

# **COUNTY OF BRUNSWICK NORTH CAROLINA**

***COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011***



**COUNTY OF BRUNSWICK  
NORTH CAROLINA**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2011**

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**  
**Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**TABLE OF CONTENTS**

<u>Exhibit</u>		<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
	Director of Fiscal Operations' Transmittal Letter	i-v
	GFOA's Certificate of Achievement for Excellence in Financial Reporting	vi
	List of Principal Officials	vii
	Organizational Chart	viii
<b>FINANCIAL SECTION</b>		
	Independent Auditors' Report	1-2
	Management's Discussion and Analysis	3-13
<b>Basic Financial Statements:</b>		
<b>Government-Wide Financial Statements:</b>		
A	Statement of Net Assets	14
B	Statement of Activities	15-16
<b>Fund Financial Statements:</b>		
C	Balance Sheet - Governmental Funds	17
D	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
E	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	19
F	Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	20
G	Statement of Fund Net Assets- Proprietary Funds	21
H	Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	22
I	Statement of Cash Flows - Proprietary Funds	23
J	Statement of Fiduciary Net Assets - Agency Funds	24
	<b>Notes to the Basic Financial Statements</b>	25-63
<b>Required Supplemental Financial Data:</b>		
	Law Enforcement Officers' Special Separation Allowance - Required Supplemental Information - Schedule of Funding Progress; Schedule of Employer Contributions	64
	Other Post-Employment Benefits - Required Supplemental Information - Schedule of Funding Progress; Schedule of Employer Contributions	65

**COUNTY OF BRUNSWICK, NORTH CAROLINA**  
**Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
<b>MAJOR GOVERNMENTAL FUNDS:</b>		
A-1	Schedule of Revenues and Expenditures - Budget and Actual and Changes in Fund Balance -General Fund	66-75
A-2	Schedule of Revenues and Expenditures - Budget and Actual - County Capital Projects Fund	76
A-3	Schedule of Revenues and Expenditures - Budget and Actual - Education Capital Project Fund	77
<b>NON MAJOR GOVERNMENTAL FUNDS:</b>		
B-1	Combining Balance Sheet - Non Major Special Revenue Governmental Funds	78
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non Major Special Revenue Governmental Funds	79
B-3	Schedule of Revenues and Expenditures - Budget and Actual and Changes in Fund Balance - Occupancy Tax Fund	80
B-4	Schedule of Revenues and Expenditures - Budget and Actual and Changes in Fund Balance - Emergency Telephone System Fund	81
B-5	Schedule of Revenues and Expenditures - Budget and Actual - Grant Project Fund	82
B-6	Schedule of Revenues and Expenditures - Budget and Actual and Changes in Fund Balance - Register of Deeds Technology Enhancement Fund	83
<b>MAJOR ENTERPRISE FUNDS:</b>		
C-1	Combining Balance Sheet - Water Fund (Non-GAAP)	84
C-2	Schedule of Revenues and Expenditures - Budget and Actual - Water System Operating Fund (Non-GAAP)	85
C-3	Schedule of Revenues and Expenditures - Budget and Actual - Water Capital Project Funds (Non-GAAP)	86
D-1	Combining Balance Sheet - Wastewater Fund (Non-GAAP)	87
D-2	Schedule of Revenues and Expenditures - Budget and Actual - Wastewater Fund (Non-GAAP)	88
D-3	Schedule of Revenues and Expenditures - Budget and Actual Wastewater Capital Project Funds (Non-GAAP)	89

**COUNTY OF BRUNSWICK, NORTH CAROLINA**  
**Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
<b>INTERNAL SERVICE FUNDS:</b>		
E-1	Schedule of Revenues and Expenditures - Financial Plan and Actual and Changes in Net Assets - Workers' Compensation Internal Service Fund (Non-GAAP)	90
E-2	Schedule of Revenues and Expenditures - Financial Plan and Actual and Changes in Net Assets - Health Insurance Internal Service Fund (Non-GAAP)	91
E-3	Combining Statement of Net Assets - Internal Service Funds	92
E-4	Combining Schedule of Revenues, Expenses and Changes in Net Assets - Internal Service Funds	93
E-5	Combining Statement of Cash Flows - Internal Service Funds	94
<b>AGENCY FUNDS:</b>		
F-1	Combining Statement of Changes in Assets and Liabilities - Agency Funds	95-96
<b>OTHER SUPPLEMENTAL SCHEDULES:</b>		
G-1	Schedule of Ad Valorem Taxes Receivable - General Fund	97
G-2	Analysis of Current Tax Levy - County-Wide-Levy	98
H-1	Combining Balance Sheet - Non Major Component Units	99
H-2	Combining Statement of Revenues, Expenses, and Changes in Net Assets - Non Major Component Units	100
 <b>Table</b>		
<b>STATISTICAL SECTION:</b>		
1	Net Assets by Components (unaudited)	101-102
2	Changes in Net Assets (unaudited)	103-108
3	Governmental Activities Tax Revenues by Source (unaudited)	109
4	Fund Balance, Governmental Funds (unaudited)	110-111
5	Changes in Fund Balance, Governmental Funds (unaudited)	112-113
6	Assessed Value and Estimated Actual Value of Taxable Property (unaudited)	114-115
7	Property Tax Rates - Direct and All Overlapping Governments (unaudited)	116-117
8	Principal Property Taxpayers (unaudited)	118
9	Property Tax Levies and Collections - General Fund (unaudited)	119
10	Ratio of Outstanding Debt by Type (unaudited)	120-121
11	Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita (unaudited)	122
12	Direct and Underlying Governmental Activities Debt (unaudited)	123
13	Legal Debt Margin Information (unaudited)	124-125
14	Pledged - Revenue Coverage (unaudited)	126
15	Demographic Statistics (unaudited)	127
16	Principal Employers (unaudited)	128
17	Full-time Equivalent County Government Employees by Function (unaudited)	129
18	Operating Indicators by Function/Program (unaudited)	130
19	Capital Asset Statistics by Function/Program (unaudited)	131

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# County of Brunswick

## Finance Department

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October 17, 2011

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, 2011.

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, 2011, 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, 2011, 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 111,127, which is an increase of approximately 51% since 2000. It is the third largest county in the State, having a land area of 896 square miles.

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

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

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

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

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

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

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

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

### **Factors Affecting Financial Condition**

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

**Local economy.** Brunswick County in recent years has been one of the fastest growing counties in North Carolina and in the United States. The permanent population grew at an average rate of approximately 4 percent annually over the last ten years. Over the last three 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-eight plant announcements, creating 5,118 new jobs and over \$452.0 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 62-bed acute-care facility, is owned by Novant, a non-profit corporation. The hospital opened in November, 1977. 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 and construction began in 2008. The cost of the replacement hospital is more than \$100 million with 200,000 square feet. The new hospital facility opened in July 2011 and is located approximately 3 miles from the prior facility on Hwy. 17 near Brunswick Community College. The replacement hospital contains 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. Retail trade is the largest employment sector in Brunswick County, accounting for 19% of employment, while accommodation and food services represent 16%, education and health services account for 13%, public administration 10%, arts, entertainment, and recreation 6%, administrative and waste services 6%, construction 6%, real estate 5% and manufacturing 5%. Various other employment sectors make up the remaining 14%.

The County and State's unemployment rates at July 2011 were 10.3 and 10.1 (seasonally adjusted) 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 2016 provides a plan, based on need, to fund and acquire various projects.

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 Capital Improvement Plan for general government in FY 2012 is \$0.7 million for renovations to government complex facilities and \$0.5 million for design fees associated with the construction of a new cell at the county construction/demolition landfill which are funded from county general revenues. The general government plan includes \$4.1 million from performance bonds for developer infrastructure projects at various subdivisions within the county. Also included in the County Capital Improvement Plan are additional utility projects that total approximately \$31.9 million for fiscal year 2012. Water system improvements total over \$9.7 million and include waterline extensions and transmission improvements. Wastewater improvements for fiscal year 2012 total \$22.2 million and include the expansion of the Northeast Brunswick Regional Water Reclamation Facility of \$11.1 million, \$3.0 million for improvements to the Carolina Shores Wastewater Treatment Plant, \$5.75 million for the Boiling Spring Lakes Plant, Transmission and Collection systems, \$1.0 million for the Ocean Ridge Pump Station/Angel's Trace Force Main and \$0.6 for the Bricklanding subdivision system. The enterprise projects are anticipated to be funded with debt proceeds of approximately \$21.9 million with the remaining provided from enterprise system generated reserve funds.

The West Brunswick Regional Water Reclamation Facility Phase 1, completed in February of 2006 at a cost of \$60.5 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 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 at a cost of \$54.0 million. 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 with assessments to property owners. The County is responsible for constructing the facility to treat the wastewater and is currently assessing 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 2012 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 and transmission improvements has been estimated to be \$13.0 million with the debt to be serviced by the regional participant contributions and County retail water fees.

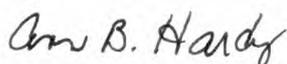
### **Awards and Acknowledgements**

**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, 2010. This is the ninth year that the County has received the prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. The report also must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,



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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Brunswick  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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, 2011**

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 W. Ingram, V  
Charlie Miller  
Brenda M. Clemmons  
Debby Gore  
Huey Marshall, Esq.  
Bryan W. Batton  
Ann B. Hardy, MPA, CPA  
Julie A. Miller, CPA

Debbie Barnes  
Greg Bellamy  
Mark Blevins  
Anthony Marzano

David M. Stanley, III  
Leslie Bell, AICP, HDFP

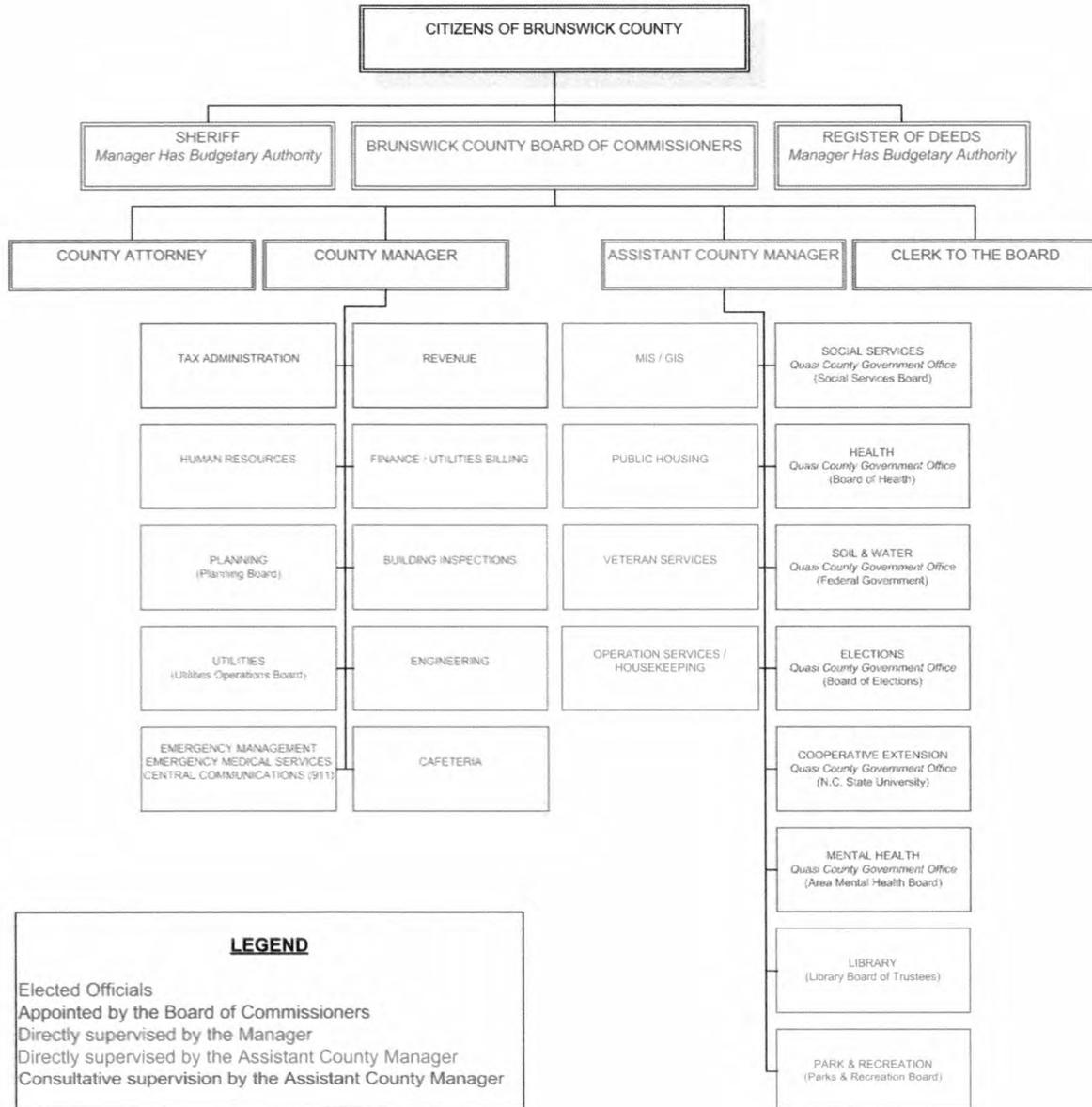
Pamela Cheers

Tom Davis  
Kenneth Perry  
Patricia Connelly  
Jerry Pierce, PE  
John Nichols, PE

Anita Hartsell  
Maurice Tate  
T. James Pryor  
Stephanie Lewis  
Mamie Caison  
Steve Randone  
William L. Pinnix, PE

County Manager  
Assistant County Manager  
Sheriff  
Sheriff's Chief Deputy  
Register of Deeds  
Clerk to the Board  
County Attorney  
Assistant County Attorney  
Director of Fiscal Operations  
Deputy Director of Fiscal  
Operations  
Director of Human Resources  
Director of Elections  
Director of Cooperative Extension  
Director of Emergency  
Management & Services  
Director of Public Health  
Director Planning, Zoning, &  
Central Permitting  
Public Housing-Section 8  
Manager  
Tax Administrator  
Revenue Collector  
Director of Social Services  
Director of Public Utilities  
Assistant Director of Public  
Utilities  
Director of Veteran Services  
Director of Libraries  
Director of Parks & Recreation  
Director of Operation Services  
Director of Soil & Water  
Director of MIS/GIS Division  
Director of Engineering Services

# 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

# 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, 2011, 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 or the Brunswick County Hospital Authority which represents 10.9 percent of assets and 7.8 percent of net assets, and 45.8 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 and the Brunswick County Hospital Authority 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, 2011, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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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](http://www.martinstarnes.com)

In accordance with *Government Auditing Standards*, we have also issued a report dated October 7, 2011 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Law Enforcement Officer's Special Separation Allowance and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Our audit was performed for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements of Brunswick County, North Carolina as a whole. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.. The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures applied 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 7, 2011

## 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, 2011. 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

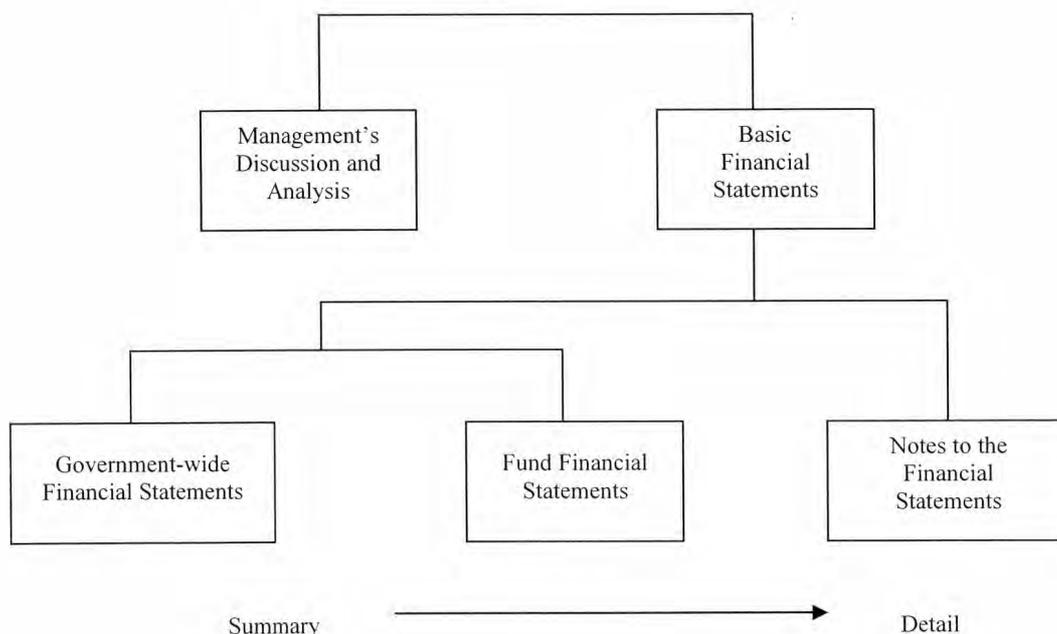
- The assets of Brunswick County's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$71.6 million (*net assets*). The County's net assets is impacted considerably by the general obligation debt the County has issued on the behalf of the school system and community college to fund capital outlay. Under North Carolina law, the County is responsible for providing capital funding for the school system and college. The County has chosen to meet its legal obligation to provide education capital funding by using a mixture of sales taxes, general obligation debt, and installment debt. A portion of the assets funded by the County are owned, utilized, and maintained by the school system and community college. Since the County, as the issuing government, acquires no capital assets, the County incurred a liability without a corresponding increase in assets. At the end of the fiscal year, the outstanding balance of the education general obligation debt is approximately \$75.1 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 \$8.2 million mainly due to a reduction in the outstanding principal on debt issues.
- As of the close of the 2011 fiscal year, the County's general fund reported amounts restricted for Stabilization by State statute of \$5.6 million and restrictions for public housing section 8 beneficiaries of \$0.2 million. The unrestricted fund balance was \$51.5 million of which \$49.1 million was unassigned and \$2.4 million assigned to balance the FY 2012 annual budget. \$49.1 million is available for spending at the government's discretion. The FY 2012 County budget included a transfer from the County Capital Project Fund of \$3.15 million to the General Fund to balance the operating budget. The use of fund balance and transfer from the Capital Project fund to balance the budget in FY 2012 was due to a slight decline in the tax collection rate 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 AA.

## 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 internal services funds for the County's self-insured workers' compensation program and the initial year of the employee health fund.

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 Funds* are used to report the activities for the financing of workers' compensation self-insurance cost incurred and the employee health insurance fund.

**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 25-63 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
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 98,413,306	\$ 92,892,703	\$ 64,763,812	\$ 47,062,063	\$ 163,177,118	\$ 139,954,766
Capital asset (net)	<u>127,063,431</u>	<u>131,101,926</u>	<u>332,367,080</u>	<u>309,444,894</u>	<u>459,430,511</u>	<u>440,546,820</u>
Total assets	<u>225,476,737</u>	<u>223,994,629</u>	<u>397,130,892</u>	<u>356,506,957</u>	<u>622,607,629</u>	<u>580,501,586</u>
Noncurrent liabilities	138,692,412	144,396,853	156,392,889	130,308,944	295,085,301	274,705,797
Other liabilities	<u>15,222,538</u>	<u>16,257,165</u>	<u>12,937,962</u>	<u>14,084,975</u>	<u>28,160,500</u>	<u>30,342,140</u>
Total Liabilities	<u>153,914,950</u>	<u>160,654,018</u>	<u>169,330,851</u>	<u>144,393,919</u>	<u>323,245,801</u>	<u>305,047,937</u>
Net assets:						
Invested in capital assets, net of related debt	81,740,331	84,644,800	198,180,792	187,205,988	279,921,123	271,850,788
Restricted	10,900,768	-	-	-	10,900,768	-
Unrestricted	<u>(21,079,312)</u>	<u>(21,304,189)</u>	<u>29,619,249</u>	<u>24,907,050</u>	<u>8,539,937</u>	<u>3,602,861</u>
Total net assets	<u>\$ 71,561,787</u>	<u>\$ 63,340,611</u>	<u>\$ 227,800,041</u>	<u>\$ 212,113,038</u>	<u>\$ 299,361,828</u>	<u>\$ 275,453,649</u>

The assets of Brunswick County governmental activities exceeded its liabilities by \$71.6 million as of June 30, 2011. Net assets are reported as follows: invested in capital assets, net of related debt of \$81.7 million, restricted for stabilization by State statute \$7.2 million, restricted for other purposes \$3.7 million and unrestricted net assets of (\$21.1) 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	\$ 127.1
Less long-term debt	(118.7)
Less current maturities of long-term debt	(10.3)
Landfill closure included in long-term debt	6.1
Current portion of compensated absences	0.3
Education general obligation debt payable	75.1
Restricted cash from unexpended debt proceeds	<u>2.1</u>
Total invested in capital assets, net of related debt	<u>\$ 81.7</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, 2011, the unrestricted net assets were (\$21.1) 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 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
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Changes for services	\$ 13,155,724	\$ 12,611,366	\$ 41,355,577	\$ 29,635,737	\$ 54,511,301	\$ 42,247,103
Operating grants and contributions	20,097,256	21,120,954	-	-	20,097,256	21,120,954
Capital grants and contributions	7,270,047	3,589,732	4,965,827	13,666,280	12,235,874	17,256,012
General revenues:					-	-
Ad valorem taxes	102,020,809	101,876,707	-	-	102,020,809	101,876,707
Local option sales taxes	14,291,687	15,061,747	-	-	14,291,687	15,061,747
Other taxes	3,130,245	3,249,224	-	-	3,130,245	3,249,224
Sale of real property	-	-	-	-	-	-
Investment earnings	409,441	713,501	188,208	354,975	597,649	1,068,476
Total revenues	<u>160,375,209</u>	<u>158,223,231</u>	<u>46,509,612</u>	<u>43,656,992</u>	<u>206,884,821</u>	<u>201,880,223</u>
Expenses:						
General government	10,705,715	10,891,485	-	-	10,705,715	10,891,485
Public safety	33,595,275	32,431,363	-	-	33,595,275	32,431,363
Central services	11,085,289	12,035,434	-	-	11,085,289	12,035,434
Human services	26,318,669	31,201,132	-	-	26,318,669	31,201,132
Transportation	1,211,918	4,292,392	-	-	1,211,918	4,292,392
Environmental protection	13,400,997	7,362,499	-	-	13,400,997	7,362,499
Cultural and recreation	4,947,363	1,908,173	-	-	4,947,363	1,908,173
Economic and physical development	7,160,477	7,614,811	-	-	7,160,477	7,614,811
Education	38,360,518	42,391,583	-	-	38,360,518	42,391,583
Interest on long-term debt	5,367,812	6,372,620	-	-	5,367,812	6,372,620
Water and wastewater	-	-	30,822,610	27,634,348	30,822,610	27,634,348
Total expenses	<u>152,154,033</u>	<u>156,501,492</u>	<u>30,822,610</u>	<u>27,634,348</u>	<u>182,976,643</u>	<u>184,135,840</u>
Increase (decrease) in net assets before transfers	8,221,176	1,721,739	15,687,002	16,022,644	23,908,178	17,744,383
Transfers	-	-	-	-	-	-
Increase (decrease) in net assets						
Net assets, July 1	<u>63,340,611</u>	<u>61,618,872</u>	<u>212,113,039</u>	<u>196,090,395</u>	<u>275,453,650</u>	<u>257,709,267</u>
Net assets, June 30	<u>\$ 71,561,787</u>	<u>\$ 63,340,611</u>	<u>\$ 227,800,041</u>	<u>\$ 212,113,039</u>	<u>\$ 299,361,828</u>	<u>\$ 275,453,650</u>

**Governmental activities.** Governmental activities accounted for \$71.6 million, which is 23.9 percent of the total net assets. Operating grants funded \$20.1 million of the County's governmental activities.

**Business-type activities.** Business-type activities increased the County's net assets by \$15.7 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, unassigned 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 \$85.1 million, which is an increase of \$4.0 million in comparison with the prior year primarily due to reduced expenditures. Approximately \$10.9 million of the total fund balance is restricted by state stabilization or other restrictions and approximately \$74.2 million is unrestricted. Of the unrestricted fund balance of \$74.2 million at June 30, 2011, \$23.5 million or approximately 31.7 percent was committed for education and county capital projects and \$2.5 million was assigned for subsequent year expenditures leaving \$48.2 million of unassigned fund balance. The unassigned fund balance of \$48.2 million, which is approximately 56.6 percent of the total fund balance, is available for spending at the County's discretion.

The General Fund is the principal operating fund of the County. At the end of the current fiscal year, unassigned fund balance in the general fund was \$49.1 million, while total fund balance for the general fund increased from \$54.2 to \$57.4 million mainly due to reductions in expenditures for salaries and employee benefits. Amounts in the General Fund balance assigned for subsequent year's expenditures totaled \$2.4 million. The amount of restricted general fund balance was \$5.6 million for stabilization by state statute and \$0.2 million for public housing section 8. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned general fund balance represents 34.0% of total general fund expenditures, while total general fund balance represents 39.7% of that same amount. The County Capital Project fund balances increased \$1.8 million due to consolidating the balance of the County Capital Reserve into the fund. The Education Capital Project Fund balance decreased \$1.0 due to planned capital project expenditures. The Non-Major Governmental Funds balance was unchanged.

**Enterprise Funds.** The Water Fund's net assets increased \$5.2 million to \$136 million. The Wastewater Fund's net assets increased \$10.5 million to \$91.8 million. The increases in the net assets of the enterprise funds are from completion of capital projects and capital contributions.

Internal service fund. The Health Insurance Internal service fund originated during the fiscal year and accumulated \$0.1 million of net assets by the end of the fiscal year. The Workers' Compensation Internal service fund net assets increased from \$0.6 million to \$1.3 million due to users charges in excess of claims.

**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 \$2.6 million. The majority of the increase was comprised of \$1.4 million increase in local option sales tax and \$1.3 million increase in restricted intergovernmental revenues. Total actual revenues exceeded amended budgeted amounts by \$2.4 million. Total actual expenditures were nearly \$8.3 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 at the end of the year totaled \$29.6 million. The primary factor affecting this amount was a net increase of \$22.9 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, 2011 amounts to \$459.4 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 \$12.7 million as of June 30, 2011.

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. The treatment plant was expanded in 2011 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 was also completed in 2011. 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 \$111.6 million as of June 30, 2011.

**Brunswick County's Capital Assets**  
**Figure 4**

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
	2011	2010	2011	2010	2011	2010
Land	\$ 10,863,120	\$ 10,863,120	\$ 2,829,409	\$ 2,829,409	\$ 13,692,529	\$ 13,692,529
Operating plants, buildings & improvements	107,990,457	108,249,284	145,106,259	94,355,102	253,096,716	202,604,386
Equipment and vehicles	6,096,163	7,503,050	5,007,810	3,949,715	11,103,973	11,452,765
Distribution and collection systems	-	-	153,405,436	140,102,796	153,405,436	140,102,796
Construction in progress	2,113,691	4,546,695	26,018,166	68,207,872	28,131,857	72,754,567
Total capital assets, net	<u>\$ 127,063,431</u>	<u>\$ 131,162,149</u>	<u>\$ 332,367,080</u>	<u>\$ 309,444,894</u>	<u>\$ 459,430,511</u>	<u>\$ 440,607,043</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 \$82.1 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
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 77,850,000	\$ 84,560,000	\$ 4,285,000	\$ 4,342,000	\$ 82,135,000	\$ 88,902,000
Certificates of participation	13,685,000	15,080,000	-	-	13,685,000	15,080,000
Installment purchases & revolving loans	31,065,833	33,060,608	43,925,518	44,131,979	74,991,351	77,192,587
Revenue bonds	-	-	107,100,902	84,523,495	107,100,902	84,523,495
Other	26,347,225	22,157,853	2,543,795	1,958,351	28,891,020	24,116,204
Total long-term debt	<u>\$ 148,948,058</u>	<u>\$ 154,858,461</u>	<u>\$ 157,855,215</u>	<u>\$ 134,955,825</u>	<u>\$ 306,803,273</u>	<u>\$ 289,814,286</u>

The legal debt limit is \$2.69 billion. The legal debt margin on June 30, 2011 was \$2.56 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 10.0% and to total general fund expenditures is 10.7%. The County's governmental general obligation debt per capita is \$701 as of June 30, 2011 while the County's governmental activities gross debt per capita (excluding landfill closure/post closure, accrued

compensated absences and pension benefit obligations) is \$1,104 due to \$123 in outstanding Certificates of Participation for other long term financing for construction and renovation of various County and Education Buildings and \$280 for equipment installment purchases and construction of new schools.

The County's total debt had a net increase of \$17.0 million, 5.9 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 44-50 of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- The unemployment rate for Brunswick County is currently 10.3 percent and was 10.3 percent at June 30, 2011, compared to the state's seasonally adjusted unemployment rate of 10.1 percent currently and 10.1 percent at June 30, 2011.
- Inflationary trends in the region are similar to national indices.
- Population estimation of 111,127 has grown nearly 51 percent since 2000.

All of these factors were considered in preparing Brunswick County's budget for fiscal year 2011-2012.

### **BUDGET HIGHLIGHTS FOR FISCAL YEAR 2011-2012**

**Governmental activities.** A 29.5 percent decline in the tax base is anticipated over last year's approved budget, to a total of \$23.7 billion in property valuation as compared to 33.6 billion in 2011. The county established a revenue-neutral tax rate of \$0.4425 cents. Since the revenue-neutral rate includes a factor for prior growth in values, this equates to an additional \$2.2 million in ad Valorem taxes. The last revaluation was for the 2011 levy. The next revaluation is scheduled for the 2015 levy. Budgeted operating expenditures in the General Fund are expected to decrease 0.6 percent to \$147 million. The largest decrease was a reduction in human services.

Budgeted expenditures for education are expected to increase 4.5 percent or approximately \$2.1 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 general government debt service. The School System funds the majority of its local capital outlay needs from sales tax allocations, bond proceeds, lottery funds 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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## COUNTY OF BRUNSWICK, NORTH CAROLINA

## STATEMENT OF NET ASSETS

JUNE 30, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Total
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents/investments	\$ 82,909,538	\$ 33,030,861	\$ 115,940,399	\$ 980,221
Restricted cash and investments	2,147,733	21,125,132	23,272,865	4,550
Interest receivable	67,517	20,876	88,393	-
Taxes receivable, net	6,632,709	-	6,632,709	-
Receivables and special assessments, net	1,379,345	8,354,802	9,734,147	-
Other governmental agencies	5,276,464	1,763,796	7,040,260	923,351
Inventories	-	468,345	468,345	281,518
Prepaid items	-	-	-	17,888
Total current assets	<u>98,413,306</u>	<u>64,763,812</u>	<u>163,177,118</u>	<u>2,207,528</u>
<b>Capital Assets:</b>				
Non-depreciable capital assets	12,976,811	28,847,575	41,824,386	-
Depreciable capital assets, net	114,086,620	303,519,505	417,606,125	20,092,513
Total capital assets	<u>127,063,431</u>	<u>332,367,080</u>	<u>459,430,511</u>	<u>20,092,513</u>
Total assets	<u>\$ 225,476,737</u>	<u>\$ 397,130,892</u>	<u>\$ 622,607,629</u>	<u>\$ 22,300,041</u>
<b>Liabilities and Net Assets:</b>				
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts payable and other liabilities	\$ 4,886,371	\$ 4,973,799	\$ 9,860,170	\$ 297,601
Current maturities of long-term debt	10,336,167	6,563,552	16,899,719	62,800
Due other governmental agencies	-	-	-	59,454
Deposits	-	1,400,611	1,400,611	-
Total current liabilities	<u>15,222,538</u>	<u>12,937,962</u>	<u>28,160,500</u>	<u>419,855</u>
<b>Noncurrent Liabilities:</b>				
Compensated absences	2,872,324	352,723	3,225,047	-
Law enforcement pension obligation	962,705	-	962,705	-
Other post employment benefits	16,083,075	2,159,072	18,242,147	-
Unearned revenues	80,521	5,101,226	5,181,747	-
Long-term debt	<u>118,693,787</u>	<u>148,779,868</u>	<u>267,473,655</u>	<u>426,700</u>
Total noncurrent liabilities	<u>138,692,412</u>	<u>156,392,889</u>	<u>295,085,301</u>	<u>426,700</u>
Total liabilities	<u>153,914,950</u>	<u>169,330,851</u>	<u>323,245,801</u>	<u>846,555</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	81,740,331	198,180,792	279,921,123	19,602,559
Restricted for Stabilization by State Statute	7,225,319	-	7,225,319	-
Restricted-other purposes	3,675,449	-	3,675,449	320,345
Unrestricted	<u>(21,079,312)</u>	<u>29,619,249</u>	<u>8,539,937</u>	<u>1,530,582</u>
Total net assets	<u>\$ 71,561,787</u>	<u>\$ 227,800,041</u>	<u>\$ 299,361,828</u>	<u>\$ 21,453,486</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, 2011

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Government Activities:</b>				
General government	\$ 10,705,715	\$ 1,396,473	\$ 992,044	\$ -
Public safety	33,595,275	7,121,587	813,639	-
Central services	11,085,289	463,741	-	-
Human services	26,318,669	1,019,583	18,276,274	-
Transportation	1,211,918	-	-	1,106,414
Environmental protection	13,400,997	1,957,034	11,658	-
Cultural and recreation	4,947,363	209,857	-	-
Economic and physical development	7,160,477	987,449	-	4,144,353
Education	38,360,518	-	3,641	2,019,280
Interest on long-term debt	5,367,812	-	-	-
Total governmental activities	<u>152,154,033</u>	<u>13,155,724</u>	<u>20,097,256</u>	<u>7,270,047</u>
<b>Business-type Activities:</b>				
Water	16,732,964	19,783,683	-	2,026,810
Wastewater	14,089,646	21,571,894	-	2,939,017
Total business-type activities	<u>30,822,610</u>	<u>41,355,577</u>	<u>-</u>	<u>4,965,827</u>
Total primary government	<u>\$ 182,976,643</u>	<u>\$ 54,511,301</u>	<u>\$ 20,097,256</u>	<u>\$ 12,235,874</u>
Discretely presented component units	<u>\$ 3,782,900</u>	<u>\$ 2,589,944</u>	<u>\$ 6,502</u>	<u>\$ 4,169,161</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**

**Prior period adjustment**

**Net assets, end of year**

Exhibit B

<b>Net (Expense) Revenue and Changes in Net Assets</b>			
<b>Primary Government</b>			<b>Component Units</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Total</b>
\$ (8,317,198)	\$ -	\$ (8,317,198)	
(25,660,049)	-	(25,660,049)	
(10,621,548)	-	(10,621,548)	
(7,022,812)	-	(7,022,812)	
(105,504)	-	(105,504)	
(11,432,305)	-	(11,432,305)	
(4,737,506)	-	(4,737,506)	
(2,028,675)	-	(2,028,675)	
(36,337,597)	-	(36,337,597)	
(5,367,812)	-	(5,367,812)	
<u>(111,631,006)</u>	<u>-</u>	<u>(111,631,006)</u>	
	-	5,077,529	
	-	10,421,265	
	-	15,498,794	
	<u>15,498,794</u>	<u>(96,132,212)</u>	
			<u>\$ 2,982,707</u>
102,020,809	-	102,020,809	-
14,291,687	-	14,291,687	-
3,130,245	-	3,130,245	1,042,719
409,441	188,208	597,649	5,789
<u>119,852,182</u>	<u>188,208</u>	<u>120,040,390</u>	<u>1,048,508</u>
-	-	-	-
<u>119,852,182</u>	<u>188,208</u>	<u>120,040,390</u>	<u>1,048,508</u>
8,221,176	15,687,002	23,908,178	4,031,215
63,340,611	212,113,039	275,453,650	17,319,739
-	-	-	102,532
<u>\$ 71,561,787</u>	<u>\$ 227,800,041</u>	<u>\$ 299,361,828</u>	<u>\$ 21,453,486</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2011

	Major Funds				Total Governmental Funds
	General	County Capital Project	Education Capital Project	Non Major Governmental Funds	
<b>Assets:</b>					
Cash and cash equivalents/investments	\$ 55,915,666	\$ 13,759,225	9,898,337	\$ 1,763,377	\$ 81,336,605
Restricted cash and investments	-	24,042	2,123,691	-	2,147,733
Interest receivable	51,684	7,478	6,259	1,157	66,578
Taxes receivable - net	6,632,709	-	-	-	6,632,709
Receivables - net	1,185,606	-	-	193,739	1,379,345
Other governmental agencies	4,493,133	12,731	-	770,600	5,276,464
Due from other funds	226,471	-	602,846	-	829,317
Total assets	<u>\$ 68,505,269</u>	<u>\$ 13,803,476</u>	<u>\$ 12,631,133</u>	<u>\$ 2,728,873</u>	<u>\$ 97,668,751</u>
<b>Liabilities, Equity, and Other Credits:</b>					
<b>Liabilities:</b>					
Accounts payable and other liabilities	\$ 3,512,450	\$ 118,010	\$ 25,672	\$ 1,036,889	\$ 4,693,021
Due to other funds	602,846	-	-	226,471	829,317
Deferred revenues	7,039,615	-	-	-	7,039,615
Total liabilities	<u>11,154,911</u>	<u>118,010</u>	<u>25,672</u>	<u>1,263,360</u>	<u>12,561,953</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State Statute	5,630,509	20,209	609,105	965,496	7,225,319
Restricted - other	210,862	24,042	2,123,691	1,316,854	3,675,449
Committed	-	13,641,215	9,872,665	-	23,513,880
Assigned	2,440,362	-	-	43,183	2,483,545
Unassigned	49,068,625	-	-	(860,020)	48,208,605
Total fund balances	<u>57,350,358</u>	<u>13,685,466</u>	<u>12,605,461</u>	<u>1,465,513</u>	<u>85,106,798</u>
Total liabilities and fund balances	<u>\$ 68,505,269</u>	<u>\$ 13,803,476</u>	<u>\$ 12,631,133</u>	<u>\$ 2,728,873</u>	<u>\$ 97,668,751</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	\$ 85,106,798
Amounts reported for governmental activities in the statement of net assets are different because:	
Change in internal service net assets, attributed to governmental activities	665,857
Consolidation of internal service fund	714,665
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	127,063,431
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	6,959,094
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	(148,948,058)
Net assets reported as governmental activities	<u>\$ 71,561,787</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, 2011

	Major Funds				Total Governmental Funds
	General	County Capital Project	Education Capital Project	Non Major Governmental Funds	
<b>Revenues:</b>					
Ad valorem taxes	\$ 100,346,765	\$ -	\$ -	\$ -	\$ 100,346,765
Local option sales taxes	14,291,687	-	-	-	14,291,687
Other taxes and licenses	2,053,183	-	-	1,077,062	3,130,245
Unrestricted intergovernmental revenues	1,536,541	-	-	-	1,536,541
Restricted intergovernmental revenues	17,884,860	1,106,414	2,019,280	1,902,195	22,912,749
Permits and fees	2,940,408	-	-	-	2,940,408
Sales and services	7,263,926	-	-	-	7,263,926
Investment earnings	296,024	50,245	48,812	7,980	403,061
Other	1,458,189	4,144,353	-	264	5,602,806
Total revenues	<u>148,071,583</u>	<u>5,301,012</u>	<u>2,068,092</u>	<u>2,987,501</u>	<u>158,428,188</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	9,211,760	-	-	90,400	9,302,160
Public safety	29,065,726	-	-	991,003	30,056,729
Central services	10,697,137	-	-	-	10,697,137
Human services	25,077,211	-	-	-	25,077,211
Transportation	261,930	949,988	-	-	1,211,918
Environmental protection	13,087,467	348,635	-	-	13,436,102
Culture and recreation	3,860,796	947,765	-	-	4,808,561
Economic and physical development	4,697,905	53,855	-	2,129,608	6,881,368
Education	32,951,548	-	4,524,073	-	37,475,621
<b>Debt Service:</b>					
Principal retirement	10,099,775	-	-	-	10,099,775
Interest and fiscal charges	5,367,812	-	-	-	5,367,812
Total expenditures	<u>144,379,067</u>	<u>2,300,243</u>	<u>4,524,073</u>	<u>3,211,011</u>	<u>154,414,394</u>
<b>Revenues over (under) expenditures</b>	<u>3,692,516</u>	<u>3,000,769</u>	<u>(2,455,981)</u>	<u>(223,510)</u>	<u>4,013,794</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	2,474,631	-	2,750,906	212,367	5,437,904
Transfers to other funds	(2,963,273)	(1,228,139)	(1,246,492)	-	(5,437,904)
Total other financing sources (uses)	<u>(488,642)</u>	<u>(1,228,139)</u>	<u>1,504,414</u>	<u>212,367</u>	<u>-</u>
<b>Net change in fund balance</b>	3,203,874	1,772,630	(951,567)	(11,143)	4,013,794
<b>Fund balance, beginning of year, as previously stated</b>	54,146,484	3,273,381	7,004,615	1,476,656	65,901,136
<b>Change in accounting principle</b>	-	8,639,455	6,552,413	-	15,191,868
<b>Fund balance, beginning of year, restated</b>	54,146,484	11,912,836	13,557,028	1,476,656	81,093,004
<b>Fund balance, end of year</b>	<u>\$ 57,350,358</u>	<u>\$ 13,685,466</u>	<u>\$ 12,605,461</u>	<u>\$ 1,465,513</u>	<u>\$ 85,106,798</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, 2011**

Net change in fund balances - total governmental funds (Exhibit D)	\$ 4,013,794
<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	1,674,044
Emergency services revenues	30,088
Public Health revenues	(34,515)
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.	(4,128,441)
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.	2,371,301
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.	18,176
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements.	(6,427,972)
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.	10,099,775
Change in closure/post closure liability estimate. Expenses are reported as incurred in the funds.	(60,931)
Change in internal service net assets, attributed to governmental activities	665,857
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>-</u>
Change in net assets of governmental activities per Exhibit B	<u>\$ 8,221,176</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

Exhibit F

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2011

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 100,331,000	\$99,830,377	\$100,346,765	\$ 516,388
Local option sales taxes	12,400,759	13,845,645	14,291,687	446,042
Other taxes and licenses	1,991,000	1,991,000	2,053,183	62,183
Unrestricted intergovernmental revenues	515,000	858,000	1,536,541	678,541
Restricted intergovernmental revenues	16,661,989	17,930,518	17,884,860	(45,658)
Permits and fees	3,036,945	3,071,441	2,940,408	(131,033)
Sales and services	7,223,580	6,710,342	7,263,926	553,584
Investment earnings	201,000	201,000	296,024	95,024
Other	735,850	1,207,854	1,458,189	250,335
Total revenues	<u>143,097,123</u>	<u>145,646,177</u>	<u>148,071,583</u>	<u>2,425,406</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	9,861,850	10,015,176	9,211,760	803,416
Central services	12,441,768	12,748,233	10,697,137	2,051,096
Public safety	28,719,524	31,129,991	29,065,726	2,064,265
Transportation	100,958	261,930	261,930	-
Environmental protection	12,725,139	13,267,311	13,087,467	179,844
Economic and physical development	5,198,359	5,221,271	4,697,905	523,366
Human services	25,970,018	27,272,915	25,077,211	2,195,704
Education	32,951,548	32,951,548	32,951,548	-
Culture and recreation	3,990,229	4,263,627	3,860,796	402,831
<b>Debt Service:</b>				
Principal retirement	10,084,608	10,110,608	10,099,775	10,833
Interest and fiscal charges	5,447,404	5,421,404	5,367,812	53,592
Total expenditures	<u>147,491,405</u>	<u>152,664,014</u>	<u>144,379,067</u>	<u>8,284,947</u>
Revenues over (under) expenditures	<u>(4,394,282)</u>	<u>(7,017,837)</u>	<u>3,692,516</u>	<u>10,710,353</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	3,150,000	5,624,631	2,474,631	(3,150,000)
Transfers to other funds	(1,326,714)	(2,969,234)	(2,963,273)	5,961
Contingency	(400,000)	-	-	-
Appropriated fund balance	2,970,996	4,362,440	-	(4,362,440)
Total other financing sources (uses)	<u>4,394,282</u>	<u>7,017,837</u>	<u>(488,642)</u>	<u>(7,506,479)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>3,203,874</u>	<u>\$ 3,203,874</u>
<b>Fund balance, beginning of year</b>			<u>54,146,484</u>	
<b>Fund balance, end of year</b>			<u>\$ 57,350,358</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, 2011

	Business-type Activities			Internal Services
	Enterprise Funds			
	Water	Wastewater	Total	
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents/investments	25,530,535	\$ 7,500,326	\$ 33,030,861	\$ 1,572,933
Restricted cash and investments	5,432,254	15,692,878	21,125,132	-
Interest receivable	17,065	3,811	20,876	945
Receivables and special assessments, net	2,404,944	5,949,858	8,354,802	-
Other governmental agencies	786,159	977,637	1,763,796	-
Inventories	301,957	166,388	468,345	-
Total current assets	<u>34,472,914</u>	<u>30,290,898</u>	<u>64,763,812</u>	<u>1,573,878</u>
<b>Capital Assets:</b>				
Non-depreciable capital assets	11,183,223	17,664,352	28,847,575	-
Depreciable capital assets, net	116,785,176	186,734,329	303,519,505	-
Total capital assets	<u>127,968,399</u>	<u>204,398,681</u>	<u>332,367,080</u>	<u>-</u>
Total assets	<u>\$ 162,441,313</u>	<u>\$ 234,689,579</u>	<u>\$ 397,130,892</u>	<u>\$ 1,573,878</u>
<b>Liabilities and Net Assets:</b>				
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 2,998,197	\$ 1,975,602	\$ 4,973,799	\$ 193,350
Current portion of debt	800,260	5,763,292	6,563,552	-
Deposits	1,400,611	-	1,400,611	-
Total current liabilities	<u>5,199,068</u>	<u>7,738,894</u>	<u>12,937,962</u>	<u>193,350</u>
<b>Noncurrent Liabilities:</b>				
Compensated absences	260,234	92,489	352,723	-
Other post employment benefits	1,521,783	637,289	2,159,072	-
Unearned revenues	32,489	5,068,737	5,101,226	-
Long-term debt	19,438,742	129,341,126	148,779,868	-
Total noncurrent liabilities	<u>21,253,248</u>	<u>135,139,641</u>	<u>156,392,889</u>	<u>-</u>
Total liabilities	<u>26,452,316</u>	<u>142,878,535</u>	<u>169,330,851</u>	<u>193,350</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	113,186,383	84,994,409	198,180,792	-
Unrestricted	22,802,614	6,816,635	29,619,249	1,380,528
Total net assets	<u>\$ 135,988,997</u>	<u>\$ 91,811,044</u>	<u>\$ 227,800,041</u>	<u>\$ 1,380,528</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, 2011

	Business-type Activities			
	Enterprise Funds			Internal Services
	Water	Wastewater	Total	
<b>Operating Revenues:</b>				
User charges	\$ 18,444,629	\$ 17,824,348	\$ 36,268,977	\$ 1,041,998
Assessments	6,998	1,422,161	1,429,159	-
Intergovernmental revenue	901,427	2,197,816	3,099,243	114,026
Other	430,629	127,569	558,198	-
Total operating revenues	<u>19,783,683</u>	<u>21,571,894</u>	<u>41,355,577</u>	<u>1,156,024</u>
<b>Operating Expenses:</b>				
Salaries and employee benefits	5,617,172	2,371,955	7,989,127	-
Operating expenses	6,153,204	2,047,935	8,201,139	496,547
Repairs and maintenance	645,494	640,727	1,286,221	-
Depreciation and amortization	3,564,614	4,322,173	7,886,787	-
Total operating expenses	<u>15,980,484</u>	<u>9,382,790</u>	<u>25,363,274</u>	<u>496,547</u>
Operating income (loss)	<u>3,803,199</u>	<u>12,189,104</u>	<u>15,992,303</u>	<u>659,477</u>
<b>Non-operating Revenues (Expenses):</b>				
Investment earnings	130,929	57,279	188,208	6,380
Interest expense	(752,480)	(4,706,856)	(5,459,336)	-
Total nonoperating revenues (expenses)	<u>(621,551)</u>	<u>(4,649,577)</u>	<u>(5,271,128)</u>	<u>6,380</u>
Income before transfers and capital contributions	3,181,648	7,539,527	10,721,175	665,857
Capital Contributions	-	1,670,332	1,670,332	-
Dedicated service lines	2,026,810	1,268,685	3,295,495	-
Total transfers and capital contributions	<u>2,026,810</u>	<u>2,939,017</u>	<u>4,965,827</u>	<u>-</u>
Increase (decrease) in net assets	5,208,458	10,478,544	15,687,002	665,857
<b>Net assets, beginning of year</b>	<u>130,780,539</u>	<u>81,332,500</u>	<u>212,113,039</u>	<u>714,671</u>
<b>Net assets, end of year</b>	<u>\$ 135,988,997</u>	<u>\$ 91,811,044</u>	<u>\$ 227,800,041</u>	<u>\$ 1,380,528</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, 2011

	Business-type Activities			
	Enterprise Funds			Internal Services
	Water	Wastewater	Total	
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 19,729,694	\$ 19,138,067	\$ 38,867,761	\$ 1,041,998
Payments to suppliers for goods and services	(6,318,185)	(4,079,132)	(10,397,317)	(411,403)
Payments to or on behalf of employees	(5,214,161)	(2,189,523)	(7,403,684)	114,026
Net cash provided by (used in) operating activities	<u>8,197,348</u>	<u>12,869,412</u>	<u>21,066,760</u>	<u>744,621</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Advances (repayments) of interfund debt	<u>462,497</u>	<u>(462,497)</u>	<u>-</u>	<u>-</u>
<b>Net Cash From Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(14,150,727)	(13,362,751)	(27,513,478)	-
Interest paid	(752,480)	(4,706,856)	(5,459,336)	-
Proceeds from issuance of long-term debt	14,540,000	12,831,926	27,371,926	-
Principal payments on long-term debt	(593,278)	(4,464,702)	(5,057,980)	-
Capital contributions	-	1,670,332	1,670,332	-
Net cash provided (used) in capital and related financing activities	<u>(956,485)</u>	<u>(8,032,051)</u>	<u>(8,988,536)</u>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>				
Interest on investments	<u>163,713</u>	<u>71,969</u>	<u>235,682</u>	<u>5,920</u>
Net increase (decrease) in cash and cash equivalents	7,867,073	4,446,833	12,313,906	750,541
Cash and cash equivalents, beginning of year	<u>23,095,716</u>	<u>18,746,371</u>	<u>41,842,087</u>	<u>822,392</u>
Cash and cash equivalents, end of year	<u>\$ 30,962,789</u>	<u>\$ 23,193,204</u>	<u>\$ 54,155,993</u>	<u>\$ 1,572,933</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 3,803,199	\$ 12,189,104	\$ 15,992,303	\$ 659,477
<b>Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Depreciation and amortization	3,564,614	4,322,173	7,886,787	-
<b>Changes in Assets and Liabilities:</b>				
(Increase) decrease in accounts receivable	(101,070)	(4,798,747)	(4,899,817)	-
(Increase) decrease in sales tax refund receivable	83,089	(375,180)	(292,091)	-
(Increase) decrease in inventories	(188,176)	(55,229)	(243,405)	-
Increase (decrease) in accounts payable/accrued expenses	988,611	(777,629)	210,982	85,144
Increase (decrease) in deferred revenue	(6,124)	2,364,920	2,358,796	-
Increase (decrease) in customer deposits	<u>53,205</u>	<u>-</u>	<u>53,205</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ 8,197,348</u>	<u>\$ 12,869,412</u>	<u>\$ 21,066,760</u>	<u>\$ 744,621</u>
<b>Supplemental Disclosures of Noncash Transactions</b>				
Dedicated service lines	<u>\$ 2,026,810</u>	<u>\$ 1,268,685</u>	<u>\$ 3,295,495</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, 2011**Assets:**

Cash and cash equivalents/investments	\$ 2,215,044
Interest receivable	1,838
Taxes receivable	<u>74,189</u>
Total assets	<u>\$ 2,291,071</u>

**Liabilities:**

Due to other governmental agencies	\$ 1,498,576
Other	<u>792,495</u>
Total liabilities	<u>\$ 2,291,071</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, 2011**

**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 111,127, 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 and included in the General 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.

Complete financial statements for the Brunswick County Hospital Authority may be obtained by contacting the authority's treasurer at P.O. Box 249, Bolivia, North Carolina 28422.

**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, 2011

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 \$374,607 for the fiscal year ended June 30, 2011. Complete financial statements for the Brunswick County Economic Development Commission may be obtained at the Commission’s administrative offices at P.O. Box 158, Government Complex, Bolivia, North Carolina 28422.

#### **Brunswick County Tourism Development Authority**

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

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

#### **Brunswick County Airport Commission**

The County participates in the Brunswick County Airport Commission (“Airport”) in conjunction with the municipalities adjoining the airport. The County appoints four members of the seven-member board.

Appropriations to the Airport totaled \$66,000 for the fiscal year ended June 30, 2011. 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, 2011

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, 2011, 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 except for interfund services provided and used which are not eliminated in the process of consolidation. 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 non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

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.

**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, 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, 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, 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, bond proceeds, and financing agreements.

The County reports the following internal service funds:

**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.

**Health Insurance Internal service fund** – This fund is used to account for health operations of the County for the financing of employees’ medical and dental 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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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 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. Non-exchange 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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 non-operating 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

The County recognizes assets of non-exchange 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. Non-exchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. State shared revenues, sales tax, property taxes, federal grants funding federal mandates, and most donations are examples of non-exchange 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 2010 through February 2011 apply to the fiscal year ended June 30, 2011. 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 then 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 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 \$1,391,444 which was largely the result of a tax refund to NC Municipal Power Agency, a

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

financial settlement with a former employee, overtime and other costs related to storm events and the rollover of encumbrances from the prior fiscal year.

#### **Deposits and Investments**

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

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

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

#### **Cash and Cash Equivalents**

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

#### **Restricted Assets**

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

#### **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.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Due To/From Other Funds and Internal Balances**

Amounts reported at June 30, 2011 as due to/from other funds, generally represent short-term advances between funds. Such amounts reported at year-end are not available for appropriation and are not an expendable available financial resource

**Inventory**

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

**Capital Assets**

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

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

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

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

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

Building, 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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

general obligation payments in the water fund if water revenues were not sufficient. At the end of the fiscal year, there was \$4,285,000 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 Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Non-spendable Fund Balance-This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance-This classification includes amounts from sources that are restricted to specific purposes externally imposed by creditors or imposed by law. Restricted fund balance is summarized as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
Restricted for Stabilization of State Statute-portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].	\$ 5,630,509	\$ 629,314	\$ 965,496	\$ 7,225,319
Restricted for Public Housing-portion of fund balance that is restricted by revenue source for section 8 expenditures.	\$ 210,862	\$ -	\$ -	\$ 210,862
Restricted for Public Safety-portion of fund balance that is restricted by revenue source for E911 expenditures.	-	-	697,839	697,839
Restricted for Register of Deeds-portion of fund balance that is restricted by revenue source for technology for the Register of Deeds office.	-	-	619,015	619,015
Restricted for General Government-portion of fund balance that is restricted by revenue source or unspent debt proceeds for general government capital needs.	-	24,042	-	24,042
Restricted for Education-portion of fund balance that is restricted by revenue source or unspent debt proceeds for Public School and Community College Capital needs.	-	2,123,691	-	2,123,691
Total restricted fund balance (Exhibit C)	<u>\$ 210,862</u>	<u>\$ 2,147,733</u>	<u>\$ 1,316,854</u>	<u>\$ 3,675,449</u>

Committed Fund Balance-portion of fund balance that can only be used for specific purpose imposed by majority vote of Brunswick County's governing body. Any changes or removal of specific purposes requires majority action by the governing body. Committed fund balance is summarized as follows:

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Special Revenue</u>
Committed for General Government-portion of fund balance that can only be used for general government	\$ -	\$ 6,584,421	\$ -
Committed for Environmental Protection-portion of fund balance that can only be used for environmental protection	-	454,983	-
Committed for Economic Development-portion of fund balance that can only be used for economic development	-	4,616,265	-
Committed for Culture & Recreation-portion of fund balance that can only be used for culture and recreation	-	485,743	-
Committed for Transportation-portion of fund balance that can only be used for transportation	-	1,499,803	-
Committed for Education-portion of fund balance that can only be used for education	-	9,872,665	-
Total committed fund balance	<u>\$ -</u>	<u>\$ 23,513,880</u>	<u>\$ -</u>

Assigned Fund Balance is the portion of fund balance that the Brunswick County intends to use for specific purposes. The County's governing body has the authority to assign fund balance. The Manager and Director of Fiscal Operations, as granted in the officially adopted budget ordinance, have been granted limited authority to assign fund balance. Assigned Fund Balance-portion of fund balance that the Brunswick County management has budgeted or earmarked is summarized as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Special Revenue</u>
Subsequent year's expenditures-portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.	<u>\$ 2,440,362</u>	<u>\$ -</u>	<u>\$ 43,183</u>

Unassigned Fund Balance-portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Fund Balance Available for Appropriation-The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance-General Fund	\$57,350,358
Less:	
Stabilization by State Statute	<u>(5,630,509)</u>
Fund balance available for appropriation	<u>\$51,719,849</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Brunswick County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of the County. The County has not adopted a formal fund balance policy.

#### **Change in Accounting Principle**

The County implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010. As a result of the change in accounting principle, the County determined that several funds from June 30, 2010 no longer met the definition of a special revenue fund, therefore those funds were consolidated with other funds. Consequently, the beginning fund balances of the County Capital Project Fund and Education Capital Project Fund were restated to reflect the change in accounting principle by \$8,639,455 and \$6,552,413 respectively.

#### **Inter-fund Transfers**

The principal purpose for inter-fund 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.

#### **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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011 include the following:

	<u>Reported at Fair Value</u>
Cash on Hand	\$ 4,951
Deposits - NOW, SuperNOW, MMDA and Certificates of Deposit	133,674,825
Investments:	
North Carolina Capital Management Trust	<u>7,748,532</u>
Total	<u>\$ 141,428,308</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 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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011, the deposits of the County had a reported value of \$133,674,825 and bank balances of \$133,592,397. Of the bank balances, \$7,422,313 was covered by federal depository insurance and \$126,170,084 was covered by collateral held under the Pooling Method. Cash on hand at June 30, 2011 was \$4,951.

**B. Investments**

As of June 30, 2011, 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	\$ 4,389,360	N/A	N/A	N/A
Term Portfolio*	<u>3,359,172</u>	<u>3,359,172</u>	<u>N/A</u>	<u>N/A</u>
Total	<u>\$ 7,748,532</u>	<u>\$ 3,359,172</u>	<u>\$ -</u>	<u>\$ -</u>

\*Because the NC Capital Management Trust Term Portfolio had duration of 0.11 years, it was presented as an investment with a maturity of less than 6 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's 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, 2011, 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, 2011. 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, 2011.

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

*Concentration of Credit Risk.* The County places a limit of \$5 million on the amount that the County may invest in any one issue of commercial paper with a maximum of 25% of the

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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**

<b>Type of Receivable</b>	<b>Amount (Net of Allowance)</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Customer Billings	\$ 735,262	\$ 5,491,023	\$ 6,226,285
Assessments	-	2,863,779	2,863,779
Miscellaneous	<u>644,083</u>	<u>-</u>	<u>644,083</u>
	<u>\$ 1,379,345</u>	<u>\$ 8,354,802</u>	<u>\$ 9,734,147</u>

The County's accounts receivable as of June 30, 2011 are presented net of allowance for doubtful accounts as follows:

	<b>Allowance for Doubtful Accounts</b>		
	<b>General Fund</b>	<b>Water Fund</b>	<b>Wastewater Fund</b>
Taxes Receivable	\$ 4,609,949	\$ -	\$ -
EMS Fees	511,092	-	-
Health Fees	605,497	-	-
User Charges	<u>-</u>	<u>145,000</u>	<u>100,000</u>
	<u>\$ 5,726,538</u>	<u>\$ 145,000</u>	<u>\$ 100,000</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Local option sales tax	\$ 2,562,357	\$ -	\$ 2,562,357
Sales tax refunds	436,095	1,014,061	1,450,156
NC Department of Transportation grant reimbursements	-	583,040	583,040
Due from federal government for grant assistance	835,599	-	835,599
Due from State of North Carolina for grant assistance	1,345,422	-	1,345,422
Emergency telephone system	77,563	-	77,563
Due from Southeastern Mental Health rents	6,124	-	6,124
Due from Brunswick County Schools reimbursements	8,727	-	8,727
Lower Cape Fear Water & Sewer Authority reimbursement	-	16,695	16,695
City of Southport capital project reimbursements	-	150,000	150,000
Due form federal government for COBRA assistance	<u>4,577</u>	<u>-</u>	<u>4,577</u>
Total	<u>\$ 5,276,464</u>	<u>\$ 1,763,796</u>	<u>\$ 7,040,260</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>
2007	2,857,680	935,890	3,793,570
2008	2,894,518	687,448	3,581,966
2009	3,000,872	442,629	3,443,501
2010	<u>3,096,976</u>	<u>178,076</u>	<u>3,275,052</u>
Total	<u>\$ 11,850,046</u>	<u>\$ 2,244,043</u>	<u>\$ 14,094,089</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**4. Capital Assets**

Governmental capital assets at June 30, 2011 are summarized as follows:

	<u>June 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2011</u>
<b>Non-Depreciable Assets:</b>				
Land	\$ 10,863,120	\$ -	\$ -	\$ 10,863,120
Construction in Progress	<u>4,546,695</u>	<u>1,296,400</u>	<u>3,729,404</u>	<u>2,113,691</u>
Total non-depreciable assets	<u>15,409,815</u>	<u>1,296,400</u>	<u>3,729,404</u>	<u>12,976,811</u>
<b>Depreciable Assets</b>				
Buildings and improvements	131,167,393	3,686,527	1,875	134,852,045
Equipment and vehicles	<u>26,319,148</u>	<u>1,117,780</u>	<u>138,220</u>	<u>27,298,708</u>
Total depreciable assets	<u>157,486,541</u>	<u>4,804,307</u>	<u>140,095</u>	<u>162,150,753</u>
<b>Less accumulated depreciation</b>				
Buildings and improvements	22,918,109	3,944,135	656	26,861,588
Equipment and vehicles	<u>18,816,098</u>	<u>2,483,837</u>	<u>97,390</u>	<u>21,202,545</u>
Total accumulated depreciation	<u>41,734,207</u>	<u>6,427,972</u>	<u>98,046</u>	<u>48,064,133</u>
Total depreciable assets, net	<u>115,752,334</u>	<u>(1,623,665)</u>	<u>42,049</u>	<u>114,086,620</u>
Total Capital Assets	<u>\$ 131,162,149</u>	<u>\$ (327,265)</u>	<u>\$ 3,771,453</u>	<u>\$ 127,063,431</u>

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

Function	Depreciation Expense
General government	\$ 810,337
Public safety	2,750,620
Central services	451,926
Human services	242,776
Environmental protection	213,027
Economic and physical development	120,816
Cultural and recreation	953,572
Education	<u>884,898</u>
Total	<u>\$ 6,427,972</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

Enterprise fund capital assets at June 30, 2011 are summarized as follows:

<b>Water Fund</b>	<b>June 30, 2010</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2011</b>
<b>Non-Depreciable Assets:</b>				
Land	\$ 760,138	\$ -	\$ -	\$ 760,138
Construction in Progress	6,736,437	12,238,719	8,552,071	10,423,085
Total non-depreciable assets	<u>7,496,575</u>	<u>12,238,719</u>	<u>8,552,071</u>	<u>11,183,223</u>
<b>Depreciable Assets</b>				
Operating Plants, buildings and improvements	34,556,789	124,196	-	34,680,985
Distribution system	108,501,161	10,667,133	-	119,168,294
Equipment and vehicles	6,426,097	1,699,560	-	8,125,657
Total depreciable assets	<u>149,484,047</u>	<u>12,490,889</u>	<u>-</u>	<u>161,974,936</u>
<b>Less accumulated depreciation</b>				
Operating Plants, buildings and improvements	14,294,862	850,660	-	15,145,522
Distribution system	24,021,567	2,251,005	-	26,272,572
Equipment and vehicles	3,308,717	462,949	-	3,771,666
Total accumulated depreciation	<u>41,625,146</u>	<u>3,564,614</u>	<u>-</u>	<u>45,189,760</u>
Total depreciable assets, net	<u>107,858,901</u>	<u>8,926,275</u>	<u>-</u>	<u>116,785,176</u>
Total capital Assets	<u>\$ 115,355,476</u>	<u>\$ 21,164,994</u>	<u>\$ 8,552,071</u>	<u>\$ 127,968,399</u>
<b>Wastewater Fund</b>				
<b>Non-Depreciable Assets:</b>				
Land	\$ 2,069,271	\$ -	\$ -	\$ 2,069,271
Construction in Progress	61,471,435	13,063,347	58,939,701	15,595,081
Total non-depreciable assets	<u>63,540,706</u>	<u>13,063,347</u>	<u>58,939,701</u>	<u>17,664,352</u>
<b>Depreciable Assets</b>				
Operating Plants, buildings and improvements	82,676,668	54,254,714	-	136,931,382
Collection system	58,260,205	6,214,333	-	64,474,538
Equipment and vehicles	1,647,753	38,746	19,994	1,666,505
Total depreciable assets	<u>142,584,626</u>	<u>60,507,793</u>	<u>19,994</u>	<u>203,072,425</u>
<b>Less accumulated depreciation</b>				
Operating Plants, buildings and improvements	8,583,493	2,777,093	-	11,360,586
Collection system	2,637,003	1,327,821	-	3,964,824
Equipment and vehicles	815,418	217,262	19,994	1,012,686
Total accumulated depreciation	<u>12,035,914</u>	<u>4,322,176</u>	<u>19,994</u>	<u>16,338,096</u>
Total depreciable assets, net	<u>130,548,712</u>	<u>56,185,617</u>	<u>-</u>	<u>186,734,329</u>
Total capital Assets	<u>\$ 194,089,418</u>	<u>\$ 69,248,964</u>	<u>\$ 58,939,701</u>	<u>\$ 204,398,681</u>
Total Enterprise Fund Assets, Net	<u>\$ 309,444,894</u>			<u>\$ 332,367,080</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**5. Accounts Payable and Inter-fund Balances**

**Accounts Payable Disaggregate Information**

<u>Type of Payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Trade Payables	\$ 3,552,303	\$ 1,108,077	\$ 4,660,380
Construction Costs Payable	143,682	3,720,808	3,864,490
Accrued Salaries and Fringes	938,999	144,914	1,083,913
Future claims for workers' compensation	193,350	-	193,350
Other deposits held by County	<u>58,037</u>	<u>-</u>	<u>58,037</u>
Total	<u>\$ 4,886,371</u>	<u>\$ 4,973,799</u>	<u>\$ 9,860,170</u>

**Inter-fund Receivables / Payables**

Inter-fund Balances as of June 30, 2011 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>		
	<u>General</u>	<u>Non-Major Governmental</u>	<u>Total</u>
General	\$ -	\$ 226,471	\$ 226,471
Education capital projects	<u>602,846</u>	<u>-</u>	<u>602,846</u>
Total	<u>\$ 602,846</u>	<u>\$ 226,471</u>	<u>\$ 829,317</u>

\$602,846 represents amounts due to the Education Capital Project Fund from the General Fund for local option sales tax receivable at fiscal year end. \$226,471 represents amounts advanced by the General Fund to Special Revenue funds for grant project expenditures made in advance of grantor reimbursements.

**Inter-fund Transfers**

<u>From:</u>	<u>To: General Fund</u>	<u>County Capital Project Fund</u>	<u>Education Capital Project Fund</u>	<u>Non Major Governmental Fund</u>	<u>Total Governmental Funds</u>
General	\$ -	\$ -	\$ 2,750,906	\$ 212,367	\$ 2,963,273
Education Capital Project	1,246,492	-	-	-	1,246,492
County Capital Project	1,228,139	-	-	-	1,228,139
Non Major Governmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$2,474,631</u>	<u>\$ -</u>	<u>\$ 2,750,906</u>	<u>\$ 212,367</u>	<u>\$ 5,437,904</u>

The County's General Fund transferred funds during fiscal year 2011 to fund county and education capital improvements.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**6. Deferred/Unearned Revenues**

The balance in deferred/unearned revenues at June 30, 2011 is composed of the following elements:

	Governmental Funds		Proprietary
	Deferred Revenue	Unearned Revenue	Unearned Revenue
Prepaid Taxes, not yet earned	\$ 80,521	\$ 80,521	\$ -
Taxes Receivable	6,632,709	-	-
EMS Receivable	102,216	-	-
Health Department Receivable	224,169	-	-
Special Assessments	-	-	2,863,779
Prepaid Wastewater Capacity	-	-	1,556,532
Other	-	-	680,915
Total	<u>\$ 7,039,615</u>	<u>\$ 80,521</u>	<u>\$ 5,101,226</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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.

The County's General Obligation Bonds consisted of the following at June 30, 2011:

<b>Original Issue</b>		<b>Payment Information</b>		<b>Outstanding Balance</b>	
<b>Date</b>	<b>Rate</b>	<b>Period</b>	<b>Amount</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2003	2.50% - 4.50%	Annual	\$750,000 - \$1,000,000	10,820,000	-
2004	3.00% - 5.00%	Annual	\$600,000 - \$2,080,000	9,280,000	-
2005	3.00% - 4.00%	Annual	\$95,000 - \$1,040,000	7,070,000	-
2005	3.75% - 4.50%	Annual	\$125,000 - \$400,000	2,750,000	-
2007	4.00% - 5.00%	Annual	\$100,000 - \$280,000	2,720,000	-
2007	4.00% - 5.00%	Annual	\$1,110,000 - \$2,260,000	21,580,000	-
2009	3.00% - 5.00%	Annual	\$60,000 - \$2,465,000	23,630,000	-
2005	4.25%	Annual	\$55,000 - \$200,000	-	4,285,000
(assumed by County in 2010)					
Total General Obligation Bonds				<u>77,850,000</u>	<u>4,285,000</u>
<b>Revenue Bonds</b>					
2004	3.00% - 5.375%	Annual	\$805,000 - \$2,235,000	-	27,220,000
2004	4.25%	Monthly	\$19,188 - \$50,143	-	6,080,902
2008	3.50% - 5.00%	Monthly	\$1,395,000 - \$3,630,000	-	48,455,000
2010	1.60% - 6.10%	Annual	\$465,000 - \$1,930,000	-	25,345,000
Total Revenue Bonds				<u>-</u>	<u>107,100,902</u>
				<u>\$ 77,850,000</u>	<u>\$ 111,385,902</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, 2011 for which the County held no collateral totaled \$75,130,000 and was comprised of the following issues: school series 2003 \$10,820,000, series 2004 \$9,280,000, series 2005B refunding \$7,070,000, Series 2009 (2001) school refunding \$23,630,000, community college series 2005 \$2,750,000 and series 2007 \$21,580,000.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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, \$52.8 million in water and wastewater system revenue bonds issued in 2008, and \$25.81 million in water and wastewater system revenue bond issued in 2010. Proceeds from the bonds provided financing for the West Brunswick Regional Water Reclamation Plant Phases 1 and 2 and associated transmission lines, the Sea Trail Wastewater Treatment Plant, Northwest Water Plant expansion, Sunset Beach Wastewater Collection System and utility service lines. 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 \$163,448,880. Principal and interest paid for the current year and total operating revenues were \$7,851,032 and \$41,355,577, 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, 2011.

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, 2011 is as follows:

Operating revenues and investment earnings	\$ 41,543,785
Operating expense excluding OPEB (net of depreciation)	<u>16,909,934</u>
Net revenue available for debt service	24,633,851
Add: 20% surplus account (expendable net assets)	<u>6,347,304</u>
Adjusted net revenues	<u>\$ 30,981,155</u>
Senior debt service	\$ 7,851,032
Subordinate debt service	<u>2,666,284</u>
Total debt service	10,517,316
Add: 20% senior debt service	<u>1,570,206</u>
Adjusted debt service	<u>\$ 12,087,522</u>
Coverage Test 1	
Adjusted net revenues/adjusted debt service	<u>2.56</u>
Coverage Test 2	
Net revenues/total debt service	<u>2.34</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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, 2011:

Issued	Payment Information			Balance		Purpose and Collateral
	Period	Amount	Rate	Governmental Activities		
2004	Annual	\$390,000 - \$1,250,000	2.00% - 5.00%	\$ 5,070,000		Construct law enforcement center
2006	Annual	\$75,000 - \$1,005,000	3.00% - 4.25%	<u>8,615,000</u>		Refund portion of 2000 COPS; County Courthouse
				<u>\$ 13,685,000</u>		

**C. Installment Purchases and State Revolving Fund Loans**

The County's Installment Purchase notes payable consisted of the following at June 30, 2011:

Period	Payment Information		Outstanding Balance		
	Amount	Rate	Governmental Activities	Business-Type Activities	Collateral
Annual	\$1,602,000-\$1,790,000	4.15%	30,415,833	-	Schools
Annual	\$70,000 - \$75,000	5.18%	650,000	-	Library
Annual	\$1,152,000 - \$1,846,000	5.38%	-	14,750,000	Wastewater System
Annual	\$100,000	0.00%	-	2,000,000	Wastewater System
			<u>\$ 31,065,833</u>	<u>\$ 16,750,000</u>	

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

The County's State Revolving Fund Loans payable consisted of the following at June 30, 2011:

Payment Information			Outstanding Balance		
Period	Amount	Rate	Governmental Activities	Business-Type Activities	Collateral
Annual	\$375,000	2.55%	\$ -	\$ 3,284,431	Wastewater System
Annual	\$511,525 - \$790,275	2.21%	-	7,500,000	Wastewater System
Annual	\$806,645 - \$1,220,552	2.21%	-	15,785,885	Wastewater System
Annual	\$75,160	3.04%	-	526,120	Wastewater System
Annual	\$39,541	2.95%	-	79,082	Wastewater System
			<u>\$ -</u>	<u>\$ 27,175,518</u>	
Total Installment Purchase & SRF Loans			<u>\$ 31,065,833</u>	<u>\$ 43,925,518</u>	

**D. Changes in Long-Term Debt**

The following is a summary of changes in governmental long-term debt for the year ended June 30, 2011 for the County:

Governmental Activities	June 30, 2010	Additions	Retirements	June 30, 2011	Current Maturities
General obligation bonds	\$ 84,560,000	\$ -	\$ 6,710,000	\$ 77,850,000	\$ 6,695,000
Certificates of participation	15,080,000	-	1,395,000	13,685,000	1,390,000
Installment purchases	33,060,608	-	1,994,775	31,065,833	1,864,167
Compensated absences	3,187,996	3,303,467	3,344,139	3,147,324	275,000
Pension benefit obligation	791,578	171,127	-	962,705	-
Other post-employment benefits	12,085,089	3,997,986	-	16,083,075	-
Landfill closure & post-closure	<u>6,093,190</u>	<u>60,931</u>	<u>-</u>	<u>6,154,121</u>	<u>112,000</u>
Total	<u>\$ 154,858,461</u>	<u>\$ 7,533,511</u>	<u>\$ 13,443,914</u>	<u>\$ 148,948,058</u>	<u>\$ 10,336,167</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 \$26,347,225 which is comprised of compensated absences of \$3,147,324, pension benefit obligation of \$962,705, other post-employment benefits of \$16,083,075 and landfill closure and post-closure of \$6,154,121.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

The following is a summary of changes in business-type long-term debt for the year ended June 30, 2011 for the County:

<b>Business-Type Activities</b>	<b>June 30, 2010</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2011</b>	<b>Current Maturities</b>
Revenue bonds	\$ 84,523,495	\$ 25,810,001	\$ 3,232,594	\$ 107,100,902	\$ 3,531,761
General obligation bonds	4,342,000	-	57,000	4,285,000	60,000
Installment purchases	15,188,075	1,561,925	-	16,750,000	1,152,000
State Revolving Fund Loans	28,943,904	-	1,768,386	27,175,518	1,787,791
Compensated absences	365,832	491,129	472,238	384,723	32,000
Other post-employment benefits	<u>1,592,519</u>	<u>566,553</u>	<u>-</u>	<u>2,159,072</u>	<u>-</u>
Total	<u>\$ 134,955,825</u>	<u>\$ 28,429,608</u>	<u>\$ 5,530,218</u>	<u>\$ 157,855,215</u>	<u>\$ 6,563,552</u>

The total of other debt not issued for capital is \$2,543,795 which is comprised of compensated absences of \$384,723 and other post-employment benefits of \$2,159,072.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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, 2011, including interest, are as follows:

Governmental Activities	General Obligation Bonds		Certificates of Participation		Installment Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	6,695,000	3,183,373	1,390,000	563,207	1,864,167	1,149,931
2013	6,670,000	2,925,559	1,380,000	511,994	1,864,167	1,080,384
2014	6,940,000	2,637,361	1,370,000	460,206	1,864,167	1,010,836
2015	7,235,000	2,347,061	1,365,000	408,332	1,864,167	941,289
2016	7,760,000	2,032,448	1,350,000	349,830	1,859,167	871,741
2017-2021	38,000,000	5,504,010	5,660,000	886,588	9,225,833	3,319,381
2022-2026	4,550,000	249,763	1,170,000	96,525	8,945,833	1,641,560
2027-2031	-	-	-	-	3,578,332	196,987
<b>Totals</b>	<b>\$ 77,850,000</b>	<b>\$ 18,879,575</b>	<b>\$ 13,685,000</b>	<b>\$ 3,276,682</b>	<b>\$ 31,065,833</b>	<b>\$ 10,212,109</b>

Business-Type Activities	General Obligation Bonds		Revenue Bonds		State Revolving Loans		Installment Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	60,000	182,113	3,531,761	5,006,375	1,787,791	615,507	1,152,000	793,550
2013	62,000	179,563	4,592,919	4,880,355	1,807,622	574,224	1,314,000	731,572
2014	65,000	176,928	4,733,414	4,725,766	1,788,349	532,503	1,379,000	666,259
2015	68,000	174,165	4,890,030	4,551,362	1,809,065	491,502	1,448,000	597,449
2016	70,000	171,275	5,077,025	4,337,832	1,830,237	450,044	1,521,000	524,927
2017-2021	400,000	808,945	28,514,611	18,106,444	9,259,997	1,618,489	8,836,000	1,392,344
2022-2026	491,000	716,550	29,001,142	10,972,763	8,892,457	578,584	500,000	-
2027-2031	605,000	602,862	26,760,000	3,767,081	-	-	500,000	-
2032-2036	746,000	462,825	-	-	-	-	100,000	-
2037-2041	918,000	290,232	-	-	-	-	-	-
2042-2046	800,000	85,000	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 4,285,000</b>	<b>\$ 3,850,458</b>	<b>\$ 107,100,902</b>	<b>\$ 56,347,978</b>	<b>\$ 27,175,518</b>	<b>\$ 4,860,853</b>	<b>\$ 16,750,000</b>	<b>\$ 4,706,101</b>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**F. Invested in Capital Assets, Net of Debt**

The total invested in capital assets, net of related debt at June 30, 2011 is composed of the following elements:

	Governmental	Business-type	Total
Total capital assets (net of depreciation)	\$ 127,063,431	\$ 332,367,080	\$ 459,430,511
Total debt, gross	148,948,058	157,855,215	306,803,273
Less:			
Education debt for which the County does not hold title	75,130,000	-	75,130,000
Other debt not issued for capital	26,347,225	2,543,795	28,891,020
Unexpended proceeds	<u>2,147,733</u>	<u>21,125,132</u>	<u>23,272,865</u>
Total capital debt	<u>45,323,100</u>	<u>134,186,288</u>	<u>179,509,388</u>
Invested in capital assets, net of related debt	<u>\$ 81,740,331</u>	<u>\$ 198,180,792</u>	<u>\$ 279,921,123</u>

**G. Other Debt Disclosures**

At June 30, 2011, the County had a legal debt margin of \$2.6 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 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, 2011, there are no industrial revenue bonds outstanding.

**9. Pension Plan Obligations**

**A. Local Governmental Employees' Retirement System**

**Plan Description**

The County contributes to the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

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-Social Service Department employees not engaged in law enforcement, for Social Services Department employees and for law enforcement officers is 6.43%, 6.42% and 6.41%, respectively, of annual covered payroll. The County's contributions to LGERS for the years ended June 30, 2011, 2010 and 2009 were \$2,831,593, \$2,093,366, and \$2,071,326 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, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits terminated plan members entitled to but not yet receiving benefits	3
Active plan members	<u>127</u>
Total	<u>130</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, 2011**

**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, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% 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, 2009 was 21 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	\$ 214,384
Interest on net pension obligation	39,579
Adjustment to annual required contribution	<u>(42,378)</u>
Annual pension cost	211,585
Contributions made	<u>40,458</u>
Increase in net pension, obligation	171,127
Net pension obligation, beginning of year	<u>791,578</u>
Net pension obligation, end of year	<u>\$ 962,705</u>

**Funded Status and Funding Progress**

Three Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Net Pension Obligation
2009	\$ 134,633	\$ 667,168
2010	167,508	791,578
2011	211,585	962,705

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

As of December 31, 2010, 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 \$1,495,262. The covered payroll (annual payroll of active employees covered by the plan) was \$6,654,662, and the ratio of the UAAL to the covered payroll was 22.47%. 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, 2011 were \$468,221 which consisted of \$345,371 from the County and \$122,850 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, 2011 were \$2,686,616 which consisted of \$1,851,650 from the County and \$834,966 from the employees.

#### E. Registers of Deeds' Supplemental Pension Fund

##### Plan Description

The County also contributes to the Registers of Deeds' Supplemental Pension Fund ("Fund"), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds that is retired under the Local Government Employees' Retirement System ("LGERS") or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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, 2011, the County's required and actual contributions were \$15,289.

#### **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, 2011, the County's contributions to the State for death benefits were \$46,799. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.08% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

#### **G. Other Post-Employment Benefits – Health Care Benefits**

##### **Plan Description**

In addition to providing pension benefits, the County has elected that an employee who retires from Brunswick County through regular retirement with at least ten years of creditable service with the North Carolina Local Governmental Employees' Retirement System or the North Carolina Law Enforcement Officers' Retirement System or who through disability retirement has five years of creditable service may continue health insurance coverage until age 65 at no cost to the retiree. Retired employees meeting the criteria discussed herein will be provided health and dental insurance in the same manner as the active County employees. Once a retiree reaches their sixty-fifth birthday, the retiree will be provided coverage in the form of a Medicare supplement policy purchased by the County. The County pays the full cost of coverage for these benefits. Retirees can purchase coverage for their dependents at the County's group rates until the retiree reaches age sixty-five. Currently, 187 retirees are

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2010, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	187	N/A
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	<u>841</u>	<u>127</u>
Total	<u><u>1,028</u></u>	<u><u>127</u></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 15.61% of annual covered payroll. For the current fiscal year, the County contributed \$1,319,804 or 3.02% 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 \$70,483. The County's obligation to contribute to the Plan is established and may be amended by the County Board.

**Summary of Significant Accounting Policies**

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

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

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

Annual required contribution	\$ 5,859,894
Interest on net pension obligation	547,104
Adjustment to annual required contribution	<u>(522,655)</u>
Annual pension cost	5,884,343
Contributions made	<u>(1,319,804)</u>
Increase in net pension, obligation	4,564,539
Net pension obligation, beginning of year	<u>13,677,608</u>
Net pension obligation, end of year	<u><u>\$ 18,242,147</u></u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

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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
2011	\$ 5,884,343	22.4%	\$ 18,242,147

**Fund Status and Funding Progress**

As of December 31, 2010, 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 \$62,955,399. The covered payroll (annual payroll of active employees covered by the plan) was \$43,062,825, and the ratio of the UAAL to the covered payroll was 146.2%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and health care trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

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

In the December 31, 2010 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. The rate included a 3.0 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, 2010, was 30 years.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

#### 10. Landfill Closure and Post-closure Costs

Federal and State laws and regulations provide the closure and post closure care requirements of the County's landfills. Although closure and post-closure 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 post-closure 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 63% 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, 2011, 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 2013-2014 based on a tonnage of 40,000 tons/year and no diversion of C&D debris.

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 \$450,000 in FY 2011-12 for expansion design fees and \$7,228,893 in FY 2014-15 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 Post-closure Care Cost**

The closure and post-closure care liability is computed based on the cumulative, estimated capacity of the landfill utilized as of June 30, 2011 which is 63%. It is estimated that closure of the C&D debris landfill will not occur until sometime around 2014. The MSW landfill was closed in 1997. At June 30, 2011, the post-closure care cost for the MSW landfill is expected to be approximately \$112,000 annually. The post-closure care cost for the C&D debris landfill is expected to be approximately \$125,000 annually after closure. At June 30, 2011, the combined closure and post-closure care costs for both landfills are expected to total \$6,154,121 based on an escalation factor of 1%. Of that amount, \$6,154,121 has been accrued at June 30, 2011 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 post-closure care costs. A reserve for landfill closure and post-closure care costs is

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

included in the County Capital Project 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 post-closure 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 \$348,635 of costs related to its landfill expansion during 2011.

#### 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 one self-funded risk-financing pool administered by the North Carolina Association of County Commissioners. Through the pool, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$190 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, and crime coverage of \$250,000 per occurrence. The pool is audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The pool is 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 employee health and dental insurance, the County was fully-insured with Blue Cross and Blue Shield during the fiscal year.

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.

On July 1, 2011, the County became self-funded for employee health insurance and contracted with Blue Cross and Blue Shield as a third party administrator to adjudicate claims and manage cost containment. To safeguard against catastrophic claims, the County has specific stop-loss coverage that occurs after \$150,000 in claims per member and an aggregate stop-loss for claims if they exceed \$9,435,542 in total. The specific stop loss and aggregate coverage is brokered through Blue Cross and Blue Shield.

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.)

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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

	<u>2010</u>	<u>2011</u>
Unpaid claims, beginning	\$ -	\$ 108,206
Incurred claims	603,939	581,691
Claim payments	<u>(495,733)</u>	<u>(496,547)</u>
Unpaid claims, ending	<u>\$ 108,206</u>	<u>\$ 193,350</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 settled a lawsuit brought by the North Carolina Eastern Municipal Power Agency on July 19, 2010 for overpayment of 2008 ad valorem property tax in the amount of \$500,623.

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, 2011, the amount of general obligation bonds issued for this purpose that was still outstanding was \$24,330,000. The County made total debt service payments related to the bonds of \$2,518,461 during the fiscal year. Of that total, \$1,395,000 was for principal and \$1,123,461 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, 2011.

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, 2011. Complete financial

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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 \$696,531 for operating purposes during the year ended June 30, 2011. 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.

#### **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, 2011.

##### **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, 2011 was \$991,696.

In addition, the Authority made payments to the County during the fiscal year totaling \$216,801 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 \$716,000 for design in fiscal year 2011 and \$11.1 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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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 break-even 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 total cost of the expanded facilities for both phases was \$114.4 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'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 constructing force mains to serve the southwest portion of the County at a cost of \$6.1 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.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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	\$ 670,308	\$ (211)
Low-Income Home Energy Assistance	572,838	-
Links Transitional Fund	9,226	-
Medicaid	72,971,807	28,774,820
Housing Assistance Program	2,486,352	-
Special Supplemental Food Program for Women, Infants, and Children	1,778,136	-
State Foster Care and Adoption Programs	891,903	203,877
State/County Special Assistance for Adults	-	422,910
CWS Adoption Subsidy & Vendor	-	265,878
State Foster Home	-	36,468
SFHF Maximization	-	10,107
Foster Care At Risk Maximization	-	1,338
Foster Care Special Provision	-	12,366

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

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, 2011. 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
Northwest Water Plant expansion	883,111
Waterline extension projects	19,620
Ocean Isle Beach Park	167,250
Sunset Beach Wastewater	9,228,170
Bricklanding Wastewater	<u>458,834</u>
	<u>\$ 10,756,985</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, 2011, 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.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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*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, 2011

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Liability - 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
12/31/2010	\$ -	\$ 1,495,262	\$ 1,495,262	0.00%	\$ 6,654,662	22.47%
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%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2011	\$ 214,384	\$ 40,458	18.87%
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%

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	12/31/2010	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	20 years	
Asset valuation method	Market value	
<b>Actuarial Assumptions:</b>		
Investment rate of return *	5.00%	* Includes inflation at 3.0%
Projected salary increases *	4.25-7.85%	
Cost of living adjustments	N/A	

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**OTHER POST EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2011**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL)		Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		-Projected Unit Credit B					
12/31/2010		\$ 62,955,399	\$ 62,955,399		0.00%	\$ 43,062,825	146.2%
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
2011	\$ 5,859,894	\$ 1,319,804	22.5%
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	12/31/2010
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	4.00%
Medical cost trend rate	
Pre-Medicare trend rate	10.50%-5.00%
Post-Medicare trend rate	8.50%-5.00%
Year of ultimate trend rate	2018

\*Includes inflation at 3.00%

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## MAJOR GOVERNMENTAL FUNDS

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**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 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.

**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 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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Current year taxes	\$ 96,811,000	\$ 96,734,004	\$ (76,996)	\$ 96,670,479
Prior year taxes	2,399,377	2,876,562	477,185	3,138,811
Penalties and interest	620,000	736,199	116,199	719,898
	<u>99,830,377</u>	<u>100,346,765</u>	<u>516,388</u>	<u>100,529,188</u>
<b>Local Option Sales Taxes:</b>				
Article 39 and 44 (1%)	5,800,335	5,788,970	(11,365)	6,944,789
Article 40 (1/2%)	4,320,603	4,505,897	185,294	4,330,424
Article 42 (1/2%)	3,724,707	3,996,820	272,113	3,786,534
	<u>13,845,645</u>	<u>14,291,687</u>	<u>446,042</u>	<u>15,061,747</u>
<b>Other Taxes and Licenses:</b>				
Scrap tire disposal fee	110,000	136,701	26,701	119,188
Deed stamp excise tax	1,800,000	1,836,620	36,620	2,018,158
Solid waste tax	36,000	45,889	9,889	49,751
White goods disposal tax	45,000	33,973	(11,027)	69,847
	<u>1,991,000</u>	<u>2,053,183</u>	<u>62,183</u>	<u>2,256,944</u>
<b>Unrestricted Intergovernmental:</b>				
Medicaid hold harmless	343,000	878,018	535,018	-
Beer and wine tax	80,000	248,907	168,907	77,229
Court facility fees	165,000	153,143	(11,857)	166,064
Jail fees	270,000	256,473	(13,527)	306,418
	<u>858,000</u>	<u>1,536,541</u>	<u>678,541</u>	<u>549,711</u>
<b>Restricted Intergovernmental:</b>				
State and federal grant	17,645,920	17,627,230	(18,690)	18,103,132
ARRA federal grant	198,537	161,848	(36,689)	1,012,006
Payments in lieu of taxes	1,000	3,641	2,641	3,610
ABC education requirement	-	1,087	1,087	7,352
ABC law enforcement services	2,000	1,512	(488)	4,070
State drug tax	83,061	89,542	6,481	76,152
	<u>17,930,518</u>	<u>17,884,860</u>	<u>(45,658)</u>	<u>19,206,322</u>
<b>Permits and Fees:</b>				
Building permits	775,000	726,300	(48,700)	828,337
Register of deeds	1,115,800	1,051,828	(63,972)	1,024,923
Inspection fees	144,600	127,241	(17,359)	144,477
Concealed handgun permit	50,000	62,820	12,820	58,270
Other permit and fees	986,041	972,219	(13,822)	1,205,880
	<u>3,071,441</u>	<u>2,940,408</u>	<u>(131,033)</u>	<u>3,261,887</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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Sales and Services:</b>				
Solid waste fees	960,000	1,225,984	265,984	1,125,138
School resource officer reimbursement	904,920	767,975	(136,945)	758,122
Rents	5,334	5,334	-	5,334
EMS Charges	2,600,000	2,791,839	191,839	2,628,771
Food Services	440,000	463,741	23,741	1,215,612
Public health user fees	783,062	805,105	22,043	902,950
Social services fees	53,380	57,216	3,836	57,485
Public housing fees	3,000	15,230	12,230	48,505
Tax collection fees	173,293	190,595	17,302	159,495
Other sales and services	587,103	731,050	143,947	150,243
Fuel reimbursement	-	-	-	320,104
Recreation services	200,250	209,857	9,607	188,117
	<u>6,710,342</u>	<u>7,263,926</u>	<u>553,584</u>	<u>7,559,876</u>
<b>Investment earnings</b>	<u>201,000</u>	<u>296,024</u>	<u>95,024</u>	<u>507,300</u>
<b>Other:</b>				
Tax refunds - sales and gas tax	500	540	40	662
ABC bottles taxes	42,000	46,531	4,531	38,986
County Board of Alcohol Control	24,000	24,000	-	24,000
Contributions	11,620	56,472	44,852	66,217
Other revenues	1,129,734	1,330,646	200,912	740,788
	<u>1,207,854</u>	<u>1,458,189</u>	<u>250,335</u>	<u>870,653</u>
<b>Total revenues</b>	<u>145,646,177</u>	<u>148,071,583</u>	<u>2,425,406</u>	<u>149,803,628</u>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Body:</b>				
Salaries	274,428	265,007	9,421	269,738
Fringe benefits	89,051	70,553	18,498	64,897
Operating costs	101,286	53,552	47,734	77,507
	<u>464,765</u>	<u>389,112</u>	<u>75,653</u>	<u>412,142</u>
<b>County Administration:</b>				
Salaries	706,440	624,624	81,816	686,046
Fringe benefits	217,871	192,373	25,498	181,171
Operating costs	59,500	30,615	28,885	81,964
	<u>983,811</u>	<u>847,612</u>	<u>136,199</u>	<u>949,181</u>
<b>Finance:</b>				
Salaries	680,701	623,789	56,912	686,555
Fringe benefits	226,719	204,637	22,082	218,266
Operating costs	283,115	274,704	8,411	279,727
	<u>1,190,535</u>	<u>1,103,130</u>	<u>87,405</u>	<u>1,184,548</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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Tax Administration:</b>				
Salaries	1,402,398	1,293,701	108,697	1,378,340
Fringe benefits	530,300	494,791	35,509	490,964
Operating costs	419,855	379,556	40,299	310,224
	<u>2,352,553</u>	<u>2,168,048</u>	<u>184,505</u>	<u>2,179,528</u>
<b>Revenue Collector:</b>				
Salaries	457,148	440,195	16,953	456,534
Fringe benefits	191,695	184,357	7,338	172,505
Operating costs	77,550	62,217	15,333	74,344
	<u>726,393</u>	<u>686,769</u>	<u>39,624</u>	<u>703,383</u>
<b>Geographic Information:</b>				
Salaries	403,277	389,287	13,990	403,126
Fringe benefits	144,205	136,808	7,397	145,640
Operating costs	62,730	50,363	12,367	64,883
	<u>610,212</u>	<u>576,458</u>	<u>33,754</u>	<u>613,649</u>
<b>County Attorney:</b>				
Salaries	242,639	234,871	7,768	295,457
Fringe benefits	67,141	64,154	2,987	73,363
Operating costs	197,900	172,016	25,884	31,142
Capital outlay	-	-	-	5,267
	<u>507,680</u>	<u>471,041</u>	<u>36,639</u>	<u>405,229</u>
<b>Court Facilities:</b>				
Salaries	120,916	118,370	2,546	105,079
Fringe benefits	39,489	37,359	2,130	31,072
Operating costs	205,433	98,507	106,926	143,494
	<u>365,838</u>	<u>254,236</u>	<u>111,602</u>	<u>279,645</u>
<b>Board of Elections:</b>				
Salaries	336,189	331,255	4,934	342,543
Fringe benefits	91,566	85,391	6,175	80,897
Operating costs	138,331	63,915	74,416	69,471
	<u>566,086</u>	<u>480,561</u>	<u>85,525</u>	<u>492,911</u>
<b>Register of Deeds:</b>				
Salaries	672,436	671,656	780	697,173
Fringe benefits	319,851	308,778	11,073	295,596
Operating costs	1,255,016	1,254,359	657	1,322,477
	<u>2,247,303</u>	<u>2,234,793</u>	<u>12,510</u>	<u>2,315,246</u>
Total general government	<u>10,015,176</u>	<u>9,211,760</u>	<u>803,416</u>	<u>9,535,462</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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Central Services:</b>				
<b>Management Information Systems:</b>				
Salaries	587,568	580,799	6,769	638,417
Fringe benefits	196,052	194,352	1,700	199,769
Operating costs	426,990	307,588	119,402	217,231
Capital outlay	25,000	23,382	1,618	127,029
	<u>1,235,610</u>	<u>1,106,121</u>	<u>129,489</u>	<u>1,182,446</u>
<b>Service Center:</b>				
Salaries	582,275	569,714	12,561	555,115
Fringe benefits	221,291	215,841	5,450	205,840
Operating costs	421,074	235,700	185,374	602,103
	<u>1,224,640</u>	<u>1,021,255</u>	<u>203,385</u>	<u>1,363,058</u>
<b>Engineering:</b>				
Salaries	291,608	218,247	73,361	328,838
Fringe benefits	97,791	73,505	24,286	101,519
Operating costs	26,950	25,992	958	17,515
Capital outlay	-	-	-	88,501
	<u>416,349</u>	<u>317,744</u>	<u>98,605</u>	<u>536,373</u>
<b>Operation Services:</b>				
Salaries	1,927,589	1,896,243	31,346	2,032,460
Fringe benefits	828,881	765,711	63,170	788,970
Operating costs	3,051,376	2,694,299	357,077	2,244,944
Capital outlay	54,000	47,671	6,329	89,679
	<u>5,861,846</u>	<u>5,403,924</u>	<u>457,922</u>	<u>5,156,053</u>
<b>Non-departmental:</b>				
Salaries	258,075	-	258,075	-
Fringe benefits	2,289,185	1,898,307	390,878	1,755,249
Operating costs	910,948	483,559	427,389	620,106
	<u>3,458,208</u>	<u>2,381,866</u>	<u>1,076,342</u>	<u>2,375,355</u>
<b>Food Services:</b>				
Salaries	302,265	298,176	4,089	312,821
Fringe benefits	140,783	139,017	1,766	143,646
Operating costs	108,532	29,034	79,498	942,123
	<u>551,580</u>	<u>466,227</u>	<u>85,353</u>	<u>1,398,590</u>
Total central services	<u>12,748,233</u>	<u>10,697,137</u>	<u>2,051,096</u>	<u>12,011,875</u>
<b>Public Safety:</b>				
<b>District Attorney:</b>				
Salaries	131,660	131,153	507	125,519
Fringe benefits	38,148	26,640	11,508	36,679
Operating costs	123,480	95,876	27,604	76,706
	<u>293,288</u>	<u>253,669</u>	<u>39,619</u>	<u>238,904</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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Sheriff:</b>				
Salaries	6,400,986	6,361,170	39,816	6,219,263
Fringe benefits	2,226,893	2,164,116	62,777	2,085,333
Operating costs	1,929,801	1,929,174	627	1,542,293
Capital outlay	441,373	429,083	12,290	288,827
	<u>10,999,053</u>	<u>10,883,543</u>	<u>115,510</u>	<u>10,135,716</u>
<b>Resource Center:</b>				
Salaries	98,599	91,725	6,874	93,362
Fringe benefits	34,254	33,994	260	33,026
Operating costs	139,220	119,109	20,111	144,726
	<u>272,073</u>	<u>244,828</u>	<u>27,245</u>	<u>271,114</u>
<b>Detention Center:</b>				
Salaries	3,382,015	3,377,831	4,184	3,283,989
Fringe benefits	1,343,781	1,339,499	4,282	1,240,803
Operating costs	1,889,320	1,752,605	136,715	1,688,846
	<u>6,615,116</u>	<u>6,469,935</u>	<u>145,181</u>	<u>6,213,638</u>
<b>Emergency Medical:</b>				
Salaries	3,824,086	3,767,664	56,422	3,861,738
Fringe benefits	1,334,942	1,273,282	61,660	1,257,208
Operating costs	1,017,040	968,431	48,609	908,310
Capital outlay	149,042	149,042	-	526,929
	<u>6,325,110</u>	<u>6,158,419</u>	<u>166,691</u>	<u>6,554,185</u>
<b>Emergency Management:</b>				
Salaries	402,691	384,489	18,202	373,791
Fringe benefits	123,955	120,917	3,038	109,135
Operating costs	279,575	164,837	114,738	169,266
Capital outlay	109,626	-	109,626	-
	<u>915,847</u>	<u>670,243</u>	<u>245,604</u>	<u>652,192</u>
<b>Other Agencies:</b>				
Fire districts	304,135	304,135	-	300,000
Rescue Squads	269,600	237,475	32,125	238,666
	<u>573,735</u>	<u>541,610</u>	<u>32,125</u>	<u>538,666</u>
<b>Public Inspections:</b>				
Salaries	548,462	542,392	6,070	578,880
Fringe benefits	196,361	193,782	2,579	200,068
Operating costs	60,120	50,310	9,810	45,674
	<u>804,943</u>	<u>786,484</u>	<u>18,459</u>	<u>824,622</u>
<b>Coroner:</b>				
Operating costs	70,000	53,185	16,815	61,413
<b>Central Communications:</b>				
Salaries	1,262,212	1,228,749	33,463	1,275,664
Fringe benefits	505,234	465,016	40,218	460,291
Operating costs	1,244,832	451,916	792,916	314,340
Capital outlay	339,450	-	339,450	13,694
	<u>3,351,728</u>	<u>2,145,681</u>	<u>1,206,047</u>	<u>2,063,989</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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Animal Control:</b>				
Salaries	473,671	447,484	26,187	463,851
Fringe benefits	189,323	181,311	8,012	181,304
Operating costs	246,104	229,334	16,770	169,263
Capital outlay	-	-	-	25,533
	<u>909,098</u>	<u>858,129</u>	<u>50,969</u>	<u>839,951</u>
Total public safety	<u>31,129,991</u>	<u>29,065,726</u>	<u>2,064,265</u>	<u>28,394,390</u>
<b>Transportation:</b>				
Cape Fear Regional Jetport	66,000	66,000	-	88,000
Odell Williamson Municipal Airport	27,500	27,500	-	27,500
Cape Fear Transportation Authority	7,458	7,458	-	7,458
Brunswick Transit System	160,972	160,972	-	157,508
Total transportation	<u>261,930</u>	<u>261,930</u>	<u>-</u>	<u>280,466</u>
<b>Environmental Protection:</b>				
<b>Solid Waste:</b>				
Salaries	356,576	353,007	3,569	342,492
Fringe benefits	133,812	132,136	1,676	121,868
Operating costs	12,529,477	12,363,210	166,267	11,618,890
Capital outlay	-	-	-	8,976
	<u>13,019,865</u>	<u>12,848,353</u>	<u>171,512</u>	<u>12,092,226</u>
<b>Other:</b>				
Forestry services	208,446	200,114	8,332	187,768
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	-	-	-	46,544
	<u>247,446</u>	<u>239,114</u>	<u>8,332</u>	<u>273,312</u>
Total environmental protection	<u>13,267,311</u>	<u>13,087,467</u>	<u>179,844</u>	<u>12,365,538</u>
<b>Economic Development:</b>				
<b>Code Enforcement:</b>				
Salaries	162,202	160,507	1,695	127,092
Fringe benefits	64,247	63,466	781	47,363
Operating costs	28,041	16,278	11,763	14,408
	<u>254,490</u>	<u>240,251</u>	<u>14,239</u>	<u>188,863</u>
<b>Planning:</b>				
Salaries	648,985	647,115	1,870	700,516
Fringe benefits	231,040	228,987	2,053	238,537
Operating costs	198,801	120,101	78,700	182,161
	<u>1,078,826</u>	<u>996,203</u>	<u>82,623</u>	<u>1,121,214</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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Cooperative Extension:</b>				
Salaries	412,602	268,821	143,781	275,546
Fringe benefits	1,842	575	1,267	96,159
Operating costs	103,281	92,258	11,023	186,715
	<u>517,725</u>	<u>361,654</u>	<u>156,071</u>	<u>558,420</u>
<b>Soil and Water Conservation:</b>				
Salaries	126,832	125,314	1,518	126,424
Fringe benefits	49,411	49,009	402	47,436
Operating costs	16,441	15,975	466	14,966
	<u>192,684</u>	<u>190,298</u>	<u>2,386</u>	<u>188,826</u>
<b>Public Housing Section 8:</b>				
Salaries	183,840	181,649	2,191	182,714
Fringe benefits	68,531	67,683	848	65,329
Operating costs	2,495,422	2,279,873	215,549	2,354,776
	<u>2,747,793</u>	<u>2,529,205</u>	<u>218,588</u>	<u>2,602,819</u>
<b>Community Development:</b>				
Operating costs	52,687	5,687	47,000	61,750
<b>Economic Development:</b>				
Salaries	187,864	185,827	2,037	188,813
Fringe benefits	60,702	60,280	422	57,963
Operating costs	128,500	128,500	-	128,500
	<u>377,066</u>	<u>374,607</u>	<u>2,459</u>	<u>375,276</u>
<b>Other Economic Development:</b>				
Inlet Committee-Save Our Sands	-	-	-	10,000
Total economic development	<u>5,221,271</u>	<u>4,697,905</u>	<u>523,366</u>	<u>5,107,168</u>
<b>Human Services:</b>				
<b>Health:</b>				
<b>Administration:</b>				
Salaries	2,374,406	2,315,331	59,075	2,319,405
Fringe benefits	914,446	849,621	64,825	817,857
Operating costs	85,745	61,426	24,319	64,638
Capital outlay	31,420	6,991	24,429	24,526
	<u>3,406,017</u>	<u>3,233,369</u>	<u>172,648</u>	<u>3,226,426</u>
<b>Communicable Diseases:</b>				
Operating costs	304,018	252,433	51,585	247,860
<b>Adult Health Maintenance:</b>				
Salaries	57,409	53,444	3,965	62,308
Fringe benefits	16,930	16,416	514	19,234
Operating costs	101,954	98,003	3,951	148,342
	<u>176,293</u>	<u>167,863</u>	<u>8,430</u>	<u>229,884</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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Senior Health</b>				
Salaries	175,472	175,170	302	177,877
Fringe benefits	50,468	50,202	266	48,031
Operating costs	212,035	211,552	483	193,157
	<u>437,975</u>	<u>436,924</u>	<u>1,051</u>	<u>419,065</u>
<b>Maternal and Child Health:</b>				
Salaries	363,207	357,740	5,467	385,985
Fringe benefits	154,289	150,753	3,536	159,049
Operating costs	809,921	700,002	109,919	802,172
Capital outlay	15,000	14,757	243	-
	<u>1,342,417</u>	<u>1,223,252</u>	<u>119,165</u>	<u>1,347,206</u>
<b>Environmental Health:</b>				
Salaries	898,855	892,774	6,081	909,812
Fringe benefits	323,874	320,063	3,811	282,314
Operating costs	246,046	211,839	34,207	314,927
Capital outlay	8,860	8,471	389	13,000
	<u>1,477,635</u>	<u>1,433,147</u>	<u>44,488</u>	<u>1,520,053</u>
Total health	<u>7,144,355</u>	<u>6,746,988</u>	<u>397,367</u>	<u>6,990,494</u>
<b>Veterans' Services:</b>				
Salaries	89,425	87,783	1,642	87,546
Fringe benefits	33,193	33,089	104	31,761
Operating costs	13,199	9,337	3,862	10,111
Total veterans' services	<u>135,817</u>	<u>130,209</u>	<u>5,608</u>	<u>129,418</u>
<b>Social Services:</b>				
<b>Administration:</b>				
Salaries	5,772,020	5,418,322	353,698	5,319,990
Fringe benefits	2,136,645	1,932,624	204,021	1,912,392
Operating costs	1,483,856	1,424,171	59,685	964,109
	<u>9,392,521</u>	<u>8,775,117</u>	<u>617,404</u>	<u>8,196,491</u>
<b>Community Alternative Program:</b>				
Salaries	383,197	293,628	89,569	322,141
Fringe benefits	198,267	155,629	42,638	170,635
Operating costs	75,018	56,062	18,956	60,664
	<u>656,482</u>	<u>505,319</u>	<u>151,163</u>	<u>553,440</u>
<b>Title III-In Home Care:</b>				
Salaries	234,056	197,629	36,427	203,299
Fringe benefits	128,227	115,502	12,725	118,819
Operating costs	16,400	13,223	3,177	15,120
	<u>378,683</u>	<u>326,354</u>	<u>52,329</u>	<u>337,238</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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Other Operating Costs:</b>				
Medical assistance	46,000	39,783	6,217	16,985
Aid to the blind	6,500	4,772	1,728	4,773
Adoption assistance	325,000	252,216	72,784	268,788
Special assistance to aged	300,000	224,679	75,321	477,915
Special assistance to disabled	300,000	227,194	72,806	-
Foster care	361,000	349,390	11,610	373,311
State foster home	213,800	101,990	111,810	221,599
Special assistance	3,500	361	3,139	-
Day care	5,002,381	4,432,060	570,321	6,186,314
Special child adoption assistance	82,000	57,252	24,748	23,587
	<u>6,640,181</u>	<u>5,689,697</u>	<u>950,484</u>	<u>7,573,272</u>
 Total social services	 <u>17,067,867</u>	 <u>15,296,487</u>	 <u>1,771,380</u>	 <u>16,660,441</u>
<b>Other Human Services:</b>				
Southeastern Mental Health Center	696,550	696,531	19	688,986
Other human services	2,228,326	2,206,996	21,330	2,199,368
	<u>2,924,876</u>	<u>2,903,527</u>	<u>21,349</u>	<u>2,888,354</u>
 Total human services	 <u>27,272,915</u>	 <u>25,077,211</u>	 <u>2,195,704</u>	 <u>26,668,707</u>
<b>Education:</b>				
Public schools	29,515,717	29,515,717	-	30,378,827
Public schools - capital outlay	-	-	-	637,318
Community college	3,435,831	3,435,831	-	3,435,831
Total education	<u>32,951,548</u>	<u>32,951,548</u>	<u>-</u>	<u>34,451,976</u>
<b>Culture and Recreation:</b>				
<b>Parks and Recreation:</b>				
Salaries	1,203,231	1,131,928	71,303	1,146,792
Fringe benefits	387,733	377,274	10,459	363,048
Operating costs	963,152	850,208	112,944	725,083
Capital outlay	83,500	64,648	18,852	302,504
	<u>2,637,616</u>	<u>2,424,058</u>	<u>213,558</u>	<u>2,537,427</u>
<b>Brunswick County Library:</b>				
Salaries	763,202	665,431	97,771	759,402
Fringe benefits	313,476	267,031	46,445	294,381
Operating costs	257,003	211,946	45,057	222,050
	<u>1,333,681</u>	<u>1,144,408</u>	<u>189,273</u>	<u>1,275,833</u>
<b>Other Culture and Recreation:</b>				
Contributions	292,330	292,330	-	17,807
 Total culture and recreation	 <u>4,263,627</u>	 <u>3,860,796</u>	 <u>402,831</u>	 <u>3,831,067</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, 2011  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Debt Service:</b>				
Principal retirement	10,110,608	10,099,775	10,833	10,041,528
Interest and fees	5,421,404	5,367,812	53,592	7,939,735
Total debt service	<u>15,532,012</u>	<u>15,467,587</u>	<u>64,425</u>	<u>17,981,263</u>
Total expenditures	<u>152,664,014</u>	<u>144,379,067</u>	<u>8,284,947</u>	<u>150,627,912</u>
Revenues over (under) expenditures	<u>(7,017,837)</u>	<u>3,692,516</u>	<u>10,710,353</u>	<u>(824,284)</u>
<b>Other Financing Sources (Uses):</b>				
Issuance of long-term debt	-	-	-	23,990,000
Premiums on bonds	-	-	-	1,790,175
Payment to escrow agent for refunded debt	-	-	-	(23,500,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,280,175</u>
<b>Transfers From Other Funds:</b>				
Transfer from school capital project fund	1,246,492	1,246,492	-	-
Transfer from county capital project fund	4,378,139	1,228,139	(3,150,000)	-
	<u>5,624,631</u>	<u>2,474,631</u>	<u>(3,150,000)</u>	<u>-</u>
<b>Transfers To Other Funds:</b>				
Transfer to county capital project fund	-	-	-	(668,906)
Transfer to grant project funds	(85,052)	(85,052)	-	(15,000)
Transfer to register of deeds technology fund	(102,186)	(96,225)	5,961	(93,421)
Transfer to emergency telephone system fund	(31,090)	(31,090)	-	-
Transfer to school capital project funds	(2,750,906)	(2,750,906)	-	(1,861,271)
	<u>(2,969,234)</u>	<u>(2,963,273)</u>	<u>5,961</u>	<u>(2,638,598)</u>
<b>Budgetary Financing Sources (Uses):</b>				
Appropriated fund balance	4,362,440	-	(4,362,440)	-
	<u>4,362,440</u>	<u>-</u>	<u>(4,362,440)</u>	<u>-</u>
Total other financing sources (uses)	<u>7,017,837</u>	<u>(488,642)</u>	<u>(7,506,479)</u>	<u>(358,423)</u>
Net change in fund balance	<u>\$ -</u>	<u>3,203,874</u>	<u>\$ 3,203,874</u>	<u>(1,182,707)</u>
Fund balance, beginning of year		<u>54,146,484</u>		<u>55,329,191</u>
Fund balance, end of year		<u>\$ 57,350,358</u>		<u>\$ 54,146,484</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, 2011**

	Project Budget	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Restricted intergovernmental	\$ 10,076,670	\$ 8,486,400	\$ 1,106,414	\$ 9,592,814
Investment earnings	155,915	106,069	50,245	156,314
Performance bonds	4,857,546	713,193	4,144,353	4,857,546
Other	259,716	204,565	-	204,565
Total revenues	<u>15,349,847</u>	<u>9,510,227</u>	<u>5,301,012</u>	<u>14,811,239</u>
<b>Expenditures:</b>				
<b>Capital Improvements:</b>				
<b>General government:</b>				
Parking Improvements	57,370	57,369	-	57,369
<b>Environmental protection:</b>				
C&D Landfill expansion	2,233,713	1,765,055	348,635	2,113,690
<b>Economic Development:</b>				
Riversea Plantation Phase 4	489,295	488,050	1,245	489,295
Avalon	3,922,845	199,376	52,610	251,986
Goose Marsh	170,821	-	-	-
Springlake at Maritime Shores	274,585	-	-	-
	<u>4,857,546</u>	<u>687,426</u>	<u>53,855</u>	<u>741,281</u>
<b>Human Services:</b>				
Brunswick Center at Southport	2,589,281	2,589,281	-	2,589,281
DSS, Food Services & Health Building Improvements	7,314,188	7,314,188	-	7,314,188
	<u>9,903,469</u>	<u>9,903,469</u>	<u>-</u>	<u>9,903,469</u>
<b>Cultural and recreation:</b>				
Ocean Isle Beach Park	3,145,850	2,652,843	307,870	2,960,713
Cedar Grove Park	5,779,729	5,483,339	17,872	5,501,211
Leland Library	725,000	71,428	622,023	693,451
Brunswick River dredging	7,500	-	-	-
	<u>9,658,079</u>	<u>8,207,610</u>	<u>947,765</u>	<u>9,155,375</u>
<b>Transportation:</b>				
Airport Improvements	12,019,054	9,669,263	949,988	10,619,251
Total expenditures	<u>38,729,231</u>	<u>30,290,192</u>	<u>2,300,243</u>	<u>32,590,435</u>
<b>Revenues over (under) expenditures</b>	(23,379,384)	(20,779,965)	3,000,769	(17,779,196)
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	8,620,593	-	-	-
Contingency for future capital projects	(4,916,416)	-	-	-
Transfer from general fund	19,938,768	19,938,768	-	19,938,768
Transfer to general fund	(4,378,139)	-	(1,228,139)	(1,228,139)
Debt financing issued	4,025,000	4,025,000	-	4,025,000
Premium on bonds issued	89,578	89,578	-	89,578
Total other financing sources (uses)	<u>23,379,384</u>	<u>24,053,346</u>	<u>(1,228,139)</u>	<u>22,825,207</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 3,273,381</u>	<u>1,772,630</u>	<u>\$ 5,046,011</u>
<b>Fund balance, beginning of year, as previously stated</b>			3,273,381	
<b>Change in accounting principle</b>			8,639,455	
<b>Fund balance, beginning of year, restated</b>			<u>11,912,836</u>	
<b>Fund balance, end of year</b>			<u>\$ 13,685,466</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, 2011

	Project Budget	Prior Years	Actual	
			Current Year	Total to Date
<b>Revenues:</b>				
Restricted intergovernmental revenues	\$ 3,612,673	\$ 1,320,335	\$ 2,019,280	\$ 3,339,615
Investment earnings	1,496,585	1,503,408	48,812	1,552,220
Total revenues	<u>5,109,258</u>	<u>2,823,743</u>	<u>2,068,092</u>	<u>4,891,835</u>
<b>Expenditures:</b>				
Brunswick County Schools capital projects	25,369,424	15,198,282	3,980,831	19,179,112
Cedar Grove Middle School	18,732,947	18,732,947	-	18,732,947
Town Creek Elementary School	16,662,957	16,662,957	-	16,662,957
Brunswick Community College	31,665,911	29,034,771	543,242	29,578,013
Total expenditures	<u>92,431,239</u>	<u>79,628,957</u>	<u>4,524,073</u>	<u>84,153,029</u>
<b>Revenues over (under) expenditures</b>	(87,321,981)	(76,805,214)	(2,455,981)	(79,261,194)
<b>Other Financing Sources (Uses):</b>				
Transfer from general fund	21,009,372	17,833,352	2,750,906	20,584,258
Transfer to general fund	(1,246,492)	-	(1,246,492)	(1,246,492)
Premium on bonds issued	476,476	476,476	-	476,476
Debt financing issued	65,500,000	65,500,000	-	65,500,000
Appropriated fund balance	1,582,625	-	-	-
Total other financing sources (uses)	<u>87,321,981</u>	<u>83,809,829</u>	<u>1,504,414</u>	<u>85,314,242</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 7,004,615</u>	(951,567)	<u>\$ 6,053,048</u>
<b>Fund balance, beginning of year, as previously stated</b>			7,004,615	
Change in accounting principle			6,552,413	
<b>Fund balance, beginning of year, restated</b>			<u>13,557,028</u>	
<b>Fund balance, end of year</b>			<u>\$ 12,605,461</u>	

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## NON MAJOR GOVERNMENTAL FUNDS

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**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.

**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.

**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.

COMBINING BALANCE SHEET - NON MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
 JUNE 30, 2011

	<u>Special Revenue Funds</u>				
	<u>Occupancy Tax Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Grant Project</u>	<u>ROD- Technology Enhancement Fund</u>	<u>Total</u>
<b>Assets:</b>					
Cash and cash equivalents/investments	\$ 59,409	\$ 1,040,502	\$ -	\$ 663,466	\$ 1,763,377
Interest receivable	-	703	-	454	1,157
Receivables, net	193,739	-	-	-	193,739
Other governmental agencies	-	77,563	693,037	-	770,600
Total assets	<u>\$ 253,148</u>	<u>\$ 1,118,768</u>	<u>\$ 693,037</u>	<u>\$ 663,920</u>	<u>\$ 2,728,873</u>
<b>Liabilities and Fund Balance:</b>					
<b>Liabilities:</b>					
Accounts payable and other liabilities	\$ 253,147	\$ 342,663	\$ 439,811	\$ 1,268	\$ 1,036,889
Due to other funds	-	-	226,471	-	226,471
Total liabilities	<u>253,147</u>	<u>342,663</u>	<u>666,282</u>	<u>1,268</u>	<u>1,263,360</u>
<b>Fund Balance:</b>					
Stabilization by State Statute	193,739	78,266	693,037	454	965,496
Restricted - other	-	697,839	-	619,015	1,316,854
Assigned	-	-	-	43,183	43,183
Unassigned	(193,738)	-	(666,282)	-	(860,020)
Total fund balances	<u>1</u>	<u>776,105</u>	<u>26,755</u>	<u>662,652</u>	<u>1,465,513</u>
Total liabilities and fund balances	<u>\$ 253,148</u>	<u>\$ 1,118,768</u>	<u>\$ 693,037</u>	<u>\$ 663,920</u>	<u>\$ 2,728,873</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NON MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

Special Revenue Funds

	Occupancy Tax Fund	Emergency Telephone System Fund	Grant Project	ROD- Technology Enhancement Fund	Total
<b>Revenues:</b>					
Other taxes and licenses	\$ 1,077,062	\$ -	\$ -	\$ -	\$ 1,077,062
Restricted intergovernmental	-	930,750	971,445	-	1,902,195
Other revenue	-	-	264	-	264
Investment earnings	-	4,540	95	3,345	7,980
Total revenues	<u>1,077,062</u>	<u>935,290</u>	<u>971,804</u>	<u>3,345</u>	<u>2,987,501</u>
<b>Expenditures:</b>					
General government	-	-	-	90,400	90,400
Public safety	-	991,003	-	-	991,003
Economic and physical development	1,077,062	-	1,052,546	-	2,129,608
Total expenditures	<u>1,077,062</u>	<u>991,003</u>	<u>1,052,546</u>	<u>90,400</u>	<u>3,211,011</u>
<b>Revenues over (under) expenditures</b>	-	(55,713)	(80,742)	(87,055)	(223,510)
<b>Other Financing Sources:</b>					
Transfers from general fund	-	31,090	85,052	96,225	212,367
<b>Net change in fund balances</b>	-	(24,623)	4,310	9,170	(11,143)
<b>Fund balance, beginning of year</b>	<u>1</u>	<u>800,728</u>	<u>22,445</u>	<u>653,482</u>	<u>1,476,656</u>
<b>Fund balance, end of year</b>	<u>\$ 1</u>	<u>\$ 776,105</u>	<u>\$ 26,755</u>	<u>\$ 662,652</u>	<u>\$ 1,465,513</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, 2011  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Revenues:</b>				
Other taxes and licenses	\$ 1,090,000	\$ 1,077,062	\$ (12,938)	\$ 992,280
<b>Expenditures:</b>				
Economic and physical development	1,090,000	1,077,062	12,938	992,280
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund balance, beginning of year</b>		<u>1</u>		<u>1</u>
<b>Fund balance, end of year</b>		<u>\$ 1</u>		<u>\$ 1</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, 2011  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 1,205,750	\$ 930,750	\$ (275,000)	\$ 930,751
Investment earnings	2,700	4,540	1,840	6,632
Total revenues	<u>1,208,450</u>	<u>935,290</u>	<u>(273,160)</u>	<u>937,383</u>
<b>Expenditures:</b>				
Public safety	1,528,195	641,003	887,192	938,570
S.L. 2010-158 expenditures	415,909	350,000	65,909	-
Total expenditures	<u>1,944,104</u>	<u>991,003</u>	<u>953,101</u>	<u>938,570</u>
<b>Revenues over (under) expenditures</b>	(735,654)	(55,713)	679,941	(1,187)
<b>Other Financing Sources (Uses):</b>				
Transfers from general fund	31,090	31,090	-	-
Appropriated fund balance	704,564	-	(704,564)	-
Total other financing sources (uses)	<u>735,654</u>	<u>31,090</u>	<u>(704,564)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	(24,623)	<u>\$ (24,623)</u>	(1,187)
<b>Fund balance, beginning of year</b>		<u>800,728</u>		<u>801,915</u>
<b>Fund balance, end of year</b>		<u>\$ 776,105</u>		<u>\$ 800,728</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, 2011

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Restricted intergovernmental - CDBG-Scattered Site 2009	\$ 400,000	\$ -	\$ -	\$ -
Restricted intergovernmental - CDBG Water Connection 2009	148,000	-	148,000	148,000
Restricted intergovernmental - CHAF	767,820	734,642	-	734,642
Restricted intergovernmental - USDA Housing Preservation (HPG)	90,000	60,423	64,317	124,740
Restricted intergovernmental - 2010 USDA Housing (HPG)	90,000	-	-	-
Restricted intergovernmental - Single Family Rehab 2008	400,000	400,000	-	400,000
Restricted intergovernmental - Sheriff's	350,519	-	236,292	236,292
Restricted intergovernmental - ARRA Sheriff's	99,555	84,491	-	84,491
Restricted intergovernmental - Urgent Repair	75,000	37,500	37,500	75,000
Restricted intergovernmental - Urgent Repair 2010	75,000	37,500	-	37,500
Restricted intergovernmental - Emergency Services Grants	1,634,065	830,749	473,678	1,304,427
Restricted intergovernmental - Culture and Recreation	75,000	-	-	-
Restricted intergovernmental - Economic and Physical Development	127,138	47,138	-	47,138
Restricted intergovernmental - Environmental Protection	17,000	-	11,658	11,658
Other revenue	61,570	61,656	264	61,920
Investment earnings	-	-	95	95
Total revenues	<u>4,410,667</u>	<u>2,294,099</u>	<u>971,804</u>	<u>3,265,903</u>
<b>Expenditures:</b>				
CDBG - Scattered Site 2009	400,000	2,100	6,932	9,032
CDBG Water Connection 2009	148,000	38,896	109,103	147,999
CDBG - Capacity Building	13,471	5,751	7,720	13,471
CHAF	791,367	786,366	531	786,897
USDA Housing Preservation (HPG)	135,000	128,454	6,546	135,000
Urgent Repair	90,000	53,214	36,809	90,023
Urgent Repair - 2010	91,600	-	69,140	69,140
USDA Housing Preservation (HPG) 2010	135,000	-	71,596	71,596
Single Family Rehabilitation - 2008	460,486	450,639	10,447	461,086
Single Family Rehabilitation - 2011	4,800	-	-	-
ARRA Sheriff's Department	99,555	84,491	3,000	87,491
Sheriff's Department	350,519	-	236,292	236,292
Emergency Services - Public Safety	1,635,330	763,510	476,357	1,239,867
Culture and Recreation	95,000	-	3,665	3,665
Environmental Protection	17,000	-	14,408	14,408
General Economic and Physical Development	<u>127,138</u>	<u>47,138</u>	<u>-</u>	<u>47,138</u>
Total expenditures	<u>4,594,266</u>	<u>2,360,559</u>	<u>1,052,546</u>	<u>3,413,105</u>
<b>Revenues over (under) expenditures</b>	(183,599)	(66,460)	(80,742)	(147,202)
<b>Other Financing Sources (Uses):</b>				
Transfers from general fund	183,599	88,905	85,052	173,957
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	<u>183,599</u>	<u>88,905</u>	<u>85,052</u>	<u>173,957</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 22,445</u>	<u>4,310</u>	<u>\$ 26,755</u>
<b>Fund balance, beginning of year</b>			<u>22,445</u>	
<b>Fund balance, end of year</b>			<u>\$ 26,755</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, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Revenues:</b>				
Investment earnings	\$ 2,000	\$ 3,345	\$ 1,345	\$ 5,367
<b>Expenditures:</b>				
General government	147,398	90,400	56,998	78,213
<b>Revenues over (under) expenditures</b>	(145,398)	(87,055)	58,343	(72,846)
<b>Other Financing Sources (Uses):</b>				
<b>Transfers In (Out):</b>				
Transfer from general fund	102,186	96,225	(5,961)	93,421
Appropriated Fund Balance	43,212	-	(43,212)	-
Total other financing sources (uses)	145,398	96,225	(49,173)	93,421
<b>Net change in fund balance</b>	<u>\$ -</u>	9,170	<u>\$ 9,170</u>	20,575
<b>Fund balance, beginning of year</b>		653,482		632,907
<b>Fund balance, end of year</b>		<u>\$ 662,652</u>		<u>\$ 653,482</u>

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## **ENTERPRISE FUNDS**

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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.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WATER FUND (NON-GAAP)  
JUNE 30, 2011

	<u>Water Fund</u>	<u>Water Capital Projects</u>	<u>Total</u>
<b>Current Assets:</b>			
Cash, cash equivalents and investments	\$ 21,946,662	\$ 3,583,873	\$ 25,530,535
Restricted cash	1,372,241	4,060,013	5,432,254
Interest receivable	14,437	2,628	17,065
Receivables and special assessments, net	2,372,455	32,489	2,404,944
Due from other governmental agencies	342,093	444,066	786,159
Inventories	301,957	-	301,957
Total current assets	<u>26,349,845</u>	<u>8,123,069</u>	<u>34,472,914</u>
<b>Current Liabilities:</b>			
Accounts payable and other liabilities	1,031,912	1,966,285	2,998,197
Customer deposits	1,400,611	-	1,400,611
Current portion of debt	800,260	-	800,260
Total current liabilities	<u>3,232,783</u>	<u>1,966,285</u>	<u>5,199,068</u>
<b>Expendable net assets</b>	<b>23,117,062</b>	<b>6,156,784</b>	<b>29,273,846</b>
<b>Noncurrent Items:</b>			
Non-depreciable capital assets	11,183,223	-	11,183,223
Depreciable capital assets, net	116,785,176	-	116,785,176
Compensated absences	(260,234)	-	(260,234)
Other post-employment benefits	(1,521,783)	-	(1,521,783)
Deferred revenue	(32,489)	-	(32,489)
Non-current portion of debt	(19,438,742)	-	(19,438,742)
Total net assets	<u>\$ 129,832,213</u>	<u>\$ 6,156,784</u>	<u>\$ 135,988,997</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, 2011  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Revenues:</b>				
User charges	\$ 17,794,378	\$ 18,444,629	\$ 650,251	\$ 17,192,749
ARRA interest subsidy	198,423	219,627	21,204	-
Investment earnings	60,000	104,950	44,950	155,259
Other	390,258	428,768	38,510	358,957
Total revenues	<u>18,443,059</u>	<u>19,197,974</u>	<u>754,915</u>	<u>17,706,965</u>
<b>Expenditures:</b>				
Salaries	3,864,056	3,734,175	129,881	3,782,912
Fringe benefits	1,548,833	1,479,986	68,847	1,420,504
Operating expenditures	7,463,772	6,306,613	1,157,159	5,711,891
Repairs and maintenance	1,071,539	645,494	426,045	706,762
Capital outlay	2,123,560	1,946,775	176,785	6,486,161
<b>Debt Service:</b>				
Principal	662,279	593,278	69,001	324,096
Interest	761,362	752,480	8,882	98,939
Total expenditures	<u>17,495,401</u>	<u>15,458,801</u>	<u>2,036,600</u>	<u>18,531,265</u>
<b>Revenues over (under) expenditures</b>	947,658	3,739,173	2,791,515	(824,300)
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	1,370,688	1,370,688	-	4,569,025
Transfer to water capital project fund	(700,000)	(700,000)	-	(2,792,851)
Contingency	(1,627,893)	-	1,627,893	-
Appropriated net assets	9,547	-	(9,547)	-
Total other financing sources (uses)	<u>(947,658)</u>	<u>670,688</u>	<u>1,618,346</u>	<u>1,776,174</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>4,409,861</u>	<u>\$ 4,409,861</u>	<u>\$ 951,874</u>
<b>Reconciliation From Budgetary Basis</b>				
<b>To Full Accrual Basis:</b>				
<b>Capital Project Related Items:</b>				
Revenues from water capital projects		716,638		
Proceeds from water capital project debt		13,169,312		
Transfer from water fund to water capital project fund		700,000		
Capital project expenditures		(12,238,719)		
<b>Other Reconciling Items:</b>				
Proceeds from debt		(14,540,000)		
CIP additions from capital projects		12,238,719		
Capitalized capital outlay and CIP adjustment		1,912,008		
Change in vacation accrual		(6,403)		
Change in other post-employment benefits		(396,608)		
Change in inventory		188,176		
Retirement of long-term debt		593,278		
Contributed capital assets		2,026,810		
Depreciation		(3,564,614)		
Change in net assets - GAAP basis		<u>\$ 5,208,458</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, 2011**

	Project Budget	Actual		Total to Date
		Prior Year	Current Year	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 1,081,800	\$ 400,000	\$ 681,800	\$ 1,081,800
Investment earnings	-	-	25,979	25,979
Assessments	-	-	6,998	6,998
Penalties and interest assessments	-	-	1,861	1,861
Other	375,000	375,000	-	375,000
Total revenues	<u>1,456,800</u>	<u>775,000</u>	<u>716,638</u>	<u>1,491,638</u>
<b>Expenditures:</b>				
Southport elevated tank	1,983,915	1,983,915	-	1,983,915
Waccamaw line and tank project	3,670,060	3,670,060	-	3,670,060
Cedar Grove, Empire road water extensions	810,437	810,437	-	810,437
Utility operations center	5,443,979	5,340,809	87,820	5,428,629
Transmission system improvements	956,623	956,623	-	956,623
Northwest water plant expansion	12,446,392	854,935	9,305,171	10,160,106
Longwood road line extension	2,588,102	2,581,342	5,951	2,587,293
Southwest elevated storage tank	2,061,215	1,767,307	289,943	2,057,250
Navassa water tank	618,078	454,498	157,528	612,026
Carolina Shores North line extension	703,274	703,273	-	703,273
Ocean Forest, Sea Castle line extension	255,555	148,970	(124,521)	24,449
Grey Bridge Road and Hwy 211 line extension	1,843,800	135,050	1,342,220	1,477,270
2010 Recovery Zone (Randolphville, Zion, Shingletree line extensions)	1,172,920	91,063	936,077	1,027,140
Roger Bacon, Calabash line extensions	600,000	-	42,334	42,334
Brunswick Community College water main	450,000	-	28,708	28,708
Ash, Little River, Etheridge Rd. water extension	115,000	-	89,915	89,915
Mulligan's Way, Cox Landing, Smith, Old Ferry lines	27,846	-	18,390	18,390
Stanley Road water extension	5,304	-	2,136	2,136
Old Shallotte Rd. water extension	596,295	-	57,047	57,047
Total expenditures	<u>36,348,795</u>	<u>19,498,282</u>	<u>12,238,719</u>	<u>31,737,001</u>
<b>Revenues over (under) expenditures</b>	(34,891,995)	(18,723,282)	(11,522,081)	(30,245,363)
<b>Other Financing Sources (Uses):</b>				
Long term debt issued	13,169,312	-	13,169,312	13,169,312
Transfers from water fund	21,412,871	20,712,871	700,000	21,412,871
Contingency for future projects	(1,473,685)	-	-	-
Appropriated fund balance	1,783,497	-	-	-
Total other financing sources (uses)	<u>34,891,995</u>	<u>20,712,871</u>	<u>13,869,312</u>	<u>34,582,183</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 1,989,589</u>	<u>\$ 2,347,231</u>	<u>\$ 4,336,820</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WASTEWATER FUND (NON-GAAP)  
JUNE 30, 2011

	<u>Wastewater Fund</u>	<u>Wastewater Capital Projects</u>	<u>Total</u>
<b>Current Assets:</b>			
Cash and cash equivalents/investments	\$ 1,794,739	\$ 5,705,587	\$ 7,500,326
Restricted cash	1,702,324	13,990,554	15,692,878
Interest receivable	272	3,539	3,811
Receivables and special assessments, net	5,752,660	197,198	5,949,858
Due from other governmental agencies	79,578	898,059	977,637
Inventories	166,388	-	166,388
Total current assets	<u>9,495,961</u>	<u>20,794,937</u>	<u>30,290,898</u>
<b>Current Liabilities:</b>			
Accounts payable and other liabilities	221,079	1,754,523	1,975,602
Current portion of debt	<u>5,763,292</u>	-	<u>5,763,292</u>
Total current liabilities	<u>5,984,371</u>	<u>1,754,523</u>	<u>7,738,894</u>
<b>Expendable net assets</b>	<b>3,511,590</b>	<b>19,040,414</b>	<b>22,552,004</b>
<b>Noncurrent Items:</b>			
Non-depreciable capital assets	17,664,352	-	17,664,352
Depreciable capital assets, net	186,734,329	-	186,734,329
Compensated absences	(92,489)	-	(92,489)
Other post-employment benefits	(637,289)	-	(637,289)
Deferred revenues	(4,871,539)	(197,198)	(5,068,737)
Non-current portion of debt	<u>(129,341,126)</u>	-	<u>(129,341,126)</u>
Total net assets	<u>\$ 72,967,828</u>	<u>\$ 18,843,216</u>	<u>\$ 91,811,044</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
 ACTUAL - WASTEWATER FUND (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2011  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)	2010
<b>Revenues:</b>				
User charges	\$ 15,135,616	\$ 17,824,348	\$ 2,688,732	11,287,684
ARRA interest subsidy	48,367	52,142	3,775	-
Special assessments	152,125	1,339,444	1,187,319	-
Investment earnings	5,400	2,963	(2,437)	-
Restricted intergovernmental revenues	-	-	-	18,831
Other	99,198	107,602	8,404	167,800
Total revenues	<u>15,440,706</u>	<u>19,326,499</u>	<u>3,885,793</u>	<u>11,474,315</u>
<b>Expenditures:</b>				
Salaries	1,609,110	1,571,993	37,117	1,409,706
Fringe benefits	649,039	617,530	31,509	534,442
Operating expenditures	2,701,611	1,986,922	714,689	2,286,946
Repairs and maintenance	735,609	640,727	94,882	533,652
Capital outlay	512,499	415,644	96,855	509,733
<b>Debt Service:</b>				
Principal	4,464,705	4,464,702	3	4,320,901
Interest	4,786,852	4,706,856	79,996	3,918,825
Total expenditures	<u>15,459,425</u>	<u>14,404,374</u>	<u>1,055,051</u>	<u>13,514,205</u>
<b>Revenues over (under) expenditures</b>	(18,719)	4,922,125	4,940,844	(2,039,890)
<b>Other Financing Sources (Uses):</b>				
Issuance of long-term debt	1,062,425	1,062,425	-	-
Transfer to wastewater capital project fund	(242,261)	(240,223)	2,038	(101,858)
Transfer from wastewater capital project fund	41,101	41,101	-	-
Contingency	(1,062,425)	-	1,062,425	-
Appropriated net assets	219,879	-	(219,879)	-
Total other financing sources (uses)	<u>18,719</u>	<u>863,303</u>	<u>844,584</u>	<u>(101,858)</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>5,785,428</u>	<u>\$ 5,785,428</u>	<u>\$ (2,141,748)</u>

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

Revenues from wastewater capital projects	3,973,006
Proceeds from issuance of long-term debt	11,769,501
Transfer from wastewater fund to wastewater capital projects	240,223
Transfer from wastewater capital projects to wastewater fund	(41,101)
Capital project expenditures	(13,063,349)

**Other Reconciling Items:**

Proceeds from issuance of long-term debt	(12,831,926)
CIP additions from capital projects	13,063,349
Capitalized capital outlay and CIP adjustment	299,402
Change in vacation accrual	(12,487)
Change in other post-employment benefits	(169,945)
Contributed assets	1,268,685
Change in inventory	55,229
Retirement of long-term debt	4,464,702
Depreciation	(4,322,173)
Change in net assets - GAAP basis	<u>\$ 10,478,544</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, 2011**

	Project Budget	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 2,984,817	\$ 2,345,457	\$ 542,644	\$ 2,888,101
Capital contributions	11,800,000	9,564,342	1,670,332	11,234,674
Assessments	17,847	-	82,717	82,717
Other	1,134,650	1,087,019	19,967	1,106,986
ARRA grant	2,000,000	42,939	1,230,472	1,273,411
ARRA Interest Subsidies	751,773	144,272	372,558	516,830
Investment earnings	2,160,331	2,137,914	54,316	2,192,230
Total revenues	<u>20,849,418</u>	<u>15,321,943</u>	<u>3,973,006</u>	<u>19,294,949</u>
<b>Expenditures:</b>				
West Brunswick Regional Water Reclamation Ph 1	60,551,485	60,161,352	292,227	60,453,579
West Brunswick Regional Water Reclamation Ph 2	56,938,898	53,003,584	978,457	53,982,041
Southwest Main & Pump Station (Shalotte)	6,065,532	6,063,586	1,946	6,065,532
Sunset Beach Wastewater Collection System	24,813,639	3,324,379	9,559,920	12,884,299
Calabash Collection System	4,690,094	3,942,570	604,678	4,547,248
Regional Pump Station	116,237	498,523	(382,286)	116,237
Pinewood Force Main	206,120	206,119	-	206,119
Northeast Brunswick WWTP Expansion	716,000	573,697	110,596	684,293
Shalotte Acquisition	93,079	93,079	-	93,079
Sea Aire Canal SAD	501,342	41,017	404,427	445,444
Hwy 74/76 Industrial Park Line	1,000,615	87,662	785,595	873,257
Carolina Shores WWTP Upgrade	312,430	-	147,745	147,745
Boiling Springs Lake Plant & Transmission	67,000	-	46,882	46,882
Boiling Springs Lake SAD	422,495	-	136,659	136,659
Ocean Ridge Pump Station/Angel Trace Force Main	375,000	-	78,650	78,650
Bricklanding SAD	1,427,749	-	297,853	297,853
Total expenditures	<u>158,297,715</u>	<u>127,995,568</u>	<u>13,063,349</u>	<u>141,058,917</u>
<b>Revenues over (under) expenditures</b>	(137,448,297)	(112,673,625)	(9,090,343)	(121,763,968)
<b>Other Financing Sources (Uses):</b>				
Long term debt issued	129,462,890	119,693,390	10,207,576	129,900,966
Bond premium (discount)	2,754,760	2,754,760	-	2,754,760
ARRA debt proceeds	2,000,000	-	1,561,925	1,561,925
Gain on sale of real property	123,600	131,600	-	131,600
Transfer from wastewater fund	1,774,744	1,532,483	240,223	1,772,706
Transfer to wastewater fund	(41,101)	-	(41,101)	(41,101)
Contingency for future projects	(2,807,192)	-	-	-
Appropriated fund balance	4,180,596	-	-	-
Total other financing sources (uses)	<u>137,448,297</u>	<u>124,112,233</u>	<u>11,968,623</u>	<u>136,080,856</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 11,438,608</u>	<u>\$ 2,878,280</u>	<u>\$ 14,316,888</u>

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## INTERNAL SERVICE FUNDS

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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.

**HEALTH INSURANCE INTERNAL SERVICE FUND** - This fund is used to account for health operations of the County and for the financing of employees' medical and dental costs incurred.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND  
 ACTUAL AND CHANGES IN NET ASSETS - WORKERS' COMPENSATION INTERNAL SERVICE FUND (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2011  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Revenues:</b>				
Charges for services	\$ 1,041,988	\$ 1,041,998	\$ 10	\$ 1,209,078
Investment earnings	-	6,297	6,297	1,326
Total revenues	<u>1,041,988</u>	<u>1,048,295</u>	<u>6,307</u>	<u>1,210,404</u>
<b>Expenditures:</b>				
Premiums	<u>1,041,988</u>	<u>496,547</u>	<u>545,441</u>	<u>495,733</u>
<b>Revenues over (under) expenditures</b>	<u>\$ -</u>	551,748	<u>\$ 551,748</u>	714,671
<b>Net assets, beginning of year</b>		<u>714,671</u>		<u>-</u>
<b>Net assets, end of year</b>		<u>\$ 1,266,419</u>		<u>\$ 714,671</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - FINANCIAL PLAN AND  
 ACTUAL AND CHANGES IN NET ASSETS - HEALTH INTERNAL SERVICE FUND (NON-GAAP)  
 FOR THE PERIOD BEGINNING JULY 1, 2010 AND ENDING JUNE 30, 2011  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Financial Plan</u>	<u>Actual Year To Date</u>	<u>Variance Positive (Negative)</u>	<u>2010</u>
<b>Revenues:</b>				
Federal revenue-restricted	\$ 114,026	\$ 114,026	\$ -	\$ -
Investment earnings	-	83	83	-
Total revenues	<u>114,026</u>	<u>114,109</u>	<u>83</u>	<u>-</u>
<b>Expenditures:</b>				
Premiums	<u>114,026</u>	-	114,026	-
Revenues over (under) expenditures	-	114,109	114,109	-
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	-	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	114,109	<u>\$ 114,109</u>	-
Net assets, beginning of year		<u>-</u>		<u>-</u>
Net assets, end of year		<u>\$ 114,109</u>		<u>\$ -</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS**

**JUNE 30, 2011**

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
<b>Current Assets:</b>			
Cash, cash equivalents and investments	\$ 1,458,855	\$ 114,078	\$ 1,572,933
Interest receivable	914	31	945
Total current assets	<u>1,459,769</u>	<u>114,109</u>	<u>1,573,878</u>
<b>Current Liabilities:</b>			
Accounts payable and other liabilities	<u>193,350</u>	-	<u>193,350</u>
Total current liabilities	<u>193,350</u>	-	<u>193,350</u>
<b>Net Assets:</b>			
Unrestricted	<u>1,266,419</u>	<u>114,109</u>	<u>1,380,528</u>
Total net assets	<u>\$ 1,266,419</u>	<u>\$ 114,109</u>	<u>\$ 1,380,528</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
<b>Operating Revenues:</b>			
User charges	\$ 1,041,998	\$ -	\$ 1,041,998
Federal revenue-restricted	-	114,026	114,026
Total operating revenues	<u>1,041,998</u>	<u>114,026</u>	<u>1,156,024</u>
<b>Operating Expenses:</b>			
Premiums	496,547	-	496,547
Total operating expenses	<u>496,547</u>	<u>-</u>	<u>496,547</u>
Operating income (loss)	<u>545,451</u>	<u>114,026</u>	<u>659,477</u>
<b>Non-operating Revenues:</b>			
Investment earnings	6,297	83	6,380
Total non-operating revenues	<u>6,297</u>	<u>83</u>	<u>6,380</u>
<b>Increase (decrease) in net assets</b>	551,748	114,109	665,857
<b>Net assets, beginning of year</b>	<u>714,671</u>	<u>-</u>	<u>714,671</u>
<b>Net assets, end of year</b>	<u>\$ 1,266,419</u>	<u>\$ 114,109</u>	<u>\$ 1,380,528</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>			
Receipts from chargers to users	\$ 1,041,998	\$ -	\$ 1,041,998
Premiums	(411,403)	-	(411,403)
Payments to or on behalf of employees	-	114,026	114,026
Net cash provided by (used in) operating activities	<u>630,595</u>	<u>114,026</u>	<u>744,621</u>
<b>Cash Flows From Investing Activities:</b>			
Interest on investments	<u>5,868</u>	<u>52</u>	<u>5,920</u>
Net increase (decrease) in cash and cash equivalents	636,463	114,078	750,541
Cash and cash equivalents, beginning of year	<u>822,392</u>	-	<u>822,392</u>
Cash and cash equivalents, end of year	<u>\$ 1,458,855</u>	<u>\$ 114,078</u>	<u>\$ 1,572,933</u>
<b>Reconciliation of Operating Income (Loss) to</b>			
<b>Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 545,451	\$ 114,026	\$ 659,477
<b>Changes in Assets and Liabilities:</b>			
Increase (decrease) in accounts payable/accrued expenses	<u>85,144</u>	<u>-</u>	<u>85,144</u>
Net cash provided by (used in) operating activities	<u>\$ 630,595</u>	<u>\$ 114,026</u>	<u>\$ 744,621</u>

## AGENCY FUNDS

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**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, 2011

	<u>Balance 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 2011</u>
<b>SOCIAL SERVICES FUND</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 42,259	\$ 171,847	\$ 157,286	\$ 56,820
Interest receivable	78	66	109	35
Total assets	<u>\$ 42,337</u>	<u>\$ 171,913</u>	<u>\$ 157,395</u>	<u>\$ 56,855</u>
<b>Liabilities:</b>				
Other	<u>\$ 42,337</u>	<u>\$ 350,654</u>	<u>\$ 336,136</u>	<u>\$ 56,855</u>
<b>SMITHVILLE TOWNSHIP FUND</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 1,087,557	\$ 2,171,783	\$ 2,165,383	\$ 1,093,957
Interest receivable	3,698	2,395	4,734	1,359
Taxes receivable,net	35,344	2,230,744	2,221,208	44,880
Total assets	<u>\$ 1,126,599</u>	<u>\$ 4,404,922</u>	<u>\$ 4,391,325</u>	<u>\$ 1,140,196</u>
<b>Liabilities:</b>				
Deferred revenue	\$ 35,344	\$ 2,168,196	\$ 2,158,659	\$ 44,881
Due to other governmental agencies	1,091,255	1,375,905	1,371,845	1,095,315
Total liabilities	<u>\$ 1,126,599</u>	<u>\$ 3,544,101</u>	<u>\$ 3,530,504</u>	<u>\$ 1,140,196</u>
<b>INTERGOVERNMENTAL COLLECTIONS FUND</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 206,738	\$ 26,687,222	\$ 26,520,008	\$ 373,952
Taxes receivable,net	27,698	29,309	27,698	29,309
Total assets	<u>\$ 234,436</u>	<u>\$ 26,716,531</u>	<u>\$ 26,547,706</u>	<u>\$ 403,261</u>
<b>Liabilities:</b>				
Due ot other governmental agencies	<u>\$ 234,436</u>	<u>\$ 26,716,531</u>	<u>\$ 26,547,706</u>	<u>\$ 403,261</u>
<b>SHERIFF DEPARTMENT TRUST FUND</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 93,565	\$ 234,705	\$ 321,569	\$ 6,701
<b>Liabilities:</b>				
Other	<u>\$ 93,565</u>	<u>\$ 234,705</u>	<u>\$ 321,569</u>	<u>\$ 6,701</u>
<b>BRUNSWICK HOSPITAL AUTHORITY</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 654,189	\$ 4,057	\$ 8,210	\$ 650,036
Interest Receivable	1,169	911	1,636	444
Total assets	<u>\$ 655,358</u>	<u>\$ 4,968</u>	<u>\$ 9,846</u>	<u>\$ 650,480</u>
<b>Liabilities:</b>				
Other	<u>\$ 655,358</u>	<u>\$ 4,968</u>	<u>\$ 9,846</u>	<u>\$ 650,480</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 2011</u>
<b>INLET COMMITTEE SAVE OUR SANDS</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 30,080	\$ 4,070	\$ 32,699	\$ 1,451
<b>Liabilities:</b>				
Other	\$ 30,080	\$ 4,070	\$ 32,699	\$ 1,451
<b>INMATE TRUST FUND</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 22,678	\$ 257,354	\$ 249,335	\$ 30,697
<b>Liabilities:</b>				
Other	\$ 22,678	\$ 257,354	\$ 249,335	\$ 30,697
<b>3% INTEREST PAYABLE TO STATE</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 1,296	\$ 22,761	\$ 22,627	\$ 1,430
<b>Liabilities:</b>				
Other	\$ 1,296	\$ 22,761	\$ 22,627	\$ 1,430
<b>COMBINING TOTALS</b>				
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 2,138,362	\$ 29,553,799	\$ 29,477,117	\$ 2,215,044
Interest receivable	4,945	3,372	6,479	1,838
Taxes receivable, net	63,042	2,260,053	2,248,906	74,189
Total assets	<u>\$ 2,206,349</u>	<u>\$ 31,817,224</u>	<u>\$ 31,732,502</u>	<u>\$ 2,291,071</u>
<b>Liabilities:</b>				
Due to other governmental agencies	\$ 1,325,691	\$ 28,092,436	\$ 27,919,551	\$ 1,498,576
Other	880,658	3,042,708	3,130,871	792,495
Total liabilities	<u>\$ 2,206,349</u>	<u>\$ 31,135,144</u>	<u>\$ 31,050,422</u>	<u>\$ 2,291,071</u>

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## SUPPLEMENTAL FINANCIAL DATA

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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, 2011

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2010</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2011</u>
2010-11	\$ -	\$ 102,495,067	\$ 96,734,004	\$ 5,761,063
2009-10	5,099,057	-	2,396,241	2,702,816
2008-09	1,975,452	-	752,292	1,223,160
2007-08	484,979	-	116,911	368,068
2006-07	307,748	-	45,251	262,497
2005-06	253,743	-	31,650	222,093
2004-05	192,401	-	17,708	174,693
2003-04	165,032	-	14,951	150,081
2002-03	194,421	-	14,520	179,901
2001-02	209,768	-	11,482	198,286
2000-01	168,491	-	168,491	-
	<u>\$ 9,051,092</u>	<u>\$ 102,495,067</u>	<u>\$ 100,303,501</u>	11,242,658
Less: Allowance for uncollected taxes receivable General Fund				<u>4,609,949</u>
Ad valorem taxes receivable (net)				<u>\$ 6,632,709</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 100,346,765
<b>Reconciling Items:</b>				
Interest collected and penalties				(736,199)
Releases on prior year tax				197,439
Reimbursement of prior year's taxes collected				497,865
Collection of taxes previously written off				<u>(2,369)</u>
Total collections and credits				<u>\$ 100,303,501</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2011

	County-Wide			Property Excluding Registered Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy		
Original levy excluding motor vehicles	\$ 32,730,640,689	\$ 0.00305	\$ 99,842,355	\$ 99,842,355	\$ -
Registered motor vehicles	877,834,892		2,677,449	-	2,677,449
Penalties	-		27,626	27,626	-
Total	<u>33,608,475,581</u>		<u>102,547,430</u>	<u>99,869,981</u>	<u>2,677,449</u>
Abatements	<u>(30,590,534)</u>		<u>(52,363)</u>	<u>(33,545)</u>	<u>(18,818)</u>
Total valuation	<u>\$ 33,577,885,047</u>				
Net levy			102,495,067	99,836,436	2,658,631
Less uncollected taxes at June 30, 2011			<u>5,761,063</u>	<u>5,405,365</u>	<u>355,698</u>
Current year's taxes collected			<u>\$ 96,734,004</u>	<u>\$ 94,431,071</u>	<u>\$ 2,302,933</u>
Current levy collection percentage			<u>94.38%</u>	<u>94.59%</u>	<u>86.62%</u>
Prior year levy collection percentage			<u>95.03%</u>	<u>95.21%</u>	<u>88.22%</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, 2011

	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
<b>Assets:</b>						
<b>Current Assets:</b>						
Cash, cash equivalents and investments	\$ 224,885	\$ 170,261	\$ 428,591	\$ 156,484	\$ -	\$ 980,221
Restricted cash and investments	-	4,550	-	-	-	4,550
Due from primary government	-	-	253,449	-	-	253,449
Due from other governments	-	19,422	-	-	650,480	669,902
Inventory	253,349	28,169	-	-	-	281,518
Prepaid items	10,720	-	7,168	-	-	17,888
Total current assets	488,954	222,402	689,208	156,484	650,480	2,207,528
Capital assets, net	1,298,645	18,788,058	3,347	2,463	-	20,092,513
Total assets	\$ 1,787,599	\$ 19,010,460	\$ 692,555	\$ 158,947	\$ 650,480	\$ 22,300,041
<b>Liabilities and Net Assets:</b>						
<b>Liabilities:</b>						
<b>Current Liabilities:</b>						
Debt obligation - current portion	\$ 62,800	\$ -	\$ -	\$ -	\$ -	\$ 62,800
Accounts payable and accrued expenses	268,009	19,103	8,415	2,074	-	297,601
Due to other governments	2,839	56,615	-	-	-	59,454
Total current liabilities	333,648	75,718	8,415	2,074	-	419,855
<b>Noncurrent Liabilities:</b>						
Debt obligation - long-term portion	426,700	-	-	-	-	426,700
Total noncurrent liabilities	426,700	-	-	-	-	426,700
Total liabilities	760,348	75,718	8,415	2,074	-	846,555
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	808,691	18,788,058	3,347	2,463	-	19,602,559
<b>Restricted:</b>						
Stabilization by State Statute	66,896	-	253,449	-	-	320,345
Unrestricted	151,664	146,684	427,344	154,410	650,480	1,530,582
Total net assets	\$ 1,027,251	\$ 18,934,742	\$ 684,140	\$ 156,873	\$ 650,480	\$ 21,453,486

## 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, 2011

	<b>Brunswick County Board of Alcoholic Control</b>	<b>Brunswick County Airport Commission</b>	<b>Brunswick County Tourism Development Authority</b>	<b>Brunswick County Economic Development Commission</b>	<b>Brunswick County Hospital Authority</b>	<b>Totals</b>
<b>Revenues</b>						
Sales and services	\$ 1,724,147	\$ 743,080	\$ 19,600	\$ 2,815	\$ -	\$ 2,489,642
Room occupancy taxes	-	-	1,042,719	-	-	1,042,719
Unrestricted intergovernmental	-	73,500	-	\$ -	-	73,500
Operating grants	-	-	-	6,502	-	6,502
Capital grants	-	-	-	128,500	-	128,500
Other revenue	127	18,473	8,202	-	-	26,802
Investment earnings	1,588	207	662	-	3,332	5,789
Total revenues	<u>1,725,862</u>	<u>835,260</u>	<u>1,071,183</u>	<u>137,817</u>	<u>3,332</u>	<u>3,773,454</u>
<b>Expenses</b>						
Operating expenses	<u>1,665,034</u>	<u>1,020,406</u>	<u>930,706</u>	<u>158,544</u>	<u>8,210</u>	<u>3,782,900</u>
Capital contributions	<u>-</u>	<u>4,040,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,040,661</u>
<b>Change in net assets</b>	60,828	3,855,515	140,477	(20,727)	(4,878)	4,031,215
<b>Net assets, beginning of year</b>	966,423	14,976,695	543,663	177,600	655,358	17,319,739
<b>Prior period adjustment</b>	<u>-</u>	<u>102,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,532</u>
<b>Net assets, beginning of year, restated</b>	<u>966,423</u>	<u>15,079,227</u>	<u>543,663</u>	<u>177,600</u>	<u>655,358</u>	<u>17,422,271</u>
<b>Net assets, end of year</b>	<u>\$ 1,027,251</u>	<u>\$ 18,934,742</u>	<u>\$ 684,140</u>	<u>\$ 156,873</u>	<u>\$ 650,480</u>	<u>\$ 21,453,486</u>

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## STATISTICAL SECTION

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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 Nine Fiscal Years

	<b>Fiscal Year (1)</b>			
	<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) Nine years presented due to implementation of GASB Statement 34 in Fiscal Year 2003.

Table 1

<b>Fiscal Year (1)</b>				
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 67,118,730	\$ 37,377,510	\$ 80,832,411	\$ 84,644,800	\$ 81,740,331
-	-	-	-	10,900,768
<u>12,669,940</u>	<u>31,112,731</u>	<u>(19,213,539)</u>	<u>(21,304,189)</u>	<u>(21,079,312)</u>
<u>\$ 79,788,670</u>	<u>\$ 68,490,241</u>	<u>\$ 61,618,872</u>	<u>\$ 63,340,611</u>	<u>\$ 71,561,787</u>
\$ 114,088,014	\$ 104,963,579	\$ 161,945,932	\$ 187,205,988	\$ 198,180,792
28,311,927	65,985,290	34,144,461	24,907,050	29,619,249
<u>\$ 142,399,941</u>	<u>\$ 170,948,869</u>	<u>\$ 196,090,393</u>	<u>\$ 212,113,038</u>	<u>\$ 227,800,041</u>
\$ 181,206,744	\$ 142,341,089	\$ 242,778,343	\$ 271,850,788	\$ 279,921,123
-	-	-	-	10,900,768
<u>40,981,867</u>	<u>97,098,021</u>	<u>14,930,922</u>	<u>3,602,861</u>	<u>8,539,937</u>
<u>\$ 222,188,611</u>	<u>\$ 239,439,110</u>	<u>\$ 257,709,265</u>	<u>\$ 275,453,649</u>	<u>\$ 299,361,828</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year (1)				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
Governmental activities:					
General government	\$ 8,763,176	\$ 9,126,904	\$ 12,265,609	\$ 11,650,297	\$ 14,898,739
Public safety	13,325,392	14,901,214	16,613,151	21,488,245	23,757,912
Central services	7,089,722	8,524,633	9,819,916	11,415,044	11,661,193
Human services	19,321,396	19,498,577	21,705,607	24,449,640	26,746,227
Transportation	2,443,617	3,046,258	860,256	1,553,193	1,005,751
Environmental protection	11,386,071	9,412,246	9,737,741	10,201,646	11,272,811
Cultural and recreation	2,663,326	2,446,057	3,094,606	2,932,943	1,060,589
Economic and physical development	5,541,528	5,261,136	5,800,337	5,888,020	6,879,523
Education	42,890,086	41,780,114	35,261,269	40,347,613	38,167,647
Revaluation Services	221,065	-	-	-	-
Interest on long-term debt	3,785,689	4,297,354	6,016,632	4,120,523	4,255,116
Total governmental activities	117,431,068	118,294,493	121,175,124	134,047,164	139,705,508
Business-type activities:					
Water	9,095,020	9,847,383	9,599,753	10,906,786	13,871,031
Wastewater	708,840	1,693,765	3,541,858	2,937,019	9,168,580
Total business-type activities	9,803,860	11,541,148	13,141,611	13,843,805	23,039,611
Total primary government expenses	\$ 127,234,928	\$ 129,835,641	\$ 134,316,735	\$ 147,890,969	\$ 162,745,119
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 3,563,811	\$ 2,486,888	\$ 2,344,425	\$ 3,445,947	\$ 4,726,587
Public safety	1,448,782	2,855,570	4,496,621	4,610,690	4,034,126
Central services	788,960	758,966	1,304,404	1,133,005	1,320,217
Human services	551,612	935,055	2,199,295	1,450,075	2,770,323
Transportation	-	-	-	-	-
Environmental protection	1,029,562	1,391,467	2,092,870	2,315,762	-
Cultural and recreation	138,818	-	285,906	717,351	2,631,302
Economic and physical development	94,929	105,907	997,435	-	8,397
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	17,047,108
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)			
2008	2009	2010	2011
\$ 25,786,285	\$ 10,824,875	\$ 10,891,485	\$ 10,705,715
28,704,704	32,475,041	32,431,363	33,595,275
12,491,337	12,874,270	12,032,434	11,085,289
30,203,435	29,448,343	31,201,132	26,318,669
2,258,368	2,315,776	4,292,392	1,211,918
12,551,871	14,390,242	7,362,499	13,400,997
4,449,488	4,578,694	1,908,173	4,947,363
7,213,679	6,844,987	7,614,811	7,160,477
47,784,629	50,907,860	42,391,583	38,360,518
-	-	-	-
4,294,959	6,439,614	6,372,620	5,367,812
<u>175,738,755</u>	<u>171,099,702</u>	<u>156,498,492</u>	<u>152,154,033</u>
16,426,295	14,967,806	15,977,572	16,732,964
7,926,725	9,775,273	11,656,776	14,089,646
<u>24,353,020</u>	<u>24,743,079</u>	<u>27,634,348</u>	<u>30,822,610</u>
<u>\$ 200,091,775</u>	<u>\$ 195,842,781</u>	<u>\$ 184,132,840</u>	<u>\$ 182,976,643</u>
\$ 1,480,767	\$ 1,832,978	\$ 1,387,017	\$ 1,396,473
5,309,134	5,228,230	5,635,307	7,121,587
2,163,366	2,139,967	1,535,716	463,741
1,124,272	918,087	1,335,443	1,019,583
-	-	-	-
1,928,085	1,546,722	1,275,381	1,957,034
224,367	194,681	188,117	209,857
1,224,383	1,147,627	1,254,385	987,449
76,459	-	-	-
-	-	992,044	992,044
710,170	1,405,174	1,088,201	813,639
-	-	-	-
17,158,192	18,693,712	19,082,231	18,276,274
-	-	-	-
-	-	11,658	11,658
1,228	-	-	-
139,731	1,530,140	946,912	-
2,146	4,833	3,610	3,641

Continued on next page

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year (1)				
	2003	2004	2005	2006	2007
Capital grants and contributions:					
General government	-	421,823	-	-	1,337
Public safety	-	272,142	-	-	-
Transportation	4,035	-	-	-	-
Cultural and recreation	-	-	3,556,280	-	100,000
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>	<u>32,639,397</u>
Business-type activities:					
Charges for services:					
Water	14,000,842	13,461,240	12,729,168	15,985,038	18,085,844
Wastewater	714,571	1,527,189	4,196,991	8,406,018	13,187,399
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	3,056,007
Wastewater	-	2,531,517	1,318,004	4,355,512	7,963,239
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>	<u>42,292,489</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>	<u>\$ 74,931,886</u>
Net (expense)/revenue					
Governmental activities	\$ (94,644,282)	\$ (90,914,824)	\$ (90,474,083)	\$ (102,976,427)	\$ (107,066,111)
Business-type activities	<u>11,951,828</u>	<u>7,687,617</u>	<u>6,309,225</u>	<u>18,961,290</u>	<u>19,252,878</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>	<u>\$ (87,813,233)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Ad Valorem taxes	\$ 63,283,441	\$ 67,717,315	\$ 73,327,947	\$ 78,767,616	\$ 84,223,342
Local option taxes	14,157,057	16,636,215	18,867,402	21,061,222	23,256,105
Other taxes	1,505,532	5,303,623	7,061,892	8,761,948	6,340,890
Unrestricted Grants and contributions	2,316,096	-	-	-	-
Investment earnings	976,947	921,742	1,832,774	4,199,756	5,200,749
Loss on disposal of capital assets	2,419,628	-	(10,909,492)	-	-
Transfers	(3,540,536)	4,291,705	(1,862,584)	(60,169)	451,795
Total governmental activities	<u>81,118,165</u>	<u>94,870,600</u>	<u>88,317,939</u>	<u>112,730,373</u>	<u>119,472,881</u>
Business-type activities:					
Investment earnings	128,951	183,113	758,787	1,295,870	1,718,088
Transfers	3,540,536	(4,291,705)	1,862,584	60,168	(451,795)
Total business-type activities	<u>3,669,487</u>	<u>(4,108,592)</u>	<u>2,621,371</u>	<u>1,356,038</u>	<u>1,266,293</u>
Total primary government	<u>\$ 84,787,652</u>	<u>\$ 90,762,008</u>	<u>\$ 90,939,310</u>	<u>\$ 114,086,411</u>	<u>\$ 120,739,174</u>

Table 2 (Continued)

Fiscal Year (1)			
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
-	-	-	-
-	-	-	-
1,568,395	2,362,035	3,400,594	1,106,414
(55,153)	713,193	-	-
574,128	416,223	4,144,353	4,144,353
-	-	189,138	2,019,280
<u>33,629,670</u>	<u>38,133,602</u>	<u>42,470,107</u>	<u>40,523,027</u>
19,502,863	18,692,965	17,591,342	19,783,683
12,161,118	10,914,375	12,044,395	21,571,894
-	-	-	-
-	-	-	-
9,101,531	4,890,763	3,448,505	2,026,810
9,994,682	13,980,711	10,217,775	2,939,017
<u>50,760,194</u>	<u>48,478,814</u>	<u>43,302,017</u>	<u>46,321,404</u>
<u>\$ 84,389,864</u>	<u>\$ 86,612,416</u>	<u>\$ 85,772,124</u>	<u>\$ 86,844,431</u>
\$(142,109,085)	\$(132,966,100)	\$(114,028,385)	\$(111,631,006)
<u>26,407,174</u>	<u>23,735,735</u>	<u>15,667,669</u>	<u>15,498,794</u>
<u>\$(115,701,911)</u>	<u>\$(109,230,365)</u>	<u>\$( 98,360,716)</u>	<u>\$( 96,132,212)</u>
\$ 97,218,426	\$ 101,088,129	\$ 101,876,707	\$ 102,020,809
23,061,392	19,741,137	15,061,747	14,291,687
4,942,000	3,054,525	3,249,224	3,130,245
-	-	-	-
5,155,748	2,210,940	713,501	409,441
489,997	-	-	-
(56,907)	-	-	-
<u>130,810,656</u>	<u>126,094,731</u>	<u>120,901,179</u>	<u>119,852,182</u>
2,084,847	1,405,789	354,975	188,208
56,907	-	-	-
<u>2,141,754</u>	<u>1,405,789</u>	<u>354,975</u>	<u>188,208</u>
<u>\$ 132,952,410</u>	<u>\$ 127,500,520</u>	<u>\$ 121,256,154</u>	<u>\$ 120,040,390</u>

Continued on next page

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	Fiscal Year (1)				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ (13,526,117)	\$ 3,955,776	\$ (2,156,144)	\$ 9,753,946	\$ 12,406,770
Business-type activities	<u>15,621,315</u>	<u>3,579,025</u>	<u>8,930,596</u>	<u>20,317,328</u>	<u>20,519,171</u>
Total primary government	<u>\$ 2,095,198</u>	<u>\$ 7,534,801</u>	<u>\$ 6,774,452</u>	<u>\$ 30,071,274</u>	<u>\$ 32,925,941</u>

Notes:

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

Table 2 (Continued)

Fiscal Year (1)			
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ (11,298,429)	\$ (6,871,369)	\$ 6,872,794	\$ 8,221,176
<u>28,548,928</u>	<u>25,141,524</u>	<u>16,022,644</u>	<u>15,687,002</u>
<u>\$ 17,250,499</u>	<u>\$ 18,270,155</u>	<u>\$ 22,895,438</u>	<u>\$ 23,908,178</u>

**Governmental Activities Tax Revenues By Source**  
 Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Video Programming Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Total</b>
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
2011	100,346,765	14,291,687	-	436,749	248,907	115,324,108

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**

	<b>Fiscal Year</b>			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>General Fund</b>				
Reserved	\$ 8,338,116	\$ 10,816,798	\$ 10,054,303	\$ 15,960,256
Unreserved	35,211,748	34,434,193	44,440,752	37,742,809
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total General fund</b>	<u>\$ 43,549,864</u>	<u>\$ 45,250,991</u>	<u>\$ 54,495,055</u>	<u>\$ 53,703,065</u>
<b>All Other Governmental Funds</b>				
Reserved	\$ 1,278,048	\$ 2,159,303	\$ 2,105,354	\$ 1,090,505
Unreserved, reported in:				
Special revenue funds	16,655,673	15,232,088	18,645,959	22,173,785
Capital Project Funds, Designated for Subsequent years	23,675,138	23,587,187	26,812,610	23,406,310
Restricted in Special Revenue Funds	-	-	-	-
Restricted in Capital Project Funds	-	-	-	-
Committed in Capital Project Funds	-	-	-	-
Assigned in Special Revenue Funds	-	-	-	-
Unassigned in Special Revenue Funds	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ 41,608,859</u>	<u>\$ 40,978,578</u>	<u>\$ 47,563,923</u>	<u>\$ 46,670,600</u>

**Table 4**

<b>Fiscal Year</b>					
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 11,427,160	\$ 9,238,373	\$ 10,255,753	\$ 7,460,930	\$ 7,125,195	\$ -
50,219,523	55,277,531	53,893,857	47,868,262	47,021,290	-
-	-	-	-	-	-
-	-	-	-	-	5,841,371
-	-	-	-	-	2,440,362
-	-	-	-	-	49,068,625
<u>\$ 61,646,683</u>	<u>\$ 64,515,904</u>	<u>\$ 64,149,610</u>	<u>\$ 55,329,192</u>	<u>\$ 54,146,485</u>	<u>\$ 57,350,358</u>
\$ 1,551,160	\$ 17,026,010	\$ 29,199,790	\$ 7,742,400	\$ 97,309	\$ -
11,323,483	14,984,776	14,553,588	19,527,193	16,571,212	-
26,794,098	584,112	584,112	14,170,398	10,277,992	-
-	-	-	-	-	2,282,350
-	-	-	-	-	2,777,047
-	-	-	-	-	23,513,880
-	-	-	-	-	43,183
-	-	-	-	-	(860,020)
<u>\$ 39,668,741</u>	<u>\$ 32,594,898</u>	<u>\$ 44,337,490</u>	<u>\$ 41,439,991</u>	<u>\$ 26,946,513</u>	<u>\$ 27,756,440</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

Changes in Fund Balance, Governmental Funds  
(modified accrual basis of accounting)

Last Ten Fiscal Years

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Revenues</b>					
Ad Valorem taxes	\$ 60,982,737	\$ 62,753,365	\$ 68,478,690	\$ 74,520,219	\$ 79,137,087
Special assessments	133,020	126,715	81,718	123,739	64,430
Local option sales taxes	12,645,932	14,157,057	16,636,215	18,867,402	21,061,222
Other taxes and licenses	3,113,877	3,635,749	5,303,623	7,149,284	8,889,952
Unrestricted intergovernmental	858,933	203,180	239,433	244,257	251,627
Restricted intergovernmental	13,576,626	17,271,304	17,022,785	15,562,908	17,655,444
Permits and fees	2,736,242	3,622,045	5,654,018	6,279,187	7,550,776
Sales and services	2,139,248	2,321,659	3,367,844	4,045,435	4,921,912
Investment earnings	2,355,520	976,947	921,742	1,832,774	4,199,756
Other revenue	1,831,837	2,227,232	1,129,707	572,923	548,246
Total revenues	<u>100,373,972</u>	<u>107,295,253</u>	<u>118,835,775</u>	<u>129,198,128</u>	<u>144,280,452</u>
<b>Expenditures</b>					
General government	7,255,635	8,235,688	8,586,235	11,199,360	10,869,890
Public safety	12,347,137	13,248,649	15,906,193	19,068,489	20,976,344
Central services	6,580,556	7,282,407	9,219,309	10,022,451	12,348,752
Human services	18,835,128	19,113,587	19,444,080	21,478,307	24,451,543
Transportation	25,000	85,000	85,000	85,000	85,000
Environmental protection	8,814,119	9,262,908	9,563,180	9,932,288	10,163,812
Culture and recreation	2,667,069	2,804,605	3,375,151	3,256,502	4,339,985
Economic and physical development	5,687,237	5,457,347	5,823,286	5,678,048	5,765,438
Education	20,913,994	22,117,450	23,088,975	24,540,416	25,624,225
Capital Outlay	6,598,901	3,295,447	17,039,722	6,323,301	10,903,742
Intergovernmental expenditures	27,398,916	21,046,490	7,548,146	10,229,547	7,764,205
Debt Service:					
Principal retirement	4,851,485	4,815,084	5,451,171	6,609,797	6,372,162
Interest and fiscal charges	4,061,178	3,785,689	4,360,746	6,116,632	4,620,523
Total expenditures	<u>126,036,355</u>	<u>120,550,351</u>	<u>129,491,194</u>	<u>134,540,138</u>	<u>144,285,621</u>
Revenues over (under) expenditures	<u>(25,662,383)</u>	<u>(13,255,098)</u>	<u>(10,655,419)</u>	<u>(5,342,010)</u>	<u>(5,169)</u>
<b>Other Financing Sources (Uses)</b>					
Issuance of long-term debt	-	18,320,000	25,348,765	22,674,694	1,007,492
Premium on Bonds Issued	-	-	-	-	-
Payment to escrow agent-refunded debt	-	-	(3,275,000)	(17,385,545)	-
Sale of capital assets	-	-	119,366	230,106	-
Transfer from other funds	11,581,677	15,197,821	20,162,719	24,449,183	34,901,277
Transfer to other funds	<u>(15,346,649)</u>	<u>(19,191,877)</u>	<u>(15,871,016)</u>	<u>(26,311,766)</u>	<u>(34,961,447)</u>
Total other financing sources (uses)	<u>(3,764,972)</u>	<u>14,325,944</u>	<u>26,484,834</u>	<u>3,656,672</u>	<u>947,322</u>
Net change in fund balances	<u>\$ (29,427,355)</u>	<u>\$ 1,070,846</u>	<u>\$ 15,829,415</u>	<u>\$ (1,685,338)</u>	<u>\$ 942,153</u>
Debt service as a percentage of noncapital expenditures	7.5%	7.3%	8.7%	9.9%	8.2%

Table 5

Fiscal Year				
2007	2008	2009	2010	2011
\$ 84,422,322	\$ 96,940,721	\$ 98,948,961	\$ 100,529,188	\$ 100,346,765
-	-	-	-	-
23,256,105	23,061,392	19,741,137	15,061,747	14,291,687
6,340,890	4,942,000	3,054,525	3,249,224	3,130,245
265,782	701,489	735,680	549,711	1,536,541
18,597,043	19,912,197	24,167,893	24,368,907	22,912,749
7,591,795	4,127,984	3,389,913	3,261,887	2,940,408
5,217,986	8,379,989	8,133,848	7,559,876	7,263,926
5,200,749	5,155,748	2,210,940	712,175	403,061
853,493	924,338	1,750,675	972,567	5,602,806
<u>151,746,165</u>	<u>164,145,858</u>	<u>162,133,572</u>	<u>156,265,282</u>	<u>158,428,188</u>
11,168,979	9,864,403	9,826,801	9,613,675	9,302,160
23,070,557	27,575,360	30,369,412	29,332,960	30,056,729
11,276,503	11,867,248	12,100,908	11,699,222	10,697,137
26,466,751	28,631,664	28,070,006	26,668,707	25,077,211
93,500	270,929	256,739	280,466	261,930
11,069,839	12,522,556	13,326,293	12,455,131	13,087,467
4,363,027	5,558,766	4,033,904	3,831,067	3,860,796
6,802,351	6,947,615	6,479,048	6,699,963	6,827,513
27,987,072	32,098,564	35,390,424	34,451,976	32,951,548
7,742,736	12,344,540	14,918,421	10,416,650	4,453,015
15,584,549	22,710,479	38,863,518	11,495,398	2,371,301
6,697,377	7,975,512	9,616,456	10,041,528	10,099,775
4,255,116	4,861,013	6,439,614	8,162,795	5,367,812
<u>156,578,357</u>	<u>183,228,649</u>	<u>209,691,544</u>	<u>175,149,538</u>	<u>154,414,394</u>
<u>(4,832,192)</u>	<u>(19,082,791)</u>	<u>(47,557,972)</u>	<u>(18,884,256)</u>	<u>4,013,794</u>
175,770	65,300,000	-	24,715,000	-
-	566,054	-	1,790,175	-
-	-	-	(23,500,000)	-
-	489,997	-	202,895	-
24,969,412	21,600,857	17,059,900	9,653,933	5,437,904
<u>(24,517,617)</u>	<u>(21,657,764)</u>	<u>(17,059,900)</u>	<u>(9,653,933)</u>	<u>(5,437,904)</u>
<u>627,565</u>	<u>66,299,144</u>	<u>-</u>	<u>3,208,070</u>	<u>-</u>
<u>\$ (4,204,627)</u>	<u>\$ 47,216,353</u>	<u>\$(47,557,972)</u>	<u>\$ (15,676,186)</u>	<u>\$ 4,013,794</u>
7.4%	7.5%	8.2%	11.1%	10.3%

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

Last Ten Fiscal Years

<b>Fiscal Year Ended June 30</b>	<b>Real Property</b>		<b>Personal Property</b>	
	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Motor Vehicles</b>	<b>Other</b>
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
2011	25,956,004	6,088,445	877,835	1,813,228

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 2011. 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>
\$ 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	32,911,410	101.93%
1,127,037	33,608,475	0.00305	29,587,530	113.59%

## COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
County:			
Brunswick County-wide rate	\$ 0.3050	\$ 0.3050	\$ 0.3050
Municipality Rates:			
Village of Bald Head Island	0.3275	0.2700	0.2600
Village of Bald Head Island MSD Zone A (4)	0.3825	0.3100	*
Village of Bald Head Island MSD Zone B (4)	0.3625	0.2900	*
Town of Belville	0.0683	0.0911	0.0911
City of Boiling Spring Lakes	0.1200	0.1200	0.1200
Town of Bolivia	0.0500	0.0500	0.0500
Town of Calabash	0.0700	0.0700	0.0700
Town of Carolina Shores	0.0800	0.0800	0.0800
Town of Caswell Beach	0.1300	0.1300	0.1500
Town of Holden Beach	0.0690	0.0690	0.0690
Town of Leland	0.1166	0.1166	0.1166
Town of Navassa	0.2000	0.2000	0.2000
City of Northwest	0.1900	0.1700	0.1700
Town of Oak Island	0.1550	0.1400	0.1400
Town of Ocean Isle Beach	0.0900	0.0900	0.0900
Town of Sandy Creek	0.3000	0.3000	0.3000
Town of Shallotte	0.2700	0.2700	0.2700
Town of St. James Plantation	0.0500	0.0500	0.0500
City of Southport	0.1800	0.1800	0.1800
Town of Sunset Beach	0.0900	0.0900	0.0900
Town of Varnamtown	0.0500	0.0500	0.0500
Other Districts: (3)			
North Brunswick Sanitary District	NA	NA	NA
Southeastern Brunswick Sanitary District	0.0000	0.0000	0.0000
Smithville Township	0.0225	0.0225	0.0225

#### Notes:

- (1) Property was revalued in January 2003, January 2007 and January 2011.
- (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 re-nourishment.

Source: Brunswick County Tax Department.

Table 7

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	0.3050	\$ 0.5400	\$ 0.5400	\$ 0.5400	\$ 0.5200	\$ 0.5925	\$ 0.5925
	0.2600	0.4650	0.4650	0.4650	0.4650	0.6350	0.6350
	*	*	*	*	*	*	*
	*	*	*	*	*	*	*
	0.0911	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
	0.1200	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
	0.0500	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
	0.0700	0.1000	0.1000	0.1000	0.1000	0.0600	0.0600
	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0600
	0.1500	0.2200	0.2100	0.2200	0.2100	0.2700	0.2400
	0.0690	0.1800	0.1800	0.1800	0.1800	0.1900	0.1900
	0.1166	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800
	0.2000	0.2700	0.2700	0.2700	0.2500	0.3000	0.3000
	0.1500	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
	0.1245	0.3300	0.3300	0.3500	0.3650	0.3800	0.3800
	0.0800	0.1400	0.1400	0.1500	0.1600	0.1600	0.1400
	0.3000	0.3500	0.3500	0.3500	0.3500	0.1000	0.3500
	0.2700	0.3200	0.3200	0.2900	0.2900	0.3100	0.3100
	0.0500	0.0500	0.0500	0.0500	0.0700	0.1000	0.1000
	0.1500	0.2700	0.2700	0.3000	0.3300	0.4000	0.4000
	0.1150	0.1450	0.1300	0.1300	0.1200	0.0900	0.0950
	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
	NA						
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0500	0.1500
	0.0400	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 2011			Fiscal Year 2002		
		2010 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2001 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Progress Energy Carolinas, Inc.	Utility	\$ 800,052,745	1	2.38%	\$ 813,642,306	1	7.87%
DAK of America	Chemicals	172,414,240	2	0.51%	260,731,606	2	2.52%
N. C. Eastern Municipal Power Agency	Utility	160,376,972	3	0.48%	202,985,455	3	1.96%
Brunswick Electric Membership Corp.	Utility	158,572,871	4	0.47%	74,571,313	6	0.72%
Bald Head Island Ltd	Developer	121,860,637	5	0.36%	64,182,270	5	0.62%
Red Mountain Timberco LLC	Forestry	117,491,110	6	0.35%	n/a	n/a	n/a
Archer Daniels Midland Company	Chemicals	111,987,145	7	0.33%	97,264,528	4	0.94%
MAS Properties LLC	Developer	95,207,116	8	0.28%	n/a	n/a	n/a
Odell Williamson	Developer	76,596,620	9	0.23%	59,912,980	9	0.58%
Funston Land & Timber LLC	Timber	72,577,480	10	0.22%	n/a	n/a	n/a
Sustainable Forest	Timber	n/a	n/a	n/a	59,469,810	7	0.58%
Sea Trail Corporation	Developer	n/a	n/a	n/a	61,587,470	8	0.60%
Ocean Isle Development Company	Developer	n/a	n/a	n/a	37,886,130	10	0.37%
Totals		<u>\$ 1,887,136,936</u>		<u>5.62%</u>	<u>\$ 1,732,233,868</u>		<u>16.76%</u>

Source: Brunswick County Tax Department

COUNTY OF BRUNSWICK, NORTH CAROLINA

Table 9

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

Fiscal Year Ended June 30	Total Tax Levy	Collection Within Fiscal Year of Levy	Percent of Levy Collected	Collections in Subsequent Year	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
2002	\$ 61,214,433	\$ 58,085,913	94.9%	\$ 3,188,175	\$ 61,274,088	100.1%	\$ -	0.0%
2003	63,583,341	59,851,207	94.1%	3,552,233	63,403,440	99.7%	179,901	0.3%
2004	67,299,164	64,507,758	95.9%	2,641,326	67,149,084	99.8%	150,080	0.2%
2005	73,231,142	70,810,206	96.7%	2,246,189	73,056,395	99.8%	174,747	0.2%
2006	78,291,694	75,849,114	96.9%	2,220,487	78,069,601	99.7%	222,093	0.3%
2007	83,889,972	81,622,970	97.3%	2,004,505	83,627,475	99.7%	262,497	0.3%
2008	96,784,569	94,153,697	97.3%	2,262,805	96,416,502	99.6%	368,067	0.4%
2009	101,046,887	96,240,283	95.2%	3,583,444	99,823,727	98.8%	1,223,160	1.2%
2010	101,891,061	96,670,482	94.9%	2,517,763	96,670,482	94.9%	5,056,084	5.0%
2011	102,547,430	96,734,004	94.3%	-	96,734,004	94.3%	5,761,063	5.6%

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
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
2011	77,850,000	13,685,000	31,065,833

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, 2011; annual estimates previous nine years
- (2) Bureau of Economic Analysis; amounts are for prior calendar year

Table 10

	Business-Type Activities			SRF Debt & Installment Loans	Total Primary Government	(2)	(1)
	General Obligation Bonded	Certificates of Participation	Revenue Bonds			Debt to Personal Income	
\$ 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	6.0%	1,696	
295,000	-	89,757,733	32,468,604	273,664,929	8.8%	2,676	
-	-	87,192,068	30,693,306	259,412,510	8.0%	2,465	
4,342,000	-	84,523,497	44,131,981	265,698,086	7.9%	2,456	
4,285,000	-	107,100,902	43,925,518	277,912,253	n/a	2,501	

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

<b>Fiscal Year Ended June 30</b>	<b>Assessed Value (000 omitted)</b>	<b>Gross General Obligation Bonded Debt</b>	<b>Less Debt Payable from Enterprise Fund</b>	<b>Net General Obligation Bonded Debt</b>	<b>Ratio Net General Obligation Bonded Debt to Assessed Value</b>	<b>(1) Population</b>	<b>Net General Obligation Bonded Debt per Capita</b>
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%	98,557	741.50
2008	31,424,537	97,760,000	295,000	97,465,000	0.3%	102,275	952.97
2009	33,085,217	91,020,000	-	91,020,000	0.3%	105,226	865.00
2010	33,546,600	88,902,000	4,342,000	84,560,000	0.3%	108,176	781.69
2011	33,608,476	82,135,000	4,285,000	77,850,000	0.2%	111,127	700.55

Notes:

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

**Direct and Underlying Governmental Activities Debt**  
**General Obligation Bonds**  
 June 30, 2011

	<b>General Obligation Bonded Debt</b>	<b>Percent Applicable To County</b>	<b>Amount Applicable To County</b>
<b>Direct:</b>			
Brunswick County	\$ 82,135,000	100%	\$ 82,135,000
<b>Underlying Debt:</b>			
Village of Bald Head Island	11,060,926	100%	11,060,926
City of Navassa	4,436	100%	4,436
City of Northwest	629,000	100%	629,000
Town of Sandy Creek	275,000	100%	275,000
City of Southport	57,500	100%	57,500
Smithville Township	1,011,000	100%	1,011,000
Southeast Brunswick Sanitary District	9,795,000	100%	9,795,000
<b>Total Underlying Debt</b>	<u>22,832,862</u>		<u>22,832,862</u>
<b>Total Direct and Underlying Debt</b>	<u>\$ 104,967,862</u>		<u>\$ 104,967,862</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

	<u>Fiscal Year</u>			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt limit	\$ 826,913,125	\$ 854,668,411	\$ 1,032,592,800	\$ 1,085,415,887
Total net debt applicable to limit	<u>76,898,517</u>	<u>90,403,435</u>	<u>107,026,029</u>	<u>105,705,381</u>
Legal margin	<u>\$ 750,014,608</u>	<u>\$ 764,264,976</u>	<u>\$ 925,566,771</u>	<u>\$ 979,710,506</u>
Total net debt applicable to the limit as a percentage of debt limit	9.3%	10.6%	10.4%	9.7%

Table 13

<b>Fiscal Year</b>					
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 1,159,216,908	\$1,242,004,397	\$ 2,513,962,929	\$2,646,817,341	\$2,683,728,040	\$ 2,688,678,046
<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>126,885,833</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>	<u>\$ 2,561,792,213</u>
8.6%	7.6%	6.0%	5.3%	5.1%	4.7%

**Calculation of Legal Debt Margin for Fiscal Year 2011:**

Assessed value of taxable property	\$33,608,475,581
	<u>                  x 0.08</u>
Debt limit- 8 percent of assessed value	2,688,678,046
 Gross debt:	
Total bonded debt	85,367,594.00
Total certificates of participation	13,685,000.00
Total installment purchases	<u>74,991,351.00</u>
Gross debt	174,043,945.00
Less: Water and wastewater revenue bonds & installment purchases	<u>47,158,112.00</u>
 Total amount of debt applicable to debt limit (net debt)	<u>126,885,833.00</u>
Legal debt margin	<u>\$ 2,561,792,213</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>	
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
2011	41,543,785	16,909,934	24,633,851	5,057,980	5,459,336	10,517,316	3,232,594	4,618,438	7,851,032	2.34

**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
2011	24,633,851	6,347,304	10,517,316	7,851,032	1,570,206	2.34	2.56

Notes:

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**Table 15**

**Demographic Statistics**  
Last Ten Fiscal Years

<b>Fiscal Year Ended June 30</b>	<b>(1) Population</b>	<b>(2) Personal Income (in thousands)</b>	<b>(2) Per Capita Income</b>	<b>(1) Median Age</b>	<b>(3) School Enrollment</b>	<b>(4) Unemployment Rate</b>
2002	79,044	\$ 1,819,075	\$ 23,013	42.8	10,318	5.4%
2003	81,472	1,829,637	22,457	43.2	10,426	6.1%
2004	84,653	1,942,639	22,948	43.6	10,528	6.4%
2005	89,009	2,195,457	24,666	43.9	10,789	5.0%
2006	94,350	2,440,703	25,869	44.1	11,133	4.1%
2007	98,557	2,799,335	28,403	44.7	11,505	4.7%
2008	102,275	3,101,372	30,324	45.0	11,599	6.1%
2009	105,226	3,256,908	30,952	47.7	11,841	11.0%
2010	108,176	3,342,667	30,900	47.7	11,739	10.2%
2011	111,127	not available	not available	not available	11,899	10.3%

Notes:

- (1) State Data Center; projection as of June 30, 2011; 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 2011			Fiscal Year 2002		
		Employees	Rank	% Total County Employment	Employees	Rank	% Total County Employment
Brunswick County Board of Education	Education	1,955	1	4.49%	1,500	1	4.03%
County of Brunswick	Local Government	1,029	2	2.37%	800	4	2.15%
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	455	5	1.05%	N/A	N/A	N/A
Brunswick Community Hospital LLC	Medical Care Facility	450	6	1.03%	350	5	0.94%
DAK Americas	Dacron Polyester Fiber	383	7	0.88%	1,000	2	2.68%
Dosher Memorial Hospital	Medical Care Facility	362	8	0.83%	200	8	0.54%
Brunswick Community College	Education	358	9	0.82%	N/A	N/A	N/A
Ports America/Marine Terminals Corp.	Trade/Transportation	325	10	0.75%	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%
Archer Daniels Midland Company	Citric Acid	N/A	N/A	N/A	150	10	0.40%
Totals		<u>6,900</u>		<u>15.86%</u>	<u>5,675</u>		<u>15.24%</u>

Source: NC Employment Security Commission; total county employment

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Function:</b>										
General government	77	78	84	87	98	105.5	111.5	110.5	106.5	104.5
Public safety	196	193	201	221	224	275	340	340	340	336
Central services	70	75	80	79	83	88	94	94	93	91
Human services	198	246	253	234	264	244	253	244	232	230
Transportation	17	13	-	-	-	-	-	-	-	-
Environmental protection	9	9	9	10	12	10	9	9	9	8
Cultural and recreation	37	37	39	44	45	45	46	46	46	42
Economic and physical development	29	33	42	33	30	37	41	41	37	34
Utilities	59	61	66	78	86	98.5	109.5	109.5	116.5	115.5
<b>Total</b>	<u>692</u>	<u>745</u>	<u>774</u>	<u>786</u>	<u>842</u>	<u>903</u>	<u>1,004</u>	<u>994</u>	<u>980</u>	<u>961</u>

Source: County Finance Department

Note: This schedule represents the number of approved permanent FTE's as of June 30, 2011.

**Operating Indicators by Function/Program**  
Last Six Fiscal Years

	Fiscal Year					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Law enforcement:						
Civil papers issued	9,025	7,761	9,312	9,921	17,570	17,517
Criminal papers issued	11,346	15,285	16,685	16,597	11,000	8,526
Uniform mileage	1,801,864	2,092,423	2,159,680	2,526,651	2,295,431	2,227,127
Emergency Services:						
Fire Protection:						
Number of calls answered	7,893	8,879	9,323	9,742	10,168	10,879
Number of inspections conducted	1,272	1,424	1,310	1,482	1,024	951
Emergency Medical Services:						
Number of calls answered	12,053	13,175	13,371	13,367	13,503	13,595
Number of transports	6,202	7,185	8,212	7,859	8,049	8,068
Code enforcement/building permits:						
Number of code violations	873	2,114	2,000	2,312	2,288	2,437
Number of building permits:						
Single-family	3,905	2,841	1,722	974	1,050	916
Commercial	410	516	463	365	260	334
Parks and Recreation:						
Number of athletic fields rented	75	71	8	30	34	115
Youth recreation:						
Certified coaches	695	705	1,001	161	242	245
Sports teams	49	61	62	69	81	98
Participants	735	975	981	2,119	2,225	2,466
Adult recreation:						
Sports teams	45	49	53	86	48	63
Participants	700	790	800	1,700	1,886	1,744
Fitness program participants	1,250	1,475	1,525	4,153	1,165	1,500
Solid waste:						
Waste received (tons per 1,000 population)	2,078	1,654	1,337	1,147	1,200	1,106
Ratio of recyclable to total waste received	6.2%	5.5%	5.0%	4.8%	4.6%	5.9%
Public Utilities:						
Water customers	22,412	28,270	29,955	30,675	33,215	33,770
Water average daily treatment (in gallons)	12,910,000	13,750,000	13,640,000	13,572,000	12,821,890	13,487,920
Wastewater customers	6,241	7,565	8,378	8,622	9,125	9,647
Wastewater average daily treatment (in gallons)	1,322,000	2,080,000	2,253,000	2,584,000	2,644,752	3,146,983
Education:						
Number of teachers	731	752	756	788	812	742
Number of students	11,133	11,505	11,599	11,841	11,739	11,899
Number of charter students	340	396	443	483	563	636

Sources: Various government departments.

Note: Data not collected prior to 2005

**Capital Asset Statistics by Function/Program**  
Last Six Fiscal Years

	<b>Fiscal Year</b>					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Law enforcement:						
Sheriff stations	1	1	1	2	4	4
Deputy patrol units	33	44	47	51	51	51
Detention center capacity	196	196	440	440	440	440
Emergency services:						
Rescue stations	8	8	9	9	9	9
EMS vehicles	12	12	13	13	13	13
Culture and recreational:						
Community centers	7	7	7	7	7	7
Parks	11	11	12	13	13	13
Libraries (branches)	5	5	5	5	5	5
Public Utilities:						
Miles of water mains	642	727	795	839	919	949
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	238	299	360	403	473	500
Maximum daily wastewater capacity (in gallons)	4,650,000	6,115,000	6,115,000	6,115,000	9,080,000	9,180,000
(1) Education:						
Number of schools	16	17	17	17	19	19
Number of charter schools	1	1	1	1	1	1
Community colleges	1	1	1	1	1	1

Sources: Various government departments.

Note: Data not collected prior to 2005

(1) Education capital assets are owned by the Board of Education, Charter School and Community College with the exception of Town Creek Elementary and Cedar Grove Middle Schools which are owned and capitalized by the county.

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# **COUNTY OF BRUNSWICK NORTH CAROLINA**

***COMPLIANCE LETTERS FOR THE  
FISCAL YEAR ENDED JUNE 30, 2011***



**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**Compliance**

**For the Fiscal Year Ended June 30, 2011**

**TABLE OF CONTENTS**

<b>COMPLIANCE SECTION:</b>	<b><u>Page</u></b>
Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
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	3-5
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	6-8
<b>SCHEDULE OF FINDINGS:</b>	
Schedule of Findings, Responses and Questioned Costs	9-10
Summary Schedule of Prior Years' Audit Findings	11
Schedule of Expenditures of Federal and State Awards	12-16

# 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, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 7, 2011. 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 and the Brunswick County Hospital Authority, 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, Brunswick County Economic Development Commission and the Brunswick County Hospital Authority were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

Management of the County of Brunswick, North Carolina is responsible for establishing and maintaining effective 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.

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Toll Free Both Locations 1-800-948-0585 ♦ Website: [www.martinstarnes.com](http://www.martinstarnes.com)

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to 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.

### **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 7, 2011

# 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, 2011. 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 Questioned Costs. 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, 2011.

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Toll Free Both Locations 1-800-948-0585 ♦ Website: [www.martinstarnes.com](http://www.martinstarnes.com)

## **Internal Control Over Compliance**

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.

## **Schedule of Expenditures of Federal and State Awards**

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 Brunswick County, North Carolina, as of and for the year ended June 30, 2011, which collectively comprise Brunswick County, North Carolina's basic financial statements, and have issued our report thereon dated October 7, 2011 which contained an unqualified opinion on those financial statements. We did not audit the financial statements of the Brunswick County Board of Alcoholic Control or the Brunswick County Hospital Authority. Those financial statements were audited by other auditors whose report thereon has been furnished to us and, our opinion, insofar as it relates to the amounts included for the Brunswick County Board of Alcoholic Control and the Brunswick County Hospital Authority is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Brunswick County, North Carolina's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the 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 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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 28, 2011

# 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, 2011. 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 Questioned Costs. 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, 2011.

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## **Internal Control Over Compliance**

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.

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## **Schedule of Expenditures of Federal and State Awards**

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 Brunswick County, North Carolina, as of and for the year ended June 30, 2011, which collectively comprise Brunswick County, North Carolina's basic financial statements, and have issued our report thereon dated October 7, 2011 which contained an unqualified opinion on those financial statements. We did not audit the financial statements of the Brunswick County Board of Alcoholic Control or the Brunswick County Hospital Authority. Those financial statements were audited by other auditors whose report thereon has been furnished to us and, our opinion, insofar as it relates to the amounts included for the Brunswick County Board of Alcoholic Control and the Brunswick County Hospital Authority is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Brunswick County, North Carolina's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the 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 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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 28, 2011

**COUNTY OF BRUNSWICK, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**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, 93.713	Child Care Development Fund Cluster
93.778	Medicaid
93.558	Temporary Assistance for Needy Families
93.658	Foster Care
93.659	Adoption Assistance

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$2,707,757</u>
Auditee qualified as low-risk auditee?	No

**COUNTY OF BRUNSWICK, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**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
- Rural Center - Waccamaw Elevated Tank
- Subsidized Child Care Cluster
- Foster Care and Adoption Assistance (IV-E)
- Medicaid
- Parks and Recreation Trust Fund - Ocean Isle Beach Park

**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, 2011**

Not applicable.

COUNTY OF BRUNSWICK, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Fed. (Direct & Pass-through Expenditures	State Expenditures
<b>FEDERAL GRANTS:</b>				
<b>Environmental Protection Agency</b>				
Cedar Grove Road Waterline Project STAG Grant	66.202		\$ 241,800	\$ -
<b>Department of Interior</b>				
<b>Bureau of Land Management</b>				
Payment in Lieu of Taxes	15.226		3,641	-
<b>U.S. Department of Health &amp; Human Services</b>				
<b>Administration on Aging</b>				
<b>Passed-through Cape Fear Council of Governments:</b>				
<b>Passed-through Brunswick Senior Resources:</b>				
<b>Aging Cluster:</b>				
Home and Community Care Block Grant	93.044		316,500	-
Total Aging Cluster			316,500	-
<b>Passed-through the N.C. Department of Health and Human Resources:</b>				
<b>Centers for Medicare and Medicaid</b>				
<b>Direct Benefits:</b>				
Early Retirement Reinsurance Program	93.546		114,026	-
<b>Division of Social Services:</b>				
<b>Temporary Assistance for Needy Families Cluster:</b>				
Temporary Assistance for Needy Families (TANF)	93.558		676,140	-
TANF - Direct Benefit Payments	93.558		670,588	(134)
Total TANF Cluster			1,346,728	(134)
<b>Administration:</b>				
Low-Income Home Energy Assistance Block Grant	93.568		531,545	-
Child Support Enforcement	93.563		614,314	16
ARRA Child Support	93.563		11,444	-
Family Preservation	93.556		5,435	-
Permanency Planning: Child Welfare Services	93.645		29,463	-
State Children's Insurance Program - NC Health Choice	93.767		73,046	7,372
Family Violence Prevention-Battered Women	93.671		2,625	-
Independent Living Initiative	93.674		10,769	2,692
Title IV-E Assistance Program:				
Foster Care	93.658		519,115	48,538
Adoption Assistance	93.659		86,097	36,355
Social Services Block Grant	93.667		193,501	19,435
<b>Direct Benefit Payments:</b>				
Temporary Assistance for Needy Families	93.560		(280)	(77)
Low-Income Home Energy Assistance Block Grant	93.568		572,838	-
Links Transitional Funds	93.674		9,226	-
Title IV-E Assistance Programs:				
Foster Care	93.658		207,489	57,293
ARRA Foster Care	93.658		4,803	-
Adoption Assistance	93.659		660,296	146,584
ARRA Adoption Assistance	93.659		19,315	-
<b>Division of Medical Assistance:</b>				
<b>Administration:</b>				
Title XIX – Medicaid	93.778		1,277,149	35,084
<b>Direct Benefit Payments</b>				
Title XIX – Medicaid	93.778		72,971,807	28,774,820
<b>Division of Child Development:</b>				
Subsidized Child Care (Note 4)				
<u>Child Care Development Fund Cluster</u>				
<b>Division of Social Services</b>				
Child Care Development Fund-Administration	93.596		-	-

COUNTY OF BRUNSWICK, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Fed. (Direct & Pass-through Expenditures	State Expenditures
<b>FEDERAL GRANTS: (Continued)</b>				
<b>Division of Child Development</b>				
Child Care and Development Fund -- Discretionary	93.575		1,312,888	-
Child Care and Development Fund -- Mandatory	93.596		616,695	-
Child Care and Development Fund -- Match	93.596		704,325	382,840
ARRA - Child Care and Development Block Grant	93.713		-	-
Total Child Care Fund Cluster			2,633,908	382,840
Social Services Block Grant	93.667		6,229	-
Temporary Assistance for Needy Families	93.558		436,086	-
ARRA Emergency Contingency Fund for Temporary Assistance for Needy Families State Programs	93.714		202,400	-
Smart Start			-	128,198
State Appropriations			-	265,589
TANF-MOE			-	366,676
Total Subsidized Child Care Cluster			3,278,623	1,143,303
<b>Division of Public Health:</b>				
Immunizations Program/Aid to County Funding	93.268		19,096	-
Statewide Health Promotion Program	93.991		20,329	-
MCH Block Grant	93.994		184,359	-
Temporary Assistance for Needy Families	93.558		8,021	-
Family Planning Services	93.218		51,288	-
Medical Assistance Program	93.778		110,269	42,542
Diabetes Control Program Project Direct	93.988		90,437	-
Prevention Investigations and Technical Assistance	93.283		110,526	-
Total U.S. Department of Health and Human Services			83,450,199	30,313,823
<b>U.S. Department of Housing and Urban Development:</b>				
<b>CDBG - State - Administered CDBG Cluster:</b>				
CDBG-State's Program Water Hook-up	14.228	B-08-DC-37-0001	148,000	-
Total CDBG - State - Administered CDBG Cluster			148,000	-
<b>Housing Voucher Cluster:</b>				
Housing Choice Voucher Program-Administration	14.871		237,439	-
Housing Choice Voucher Program-Direct Benefit	14.871		2,486,352	-
Total Housing Voucher Cluster			2,723,791	-
Total U.S. Department of Housing and Urban Development			2,871,791	-
<b>U.S. Department of Agriculture</b>				
Rural Development Housing Preservation Grant	10.433	2008	29,577	-
Rural Development Housing Preservation Grant	10.433	2010	34,740	-
<b>Passed-through N.C. Department of Social Services:</b>				
<b>Division of Social Services:</b>				
Supplemental Nutrition Assistance Program Cluster:				
<b>Administration:</b>				
State Admin. Matching Grants for the Supplemental Nutrition Assistance Program	10.561		702,123	-
ARRA FN Services Recovery-SNAP	10.561		436	-
Total Supplemental Nutrition Assistance Program Cluster			702,559	-
<b>Passed-through N.C. Department of Health and Human Services:</b>				
<b>Division of Public Health:</b>				
<b>Administration:</b>				
Special Supplement Food Program for Women, Infants and Children	10.557		471,424	-
AGRI-SFP Food Program Meal	10.559		867	-
<b>Direct Benefit Payments:</b>				
Special Supplemental Food Program for Women, Infants and Children	10.557		1,778,136	-
Total U.S. Department of Agriculture			3,017,303	-

COUNTY OF BRUNSWICK, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Fed. (Direct & Pass-through Expenditures	State Expenditures
<b>FEDERAL GRANTS: (Continued)</b>				
<b>U.S. Department of Justice</b>				
State Criminal Alien Assistance Program	16.606	SCAAP	32,890	-
<b>Passed-through N.C. Department of Crime Control And Public Safety:</b>				
<b>JAG Program Cluster:</b>				
Passed-through Governor's Crime Commission:				
ARRA Gang Awareness & Education JAG Grant	16.803	010-1-09-R06-RJ-085	87,227	-
Passed-through Dept. of Juvenile Justice and Delinquency Prevention				
ARRA Community Based Gang Awareness & Education Grant	16.803	610652	20,233	-
ARRA Community Based Gang Awareness & Education Grant	16.803	610651	13,981	-
Total JAG Program Cluster:			121,441	-
<b>Passed-through Governor's Crime Commission:</b>				
ARRA STOP Violence Against Women-Walking thru the door	16.588	010-1-08-3VA-AW-344	8,743	-
ARRA STOP Violence Against Women-Fill in the gap	16.588	010-1-08-3VA-AW-066	83,035	-
Total U.S. Department of Homeland Security			246,109	-
<b>U.S. Department of Homeland Security</b>				
<b>Passed-through N.C. Department of Crime Control And Public Safety:</b>				
<b>Division of Emergency Management</b>				
Disaster Grants- Public Assistance	97.036	Hurricane Earl	3,934	-
Interoperable Emergency Communications-NCCEM Training	97.055	2010-SS-T0-0075	5,941	-
Homeland Security-NIMS Training	97.073	Fy2008-GET8-0033	2,970	-
Homeland Security Grant	97.067	2008-GE-T8-0033-1093	7,500	-
2010 Emergency Performance Grant	97.042	1510-512-2010	30,181	30,180
Total U.S. Department of Homeland Security			50,526	30,180
<b>Department of Transportation</b>				
<b>Passed-through N.C. Department of Transportation</b>				
<b>Highway Safety Cluster:</b>				
GHSP-Highway Safety Project	20.600	K8-2010-02-31	8,816	-
GHSP-Highway Safety Project	20.600	PT-2010-03-04-06	73,707	-
GHSP-Highway Safety Project	20.600	PT-2011-03-04-01	56,228	-
Total Highway Safety Cluster:			138,751	-
FY07 FAA Block Grant	20.106	36237.45.9.1	1,858	-
2008 Vision 100	20.106	36237.45.10.1	56,137	-
2008 Block Grant-Runway Extension	20.106	36237.45.10.2	126,344	-
2009 & 2010 (partial) Vision 100	20.106	36237.45.11.1	241,545	-
Total U.S. Department of Transportation			564,635	-
<b>U.S. Department of Defense-Army Corps of Engineers:</b>				
Mosquito Control Project (AIWW Contract)	12.107	W912HN-09-P-0057	73,586	-
Mosquito Control Project (AIWW Contract)	12.107	W912HN-09-P-0060	31,490	-
Mosquito Control Project (AIWW Contract)	12.107	W912PM-11-P-0042	14,490	-
Mosquito Control Project (AIWW Contract)	12.107	W912PM-11-P-0047	48,704	-
Total Federal Assistance			\$ 90,368,834	\$ 30,344,003
<b>STATE GRANTS</b>				
<b>N.C. Department of Administration:</b>				
Veterans Service		FY2010-2011	\$ -	\$ 2,000
<b>Clean Water Management Trust Fund</b>				
Septic/Oak Island Septic Tanks, Lockwood Folly River		2007-603	-	392,644
<b>Housing Trust Fund</b>				
<b>Passed thru N.C. Housing Finance Agency</b>				
Urgent Repair Grant		URP2011	-	37,500

COUNTY OF BRUNSWICK, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-through Grantor's Number	Fed. (Direct & Pass-through Expenditures	State Expenditures
<b>STATE GRANTS: (Continued)</b>				
<b>The Rural Center:</b>				
Waccamaw Elevated Tank		18-01-41	-	440,000
<b>Division of Social Services:</b>				
<b>Administration:</b>				
Progress Energy Program			-	58,175
AFDC Incent/Prog Integrity			-	43
TANF Incent/Prog Integrity			-	9,046
<b>Direct Benefit Payments:</b>				
SC/SA Domiciliary Care			-	422,910
CWS Adopt Subsidy & Vendor			-	265,878
State Foster Home			-	36,468
SFHF Maximization			-	10,107
FC At Risk Maximization			-	1,338
Foster Care Special Provision			-	12,366
<b>Division of Public Health:</b>				
General			-	136,085
Communicable Disease			-	13,292
Tuberculosis			-	4,595
AIDS - State			-	500
Women's Preventative Health			-	10,269
Risk Reduction/Health Promotion			-	6,837
Breast and Cervical Cancer Control			-	11,730
Preparedness and Response			-	52,656
<b>Dept. of Juvenile Justice and Delinquency Prevention</b>				
Juvenile Crime Prevention Council Programs			-	176,737
<b>N.C. Dept. of Public Instruction</b>				
Public School Building Capital Fund (Lottery)			-	2,019,280
<b>N.C. Department of Environment and Natural Resources:</b>				
Soil and Water Technical Assistance			-	26,875
Soil and Water - State Aid			-	3,960
Recycling Grant	2360		-	1,874
DPPEA Recycling Grant	3278		-	15,000
Scrap Tire Site Clean-Up			-	136,701
White Goods Disposal			-	33,973
Electronics Management Program Reimbursement			-	7,716
PARTF Grant-Ocean Isle Beach Park			-	500,000
Environmental Health - Environmental Health Service			-	4,000
Environmental Health - Food & Lodging			-	13,552
<b>N.C. Department of Correction:</b>				
Criminal Justice Partnership Program		10-0706-I-A	-	89,302
<b>N.C. Dept. of Transportation</b>				
Rural Operating Assistance Program (EDTAP)			-	72,287
Rural Operating Assistance Program (RGP)			-	67,815
Work First Program			-	20,870
<b>State Airport Aid</b>				
State Aid-Runway Extension		36244.58.5.1	-	1,612,311
<b>NC Department of Cultural Resources:</b>				
<b>Division of State Library</b>				
Aid to Public Libraries			-	142,347
<b>Administrative Office of the Courts</b>				
Cape Fear Sentencing Services			-	55,416
Total State Assistance			-	6,924,455
Total Assistance			\$ 90,368,834	\$ 37,268,458

**COUNTY OF BRUNSWICK, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>State Pass-through Grantor's Number</b>	<b>Fed. (Direct &amp; Pass-through Expenditures</b>	<b>State Expenditures</b>
<b>Notes to the Preceding Schedule:</b>				
<b>Note 1 - Subrecipients</b>				
Of the federal and State expenditures presented in the schedule, Brunswick County provided federal and State awards to subrecipients as follows:				
<b>Brunswick County Schools</b>				
Public School Building Capital Fund			\$ -	\$ 2,019,280
<b>Brunswick Interagency Transportation</b>				
ROAP			-	140,102
<b>Coastal Horizons</b>				
ARRA Community Based Gang Awareness & Education Grant	16.803	610652	20,233	-
<b>RHA</b>				
Changing Youth		610032	-	39,207
<b>Family Alternatives</b>				
Changing Youth		610038	-	31,293
<b>Family Emergency Teen Shelter</b>				
JJDP, Providence Home		610018	-	35,000
<b>Teen Court 13th District</b>				
Teen Court		610021	-	50,900
ARRA Community Based Gang Awareness & Education Grant	16.803	610651	13,981	-
<b>Brunswick County Airport</b>				
State Aid-Runway Extension		36244.58.5.1	-	1,612,311
FY07 FAA Block Grant	20.106	36237.45.9.1	1,858	-
2008 Vision 100	20.106	36237.45.10.1	56,137	-
2008 Block Grant-Runway Extension	20.106	36237.45.10.2	126,344	-
2009 & 2010 (partial) Vision 100	20.106	36237.45.11.1	241,545	-
Total Passed Through to Sub recipients			<u>\$ 460,098</u>	<u>\$ 3,928,093</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.