,492,676,408</u>				
Net levy			101,769,536	99,129,945	2,639,591
Less uncollected taxes at June 30, 2010			<u>5,056,084</u>	<u>4,745,082</u>	<u>311,002</u>
Current year's taxes collected			<u>\$ 96,713,452</u>	<u>\$ 94,384,863</u>	<u>\$ 2,328,589</u>
Current levy collection percentage			<u>95.03%</u>	<u>95.21%</u>	<u>88.22%</u>
Prior year levy collection percentage			<u>95.42%</u>	<u>95.65%</u>	<u>87.50%</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, 2010

	<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	\$ 285,938	\$ 184,571	\$ 305,444	\$ 175,604	\$ -	\$ 951,557
Due from primary government	-	-	236,989	-	-	236,989
Due from other governments	-	1,452	-	-	655,358	656,810
Inventory	241,052	37,527	-	-	-	278,579
Other assets	11,784	16,048	5,736	-	-	33,568
Total current assets	<u>538,774</u>	<u>239,598</u>	<u>548,169</u>	<u>175,604</u>	<u>655,358</u>	<u>2,157,503</u>
Capital assets, net	1,296,795	14,904,124	4,757	4,430	-	16,210,106
Total assets	<u>\$ 1,835,569</u>	<u>\$ 15,143,722</u>	<u>\$ 552,926</u>	<u>\$ 180,034</u>	<u>\$ 655,358</u>	<u>\$ 18,367,609</u>
Liabilities and Net Assets:						
Liabilities:						
Current Liabilities:						
Debt obligation - current portion	\$ 62,800	\$ -	\$ -	\$ -	\$ -	\$ 62,800
Accounts payable and accrued expenses	181,809	7,880	9,263	2,434	-	201,386
Due to other governments	75,035	159,147	-	-	-	234,182
Total current liabilities	<u>319,644</u>	<u>167,027</u>	<u>9,263</u>	<u>2,434</u>	<u>-</u>	<u>498,368</u>
Noncurrent Liabilities:						
Debt obligation - long-term portion	549,500	-	-	-	-	549,500
Total noncurrent liabilities	<u>549,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,500</u>
Total liabilities	<u>869,144</u>	<u>167,027</u>	<u>9,263</u>	<u>2,434</u>	<u>-</u>	<u>1,047,868</u>
Net Assets:						
Invested in capital assets, net of related debt	684,495	14,904,124	4,757	4,430	-	15,597,806
Restricted:						
Other purposes	66,442	-	-	-	-	66,442
Unrestricted	215,488	72,571	538,906	173,170	655,358	1,655,493
Total net assets	<u>966,425</u>	<u>14,976,695</u>	<u>543,663</u>	<u>177,600</u>	<u>655,358</u>	<u>17,319,741</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
 NON-MAJOR COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 2010

	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	\$ 1,727,589	\$ 622,698	\$ 964,520	\$ 2,141	\$ 65,294	\$ 3,382,242
Operating grants	-	77,800	-	1,500	-	79,300
Capital grants	-	291,154	-	128,500	-	419,654
Investment earnings	6,331	337	529	33	5,045	12,275
Total revenues	<u>1,733,920</u>	<u>991,989</u>	<u>965,049</u>	<u>132,174</u>	<u>70,339</u>	<u>3,893,471</u>
Expenditures						
Operating expenses	<u>1,675,260</u>	<u>823,374</u>	<u>989,996</u>	<u>172,365</u>	<u>6,158</u>	<u>3,667,153</u>
Change in net assets	58,660	168,615	(24,947)	(40,191)	64,181	226,318
Net assets, beginning of year	<u>907,765</u>	<u>14,808,080</u>	<u>568,610</u>	<u>217,791</u>	<u>591,177</u>	<u>17,093,423</u>
Net assets, end of year	<u>\$ 966,425</u>	<u>\$ 14,976,695</u>	<u>\$ 543,663</u>	<u>\$ 177,600</u>	<u>\$ 655,358</u>	<u>\$ 17,319,741</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 Eight Fiscal Years

	Fiscal Year (1)			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 53,185,729	\$ 48,903,970	\$ 37,137,060	\$ 54,279,043
Restricted	28,600,076	23,334,978	23,334,978	-
Unrestricted	<u>(25,957,111)</u>	<u>(12,454,484)</u>	<u>(2,843,693)</u>	<u>13,102,857</u>
Total governmental activities net assets	<u>\$ 55,828,694</u>	<u>\$ 59,784,464</u>	<u>\$ 57,628,345</u>	<u>\$ 67,381,900</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 76,595,678	\$ 80,543,952	\$ 39,904,058	\$ 93,748,105
Unrestricted	<u>12,458,138</u>	<u>12,088,889</u>	<u>61,659,379</u>	<u>28,132,662</u>
Total business-type activities net assets	<u>\$ 89,053,816</u>	<u>\$ 92,632,841</u>	<u>\$ 101,563,437</u>	<u>\$ 121,880,767</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 129,781,407	\$ 129,447,922	\$ 77,041,118	\$ 148,027,148
Restricted	28,600,076	23,334,978	23,334,978	-
Unrestricted	<u>(13,498,973)</u>	<u>(365,595)</u>	<u>58,815,686</u>	<u>41,235,519</u>
Total primary government net assets	<u>\$ 144,882,510</u>	<u>\$ 152,417,305</u>	<u>\$ 159,191,782</u>	<u>\$ 189,262,667</u>

Notes:

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

Table 1

Fiscal Year (1)			
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 67,118,730	\$ 37,377,510	\$ 80,832,411	\$ 84,644,800
-	-	-	-
<u>12,669,940</u>	<u>31,112,731</u>	<u>(19,213,539)</u>	<u>(21,304,189)</u>
<u>\$ 79,788,670</u>	<u>\$ 68,490,241</u>	<u>\$ 61,618,872</u>	<u>\$ 63,340,611</u>
\$ 114,088,014	\$ 104,963,579	\$ 161,945,932	\$ 187,205,988
<u>28,311,927</u>	<u>65,985,290</u>	<u>34,144,461</u>	<u>24,907,050</u>
<u>\$ 142,399,941</u>	<u>\$ 170,948,869</u>	<u>\$ 196,090,393</u>	<u>\$ 212,113,038</u>
\$ 181,206,744	\$ 142,341,089	\$ 242,778,343	\$ 271,850,788
-	-	-	-
<u>40,981,867</u>	<u>97,098,021</u>	<u>14,930,922</u>	<u>3,602,861</u>
<u>\$ 222,188,611</u>	<u>\$ 239,439,110</u>	<u>\$ 257,709,265</u>	<u>\$ 275,453,649</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year (1)			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
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
Transportation	-	-	-	-
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)			
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 14,898,739	\$ 25,786,285	\$ 10,824,875	\$ 10,891,485
23,757,912	28,704,704	32,475,041	32,431,363
11,661,193	12,491,337	12,874,270	12,035,434
26,746,227	30,203,435	29,448,343	31,201,132
1,005,751	2,258,368	2,315,776	4,292,392
11,272,811	12,551,871	14,390,242	7,362,499
1,060,589	4,449,488	4,578,694	1,908,173
6,879,523	7,213,679	6,844,987	7,614,811
38,167,647	47,784,629	50,907,860	42,391,583
-	-	-	-
4,255,116	4,294,959	6,439,614	6,372,620
<u>139,705,508</u>	<u>175,738,755</u>	<u>171,099,702</u>	<u>156,501,492</u>
13,871,031	16,426,295	14,967,806	15,977,572
9,168,580	7,926,725	9,775,273	11,656,776
<u>23,039,611</u>	<u>24,353,020</u>	<u>24,743,079</u>	<u>27,634,348</u>
<u>\$ 162,745,119</u>	<u>\$ 200,091,775</u>	<u>\$ 195,842,781</u>	<u>\$ 184,135,840</u>
\$ 4,726,587	\$ 1,480,767	\$ 1,832,978	\$ 1,387,017
4,034,126	5,309,134	5,228,230	5,635,307
1,320,217	2,163,366	2,139,967	1,535,716
2,770,323	1,124,272	918,087	1,335,443
-	-	-	-
-	1,928,085	1,546,722	1,275,381
2,631,302	224,367	194,681	188,117
8,397	1,224,383	1,147,627	1,254,385
-	76,459	-	-
-	-	-	-
-	710,170	1,405,174	1,088,201
-	-	-	-
17,047,108	17,158,192	18,693,712	19,082,231
-	-	-	-
-	-	-	-
-	1,228	-	-
-	139,731	1,530,140	946,912
-	2,146	4,833	3,610

Continued on next page

COUNTY OF BRUNSWICK, NORTH CAROLINA

Changes in Net Assets
(accrual basis of accounting)

Last Eight 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	(3,540,536)	4,291,705	(1,862,584)	(60,169)
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	3,540,536	(4,291,705)	1,862,584	60,168
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)			
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
1,337	-	-	-
-	-	-	-
-	1,568,395	2,362,035	3,400,594
100,000	(55,153)	713,193	-
-	574,128	416,223	-
-	-	-	189,138
<u>32,639,397</u>	<u>33,629,670</u>	<u>38,133,602</u>	<u>37,322,052</u>
18,085,844	19,502,863	18,692,965	17,591,342
13,187,399	12,161,118	10,914,375	12,044,395
-	-	-	-
-	-	-	-
3,056,007	9,101,531	4,890,763	3,448,505
7,963,239	9,994,682	13,980,711	10,217,775
<u>42,292,489</u>	<u>50,760,194</u>	<u>48,478,814</u>	<u>43,302,017</u>
<u>\$ 74,931,886</u>	<u>\$ 84,389,864</u>	<u>\$ 86,612,416</u>	<u>\$ 80,624,069</u>
\$(107,066,111)	\$(142,109,085)	\$(132,966,100)	\$(119,179,440)
<u>19,252,878</u>	<u>26,407,174</u>	<u>23,735,735</u>	<u>15,667,669</u>
<u>\$ (87,813,233)</u>	<u>\$ (115,701,911)</u>	<u>\$ (109,230,365)</u>	<u>\$ (103,511,771)</u>
\$ 84,223,342	\$ 97,218,426	\$ 101,088,129	\$ 101,876,707
23,256,105	23,061,392	19,741,137	15,061,747
6,340,890	4,942,000	3,054,525	3,249,224
-	-	-	-
5,200,749	5,155,748	2,210,940	713,501
-	489,997	-	-
451,795	(56,907)	-	-
<u>119,472,881</u>	<u>130,810,656</u>	<u>126,094,731</u>	<u>120,901,179</u>
1,718,088	2,084,847	1,405,789	354,975
(451,795)	56,907	-	-
<u>1,266,293</u>	<u>2,141,754</u>	<u>1,405,789</u>	<u>354,975</u>
<u>\$ 120,739,174</u>	<u>\$ 132,952,410</u>	<u>\$ 127,500,520</u>	<u>\$ 121,256,154</u>

Continued on next page

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

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

Notes:

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

Table 2 (Continued)

<u>Fiscal Year (1)</u>			
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 12,406,770	\$ (11,298,429)	\$ (6,871,369)	\$ 1,721,739
<u>20,519,171</u>	<u>28,548,928</u>	<u>25,141,524</u>	<u>16,022,644</u>
<u>\$ 32,925,941</u>	<u>\$ 17,250,499</u>	<u>\$ 18,270,155</u>	<u>\$ 17,744,383</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
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
2010	100,529,188	15,061,747	73,409	445,398	77,229	116,186,971

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			
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund				
Reserved for:				
Reserved by State statute	\$ 4,502,400	\$ 8,180,594	\$ 10,046,645	\$ 9,343,625
Reserved for prepaid expenditures	-	-	456,935	7,396
Reserved for encumbrances	<u>86,778</u>	<u>157,522</u>	<u>313,218</u>	<u>703,282</u>
Total Reserved	<u>4,589,178</u>	<u>8,338,116</u>	<u>10,816,798</u>	<u>10,054,303</u>
Unreserved:				
Designated for subsequent year's expenditures	6,966,655	6,998,894	8,964,082	9,508,984
Undesignated	<u>30,039,556</u>	<u>28,212,854</u>	<u>25,470,111</u>	<u>34,931,768</u>
Total Unreserved	<u>37,006,211</u>	<u>35,211,748</u>	<u>34,434,193</u>	<u>44,440,752</u>
Total General fund	<u>\$ 41,595,389</u>	<u>\$ 43,549,864</u>	<u>\$ 45,250,991</u>	<u>\$ 54,495,055</u>
All Other Governmental Funds				
Reserved for:				
Reserved by State statute	\$ 982,852	\$ 1,055,610	\$ 2,099,862	\$ 2,090,313
Reserved for debt service	243,571	222,438	466	10,629
Reserved for encumbrances	-	-	58,975	4,412
Total Reserved	<u>1,226,423</u>	<u>1,278,048</u>	<u>2,159,303</u>	<u>2,105,354</u>
Unreserved:				
Special revenue funds:				
Designated for subsequent year's expenditures	15,429,221	16,479,421	14,073,517	12,120,812
Undesignated	<u>2,274,955</u>	<u>176,252</u>	<u>1,158,571</u>	<u>6,525,147</u>
Total Special revenue funds	<u>17,704,176</u>	<u>16,655,673</u>	<u>15,232,088</u>	<u>18,645,959</u>
Capital project funds:				
Designated for subsequent year's expenditures	54,060,090	23,675,138	23,587,187	26,812,610
Undesignated	-	-	-	-
Total Capital projects funds	<u>54,060,090</u>	<u>23,675,138</u>	<u>23,587,187</u>	<u>26,812,610</u>
Total Unreserved	<u>71,764,266</u>	<u>40,330,811</u>	<u>38,819,275</u>	<u>45,458,569</u>
Total all other governmental funds	<u>\$ 72,990,689</u>	<u>\$ 41,608,859</u>	<u>\$ 40,978,578</u>	<u>\$ 47,563,923</u>

Table 4

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 15,952,860	\$ 10,811,942	\$ 7,334,790	\$ 8,593,169	\$ 7,038,563	\$ 5,884,249
7,396	615,218	723,193	-	-	898,839
-	-	1,180,390	1,662,584	422,367	342,107
15,960,256	11,427,160	9,238,373	10,255,753	7,460,930	7,125,195
-	-	-	16,031,493	7,399,231	6,277,903
37,742,809	50,219,523	55,277,531	37,862,364	40,469,031	40,743,387
37,742,809	50,219,523	55,277,531	53,893,857	47,868,262	47,021,290
\$ 53,703,065	\$ 61,646,683	\$ 64,515,904	\$ 64,149,610	\$ 55,329,192	\$ 54,146,485
\$ 1,087,511	\$ 1,545,431	\$ 1,574,922	\$ 1,597,869	\$ 754,408	\$ 97,309
2,994	5,729	2,570	(599)	-	-
-	-	15,448,518	27,602,520	6,987,992	-
1,090,505	1,551,160	17,026,010	29,199,790	7,742,400	97,309
-	-	-	8,333,968	12,356,096	405,785
22,173,785	11,323,483	14,984,776	6,219,620	7,171,097	16,165,427
22,173,785	11,323,483	14,984,776	14,553,588	19,527,193	16,571,212
-	-	-	-	14,170,398	-
23,406,310	26,794,098	584,112	584,112	-	10,277,992
23,406,310	26,794,098	584,112	584,112	14,170,398	10,277,992
45,580,095	38,117,581	15,568,888	15,137,700	33,697,591	26,849,204
\$ 46,670,600	\$ 39,668,741	\$ 32,594,898	\$ 44,337,490	\$ 41,439,991	\$ 26,946,513

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year			
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Revenues				
Ad Valorem taxes	\$ 55,689,742	\$ 60,982,737	\$ 62,753,365	\$ 68,478,690
Special assessments	195,141	133,020	126,715	81,718
Local option sales taxes	12,233,671	12,645,932	14,157,057	16,636,215
Other taxes and licenses	2,404,842	3,113,877	3,635,749	5,303,623
Unrestricted intergovernmental	1,443,569	858,933	203,180	239,433
Restricted intergovernmental	12,231,840	13,576,626	17,271,304	17,022,785
Permits and fees	2,566,947	2,736,242	3,622,045	5,654,018
Sales and services	1,557,769	2,139,248	2,321,659	3,367,844
Investment earnings	4,907,985	2,355,520	976,947	921,742
Other revenue	2,462,691	1,831,837	2,227,232	1,129,707
Total revenues	<u>95,694,197</u>	<u>100,373,972</u>	<u>107,295,253</u>	<u>118,835,775</u>
Expenditures				
General government	6,642,733	7,255,635	8,235,688	8,586,235
Public safety	11,734,944	12,347,137	13,248,649	15,906,193
Central services	6,403,783	6,580,556	7,282,407	9,219,309
Human services	17,689,885	18,835,128	19,113,587	19,444,080
Transportation	25,000	25,000	85,000	85,000
Environmental protection	8,676,632	8,814,119	9,262,908	9,563,180
Culture and recreation	2,674,561	2,667,069	2,804,605	3,375,151
Economic and physical development	3,975,640	5,687,237	5,457,347	5,823,286
Education	21,299,792	20,913,994	22,117,450	23,088,975
Capital Outlay	8,338,020	6,598,901	3,295,447	17,039,722
Intergovernmental expenditures	9,328,106	27,398,916	21,046,490	7,548,146
Debt Service:				
Principal retirement	4,101,264	4,851,485	4,815,084	5,451,171
Interest and fiscal charges	2,472,147	4,061,178	3,785,689	4,360,746
Total expenditures	<u>103,362,507</u>	<u>126,036,355</u>	<u>120,550,351</u>	<u>129,491,194</u>
Revenues over (under) expenditures	<u>(7,668,310)</u>	<u>(25,662,383)</u>	<u>(13,255,098)</u>	<u>(10,655,419)</u>
Other Financing Sources (Uses)				
Issuance of long-term debt	54,300,000	-	18,320,000	25,348,765
Premium on Bonds Issued	-	-	-	-
Payment to escrow agent-refunded debt	-	-	-	(3,275,000)
Sale of capital assets	-	-	-	119,366
Transfer from other funds	11,769,864	11,581,677	15,197,821	20,162,719
Transfer to other funds	<u>(14,908,152)</u>	<u>(15,346,649)</u>	<u>(19,191,877)</u>	<u>(15,871,016)</u>
Total other financing sources (uses)	<u>51,161,712</u>	<u>(3,764,972)</u>	<u>14,325,944</u>	<u>26,484,834</u>
Net change in fund balances	<u>\$ 43,493,402</u>	<u>\$(29,427,355)</u>	<u>\$ 1,070,846</u>	<u>\$ 15,829,415</u>
Debt service as a percentage of noncapital	6.9%	7.5%	7.3%	8.7%

Table 5

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 74,520,219	\$ 79,137,087	\$ 84,422,322	\$ 96,940,721	\$ 98,948,961	\$ 100,529,188
123,739	64,430	-	-	-	-
18,867,402	21,061,222	23,256,105	23,061,392	19,741,137	15,061,747
7,149,284	8,889,952	6,340,890	4,942,000	3,054,525	3,249,224
244,257	251,627	265,782	701,489	735,680	549,711
15,562,908	17,655,444	18,597,043	19,912,197	24,167,893	24,368,907
6,279,187	7,550,776	7,591,795	4,127,984	3,389,913	3,261,887
4,045,435	4,921,912	5,217,986	8,379,989	8,133,848	7,559,876
1,832,774	4,199,756	5,200,749	5,155,748	2,210,940	712,175
572,923	548,246	853,493	924,338	1,750,675	972,567
<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>	<u>156,265,282</u>
11,199,360	10,869,890	11,168,979	9,864,403	9,826,801	9,630,159
19,068,489	20,976,344	23,070,557	27,575,360	30,369,412	29,332,960
10,022,451	12,348,752	11,276,503	11,867,248	12,100,908	11,699,222
21,478,307	24,451,543	26,466,751	28,631,664	28,070,006	29,914,995
85,000	85,000	93,500	270,929	256,739	4,292,392
9,932,288	10,163,812	11,069,839	12,522,556	13,326,293	14,200,186
3,256,502	4,339,985	4,363,027	5,558,766	4,033,904	6,161,018
5,678,048	5,765,438	6,802,351	6,947,615	6,479,048	7,325,381
24,540,416	25,624,225	27,987,072	32,098,564	35,390,424	44,388,902
6,323,301	10,903,742	7,742,736	12,344,540	14,918,421	10,416,650
10,229,547	7,764,205	15,584,549	22,710,479	38,863,518	11,495,398
6,609,797	6,372,162	6,697,377	7,975,512	9,616,456	10,041,528
6,116,632	4,620,523	4,255,116	4,861,013	6,439,614	8,162,795
<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>197,061,586</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>	<u>(40,796,304)</u>
22,674,694	1,007,492	175,770	65,300,000	-	24,715,000
-	-	-	566,054	-	1,790,175
(17,385,545)	-	-	-	-	(23,500,000)
230,106	-	-	489,997	-	202,895
24,449,183	34,901,277	24,969,412	21,600,857	17,059,900	9,653,933
<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>(9,653,933)</u>
<u>3,656,672</u>	<u>947,322</u>	<u>627,565</u>	<u>66,299,144</u>	<u>-</u>	<u>3,208,070</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>	<u>\$ (37,588,234)</u>
9.9%	8.2%	7.4%	7.5%	8.2%	9.8%

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
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
2010	25,611,680	6,135,756	872,773	1,982,727

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

<u>Less:</u> <u>Tax Exempt</u> <u>Real Property</u>	<u>Total Taxable</u> <u>Assessed</u> <u>Value</u>	<u>Total</u> <u>Direct</u> <u>Tax</u> <u>Rate</u>	<u>Estimated</u> <u>Actual</u> <u>Taxable</u> <u>Value</u>	<u>Assessed</u> <u>Value as a</u> <u>Percentage of</u> <u>Actual Value</u>
\$ 179,979	\$ 9,835,799	\$ 0.00593	\$ 10,552,300	100.00%
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%
1,056,335	33,546,600	0.00305	35,657,526	94.08%

COUNTY OF BRUNSWICK, NORTH CAROLINA

**Property Tax Rates-Direct and All Overlapping Governments
(Per \$100 of Assessed Value)
Last Ten Fiscal Years**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
County:				
Brunswick County-wide rate	\$ 0.3050	\$ 0.3050	\$ 0.3050	\$ 0.5400
Municipality Rates:				
Village of Bald Head Island	0.2700	0.2600	0.2600	0.4650
Village of Bald Head Island MSD Zone A (4)	0.3100	*	*	*
Village of Bald Head Island MSD Zone B (4)	0.2900	*	*	*
Town of Belville	0.0911	0.0911	0.0911	0.1500
City of Boiling Spring Lakes	0.1200	0.1200	0.1200	0.2500
Town of Bolivia	0.0500	0.0500	0.0500	0.0600
Town of Calabash	0.0700	0.0700	0.0700	0.1000
Town of Carolina Shores	0.0800	0.0800	0.0800	0.0800
Town of Caswell Beach	0.1300	0.1500	0.1500	0.2200
Town of Holden Beach	0.0690	0.0690	0.0690	0.1800
Town of Leland	0.1166	0.1166	0.1166	0.1800
Town of Long Beach	*	*	*	*
Town of Navassa	0.2000	0.2000	0.2000	0.2700
City of Northwest	0.1700	0.1700	0.1500	0.2000
Town of Oak Island	0.1400	0.1400	0.1245	0.3300
Town of Ocean Isle Beach	0.0900	0.0900	0.0800	0.1400
Town of Sandy Creek	0.3000	0.3000	0.3000	0.3500
Town of Shallotte	0.2700	0.2700	0.2700	0.3200
Town of St. James Plantation	0.0500	0.0500	0.0500	0.0500
City of Southport	0.1800	0.1800	0.1500	0.2700
Town of Sunset Beach	0.0900	0.0900	0.1150	0.1450
Town of Varnamtown	0.0500	0.0500	0.0500	0.0500
Other Districts: (3)				
North Brunswick Sanitary District	NA	NA	NA	NA
Southeastern Brunswick Sanitary District	0.0000	0.0000	0.0000	0.0000
Smithville Township	0.0225	0.0225	0.0400	0.0400

Notes:

- (1) Property was revalued in 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.
- (4) Municipal Service Districts created to fund beach renourishment.

Source : Brunswick County Tax Department.

Table 7

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 0.5400	\$ 0.5400	\$ 0.5200	\$ 0.5925	\$ 0.5925	\$ 0.5650
0.4650	0.4650	0.4650	0.6350	0.6350	0.6350
*	*	*	*	*	*
*	*	*	*	*	*
0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
0.1000	0.1000	0.1000	0.0600	0.0600	0.0600
0.0800	0.0800	0.0800	0.0800	0.0600	0.0600
0.2100	0.2200	0.2100	0.2700	0.2400	0.2400
0.1800	0.1800	0.1800	0.1900	0.1900	0.1900
0.1800	0.1800	0.1800	0.1800	0.1800	0.1800
*	*	*	*	*	*
0.2700	0.2700	0.2500	0.3000	0.3000	0.3000
0.2000	0.2000	0.2000	0.2000	0.2000	0.1700
0.3300	0.3500	0.3650	0.3800	0.3800	0.3400
0.1400	0.1500	0.1600	0.1600	0.1400	0.1400
0.3500	0.3500	0.3500	0.1000	0.3500	0.2500
0.3200	0.2900	0.2900	0.3100	0.3100	0.2700
0.0500	0.0500	0.0700	0.1000	0.1000	0.1000
0.2700	0.3000	0.3300	0.4000	0.4000	0.4300
0.1300	0.1300	0.1200	0.0900	0.0950	0.0950
0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
NA	NA	NA	NA	NA	NA
0.0000	0.0000	0.0000	0.0500	0.1500	0.2000
0.0400	0.0400	0.0400	0.0400	0.0400	0.0400

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2010			Fiscal Year 2001		
		2009 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2000 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Progress Energy Carolinas, Inc.	Utility	\$ 804,286,231	1	2.40%	\$ 787,205,361	1	8.00%
DAK of America	Chemicals	179,021,427	2	0.53%	276,914,515	2	2.82%
Brunswick Electric Membership Corp.	Utility	157,022,056	3	0.47%	67,179,469	6	0.68%
N. C. Eastern Municipal Power Agency	Utility	150,598,253	4	0.45%	212,818,996	3	2.16%
Bald Head Island Ltd	Developer	122,773,261	5	0.37%	65,368,725	5	0.66%
Red Mountain Timberco LLC	Forestry	116,324,520	6	0.35%	n/a	n/a	n/a
MAS Properties LLC	Developer	104,656,926	7	0.31%	n/a	n/a	n/a
Odell Williamson	Developer	80,821,830	8	0.24%	42,513,550	9	0.43%
Archer Daniels Midland Company	Chemicals	77,858,172	9	0.23%	102,785,459	4	1.05%
Funston Land & Timber LLC	Timber	73,213,580	10	0.22%	n/a	n/a	n/a
Sustainable Forest	Timber	n/a	n/a	n/a	58,649,220	7	0.60%
Sea Trail Corporation	Developer	n/a	n/a	n/a	60,992,110	8	0.62%
Ocean Isle Development Company	Developer	n/a	n/a	n/a	39,985,320	10	0.41%
Totals		<u>\$ 1,866,576,256</u>		<u>5.56%</u>	<u>\$ 1,714,412,725</u>		<u>17.43%</u>

Source: Brunswick County Tax Department

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 9

Property Tax Levies and Collections - General Fund
Last Ten Fiscal Years

<u>Fiscal Year Ended June 30</u>	<u>Total Tax Levy</u>	<u>Collection Within Fiscal Year of Levy</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Year</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Tax Levy</u>
2001	\$ 55,576,580	\$ 53,047,566	95.4%	\$ 2,360,523	\$ 55,408,089	99.7%	\$ 168,491	0.3%
2002	61,214,433	58,085,913	94.9%	2,918,752	61,004,665	99.7%	209,768	0.3%
2003	63,583,341	59,851,207	94.1%	3,537,713	63,388,920	99.7%	194,421	0.3%
2004	67,299,164	64,507,758	95.9%	2,625,374	67,133,132	99.8%	166,032	0.2%
2005	73,231,142	70,810,206	96.7%	2,228,535	73,038,741	99.7%	192,401	0.3%
2006	78,291,694	75,849,114	96.9%	2,214,051	78,063,165	99.7%	228,529	0.3%
2007	83,889,972	81,622,970	97.3%	1,984,481	83,607,451	99.7%	282,521	0.3%
2008	96,784,569	94,153,697	97.3%	2,183,410	96,337,107	99.5%	447,462	0.5%
2009	101,046,887	96,240,283	95.2%	2,875,861	99,116,144	98.1%	1,930,743	1.9%
2010	101,891,061	96,670,482	94.9%	-	96,670,482	94.9%	5,056,084	5.0%

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
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
2010	84,560,000	15,080,000	33,060,608

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, 2010; annual estimates previous nine years
- (2) Bureau of Economic Analysis; amounts are for prior calendar year

Table 10

Business-Type Activities					(2)	
General Obligation Bonded	Certificates of Participation	Revenue Bonds	SRF Debt & Installment Loans	Total Primary Government	Ratio Debt to Personal Income	(1) Per Capita
\$ 9,210,372	\$ 1,725,000	\$ -	\$ 1,865,876	\$ 89,699,766	5.4%	\$ 1,172
11,693,829	890,000	-	1,274,240	95,608,071	5.3%	1,210
6,802,286	-	-	654,613	97,860,334	5.3%	1,201
36,016,424	-	-	1,945,689	144,988,142	7.5%	1,713
2,525,306	-	39,447,389	25,622,555	173,300,631	7.9%	1,947
1,754,648	-	32,779,319	36,502,809	171,377,487	7.0%	1,816
1,009,546	-	38,084,416	34,223,830	167,136,896	6.2%	1,685
295,000	-	89,757,733	32,468,604	273,664,929	9.4%	2,660
-	-	87,192,068	30,693,306	259,412,510	n/a	2,434
4,342,000	-	84,523,497	44,131,981	265,698,086	n/a	2,409

**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
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
2010	33,546,600	88,902,000	4,342,000	84,560,000	0.3%	110,292	766.69

Notes:

(1) State Data Center; projection as of June 30, 2010; annual estimates previous nine years

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 12

Direct and Underlying Governmental Activities Debt
 General Obligation Bonds
 June 30, 2010

	General Obligation Bonded Debt	Percent Applicable To County	Amount Applicable To County
Direct:			
Brunswick County	\$ 88,902,000	100%	\$ 88,902,000
Underlying Debt:			
Village of Bald Head Island	13,352,181	100%	13,352,181
City of Navassa	8,436	100%	8,436
City of Northwest	639,000	100%	639,000
Town of Sandy Creek	278,000	100%	278,000
City of Southport	79,500	100%	79,500
Smithville Township	10,320,000	100%	10,320,000
Southeast Brunswick Sanitary District	<u>1,032,500</u>	100%	<u>1,032,500</u>
Total Underlying Debt	<u>25,709,617</u>		<u>25,709,617</u>
Total Direct and Underlying Debt	<u>\$ 114,611,617</u>		<u>\$ 114,611,617</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt limit	\$ 786,863,862	\$ 826,913,125	\$ 854,668,411	\$ 1,032,592,800
Total net debt applicable to limit	<u>81,750,002</u>	<u>76,898,517</u>	<u>90,403,435</u>	<u>107,026,029</u>
Legal margin	<u>\$ 705,113,860</u>	<u>\$ 750,014,608</u>	<u>\$ 764,264,976</u>	<u>\$ 925,566,771</u>
Total net debt applicable to the limit as a percentage of debt limit	10.4%	9.3%	10.6%	10.4%

Table 13

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 1,085,415,887	\$ 1,159,216,908	\$ 1,242,004,397	\$ 2,513,962,929	\$2,646,817,341	\$ 2,683,728,040
<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>137,042,608</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>	<u>\$ 2,546,685,432</u>
9.7%	8.6%	7.6%	6.0%	5.3%	5.1%

Calculation of Legal Debt Margin for Fiscal Year 2010:

Assessed value of taxable property	\$33,546,600,499
	<u> x 0.08</u>
Debt limit- 8 percent of assessed value	2,683,728,040
Gross debt:	
Total bonded debt	173,425,497.00
Total certificates of participation	15,080,000.00
Total installment purchases	<u>77,192,589.00</u>
Gross debt	265,698,086.00
Less: Water and wastewater revenue bonds & installment purchases	<u>128,655,478.00</u>
Total amount of debt applicable to debt limit (net debt)	<u>137,042,608.00</u>
Legal debt margin	<u>\$ 2,546,685,432</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.

Pledged-Revenue Coverage
Last Ten Fiscal Years

Net Coverage:

<u>Fiscal Year Ended June 30</u>	<u>Enterprise Funds</u>			<u>All Enterprise Fund Debt Service</u>			<u>Enterprise Fund Parity Debt Service</u>			<u>Net Coverage</u>
	<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>	
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
2010	29,990,712	17,063,506	12,927,206	4,644,997	4,017,764	8,662,761	2,668,571	3,306,116	5,974,687	1.49

Required Coverage:

<u>Fiscal Year Ended June 30</u>	<u>Net Available Revenue</u>	<u>20% Unrestricted Net Assets</u>	<u>Total Debt Service</u>	<u>Parity Debt Service</u>	<u>20% Parity Debt Service</u>	<u>Coverage</u>	
						<u>100% Parity</u>	<u>120% Parity</u>
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
2010	12,927,206	4,452,242	8,662,761	5,974,687	1,194,937	1.49	1.76

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.

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
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	47.7	11,841	11.0%
2010	110,292	not available	not available	47.7	11,739	10.2%

Notes:

- (1) State Data Center; projection as of June 30, 2010; 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

Principal Employers

Current Year and Nine Years Ago

Name of Employer	Type of Business	Fiscal Year 2010			Fiscal Year 2001		
		Employees	Rank	% Total County Employment	Employees	Rank	% Total County Employment
Brunswick County Board of Education	Education	1,945	1	4.47%	1,400	1	3.76%
County of Brunswick	Local Government	1,030	2	2.37%	700	4	1.88%
Progress Energy Carolinas, Inc.	Utility	833	3	1.91%	1,000	3	2.68%
Wal-Mart Associates Inc.	Retail Chain	750	4	1.72%	N/A	N/A	N/A
Food Lion LLC	Grocery Chain	549	5	1.26%	N/A	N/A	N/A
Brunswick Community Hospital LLC	Medical Care Facility	458	6	1.05%	350	5	0.94%
Brunswick Community College	Education	456	7	1.05%	N/A	N/A	N/A
DAK Americas	Dacron Polyester Fiber	381	8	0.88%	1,000	2	2.68%
Dosher Memorial Hospital	Medical Care Facility	353	9	0.81%	200	8	0.54%
Troon Golf	Leisure and Hospitality	300	10	0.69%	N/A	N/A	N/A
Sunny Point Military Terminal	Military	N/A	N/A	N/A	250	6	0.67%
Rampage	Yacht Manufacture	N/A	N/A	N/A	225	7	0.60%
Victaulic Company of America	Pipe Fittings & Seals	N/A	N/A	N/A	200	9	0.54%
Armada, Inc.	Automobile Parts	N/A	N/A	N/A	N/A	N/A	N/A
Archer Daniels Midland Company	Citric Acid	N/A	N/A	N/A	150	10	0.40%
Totals		<u>\$ 7,055</u>		<u>16.22%</u>	<u>\$ 5,475</u>		<u>14.70%</u>

Source: NC Employment Security Commission; total county employment

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

	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Function:										
General government	75	77	78	84	87	98	106	112	111	107
Public safety	175	196	193	201	221	224	275	340	340	340
Central services	68	70	75	80	79	83	88	94	94	93
Human services	210	198	246	253	234	264	244	254	244	232
Transportation	15	17	13	-	-	-	-	-	-	-
Environmental protection	9	9	9	9	10	12	10	10	9	9
Cultural and recreation	52	37	37	39	44	45	45	46	46	46
Economic and physical development	27	29	33	42	33	30	37	42	41	37
Utilities	55	59	61	66	78	86	99	110	110	117
Total	<u>686</u>	<u>692</u>	<u>745</u>	<u>774</u>	<u>786</u>	<u>842</u>	<u>904</u>	<u>1,008</u>	<u>995</u>	<u>981</u>

Source: County Finance Department

Note: This schedule represents the number of approved permanent FTE's as of June 30, 2010.

Operating Indicators by Function/Program
Last Six Fiscal Years

	Fiscal Year					
	2005	2006	2007	2008	2009	2010
Law enforcement:						
Civil papers issued	9,278	9,025	7,761	9,312	9,921	17,570
Criminal papers issued	12,058	11,346	15,285	16,685	16,597	11,000
Uniform mileage	1,501,832	1,801,864	2,092,423	2,159,680	2,526,651	2,295,431
Emergency Services:						
Fire Protection:						
Number of calls answered	7,018	7,893	8,879	9,323	9,742	10,168
Number of inspections conducted	1,224	1,272	1,424	1,310	1,482	1,024
Emergency Medical Services:						
Number of calls answered	10,049	13,492	15,254	15,860	17,545	19,445
Number of transports	4,389	7,667	12,265	8,884	9,905	10,180
Code enforcement/building permits:						
Number of code violations	760	873	2,114	2,000	2,312	2,288
Number of building permits:						
Total	3,268	3,905	2,841	1,722	974	1,050
Permits	280	410	516	463	365	260
Parks and Recreation:						
Number of athletic fields rented	60	75	71	8	30	34
Youth recreation:						
Certified coaches	665	695	705	1,001	161	242
Sports teams	46	49	61	62	69	81
Participants	675	735	975	981	2,119	2,225
Adult recreation:						
Sports teams	41	45	49	53	86	48
Participants	640	700	790	800	1,700	1,886
Fitness program participants	1,195	1,250	1,475	1,525	4,153	1,165
Solid waste:						
Waste received (tons per 1,000 population)	1,995	2,078	1,654	1,337	1,147	1,200
Ratio of recyclable to total waste received	5.4%	6.2%	5.5%	5.0%	4.8%	4.6%
Public Utilities:						
Water customers	19,949	22,412	28,270	29,955	30,675	33,215
Water average daily treatment (in gallons)	12,350,000	12,910,000	13,750,000	13,640,000	13,572,000	12,821,890
Wastewater customers	5,017	6,241	7,565	8,378	8,622	9,125
Wastewater average daily treatment (in gallons)	1,210,000	1,322,000	2,080,000	2,253,000	2,584,000	2,644,752
Education:						
Number of teachers	727	731	752	756	788	812
Number of students	10,789	11,133	11,505	11,599	11,841	11,739
Number of charter students	277	340	396	443	483	563

Sources: Various government departments.

Note: Data not collected prior to 2005

Capital Asset Statistics by Function/Program
Last Six Fiscal Years

	Fiscal Year					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Law enforcement:						
Police stations	13	13	13	13	14	15
Police patrol units	30	33	44	47	51	51
Detention center capacity	196	196	196	440	440	440
Emergency services:						
Fire stations	22	22	22	22	22	22
Fire trucks	97	97	110	121	129	134
Rescue stations	14	15	15	15	15	15
EMS vehicles	27	28	28	28	28	28
Culture and recreational:						
Community centers	7	7	7	7	7	7
Parks	10	11	11	12	13	13
Golf courses	38	35	36	39	39	39
Museums	2	2	2	3	3	3
Planetarium	-	-	1	1	1	1
Libraries (branches)	5	5	5	5	5	5
Public Utilities:						
Miles of water mains	570.00	642.37	727.00	795.00	839.00	919.00
Maximum daily water capacity (in gallons)	30,000,000	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	473.0
Maximum daily wastewater capacity (in gallons)	3,050,000	4,650,000	6,115,000	6,115,000	6,115,000	9,080,000
Miles of streets	815.46	818.35	818.35	818.48	850.00	866.14
Number of traffic lights	43	50	56	57	64	68
Hospitals:						
Number of hospitals	2	2	2	2	2	2
Number of patient beds:						
Licensed Acute Care	96	96	96	96	96	96
Licensed Skilled Care	64	64	64	64	64	64
Education:						
Number of schools	16	16	17	17	17	19
Number of charter schools	1	1	1	1	1	1

Sources: Various government departments.

Note: Data not collected prior to 2005

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COMPLIANCE

SECTION

TAB

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

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

Report on Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*

Board of Commissioners
County of Brunswick
Bolivia, North Carolina

We have audited the 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 the County of Brunswick, North Carolina, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 4, 2010. Our report includes a reference to 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. Other auditors audited the financial statements of the Brunswick County Board of Alcoholic Control, the Brunswick County Hospital Authority and the Brunswick County Airport Commission, as described in our report on the County of Brunswick, North Carolina's financial statements. The financial statements of the Brunswick County Board of Alcoholic Control and the Brunswick County Hospital Authority were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors for the Brunswick County Airport Commission.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Brunswick's internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

730 13th Avenue Drive SE ♦ Hickory, North Carolina 28602 ♦ Phone 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, North Carolina 28681 ♦ Phone 828-632-9025 ♦ Fax 828-632-9085
Toll Free Both Locations 1-800-948-0585 ♦ Website: www.martinstarnes.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Brunswick's financial statements are free of material misstatement, we performed tests of its compliance and other matters with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance and other matters with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the County Board of Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 4, 2010

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

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

Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Federal Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act

Board of Commissioners
County of Brunswick
Bolivia, North Carolina

Compliance

We have audited the County of Brunswick, North Carolina's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The County of Brunswick, North Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Brunswick's management. Our responsibility is to express an opinion on the County of Brunswick's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Brunswick's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of Brunswick's compliance with those requirements.

In our opinion, the County of Brunswick complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the County of Brunswick, North Carolina, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of Brunswick, North Carolina's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Brunswick, North Carolina's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the County Board of Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 4, 2010

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

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

Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major State Program And On Internal Control Over Compliance In Accordance With Applicable Sections Of OMB Circular A-133 And The State Single Audit Implementation Act

Board of Commissioners
County of Brunswick
Bolivia, North Carolina

Compliance

We have audited the County of Brunswick, North Carolina's compliance with the types of compliance requirements described in applicable sections of the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major State programs for the year ended June 30, 2010. The County of Brunswick, North Carolina's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of the County of Brunswick's management. Our responsibility is to express an opinion on the County of Brunswick's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the County of Brunswick's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of Brunswick's compliance with those requirements.

In our opinion, the County of Brunswick complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the County of Brunswick, North Carolina, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing our audit, we considered the County of Brunswick, North Carolina's internal control over compliance with the requirements that could have a direct and material effect on a major State program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Brunswick, North Carolina's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, members of the County Board of Commissioners, and federal and State awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 4, 2010

**COUNTY OF BRUNSWICK, NORTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES**

FOR THE YEAR ENDED JUNE 30, 2010

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
• Material weakness identified	No
• Significant deficiency identified	No
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major federal programs:	
• Material weakness identified	No
• Significant deficiency identified	No
Type of auditors' report issued on compliance for major federal programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133	No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Federal Program/Cluster Name</u>
14.871	Housing Choice Voucher Program
93.575, 93.596, 93.667, 93.558, 93.713	Subsidized Child Care Program (cluster)
93.778	Medicaid
10.561	Supplemental Nutrition Assistance Program
93.558, 93.560	Temporary Assistance for Needy Families
93.568	Low Income Home Energy Assistance

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$2,824,763</u>
Auditee qualified as low-risk auditee?	No

**COUNTY OF BRUNSWICK, NORTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES**

FOR THE YEAR ENDED JUNE 30, 2010

State Awards

Internal control over major State programs:

- Material weakness identified No

- Significant deficiency identified No

Type of auditors' report issued on compliance for major State programs

Unqualified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act

No

Identification of major State programs:

Program Name

SC/SA Domiciliary Care
State Aid - Runway Extension
Subsidized Child Care Program (cluster)
Medicaid
Temporary Assistance for Needy Families

Section II - Financial Statements Findings

None reported

Section III - Federal and State Award Findings

None reported.

**COUNTY OF BRUNSWICK, NORTH CAROLINA
SCHEDULE OF PRIOR YEARS' AUDIT FINDINGS**

FOR THE YEAR ENDED JUNE 30, 2010

Not applicable.

COUNTY OF BRUNSWICK, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Fed. (Direct & Pass-through Expenditures	State Expenditures
FEDERAL GRANTS:				
U.S. Department of Health & Human Services				
Health Care and Other Facilities	93.887	C76HF20343	\$ 236,367	\$ -
Administration on Aging				
Passed-through Cape Fear Council of Governments:				
Passed-through Brunswick Senior Resources:				
Home and Community Care Block Grant	93.044		300,000	-
Passed-through the N.C. Department of Health and Human Resources:				
Division of Social Services:				
Administration:				
Temporary Assistance for Needy Families	93.558		678,492	748,264
Low-Income Home Energy Assistance Block Grant	93.568		193,449	-
Child Support Enforcement	93.563		647,883	(16)
Child Support ARRA	93.563		78,803	-
Family Preservation	93.556		2,685	-
Permanency Planning: Child Welfare Services	93.645		29,463	9,163
State Children's Insurance Program - NC Health Choice	93.767		77,101	4,456
Independent Living Initiative	93.674		15,071	3,768
Title IV-E Assistance Program:				
Foster Care	93.658		495,575	48,538
Adoption Assistance	93.659		91,151	35,240
Social Services Block Grant	93.667		193,816	12,042
Direct Benefit Payments:				
Temporary Assistance for Needy Families	93.558		730,506	-
Temporary Assistance for Needy Families	93.560		(300)	(82)
Refugee Assistance	93.566		1,598	-
Low-Income Home Energy Assistance Block Grant	93.568		442,936	-
Links Transitional Funds	93.674		15,449	-
Title IV-E Assistance Programs:				
Foster Care	93.658		230,488	65,968
ARRA Foster Care	93.658		7,208	-
Adoption Assistance	93.659		667,715	126,181
ARRA Adoption Assistance	93.659		29,494	-
Division of Medical Assistance:				
Administration:				
Title XIX – Medicaid	93.778		1,268,150	38,285
Direct Benefit Payments				
Title XIX – Medicaid	93.778		74,288,824	25,751,514
Division of Child Development:				
Subsidized Child Care (Note 4)				
<u>Child Care Development Fund Cluster</u>				
Division of Social Services				
Child Care Development Fund-Administration	93.596		207,889	-
Division of Child Development				
Child Care and Development Fund -- Discretionary	93.575		2,318,401	-
Child Care and Development Fund -- Mandatory	93.596		554,637	-
Child Care and Development Fund -- Match	93.596		949,968	509,779
ARRA - Child Care and Development Block Grant	93.713		774,695	-
Total Child Care Fund Cluster			<u>4,805,590</u>	<u>509,779</u>
Social Services Block Grant	93.667		37,982	-
Temporary Assistance for Needy Families	93.558		738,282	-
Smart Start			-	78,759
State Appropriations			-	260,403
TANF-MOE			-	579,042
Total Subsidized Child Care Cluster			<u>5,581,854</u>	<u>1,427,983</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Fed. (Direct & Pass-through Expenditures	State Expenditures
FEDERAL GRANTS: (Continued)				
Division of Public Health:				
Immunizations Program/Aid to County Funding	93.268		24,314	-
ARRA-Immunizations	93.712		30,825	-
Statewide Health Promotion Program	93.991		20,329	-
MCH Block Grant	93.994		184,346	-
Temporary Assistance for Needy Families	93.558		8,021	-
Family Planning Services	93.218		48,660	-
Diabetes Control Program Project Direct	93.988		63,618	15,905
Prevention Investigations and Technical Assistance	93.283		260,148	3,062
Total U.S. Department of Health and Human Services			<u>86,944,040</u>	<u>28,290,271</u>
U.S. Department of Housing and Urban Development:				
Administration:				
Housing Choice Voucher Program	14.871		274,630	-
Direct Benefits:				
Housing Choice Voucher Program	14.871		2,130,607	-
Passed-through N.C. Housing Finance Agency				
Single Family Rehabilitation Program	14.239	SFR0802	400,000	-
Total U.S. Department of Housing and Urban Development			<u>2,805,237</u>	-
U.S. Department of Agriculture				
Rural Development Housing Preservation Grant	10.433		35,579	-
Passed-through N.C. Department of Social Services:				
Division of Social Services:				
Supplemental Nutrition Assistance Program Cluster:				
Administration:				
State Admin. Matching Grants for the Supplemental Nutrition Assistance Pro	10.561		562,397	-
FN Services Recovery-SNAP ARRA	10.561		61,559	-
Passed-through N.C. Department of Health and Human Services:				
Division of Public Health:				
Administration:				
Special Supplement Food Program for Women, Infants and Children	10.557		453,630	-
AGRI-SFP Food Program Meal	10.559		1,775	-
Direct Benefit Payments:				
Special Supplemental Food Program for Women, Infants and Children	10.557		1,850,801	-
Total U.S. Department of Agriculture			<u>2,965,741</u>	-
U.S. Department of Justice				
Passed-through N.C. Department of Crime Control And Public Safety:				
ARRA FY09 Edward Byrne Memorial JAG Grant	16.804	2009-SB-B9-2921	80,091	-
ARRA FY09 Edward Byrne Memorial JAG Grant	16.804	2009-DJ-BX-1088	4,400	-
Passed-through Governor's Crime Commission:				
ARRA Gang Awareness & Education JAG Grant	16.803	010-1-09-R06-RJ-085	100,785	-
Passed-through Dept. of Juvenile Justice and Delinquency Prevention				
ARRA Community Based Gang Awareness & Education Grant	16.803	610652	16,799	-
ARRA Community Based Gang Awareness & Education Grant	16.803	610651	8,996	-
Total U.S. Department of Homeland Security			<u>211,071</u>	-
U.S. Department of Homeland Security				
Passed-through N.C. Department of Crime Control And Public Safety:				
Division of Emergency Management				
Homeland Security Grant	97.073	2007-GE-T7-0048-8015	25,000	-
Buffer Zone Protection Program	97.078	2007-BZ-T7-0034	183,694	-
Homeland Security Grant	97.073	2007-GE-T7-0048-7002-1063	7,594	-
Homeland Security Grant	97.067	2007-GE-T7-0048-6005-1095	8,490	-
2009 Emergency Performance Grant	97.042	1510-512-2009	28,246	28,246
Total U.S. Department of Homeland Security			<u>253,024</u>	<u>28,246</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Fed. (Direct & Pass-through Expenditures	State Expenditures
FEDERAL GRANTS: (Continued)				
Department of Transportation				
Passed-through N.C. Department of Transportation				
GHSP-Highway Safety Project	20.609	K4-09-04-01	77,512	-
GHSP-Highway Safety Project Vision 100	20.609	PT-03-04-06	87,758	-
FY07 FAA Block Grant	20.106	36237.45.8.1	54,831	-
2008 Vision 100	20.106	36237.45.9.1	331,839	-
2008 Block Grant-Runway Extension	20.106	36237.45.10.1	75,334	-
		36237.45.10.2	227,380	-
Total U.S. Department of Transportation			854,654	-
U.S. Department of Defense-Army Corps of Engineers:				
Mosquito Control Project (AIWW Contract)	12.107	W912HN-09-P-0057	75,000	-
Mosquito Control Project (AIWW Contract)	12.107	W912HN-09-P-0060	50,000	-
Total U.S. Department of Defense			125,000	-
STATE GRANTS				
N.C. Housing Finance Agency				
Urgent Repair Grant		URP09	-	37,500
Urgent Repair Grant		URP10	-	37,500
N.C. Department of Crime Control & Public Safety:				
Passed-through Governor's Crime Commission				
Walking through the Door-Domestic Violence Grant		010-1-08-3VA-AW-344	-	82,005
Division of Social Services:				
Administration:				
Progress Energy Program			-	16,017
AFDC Incent/Prog Integrity			-	27
TANF Incent/Prog Integrity			-	6,277
Direct Benefit Payments:				
SC/SA Domiciliary Care			-	448,438
CWS Adopt Subsidy & Vendor			-	271,904
State Foster Home			-	54,508
SFHF Maximization			-	52,884
FC At Risk Maximization			-	928
Foster Care Special Provision			-	53,507
Division of Public Health:				
General			-	90,230
Minority Health			-	99,895
Communicable Disease			-	13,292
Tuberculosis			-	3,066
AIDS - State			-	500
Women's Preventative Health			-	10,269
Risk Reduction/Health Promotion			-	6,837
TB Medical Services			-	1,529
Breast and Cervical Cancer Control			-	22,950
LHD Smoke free Law			-	3,238
Preparedness and Response			-	47,277
Dept. of Juvenile Justice and Delinquency Prevention				
Juvenile Crime Prevention Council Programs			-	176,737
N.C. Dept. of Public Instruction				
Public School Building Capital Fund (Lottery)			-	189,138
N.C. Department of Insurance				
SHIIP Grant			-	3,018
N.C. Department of Environment and Natural Resources:				
Soil and Water Technical Assistance			-	26,900
Soil and Water - State Aid			-	4,000
Mosquito Control - State Aid	2889		-	11,095
Recycling Grant	2360		-	8,854
Scrap Tire Site Clean-Up			-	119,188
White Goods Disposal			-	69,847
PARTF Grant-Brunswick Nature Park		S07001	-	260,495
Environmental Health - Environmental Health Service			-	6,000
Environmental Health - Food & Lodging			-	16,347

COUNTY OF BRUNSWICK, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Fed. (Direct & Pass-through Expenditures	State Expenditures
STATE GRANTS (Continued)				
<u>N.C. Department of Correction:</u>				
Criminal Justice Partnership Program		10-0706-I-A	-	100,321
<u>N.C. Dept. of Transportation</u>				
Rural Operating Assistance Program (EDTAP)			-	93,250
Rural Operating Assistance Program (RGP)			-	98,670
Work First Program			-	26,696
<u>State Airport Aid</u>				
State Aid-Runway Extension		36244.58.5.1	-	889,332
<u>NC Department of Cultural Resources:</u>				
<u>Division of State Library</u>				
Aid to Public Libraries			-	132,390
<u>Administrative Office of the Courts</u>				
Cape Fear Sentencing Services			-	55,416
Total Federal and State Awards			<u>\$ 94,158,767</u>	<u>\$ 31,966,789</u>
Notes to the Preceding Schedule:				
Note 1 - Subrecipients				
Of the federal and State expenditures presented in the schedule, Brunswick County provided federal and State awards to subrecipients as follows:				
Brunswick County Schools				
Public School Building Capital Fund (Lottery)			\$ -	\$ 189,138
Brunswick Interagency Transportation				
ROAP			-	191,920
Teen Intervention Project				
Coastal Horizons		610042	-	13,565
Intensive Family Preservation				
Changing Youth		610032	-	68,200
ARRA Community Based Gang Awareness & Education Grant	16.803	610652	16,799	-
Family Emergency Teen Shelter				
JJDP, Providence Home		610018	-	30,000
Teen Court 13th District				
Teen Court		610021	-	51,500
ARRA Community Based Gang Awareness & Education Grant	16.803	610651	8,996	-
Brunswick County Airport				
State Aid-Runway Extension		36244.58.5.1	-	889,332
Vision 100	20.106	36237.45.8.1	54,831	-
FY07 FAA Block Grant	20.106	36237.45.9.1	331,839	-
2008 Vision 100	20.106	36237.45.10.1	75,334	-
2008 Block Grant-Runway Extension	20.106	36237.45.10.2	227,380	-
Total Passed Through to Sub recipients			<u>\$ 715,179</u>	<u>\$ 1,433,655</u>

Note 2 - Major Programs

Cluster programs are considered as one program for determining major programs in accordance with OMB Circular A-133. Also, the federal portion of cluster programs is included when identifying major programs for calculating the percentage of coverage of federal awards expended.

Note 3 - Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Brunswick County and is presented, as much as practicable, on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note 4 -

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:
 Subsidized Child Care, Foster Care and Adoption.

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