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# ANNUAL COMPREHENSIVE FINANCIAL REPORT

# 2022

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# BRUNSWICK COUNTY

910-253-2000



brunswickcountync.gov



finance@brunswickcountync.gov



**COUNTY OF BRUNSWICK  
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2022**

**Prepared by Brunswick County Finance**



**COUNTY OF BRUNSWICK, NORTH CAROLINA**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2022**

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# Brunswick County



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October 31, 2022

Honorable Members of the Brunswick County Board of Commissioners and Residents 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 by following generally accepted auditing standards by a firm of licensed certified public accountants. Under that requirement, we hereby issue the annual report of Brunswick County for the fiscal year ended June 30, 2022.

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 the information presented in this report. To provide a reasonable basis for making these representations, the 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 an 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.

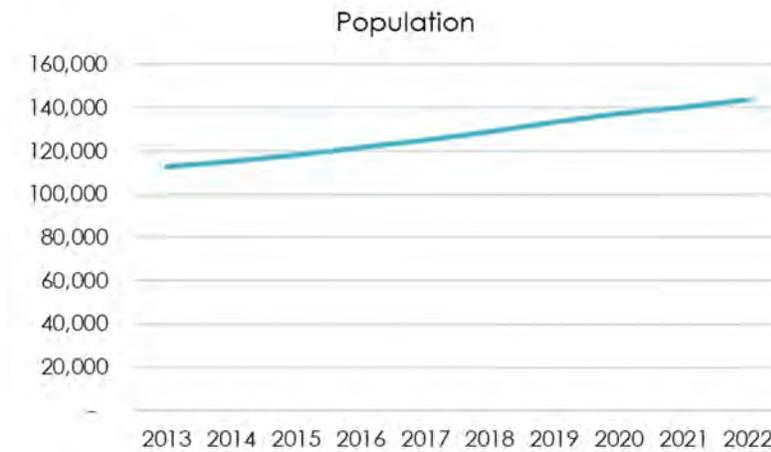
Martin Starnes & Associates, CPA's, P.A., a firm of licensed certified public accountants, has independently audited Brunswick County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Brunswick County for the fiscal year ended June 30, 2022, 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 unmodified opinion that Brunswick County's financial statements for the fiscal year ended June 30, 2022, 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 and state 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 and state 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 a 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 143,549, which is an increase of approximately 27% since 2013. It is the sixth-largest county in the State, having a land area of 846 square miles.

Though historically rural, the County has become increasingly more developed in recent years, largely as a tourism and retirement destination. There are 19 small municipalities, two sanitary districts and two water and sewer authorities. 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 the 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 Board of Alcoholic Beverage Control, 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 and Brunswick County Leasing Corporation are also component units of Brunswick County however, both do not have financial transactions or account balances and are therefore not reported in the financial statements.



## Financial Information

**Internal Control.** The County's internal control structure is designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met for both internal and external reporting purposes. Refining internal controls is an ongoing process that is necessary to provide these assurances.



**Annual Budget.** 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 to the financial statements provides additional information on budgetary data. Budget-to-Actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 22 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 122. 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).

In addition, Brunswick County was given the GFOA's Distinguished Budget Presentation Award for its annual budget document for the Fiscal Year 2021-2022. This is the sixteenth consecutive year the County has received this award. This program was established to



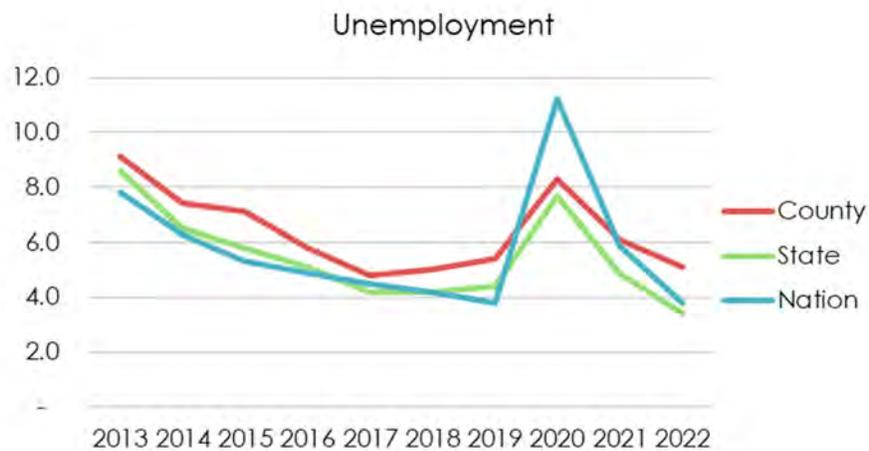
encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

Brunswick County's bond ratings with S & P Global Services are AAA for general obligation bonds, AA+ for limited obligation bonds, and the AA- for revenue bonds. Moody's Investor Services are Aaa for general obligation bonds, Aa1 for limited obligation bonds, and Aa2 for revenue bonds.

**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 experienced significant growth in its permanent population. The County's population growth in 2022 is 2.2%, ranked number 2 in the state and number 30 in the country. The permanent population grew at an average rate of approximately 2.7 percent annually over the last ten years. The County's growth rate continues to increase mainly due to many people moving to Brunswick County for its quality of life. Residential and commercial development has shown growth annually over the last five years.



The County and State's unemployment rates in June 2022 were 5.1 and 4.1 percent, respectively. The State's seasonally adjusted unemployment rate at June 2022 is 3.4.



Employment in Brunswick County had seen continued growth in the labor force as well as total employment before the COVID-19 pandemic. As recovery from the downturn continues, the total employment in June 2022 increased to 55,194 jobs, representing a 3,156 or a 6.1% increase from the previous year.

Brunswick County continues to see strong, consistent growth concerning economic growth and development. From 2021 to 2022, Brunswick County's business investment increased by \$83,107,111 representing a 5.2% increase. There have been 2 new industries to announce their decision to locate in Brunswick County during FY 2022 to include Bluegrass Protective Films, LLC and Lowes Distribution warehouse. Bluegrass Protective Films will locate in a portion of the TriTech Forensics Building located at the Leland Industrial Park and create 33 jobs within 5 years paying average wages of \$50,576. Investment is projected to be \$8 million in machinery and equipment. Bluegrass Protective Films manufactures and distributes protective films to the automotive industry both domestically and internationally. Lowes Home Improvement announced plans to add a distribution facility in the International Commerce Center, a newly constructed spec building, at the International Logistics Park of NC. Lowes anticipates 50 employees being located at the facility. TriTech Forensics announced plans to expand their location at the International Commerce Center retaining 80 jobs in Brunswick County. This new location will allow TriTech to consolidate and expand their facility.

Brunswick County continues marketing two large industrial parks. The International Logistics Park of North Carolina and the Mid Atlantic Industrial Rail Park are both located adjacent to US Highway 74/76 at the Brunswick/Columbus County line and have over 1,000 acres of land each. The ILPNC, a State Tier 1 identified site, provides services for water, wastewater, and fiber optics. The Mid Atlantic Industrial Rail Park also has sewer and water service and can provide natural gas. CSX transportation serves the park with rail and has recognized the Mid Atlantic Industrial Park as one of twenty-three sites designated as a "CSX Select Site" in their system. In February 2019, both the International Logistics Park and Mid Atlantic Industrial Rail Park were recertified by North Carolina as Certified Industrial Sites. Both sites have also been added to the Economic Development Partnership of North Carolina's Mega-Sites webpage.

Brunswick County has submitted buildings and sites to 81 potential new companies during FY 2022. This represents an increase of 65% from the previous year. There are currently 65 new companies reviewing Brunswick County with 5 having visited a site. These active projects who have visited Brunswick County represent \$9.975 billion in new investment and 5,100 jobs. Brunswick County has also experienced an increase in Labor Force from 53,709 in May 2021 to 58,500 in June 2022, representing an approximate increase of 8.9%.



The County's diversified economy is based primarily upon tourism, manufacturing, retail, and construction. Our existing industries continue to expand as they have added many new jobs to 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. Retail development has continued to pick up with new shopping centers completed and planned near St. James, Supply, Shallotte, and Leland and the infill of stores within centers in the southern part of the County. In the past year, residential construction has increased with hundreds of new homes now under construction.

Employment Sectors



Retail trade is the largest employment sector in Brunswick County, accounting for 18% of employment, while health care and social assistance represent 14%, accommodation and food services 13%, government 10%, educational services 7%, construction 7%, administrative and waste services 5%, arts, entertainment 4%, manufacturing 4%, utilities 3%, transportation 3%, professional 3%, and real estate 3%. Various other employment sectors make up the remaining 6%.

Novant Health Brunswick Medical Center is one of two hospitals in Brunswick County which was a replacement hospital with 200,000 square feet with all private rooms costing more than \$100 million. The hospital facility opened in July 2011 and is located centrally in Brunswick County approximately 3 miles from the prior facility on Hwy. 17 near Brunswick Community College. The hospital contains 78 private rooms, 5 operating rooms, 1 GI endoscopy room, pharmacy, lab, and emergency room.

Brunswick Community College serves the County with a variety of unique programs suited to the needs of the area including Aquaculture, Aquaponics, and Marine Biotechnology. Other



programs include Arts & Sciences, Nursing and Allied Health, High School and Academic Support, Professional and Technical, and Continuing Education. Sustainability is also a focus of the college. It maintains a 66 plus acre site designated as an NC Birding Trail that is made of forests, wetlands, and walking trails. Through a partnership with the Golden LEAF Foundation and the U.S. Economic Development Administration, the Community College also participates in the Brunswick Business and Industry Incubator. It provides new and growing businesses with the tools necessary for success through an array of business support resources and services.

Cape Fear Regional Jetport also known as "Howie Franklin Field" is located in Oak Island, NC drawing both business and recreation planes. The ideal location with 47 miles of beach, historical seaport villages, exclusive island getaways, more than 30 golf courses, fantastic inshore and offshore fishing, world-famous seafood, and spectacular weather year-round combined with the airport itself boasting 18 businesses including two aircraft maintenance shops, the largest flight school on the coast, helicopter flight school, bait and tackle shop, an avionics shop and an aircraft charter shop just to name a few. The airport is 4th in General Aviation Airport economic engines in the State of North Carolina out of 72 other airports.

Brunswick County's economic future looks bright as the new industrial parks expand, new retail shopping centers develop, new tourist attractions are completed, and new residential growth continues.

## **Cultural and Recreation**

**Golfing:** Brunswick County is one of the major golf hubs in the State of North Carolina. More than thirty state-of-the-art golf courses with most having residential/commercial development associated with them are located within the County.

**Beaches:** The county stretches from historic Wilmington to Myrtle Beach, South Carolina. It is made up of 5 barrier islands: Sunset Beach, Ocean Isle Beach, Holden Beach, Oak Island, and Bald Head Island along with many coastal towns along the intercostal waterway.

**Parks and Community:** Brunswick County provides many parks and facilities that can be used for golf, athletics, special populations programs, community events, and more. The parks and recreation department maintains 12 parks and 4 community centers including an amphitheater, multiple fields, and picnic shelters, 28 tennis courts, and 10 pickleball courts. The Brunswick Nature Park is 911 acres of undeveloped wilderness with hiking and biking trails and a kayak/canoe launch site.

**Library:** There are five library branches across Brunswick County offering books, magazines, movies, audiobooks, and music CDs for use. Branches are in Southport, Shallotte, Leland, Oak

*Brunswick County  
Parks & Recreation*



Island, and Carolina Shores. They each offer computer access, educational and community events, and eBooks along with meeting rooms and copy/fax services.

**Museums:** The County is home to many landmarks and museums that provide great educational opportunities for both residents and visitors alike. Locations include one of North Carolina's state historic sites and working archeological sites at Brunswick Town Fort Anderson along with the North Carolina Maritime Museum located in Southport. The County is also home to North Carolina's oldest standing lighthouse known as Old Baldy on Bald Head Island as well as the last lighthouse to be built in North Carolina known as the Oak Island Lighthouse. There are many other museums, landmarks, and historical sites throughout the County with historical and cultural significance.

### **Long-Term Financial Planning**

Brunswick County's financial strength is reflective of its careful financial planning and sound management policies. The County outlines its goals and objectives as a guide, prepares a planning document to take a five-year look at a fiscally sustainable future, and maintains a Five-Year Capital Improvement Plan to meet the growing needs of the County. Projects are funded based on need and meeting financial targets for fund balance and debt service along with maintaining attractive bond ratings.

**General Government.** The County's operating general fund budget for the fiscal year ending June 30, 2023, totals \$245,024,668 with no increase in the property tax rate of .4850 per \$100 of assessed value, based on a total valuation of \$31.69 billion. The estimated value of one cent is \$3.11 million.

In November 2016, voters approved a \$152 million bond referendum as requested by the Board of Education for the school's district-wide deferred maintenance and improvement, technology infrastructure, the need for new and replacement schools, and the addition of an early college and career technical educational building. The County has issued its third and final phase in July 2022 of \$51.5 million.

The Five-Year Capital Improvement Plan for the general government in FY 2023 totals \$9.4 million. This is made up of an environmental protection project for \$7.7 million for the construction of a transfer station at the existing landfill and \$1.8 million for County Complex Buildings and Renovations. The planned funding source is \$9.4 million in capital reserves.

**Water.** The number of customers connected to the County's water system continues to increase with a rate of 6.3% to 50,095 as of June 30, 2022. Due to the growth and the increase



*Judge Ola M. Lewis  
Brunswick County Courthouse  
Expansion & Renovations*

in irrigation demand, additional transmission system improvements are planned for the next five years. The water fund capital improvement plan includes three projects planned for FY 2023 at a total estimated cost of \$1.9 million. These are a Utility Operations Center Expansion at \$0.5 million funded with capital reserve, a Northwest Water Treatment Plant Raw Water Reservoir at \$1.0 million funded with pay-go funds, and Southeast Area Improvements at \$0.4 million funded by grant funds.

Increased water demands of our retail, wholesale, and industrial customers require the expansion of the capacity in the Northwest Water Treatment Plant and transmission from 24 mgd to 45 mgd providing 36 mgd advanced treatment low-pressure reverse osmosis process water costing \$156.8 million, and fourteen (14) miles of 54" raw water main from the LCFWSA King's Bluff Pump Station to the ground storage tank in Northwest at an estimated county shared cost of \$26.6 million. The raw water main will also provide the county with a redundant system in the event of damage to the existing raw water pipeline. Revenue bonds were issued in November 2019 and in June 2020 for the construction of water projects costing \$183.4 million. With capitalized interest during the construction period, additional debt service payments began in 2022 of \$1.0 million and in 2023 of \$8.8 million.

**Wastewater.** The County currently operates six wastewater treatment plants with a combined permitted wastewater treatment capacity of 10.855 mgd. County customers connected to the system grew 10.0% as of the end of the fiscal year 2022 to 23,624 customers.

The West Brunswick Regional Water Reclamation System includes a capacity of a 6.0 mgd facility and a 0.5 mgd facility that uses drip irrigation, spray irrigation, and groundwater recharge through infiltration basins for effluent disposal. The County has wastewater service agreements with the Town of Holden Beach, Town of Oak Island, and Town of Shallotte for a portion of the 6.5 mgd treatment capacity.

The County operates the Northeast Brunswick Regional Water Reclamation Facility with a capacity of 2.475 mgd. This facility serves the Town of Leland, Town of Navassa, and H2GO as participants in the facility and is fully supported by user charges. Due to the rapid growth in the northern section of the County, the County has begun construction to expand the Northeast Brunswick Regional Wastewater System capacity by 2.5 mgd. Increasing its capacity to 4.975 mgd. The county issued revenue bonds in November 2019 for a project cost of \$51.9 million adding approximately \$3.4 million in debt service. July 1, 2020, the county acquired the Town of Navassa's sewer system and the county will be responsible for 20.58% or \$0.7 million of the 2.5 mgd expansion.

The construction of the Ocean Ridge Reclaimed Water Main is planned to accommodate the disposal of up to 900,000 gpd at the Ocean Ridge Golf Courses.



The County plans to continue the expansion of its collection system through the use of Special Assessment Districts and the Enterprise Funded Sewer Main Extension Program as funds are available.

### **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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This is the twentieth (20th) consecutive year that the County has received the prestigious award. To be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized annual financial report. The report also must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that this annual financial 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.

**Acknowledgments.** We appreciate the efforts of the entire staff of the Finance Department throughout the year, especially during the preparation of this annual financial report with the assistance of Martin Starnes & Associates, CPAs, P.A. We would like to recognize Karen McCall, CPA, Deputy Finance Officer, and the other members of the finance staff for their dedication and ongoing efforts in the preparation of the 2022 annual report:

Yvette Glenn  
Christina Kennedy  
Bill Noland  
Kathryn Regan

Carrie Hurst  
Tammy Miller  
Denise O'Donnell-Jones  
Cathy Roeder

Jackson Jordan  
Melissa Modafferi  
Ventzie Penev  
Tiffany Rogers

We would like to commend each County department for their cooperation and assistance in carrying out the activities and services comprised in this report. Recognition and appreciation are also extended to the County Manager and the Board of Commissioners for their continual support in maintaining the highest standards of professionalism in the management of Brunswick County's finances.

Respectfully submitted,



**Aaron C. Smith, CPA**  
Director of Fiscal Operations



*Brunswick County  
Social Services*



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Brunswick  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



# BRUNSWICK COUNTY

## BOARD OF COMMISSIONERS



Randy Thompson  
Chairman  
District 1



Mike Forte  
Vice Chairman  
District 4



J. Martin Cooke  
District 2



Pat Sykes  
District 3



Frank Williams  
District 5

## COUNTY OFFICIALS

Steve Stone  
Robert V. Shaver  
Daralyn Spivey  
Aaron Smith

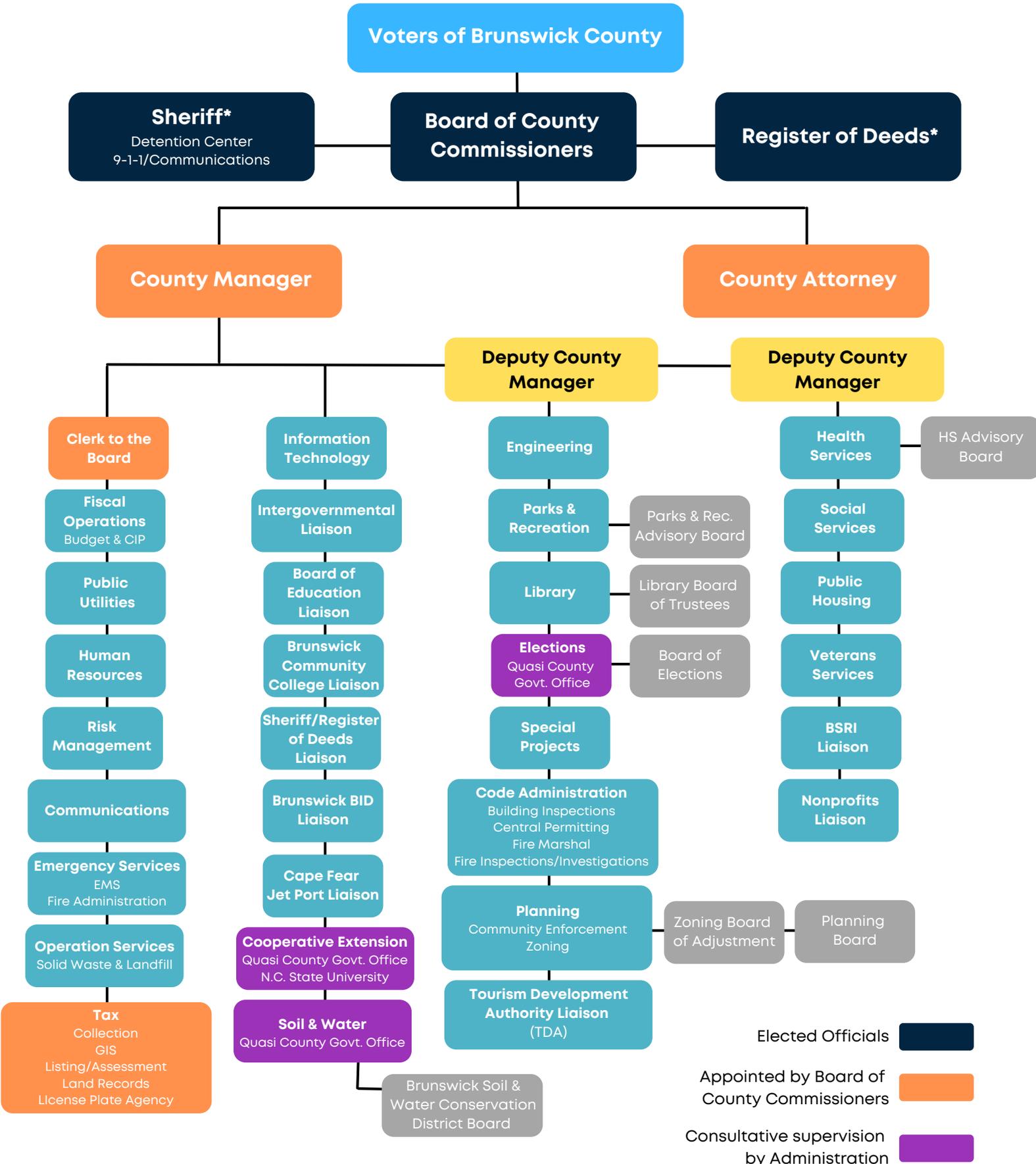
County Manager  
County Attorney  
Clerk to the Board  
Director of Fiscal Operations

## OTHER ELECTED OFFICIALS

Brenda M. Clemmons  
John W. Ingram, V

Register of Deeds  
Sheriff

# BRUNSWICK COUNTY ORGANIZATIONAL CHART



\*County Manager has Budgetary Authority

# MARTIN ♦ STARNES

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## & ASSOCIATES, CPAs, P.A.

*“A Professional Association of Certified Public Accountants and Management Consultants”*

### **Independent Auditor’s Report**

Board of Commissioners  
Brunswick County  
Bolivia, North Carolina

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, North Carolina, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Brunswick County Board of Alcoholic Control, which represents 14%, 10% and 53%, respectively, of the assets, net position, and revenues of the discretely presented component units as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Brunswick County Board of Alcoholic Control, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Brunswick County Board of Alcoholic

Control, the Brunswick County Airport Commission, and the Brunswick County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

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

As discussed in Note 18 to the financial statements, in 2022 the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll, the Detention Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll, the Other Post-Employment Benefits schedules of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deed's Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Brunswick County's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Financial Data Schedule is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, Financial Data Schedule, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and

our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Brunswick County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brunswick County's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 31, 2022

## 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, 2022. We encourage readers to consider the information presented herein in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

### FINANCIAL HIGHLIGHTS

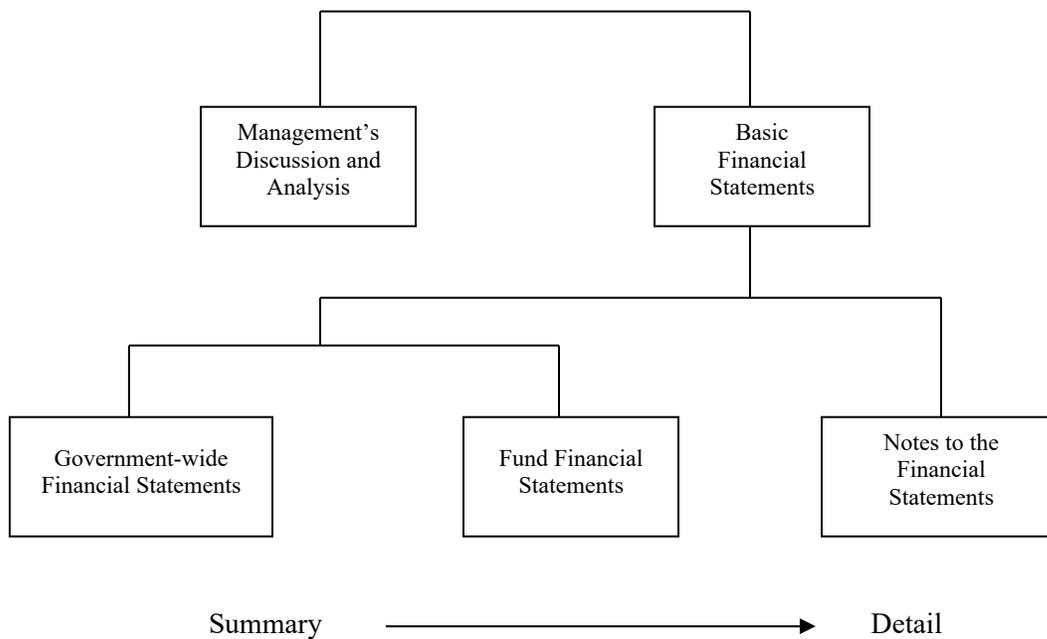
- The assets and deferred outflows of resources of Brunswick County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$92.6 million (*net position*). The County's net position is impacted considerably by the general obligation 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, NC Education Lottery, general obligation debt, and installment debt. A portion of the assets funded by the County issued debt is owned, utilized, and maintained by the school system and community college, therefore, the County acquires no capital assets, and incurred 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 \$91.2 million. 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 8H on page 66 further explains the effect of education debt on net position.
- The County's net position of governmental activities increased by \$33.3 million mainly due to revenues of \$12.5 million related to the American Rescue Plan Act to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. Management also maintains a focus on monitoring spending and increased revenue collections in the General Fund such as an increase in Ad Valorem tax collections of \$4.6 million and Local Option Sales Tax of \$5.7 million due to growth in the County. This is partially offset by education capital projects expenditures not included in capital assets.
- As of the close of the 2022 fiscal year, the County's general fund reported amounts restricted for Stabilization by State statute of \$15.3 million, restrictions for public housing section 8 beneficiaries of less than \$0.1 million, \$1.3 million restricted for the Interlocal Agreement with Holden Beach, \$2.7 million restricted for health and wellness programs, and \$0.6 million restricted for seized funds held by the Sheriff totaling \$20.0 million. The unrestricted fund balance totals \$119.7 million of which \$0.2 million is committed for revaluation purposes, \$0.1 million is nonspendable for prepaid, \$10 million is assigned as designated for future projects and just over \$6.0 million is assigned for carryover expenditures into the next fiscal year leaving \$103.4 million available for spending.
- Moody's Investor Services ratings are Aaa for general obligation bonds, Aa1 for limited obligation bonds, and Aa2 for revenue bonds. S & P Global Services ratings are AAA for general obligation bonds, AA+ for limited obligation bonds, and the rating for revenue bonds remains AA-. The County bond ratings with Fitch are AA+ for general obligation bonds, AA for limited obligation bonds, and AA- for revenue bonds.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 fund's statements, 2) the budgetary comparison statements, 3) the proprietary fund statements, and 4) the fiduciary 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, 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 position and how they have changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position 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 charges (business-type activities). The governmental activities of Brunswick County include general government services, public safety, public education, human services, economic development, and cultural services. The business-type activities of Brunswick County are water and wastewater services offered by the County.

The government-wide financial statements include not only Brunswick County itself (known as the primary government), but also the Brunswick County ABC Board, Airport Commission, and Tourism Development Authority. Although legally separate from the County, these boards, commissions, and authorities are important to the County because the County exercises control over its 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 15-17 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 fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the 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 Position 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 has one kind 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 Position and the Statement of Activities.

**Fiduciary Funds** – Custodial funds are used to report fiduciary activities for assets held by the County on behalf of others that meet certain criteria. The County has three Custodial 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 29-91 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 employees and other post-employment health benefits to employees. Required supplemental information can be found on pages 92-106 of this report.

**Brunswick County's Net Position**  
**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 265,217,253	\$ 232,733,943	\$ 195,595,604	\$ 241,153,276	\$ 460,812,857	\$ 473,887,219
Capital asset (net)	<u>146,687,134</u>	<u>148,064,072</u>	<u>550,557,936</u>	<u>493,617,515</u>	<u>697,245,070</u>	<u>641,681,587</u>
Total assets	<u>411,904,387</u>	<u>380,798,015</u>	<u>746,153,540</u>	<u>734,770,791</u>	<u>1,158,057,927</u>	<u>1,115,568,806</u>
Deferred Outflows of Resources:	<u>48,836,285</u>	<u>50,212,782</u>	<u>6,366,112</u>	<u>7,371,265</u>	<u>55,202,397</u>	<u>57,584,047</u>
Noncurrent liabilities	298,136,382	312,760,042	330,473,475	345,872,712	628,609,857	658,632,754
Other liabilities	<u>42,250,638</u>	<u>45,561,817</u>	<u>31,142,816</u>	<u>47,883,861</u>	<u>73,393,454</u>	<u>93,445,678</u>
Total Liabilities	<u>340,387,020</u>	<u>358,321,859</u>	<u>361,616,291</u>	<u>393,756,573</u>	<u>702,003,311</u>	<u>752,078,432</u>
Deferred Inflows of Resources:	<u>27,726,304</u>	<u>13,349,529</u>	<u>5,964,370</u>	<u>2,204,101</u>	<u>33,690,674</u>	<u>15,553,630</u>
Net position:						
Net investment in capital assets	127,746,956	126,785,111	315,518,906	302,098,004	443,265,862	428,883,115
Restricted	23,171,792	22,879,562	-	-	23,171,792	22,879,562
Unrestricted	<u>(58,291,400)</u>	<u>(90,325,264)</u>	<u>69,420,085</u>	<u>44,083,378</u>	<u>11,128,685</u>	<u>(46,241,886)</u>
Total net position	<u>\$ 92,627,348</u>	<u>\$ 59,339,409</u>	<u>\$ 384,938,991</u>	<u>\$ 346,181,382</u>	<u>\$ 477,566,339</u>	<u>\$ 405,520,791</u>

The assets and deferred outflows of resources of Brunswick County governmental activities exceeded its liabilities and deferred outflows of resources by \$92.6 million as of June 30, 2022. Net position is reported as follows: net investment in capital assets of \$127.7 million, restricted for stabilization by State statute \$15.4 million, restricted for other purposes \$7.7 million, and unrestricted net position of \$(58.3) million.

The net investment in capital assets 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	\$ 147.2
Less long-term debt	(109.1)
Less current maturities of long-term debt	(9.7)
Landfill closure included in long-term debt	7.8
Current portion of compensated absences	0.3
Education general obligation debt payable	<u>91.2</u>
Total net investment in capital assets	<u>\$ 127.7</u>

The final category of net position is unrestricted resources. This balance may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2022, the unrestricted resources were \$(58.3) million. Even though the debt issued has been issued to finance capital outlay, construction, and renovation for the school system and the community college, the Governmental Accounting

Standards Board has determined that it is not capital debt for the County since it is not financing assets owned by the County. As a result, the education debt is reportable within the unrestricted category of the net position rather than as part of the category net investment in capital assets.

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 Position**  
**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Changes for services	\$ 28,753,942	\$ 25,325,009	\$ 82,511,173	\$ 67,907,699	\$ 111,265,115	\$ 93,232,708
Operating grants and contributions	39,378,400	26,571,290	-	-	39,378,400	26,571,290
Capital grants and contributions	3,425,624	2,523,663	10,125,100	6,877,930	13,550,724	9,401,593
General revenues:						
Ad valorem taxes	154,660,159	149,471,104	-	-	154,660,159	149,471,104
Local option sales taxes	40,769,837	35,085,909	-	-	40,769,837	35,085,909
Other taxes	12,265,423	10,521,195	-	-	12,265,423	10,521,195
Investment earnings	231,741	131,756	171,131	63,549	402,872	195,305
Total revenues	<u>279,485,126</u>	<u>249,629,926</u>	<u>92,807,404</u>	<u>74,849,178</u>	<u>372,292,530</u>	<u>324,479,104</u>
Expenses:						
General government	18,295,685	17,647,297	-	-	18,295,685	17,647,297
Public safety	63,909,721	57,293,377	-	-	63,909,721	57,293,377
Central services	15,992,165	18,939,131	-	-	15,992,165	18,939,131
Human services	33,681,908	30,604,477	-	-	33,681,908	30,604,477
Transportation	3,866,053	986,003	-	-	3,866,053	986,003
Environmental protection	19,692,763	20,046,140	-	-	19,692,763	20,046,140
Cultural and recreation	7,370,332	6,627,479	-	-	7,370,332	6,627,479
Economic and physical development	8,940,721	8,907,797	-	-	8,940,721	8,907,797
Education	70,314,822	87,560,695	-	-	70,314,822	87,560,695
Interest on long-term debt	4,006,029	4,531,542	-	-	4,006,029	4,531,542
Water and wastewater	-	-	54,176,783	66,258,124	54,176,783	66,258,124
Total expenses	<u>246,070,199</u>	<u>253,143,938</u>	<u>54,176,783</u>	<u>66,258,124</u>	<u>300,246,982</u>	<u>319,402,062</u>
Increase (decrease) in net position before transfers	<u>33,414,927</u>	<u>(3,514,012)</u>	<u>38,630,621</u>	<u>8,591,054</u>	<u>72,045,548</u>	<u>5,077,042</u>
Transfers	<u>(126,988)</u>	<u>-</u>	<u>126,988</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>33,287,939</u>	<u>(3,514,012)</u>	<u>38,757,609</u>	<u>8,591,054</u>	<u>72,045,548</u>	<u>5,077,042</u>
Net position, July 1	<u>59,339,409</u>	<u>62,335,123</u>	<u>346,181,382</u>	<u>337,590,328</u>	<u>405,520,791</u>	<u>399,925,451</u>
Net position, restated	<u>59,339,409</u>	<u>62,853,421</u>	<u>346,181,382</u>	<u>337,590,328</u>	<u>405,520,791</u>	<u>400,443,749</u>
Net position, June 30	<u>\$ 92,627,348</u>	<u>\$ 59,339,409</u>	<u>\$ 384,938,991</u>	<u>\$ 346,181,382</u>	<u>\$ 477,566,339</u>	<u>\$ 405,520,791</u>

**Governmental activities.** Governmental activities accounted for \$92.6 million, which is 19.4 percent of the total net position. Governmental revenues increased mainly due to increases in ad valorem tax collections and local option sales taxes. Operating grants funded \$39.4 million of the county's governmental activities. This was an increase from the prior year due to \$12.5 million of American Rescue Plan Act funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. Governmental expenses decreased slightly due to decreases in Education Capital Improvements offset by operational increases in General Government, Public Safety, Human Services, and Cultural and Recreation. Governmental net position increased \$33.3 million mainly due to increased revenue collections, controlled spending and principal debt retirements associated with education facilities for which the county does not own the underlying assets.

**Business-type activities.** Business-type activities increased the County's net position by \$38.8 million. Business-type revenues increased mainly due to growth in customers resulting in increases in user charges, a mid-year water rate increase to fund debt service issued for the construction of the Northwest Plant expansion and Reverse Osmosis Treatment, as well as continued diligence in water and sewer revenue collection. Business-type expenses decreased due to a claims settlement recorded in the prior year offset slightly by current year increases in operations. Business-type net position increased by \$38.8 million due to the completion of capital projects and capital contributions.

## **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, the fund balance available for appropriation 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 \$230.9 million, which is an increase of \$32.4 million over the prior year. Approximately \$36.3 million of the total fund balance is restricted by state stabilization or other restrictions and approximately \$194.6 million is unrestricted. Of the unrestricted fund balance of \$194.6 million at June 30, 2022, \$0.2 million was committed for a legally budgeted tax revaluation, \$75.0 million or approximately 38.5 percent was committed for education and county capital projects, \$0.1 million was nonspendable for prepaids, \$10.0 million was assigned as designated for future projects and \$6.0 million was assigned for subsequent year expenditures leaving \$103.3 million of unassigned fund balance. The unassigned fund balance of \$103.3 million, which is approximately 44.7 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, the unassigned fund balance in the general fund was \$103.4 million, while the total fund balance for the general fund increased from \$121.2 million to \$139.7 million mainly due to increased ad valorem tax collections, local option sales taxes and other revenues tied to economic growth in the County as well as \$10.0 million received from the American Rescue Plan Act Fund as the standard allowance for governmental services. Amounts in the General Fund balance assigned for subsequent year's expenditures totaled \$6.0 million and assigned for future projects totaled \$10.0 million. The amount of restricted general fund balance was \$15.3 million for stabilization by state statute and \$4.6 million for other restrictions related to health and wellness, public safety, public housing section 8 programs, and the Municipal Interlocal Agreement for Special Obligation Bonds. 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 46.9% of total general fund expenditures before transfers for

capital projects, while the total general fund balance represents 63.3% of that same amount. The County Capital Project fund balance increased \$19.5 million due to transfers from the General Fund offset by planned capital project expenditures. The Education Capital Project Fund balance decreased \$5.4 million mainly due to planned capital project expenditures for the second phase of the \$152 million bond referendum debt issued at \$47.5 million in the prior year. The Non-Major Governmental Funds balance decreased by \$0.2 million.

**Enterprise Funds.** The Water Fund's net position increased \$15.0 million to \$183.4 million. The Wastewater Fund's net position increased \$23.8 million to \$201.5 million. The increases in the net position of the enterprise funds are from growth in the customer base, a mid-year water rate increase to fund debt service issued for the construction of the Northwest Plant expansion and Reverse Osmosis Treatment, the completion of capital projects, and capital contributions.

**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 \$21.8 million. Most of the increase was comprised of a \$2.1 million increase in ad valorem taxes, \$2.9 million in local option sales taxes, \$8.6 million increase in intergovernmental revenues, and \$4.5 million for other taxes and licenses. Total actual revenues exceeded amended budgeted amounts by \$16.9 million. Total actual expenditures were \$21.4 million less than amended budgeted amounts, with most of that amount relating to expenditures lower than budgeted in public safety, central services, and human services.

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

The unrestricted net position of Water/Wastewater Funds at the end of the year totaled \$69.4 million. The primary factor affecting this amount was a net increase of \$56.9 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, 2022, amounts to \$697.2 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.

Major capital asset transactions for governmental activities during the fiscal year 2022 include park improvements, the landfill transfer station, and courthouse renovations.

Major capital asset transactions for Business-type activities during the fiscal year 2022 include the construction in progress for Northwest water plant expansion with low pressure reverse osmosis treatment, 54" LCFWSA parallel raw water main, Northeast wastewater treatment plant, and transmission expansion and the additional water and sewer main construction.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 16,873,908	\$ 16,873,908	\$ 2,902,315	\$ 2,902,315	\$ 19,776,223	\$ 19,776,223
Operating plants, buildings & improvements	104,100,773	109,526,360	132,963,663	138,853,634	237,064,436	248,379,994
Equipment and vehicles	9,241,699	9,599,551	18,689,468	16,156,873	27,931,167	25,756,424
Distribution and collection systems	-	-	219,478,833	209,252,310	219,478,833	209,252,310
Construction in progress	16,470,754	12,064,253	176,523,657	126,452,383	192,994,411	138,516,636
Total capital assets, net	<u>\$146,687,134</u>	<u>\$148,064,072</u>	<u>\$550,557,936</u>	<u>\$493,617,515</u>	<u>\$697,245,070</u>	<u>\$641,681,587</u>

Additional information on Brunswick County's capital assets can be found in Note 4 on pages 49 and 50 of this report. Information related to the County's right to use leased assets can be found in Note 5 on page 51 with the related leases discussed in the Leases subsection of the Long-term obligations section.

**Long-term Debt.** At the end of the current fiscal year, Brunswick County had a total general obligation bonded debt outstanding of \$85.8 million, which is backed by the full faith and credit of the County.

**Brunswick County's Long-term Debt**  
**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 83,665,000	\$ 92,075,000	\$ 2,180,000	\$ 2,380,000	\$ 85,845,000	\$ 94,455,000
Limited obligation bonds	17,980,000	20,335,000	-	-	17,980,000	20,335,000
Bond premiums	8,517,785	9,025,170	27,376,252	28,744,914	35,894,037	37,770,084
Installment purchases & revolving loans	-	-	10,315,398	14,198,968	10,315,398	14,198,968
Revenue bonds	-	-	278,600,000	287,300,000	278,600,000	287,300,000
Leases	499,192	-	1,750,585	-	2,249,777	-
Other	197,129,323	203,326,923	25,721,788	27,433,060	222,851,111	230,759,983
Total long-term debt	<u>\$ 307,791,300</u>	<u>\$ 324,762,093</u>	<u>\$ 345,944,023</u>	<u>\$ 360,056,942</u>	<u>\$ 653,735,323</u>	<u>\$ 684,819,035</u>

The legal debt limit is \$2.52 billion. The legal debt margin on June 30, 2022, was \$2.42 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 governmental expenditures is 6.6% and to total general fund expenditures is 7.4%. The County's governmental general obligation debt per capita is \$598 as of June 30, 2022. The County's governmental activities gross debt per capita (excluding landfill closure/post-closure, accrued compensated absences, leases, and pension benefit obligations) is \$708 made up of \$583 of general obligation debt per capita and \$125 in outstanding limited obligation bonds for construction and renovation of various county and education buildings.

The County's debt had a net decrease of \$17.0 million in governmental and a net decrease of \$14.1 million in enterprise funds, for a total decrease of \$31.1 million during the current fiscal year. The key factor in this decrease was retirement of debt through principal payments. Additional information on Brunswick County's long-term debt can be found in Note 8 on pages 53-66 of this report.

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

- The unemployment rate for Brunswick County is currently 4.8 percent and was 5.1 percent at June 30, 2022, compared to the state's seasonally adjusted unemployment rate of 3.9 percent currently and 3.4 percent at June 30, 2022.
- Inflationary trends in the region are similar to national indices.
- Population estimation of 143,549 has grown 27.4 percent in the last 10 years.

All of these factors were considered in preparing Brunswick County's budget for the fiscal year 2022-2023.

## **BUDGET HIGHLIGHTS FOR THE FISCAL YEAR 2022-2023**

**Governmental activities.** The county maintained a tax rate of 0.485 cents. The last revaluation was for the 2019 levy. Budgeted operating expenditures in the General Fund are expected to increase 7.5 percent to \$245.0 million.

Budgeted expenditures for education are expected to increase 1.0 percent or approximately \$0.7 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.

The fiscal year 2023 budget includes a fund balance appropriation in the general fund of \$868,152. This amount does not include an appropriation to Brunswick Senior Resources, Inc. as in the prior years. The contribution to Brunswick Senior Resources, Inc. was voted on separately at the same board of commissioner meeting increasing the appropriation to \$3,885,288, or \$2,567,568 net of the \$1,317,720 in escrow funds held for the Holden Beach sound nourishment project. This is consistent with the prior year's appropriation of \$2,877,600. The county appropriates fund balance each year to assist in meeting the capital outlay needs with the challenge to save the appropriated amount to lower the burden on property tax owners.

**Business-type activities.** The water and wastewater enterprise funds are anticipated to increase 11.2 percent due to the commercial and residential growth in new services and to cover increased costs associated with personnel, operation, capital outlay, debt service, and transfers to capital projects.

## **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. You can also visit our website:

<http://www.brunswickcountync.gov/finance/>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2022

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units Total
<b>Assets:</b>				
Cash and cash equivalents/investments	\$ 215,672,215	\$ 86,709,355	\$ 302,381,570	\$ 4,623,302
Receivables, net	5,140,135	13,607,237	18,747,372	1,122,595
Other governmental agencies	12,399,595	4,148,185	16,547,780	-
Inventories	-	2,156,817	2,156,817	665,209
Prepaid items	64,000	-	64,000	61,129
Restricted assets:				
Restricted cash and investments	30,955,562	87,219,705	118,175,267	18,875
Restricted net pension asset	488,701	-	488,701	-
Capital assets:				
Non-depreciable capital assets	33,344,662	179,425,972	212,770,634	-
Depreciable capital assets, net	113,342,472	371,131,964	484,474,436	32,868,143
Total capital assets	146,687,134	550,557,936	697,245,070	32,868,143
Right to use leased asset, net of amortization	497,045	1,754,305	2,251,350	129,525
Total assets	411,904,387	746,153,540	1,158,057,927	39,488,778
<b>Deferred Outflows of Resources:</b>	48,836,285	6,366,112	55,202,397	181,514
<b>Liabilities:</b>				
Accounts payable and other liabilities	\$ 15,559,824	\$ 10,489,514	\$ 26,049,338	\$ 481,814
Prepaid fees	-	129,711	129,711	-
Advance from grantor	15,727,779	-	15,727,779	-
Accrued interest payable	1,308,117	2,696,658	4,004,775	-
Liabilities to be paid from restricted assets	-	2,356,385	2,356,385	18,875
Long-term liabilities:				
Due within one year	9,654,918	15,470,548	25,125,466	100,248
Due beyond one year	113,999,495	305,554,868	419,554,363	1,384,530
Total pension liability - LEOSSA	8,871,510	-	8,871,510	-
Total pension liability - DOSSA	159,102	-	159,102	-
Net pension liability - LGERS	12,101,702	1,383,513	13,485,215	82,047
Total OPEB liability	163,004,573	23,535,094	186,539,667	125,121
Total liabilities	340,387,020	361,616,291	702,003,311	2,192,635
<b>Deferred Inflows of Resources:</b>	27,726,304	5,964,370	33,690,674	762,904
<b>Net Position:</b>				
Net investment in capital assets	127,746,956	315,518,906	443,265,862	31,307,606
Restricted for:				
Stabilization by State Statute	15,439,130	-	15,439,130	544,155
General Government Interlocal Agreement	1,343,880	-	1,343,880	-
Public Housing	55,482	-	55,482	-
Human Services	2,658,817	-	2,658,817	-
Public Safety	2,039,801	-	2,039,801	-
Register of Deeds Automation	1,114,787	-	1,114,787	-
Register of Deeds Pension Plan	519,895	-	519,895	-
Tourism Promotion	-	-	-	2,451,589
Working Capital	-	-	-	164,702
Unrestricted	(58,291,400)	69,420,085	11,128,685	2,246,701
Total net position	\$ 92,627,348	\$ 384,938,991	\$ 477,566,339	\$ 36,714,753

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, 2022

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	\$ 18,295,685	\$ 2,326,109	\$ 6,612,172	\$ -
Public safety	63,909,721	16,904,098	10,909,421	-
Central services	15,992,165	-	138,393	-
Human services	33,681,908	1,584,329	19,978,207	-
Transportation	3,866,053	-	245,881	3,425,624
Environmental protection	19,692,763	6,596,328	395,184	-
Cultural and recreation	7,370,332	256,710	148,878	-
Economic and physical development	8,940,721	1,086,368	950,264	-
Education	70,314,822	-	-	-
Interest on long-term debt	4,006,029	-	-	-
Total governmental activities	<u>246,070,199</u>	<u>28,753,942</u>	<u>39,378,400</u>	<u>3,425,624</u>
<b>Business-type Activities:</b>				
Water	30,374,476	40,946,532	-	4,283,818
Wastewater	<u>23,802,307</u>	<u>41,564,641</u>	<u>-</u>	<u>5,841,282</u>
Total business-type activities	<u>54,176,783</u>	<u>82,511,173</u>	<u>-</u>	<u>10,125,100</u>
Total primary government	<u>\$ 300,246,982</u>	<u>\$ 111,265,115</u>	<u>\$ 39,378,400</u>	<u>\$ 13,550,724</u>
Discretely presented component units	<u>\$ 9,734,395</u>	<u>\$ 7,957,074</u>	<u>\$ -</u>	<u>\$ 3,969,811</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, 2022

Function/Programs	Net (Expense) Revenue and Changes in Net Position			Component Units Total
	Primary Government		Total	
	Governmental Activities	Business-type Activities		
<b>Primary Government:</b>				
<b>Government Activities:</b>				
General government	\$ (9,357,404)	\$ -	\$ (9,357,404)	
Public safety	(36,096,202)	-	(36,096,202)	
Central services	(15,853,772)	-	(15,853,772)	
Human services	(12,119,372)	-	(12,119,372)	
Transportation	(194,548)	-	(194,548)	
Environmental protection	(12,701,251)	-	(12,701,251)	
Cultural and recreation	(6,964,744)	-	(6,964,744)	
Economic and physical development	(6,904,089)	-	(6,904,089)	
Education	(70,314,822)	-	(70,314,822)	
Interest on long-term debt	(4,006,029)	-	(4,006,029)	
Total governmental activities	<u>(174,512,233)</u>	<u>-</u>	<u>(174,512,233)</u>	
<b>Business-type Activities:</b>				
Water	-	14,855,874	14,855,874	
Wastewater	-	23,603,616	23,603,616	
Total business-type activities	<u>-</u>	<u>38,459,490</u>	<u>38,459,490</u>	
Total primary government	<u>(174,512,233)</u>	<u>38,459,490</u>	<u>(136,052,743)</u>	
Discretely presented component units				\$ <u>2,192,490</u>
<b>General Revenues:</b>				
Ad valorem taxes	154,660,159	-	154,660,159	-
Local option sales taxes	40,769,837	-	40,769,837	-
Deed stamp excise and other taxes	12,265,423	-	12,265,423	2,711,364
Sale of real property	-	-	-	111,587
Investment earnings	231,741	171,131	402,872	3,958
Total general revenues	<u>207,927,160</u>	<u>171,131</u>	<u>208,098,291</u>	<u>2,826,909</u>
Transfers	<u>(126,988)</u>	<u>126,988</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>207,800,172</u>	<u>298,119</u>	<u>208,098,291</u>	<u>2,826,909</u>
Change in net position	<u>33,287,939</u>	<u>38,757,609</u>	<u>72,045,548</u>	<u>5,019,399</u>
<b>Net position, beginning of year</b>	<u>59,339,409</u>	<u>346,181,382</u>	<u>405,520,791</u>	<u>31,695,354</u>
<b>Net position, end of year</b>	<u>\$ 92,627,348</u>	<u>\$ 384,938,991</u>	<u>\$ 477,566,339</u>	<u>\$ 36,714,753</u>

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2022

	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>County Capital Project</u>	<u>Education Capital Project</u>	<u>Non Major Governmental Funds</u>	
<b>Assets:</b>					
Cash and cash equivalents/investments	\$ 133,439,093	\$53,906,164	\$25,684,881	\$ 2,642,077	\$ 215,672,215
Restricted cash and investments	1,628,645	-	13,599,138	15,727,779	30,955,562
Interest receivable	37,472	11,306	5,689	778	55,245
Taxes receivable - net	1,268,101	-	-	-	1,268,101
Receivables - net	3,812,632	4,157	-	-	3,816,789
Other governmental agencies	11,893,837	139,205	269,446	97,107	12,399,595
Due from other funds	30,527	-	1,740,786	-	1,771,313
Prepaid expenditures	64,000	-	-	-	64,000
Total assets	<u>\$ 152,174,307</u>	<u>\$54,060,832</u>	<u>\$41,299,940</u>	<u>\$18,467,741</u>	<u>\$ 266,002,820</u>
<b>Liabilities:</b>					
Accounts payable and other liabilities	\$ 8,684,459	\$ 4,585,613	\$ 2,208,799	\$ 80,953	\$ 15,559,824
Due to other funds	1,740,786	-	-	30,527	1,771,313
Advance from grantor	-	-	-	15,727,779	15,727,779
Total liabilities	<u>10,425,245</u>	<u>4,585,613</u>	<u>2,208,799</u>	<u>15,839,259</u>	<u>33,058,916</u>
<b>Deferred Inflows of Resources:</b>	<u>2,078,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,078,699</u>
<b>Fund Balances:</b>					
Nonspendable - prepaids	64,000	-	-	-	64,000
Restricted:					
Restricted - Stabilization by State Statute	15,341,245	-	-	97,885	15,439,130
Restricted - other	4,633,852	-	13,599,138	2,593,632	20,826,622
Committed	214,566	49,475,219	25,492,003	-	75,181,788
Assigned	16,046,124	-	-	-	16,046,124
Unassigned	103,370,576	-	-	(63,035)	103,307,541
Total fund balances	<u>139,670,363</u>	<u>49,475,219</u>	<u>39,091,141</u>	<u>2,628,482</u>	<u>230,865,205</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 152,174,307</u>	<u>\$54,060,832</u>	<u>\$41,299,940</u>	<u>\$18,467,741</u>	<u>\$ 266,002,820</u>

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**RECONCILIATION OF FUND BALANCE AS REPORTED IN THE BALANCE SHEET -  
GOVERNMENTAL FUNDS WITH NET POSITION - GOVERNMENTAL ACTIVITIES  
JUNE 30, 2022**

Fund balance as reported in the balance sheet - governmental funds (Exhibit C1)	\$ 230,865,205
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	146,687,134
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	497,045
Net pension asset	488,701
LGERS and ROD deferrals are deferred outflows of resources on the Statement of Net Position	18,561,873
LEOSSA deferrals are deferred outflows of resources on the Statement of Net Position	2,532,227
DOSSA deferrals are deferred outflows of resources on the Statement of Net Position	10,447
OPEB deferrals are deferred outflows of resources on the Statement of Net Position	27,731,738
Accrual of interest payable for debt does not require the use of current financial resources and, therefore, is not reported in the funds	(1,308,117)
Net pension liability - LGERS	(12,101,702)
Total pension liability - LEOSSA	(8,871,510)
Total pension liability - DOSSA	(159,102)
Total OPEB liability	(163,004,573)
Other assets are not available to pay for current period expenditures and, therefore, are deferred inflows	1,701,324
LGERS and ROD Pension related deferrals	(17,513,113)
LEOSSA pension related deferrals	(440,955)
DOSSA pension related deferrals	(5,455)
OPEB related deferrals	(9,389,406)
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(123,654,413)</u>
Net position reported as governmental activities	<u>\$ 92,627,348</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, 2022

	Major Funds				Total Governmental Funds
	General	County Capital Project	Education Capital Project	Non Major Governmental Funds	
<b>Revenues:</b>					
Ad valorem taxes	\$ 154,831,528	\$ -	\$ -	\$ -	\$ 154,831,528
Local option sales taxes	40,769,837	-	-	-	40,769,837
Other taxes and licenses	12,265,423	-	-	-	12,265,423
Unrestricted intergovernmental revenues	6,886,403	-	-	-	6,886,403
Restricted intergovernmental revenues	19,730,947	3,425,624	-	13,738,479	36,895,050
Permits and fees	7,979,987	-	-	239,243	8,219,230
Sales and services	16,944,676	-	-	-	16,944,676
Investment earnings	137,394	46,766	44,911	2,670	231,741
Other	2,987,789	-	-	-	2,987,789
Total revenues	<u>262,533,984</u>	<u>3,472,390</u>	<u>44,911</u>	<u>13,980,392</u>	<u>280,031,677</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	15,935,148	2,967,023	-	628,727	19,530,898
Public safety	54,013,872	-	-	679,875	54,693,747
Central services	17,758,984	-	-	-	17,758,984
Human services	29,552,960	-	-	2,369,543	31,922,503
Transportation	406,881	3,459,172	-	-	3,866,053
Environmental protection	19,603,671	1,615,685	-	363,219	21,582,575
Culture and recreation	4,669,547	135,760	-	-	4,805,307
Economic and physical development	8,686,961	-	-	-	8,686,961
Education	53,468,602	-	15,870,924	-	69,339,526
<b>Debt Service:</b>					
Principal retirement	11,321,729	-	-	-	11,321,729
Interest and fiscal charges	5,057,723	-	-	-	5,057,723
Total expenditures	<u>220,476,078</u>	<u>8,177,640</u>	<u>15,870,924</u>	<u>4,041,364</u>	<u>248,566,006</u>
<b>Revenues over (under) expenditures</b>	<u>42,057,906</u>	<u>(4,705,250)</u>	<u>(15,826,013)</u>	<u>9,939,028</u>	<u>31,465,671</u>
<b>Other Financing Sources (Uses):</b>					
Lease liabilities issued	775,921	-	-	-	775,921
Refunded bond escrow agent	(10,935,000)	-	-	-	(10,935,000)
Issuance of long-term debt	11,215,000	-	-	-	11,215,000
Transfers from other funds	10,000,000	24,238,843	10,393,810	5,280	44,637,933
Transfers to other funds	(34,637,933)	-	-	(10,126,988)	(44,764,921)
Total other financing sources (uses)	<u>(23,582,012)</u>	<u>24,238,843</u>	<u>10,393,810</u>	<u>(10,121,708)</u>	<u>928,933</u>
<b>Net change in fund balance</b>	18,475,894	19,533,593	(5,432,203)	(182,680)	32,394,604
<b>Fund balance, beginning of year</b>	<u>121,194,469</u>	<u>29,941,626</u>	<u>44,523,344</u>	<u>2,811,162</u>	<u>198,470,601</u>
<b>Fund balance, end of year</b>	<u>\$ 139,670,363</u>	<u>\$49,475,219</u>	<u>\$39,091,141</u>	<u>\$ 2,628,482</u>	<u>\$ 230,865,205</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, 2022

Net change in fund balances - total governmental funds (Exhibit D1)	\$ 32,394,604
Exhibit D1 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:	
Property taxes	(171,369)
Emergency services revenues	2,429
Grant receivable	(304,314)
Public Health revenues	(73,297)
Expenses related to other post-employment benefits, compensated absences, law enforcement officers separation allowance, and pension expense that do not require current financial resources are not reported as expenditures in the governmental fund statement.	(20,236,519)
Capital outlays are reported as expenditures in the governmental fund statements. However, in the statement of activities, capital outlay is not an expense, rather it is an increase in capital assets.	9,174,283
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.	6,911,033
Benefit payments and pension administration costs for LEOWSA are deferred outflows of resources on the statement of net position	101,758
Contributions and pension administration costs for OPEB are deferred outflows of resources on the statement of net position	3,002,370
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.	(41,951)
Depreciation expense allocates the costs of capital assets over their useful lives. Amortization expense allocates the costs of right to use assets over their useful lives. These are not reported as expenditures in the governmental fund statements.	(10,012,225)
Amortization of bond premium.	507,385
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.	22,256,729
Change in closure/post closure liability estimate. Expenses are reported as incurred in the funds.	716,250
Change in interest payable for governmental activity long-term debt. Interest expense is recorded as incurred in the fund statements.	1,051,694
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>(11,990,921)</u>
Change in net position of governmental activities per Exhibit B	<u>\$ 33,287,939</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 -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 148,800,658	\$ 150,878,878	\$ 154,831,528	\$ 3,952,650
Local option sales taxes	31,718,980	34,603,239	40,769,837	6,166,598
Other taxes and licenses	5,245,000	9,725,181	12,265,423	2,540,242
Unrestricted intergovernmental revenues	2,710,000	6,698,243	6,886,403	188,160
Restricted intergovernmental revenues	15,654,560	20,311,408	19,730,947	(580,461)
Permits and fees	4,966,110	5,782,521	7,979,987	2,197,466
Sales and services	13,423,392	14,941,485	16,944,676	2,003,191
Investment earnings	100,275	100,275	137,394	37,119
Other	1,186,332	2,550,164	2,987,789	437,625
Total revenues	<u>223,805,307</u>	<u>245,591,394</u>	<u>262,533,984</u>	<u>16,942,590</u>
<b>Expenditures:</b>				
General government	14,786,186	18,057,170	15,935,148	2,122,022
Central services	19,256,727	20,807,711	17,758,984	3,048,727
Public safety	55,189,599	62,228,443	54,013,872	8,214,571
Transportation	161,000	406,881	406,881	-
Environmental protection	19,272,998	19,901,251	19,603,671	297,580
Economic and physical development	8,641,052	11,113,921	8,686,961	2,426,960
Human services	29,155,754	34,124,760	29,552,960	4,571,800
Education	53,314,798	53,630,387	53,468,602	161,785
Culture and recreation	5,413,060	5,181,139	4,669,547	511,592
<b>Debt Service:</b>				
Principal retirement	10,980,001	11,321,740	11,321,729	11
Interest and fiscal charges	4,966,876	5,067,833	5,057,723	10,110
Total expenditures	<u>221,138,051</u>	<u>241,841,236</u>	<u>220,476,078</u>	<u>21,365,158</u>
Revenues over (under) expenditures	<u>2,667,256</u>	<u>3,750,158</u>	<u>42,057,906</u>	<u>38,307,748</u>
<b>Other Financing Sources (Uses):</b>				
Lease liabilities issued	-	775,941	775,921	(20)
Refunding bonds issued	-	11,215,000	11,215,000	-
Refunded bond escrow agent	-	(10,935,000)	(10,935,000)	-
Transfers from other funds	-	10,000,000	10,000,000	-
Transfers to other funds	(6,888,736)	(34,637,933)	(34,637,933)	-
Appropriated fund balance	4,221,480	19,831,834	-	(19,831,834)
Total other financing sources (uses)	<u>(2,667,256)</u>	<u>(3,750,158)</u>	<u>(23,582,012)</u>	<u>(19,831,854)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	18,475,894	<u>\$ 18,475,894</u>
<b>Fund balance, beginning of year</b>			121,194,469	
<b>Fund balance, end of year</b>			<u>\$ 139,670,363</u>	

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF FUND NET POSITION- PROPRIETARY FUNDS  
JUNE 30, 2022

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Wastewater</b>	<b>Total</b>
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash and cash equivalents/investments	\$ 48,755,674	\$ 37,953,681	\$ 86,709,355
Restricted cash and investments	81,795,445	5,424,260	87,219,705
Interest receivable	17,015	10,464	27,479
Receivables and special assessments, net	5,853,108	5,479,494	11,332,602
Current portion of lease receivable	194,496	-	194,496
Other governmental agencies	3,817,132	331,053	4,148,185
Inventories	1,948,630	208,187	2,156,817
Total current assets	<u>142,381,500</u>	<u>49,407,139</u>	<u>191,788,639</u>
<b>Non-Current Assets:</b>			
Lease receivable	2,052,660	-	2,052,660
Non-depreciable capital assets	131,293,403	48,132,569	179,425,972
Depreciable capital assets, net	148,668,212	222,463,752	371,131,964
Total capital assets	<u>279,961,615</u>	<u>270,596,321</u>	<u>550,557,936</u>
Right to use leased asset, net of amortization	1,754,305	-	1,754,305
Total non-current assets	<u>283,768,580</u>	<u>270,596,321</u>	<u>554,364,901</u>
Total assets	<u>426,150,080</u>	<u>320,003,460</u>	<u>746,153,540</u>
<b>Deferred Outflows of Resources:</b>	<u>4,090,397</u>	<u>2,275,715</u>	<u>6,366,112</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued liabilities	7,905,237	2,584,277	10,489,514
Prepaid fees	-	129,711	129,711
Accrued interest payable	1,771,076	925,582	2,696,658
Current portion of debt	5,705,016	9,765,532	15,470,548
<b>Payable From Restricted Assets:</b>			
Customer Deposits	2,356,385	-	2,356,385
Total current liabilities	<u>17,737,714</u>	<u>13,405,102</u>	<u>31,142,816</u>
<b>Noncurrent Liabilities:</b>			
Net pension liability	901,097	482,416	1,383,513
Compensated absences	527,954	243,227	771,181
Total other post employment liability	15,125,143	8,409,951	23,535,094
Long-term debt	207,924,271	96,859,416	304,783,687
Total noncurrent liabilities	<u>224,478,465</u>	<u>105,995,010</u>	<u>330,473,475</u>
Total liabilities	<u>242,216,179</u>	<u>119,400,112</u>	<u>361,616,291</u>
<b>Deferred Inflows of Resources:</b>	<u>4,589,757</u>	<u>1,374,613</u>	<u>5,964,370</u>
<b>Net Position:</b>			
Net investment in capital assets	147,116,134	168,402,772	315,518,906
Unrestricted	36,318,407	33,101,678	69,420,085
Total net position	<u>\$ 183,434,541</u>	<u>\$ 201,504,450</u>	<u>\$ 384,938,991</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 POSITION -  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Wastewater</b>	<b>Total</b>
<b>Operating Revenues:</b>			
User charges	\$ 37,572,387	\$ 41,447,652	\$ 79,020,039
Assessments	-	-	-
Intergovernmental revenue	22,738	2,670	25,408
Other	3,351,407	114,319	3,465,726
Total operating revenues	<u>40,946,532</u>	<u>41,564,641</u>	<u>82,511,173</u>
<b>Operating Expenses:</b>			
Salaries and employee benefits	8,244,545	4,487,478	12,732,023
Operating expenses	7,670,009	5,002,044	12,672,053
Repairs and maintenance	5,294,529	1,720,234	7,014,763
Depreciation and amortization	6,149,225	7,682,171	13,831,396
Total operating expenses	<u>27,358,308</u>	<u>18,891,927</u>	<u>46,250,235</u>
Operating income (loss)	<u>13,588,224</u>	<u>22,672,714</u>	<u>36,260,938</u>
<b>Non-operating Revenues (Expenses):</b>			
Investment earnings	123,845	47,286	171,131
Interest expense	(2,868,786)	(4,571,153)	(7,439,939)
Claims settlement	(147,382)	(339,227)	(486,609)
Total nonoperating revenues (expenses)	<u>(2,892,323)</u>	<u>(4,863,094)</u>	<u>(7,755,417)</u>
Income before capital contributions	10,695,901	17,809,620	28,505,521
Transfers in (out)	-	126,988	126,988
Dedicated service lines	4,283,818	5,841,282	10,125,100
Total transfers and capital contributions	<u>4,283,818</u>	<u>5,968,270</u>	<u>10,252,088</u>
Increase (decrease) in net position	14,979,719	23,777,890	38,757,609
<b>Net position, beginning of year</b>	<u>168,454,822</u>	<u>177,726,560</u>	<u>346,181,382</u>
<b>Net position, end of year</b>	<u>\$ 183,434,541</u>	<u>\$ 201,504,450</u>	<u>\$ 384,938,991</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, 2022

	<u>Business-type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers	\$ 39,094,158	\$ 42,307,250	\$ 81,401,408
Payments to suppliers for goods and services	(22,770,830)	(19,478,607)	(42,249,437)
Payments to or on behalf of employees	(7,968,594)	(4,394,236)	(12,362,830)
Net cash provided by (used in) operating activities	<u>8,354,734</u>	<u>18,434,407</u>	<u>26,789,141</u>
 <b>Cash Flows From Noncapital Financing Activities:</b>			
Transfers in (out)	<u>-</u>	<u>126,988</u>	<u>126,988</u>
 <b>Net Cash From Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(49,841,126)	(12,130,398)	(61,971,524)
Interest paid	(1,314,239)	(4,131,803)	(5,446,042)
Principal payments on long-term debt	(1,913,147)	(10,917,998)	(12,831,145)
Net cash provided (used) in capital and related financing activities	<u>(53,068,512)</u>	<u>(27,180,199)</u>	<u>(80,248,711)</u>
 <b>Cash Flows From Investing Activities:</b>			
Interest on investments	<u>109,666</u>	<u>38,816</u>	<u>148,482</u>
 Net increase (decrease) in cash and cash equivalents	(44,604,112)	(8,579,988)	(53,184,100)
 Cash and cash equivalents, beginning of year	<u>175,155,231</u>	<u>51,957,929</u>	<u>227,113,160</u>
Cash and cash equivalents, end of year	<u>\$ 130,551,119</u>	<u>\$ 43,377,941</u>	<u>\$ 173,929,060</u>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 13,588,224	\$ 22,672,714	\$ 36,260,938
 <b>Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>			
Depreciation and amortization	6,149,225	7,682,171	13,831,396
Claims settlement	(147,382)	(339,227)	(486,609)
 <b>Changes in Assets and Liabilities:</b>			
(Increase) decrease in accounts receivable	(1,939,156)	872,320	(1,066,836)
(Increase) decrease in sales tax refund receivable	(2,790,077)	756,286	(2,033,791)
(Increase) decrease in inventories	(446,924)	(54,767)	(501,691)
Increase (decrease) in accounts payable/accrued expenses	(6,386,075)	(13,091,795)	(19,477,870)
(Increase) decrease in deferred outflows of resources for pensions	(264,473)	(145,916)	(410,389)
(Increase) decrease in pension liability	(1,254,455)	(692,113)	(1,946,568)
(Increase) decrease in deferred inflows of resources for pensions	1,368,636	755,109	2,123,745
(Increase) decrease in deferred outflows of resources - OPEB	562,778	329,218	891,996

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, 2022

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Wastewater</b>	<b>Total</b>
<b>Changes in Assets and Liabilities (continued):</b>			
(Increase) decrease in net OPEB liability	160,933	11,703	172,636
(Increase) decrease in deferred inflows of resources - OPEB	(333,302)	(191,585)	(524,887)
(Increase) decrease in lease receivables	(2,247,156)	-	(2,247,156)
(Increase) decrease in deferred inflows of resources - leases	2,161,411	-	2,161,411
Increase (decrease) in unearned revenue	-	(129,711)	(129,711)
Increase (decrease) in customer deposits	172,527	-	172,527
Net cash provided by (used in) operating activities	<u>\$ 8,354,734</u>	<u>\$ 18,434,407</u>	<u>\$ 26,789,141</u>
<b>Supplemental Disclosures of Noncash Transactions</b>			
Dedicated service lines	\$ 4,283,818	\$ 5,841,282	\$ 10,125,100
Right to use leased asset, in exchange for lease liability	<u>1,798,160</u>	<u>-</u>	<u>1,798,160</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2022

	<b>Custodial Funds</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 1,739,988
Interest receivable for other governments	601
Receivable for other governments, net	<u>811,801</u>
Total assets	<u>2,552,390</u>
<b>Liabilities:</b>	
Accounts payable and accrued liabilities	427,113
Due to other governments	<u>1,689,723</u>
Total liabilities	<u>2,116,836</u>
<b>Net position:</b>	
Restricted for:	
Indiviudals, organization, and other governments	<u>435,554</u>
Total net position	<u>\$ 435,554</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

	<b>Custodial Funds</b>
<b>Additions:</b>	
Collections for other governments	\$ 60,016,303
Collections on behalf of inmates	<u>577,831</u>
Total additions	<u>60,594,134</u>
<b>Deductions:</b>	
Distributions to other governments	59,944,574
Payments on behalf of inmates	<u>589,561</u>
Total deductions	<u>60,534,135</u>
Net increase (decrease) in fiduciary net position	<u>59,999</u>
Net position, beginning of year	<u>375,555</u>
Net position, end of year	<u>\$ 435,554</u>

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



**COUNTY OF BRUNSWICK, NORTH CAROLINA**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2022**

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**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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 143,549, 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, as 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.

**Discretely Presented Component Units**

**Brunswick County Board of Alcoholic Control**

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

Complete financial statements for the Brunswick County ABC Board may be obtained at their administrative offices at 2839 Holden Beach Road, SW, Supply, North Carolina 28462.

**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 at their administrative offices at 712 Village Rd SW, Shallotte, North Carolina 28470.

**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 \$111,000 for the fiscal year ended June 30, 2022. The Airport, which also has a June 30 year-end, is presented as a business-type fund.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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 Economic Development Commission**

On July 20, 2015, the Economic Development Commission ceased operations to create efficiencies and avoid the duplication of services provided by the County's Economic Development Department and transferred all assets and liabilities to the County. In the fiscal year ended June 30, 2022, there were no appropriations for the Economic Development Commission.

##### **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 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.

##### **Brunswick County Leasing Corporation**

The members of the Brunswick County Leasing Corporation's ("Corporation") governing board are appointed by the County and includes the County Manager. The Corporation exists to issue and service limited obligation bonds to finance the acquisition and construction of general government facilities, education facilities, and proprietary fund construction. The limited obligation bonds are accounted for in the applicable governmental activities, business type activities, or proprietary fund type statement of net position in the County's financial statements. The Corporation has no financial transactions of account balances and does not issue financial statements; therefore, 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, 2022, 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 position and the statement of activities display information about the primary government (the County) and its component units. These statements include all 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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

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. 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.

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, transportation, environmental protection, cultural and recreation, economic and physical development, 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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

facilities which are financed by transfers from the wastewater fund, bond proceeds, and financing agreements.

The County reports the following other fund types:

**Custodial Funds** - Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria.

The County maintains the following three Custodial Funds: the Smithville Township Collections Fund which accounts for the Township hospital district ad Valorem taxes collected, payment of bond debt service, and payments to Doshier Hospital; the Municipal 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 fire fee collections remitted to district fire departments to furnish fire protection services in their district but are not revenues to the County; and the Inmate Fund which accounts for personal funds of the inmates in the detention center.

**Non-Major Funds** – The County maintains five legally budgeted funds. The Emergency Telephone System Fund, the Grant Project Fund, the Register of Deeds-Technology Enhancement Fund, the American Rescue Plan Act Fund, and the National Opioid Settlement Fund are reported as non-major special revenue funds.

**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 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.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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; lease liabilities; 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, including entering into contracts giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of general long-term debt and financing through leases are reported as other financing sources.

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 for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with the change in the law, the State of North Carolina is responsible for billing and collecting property taxes on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013, and for limited registration plates are shown as receivable in these financial statements and are offset by deferred inflows of resources.

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. All taxes including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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 position 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. The budget

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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 \$30,000; however, any revisions that alter total expenditures of any fund or that change departmental appropriations by more than \$30,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary and, as a result, appropriated fund balance increased in the General Fund by \$15,610,354. This was largely the result of prior year commitments rolled into the current fiscal year and to fund planned projects. These projects were mainly implementing recommendations identified in the space and facility needs study.

**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)(8)] 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) government 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 North Carolina Capital Management Trust (NCCMT) is authorized by G.S. 159-30(c)(8). The Government Portfolio is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAA-mf by Moody Investor Services. The Government Portfolio is reported at fair value.

**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. Funds in debt service accounts are classified as restricted assets because their use is restricted to future payments of principal and interest as designated by the trustee in the General Trust and Series Indentures. A reserve for debt service amount is held as a restricted asset to meet the requirements of the Interlocal Agreement with Holden Beach and is to be used for the sole purpose of making an

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

appropriation and any actual payment for the Holden Beach Special Obligation Bonds. Housing Assistance Payments Net Restricted Assets held by the County are restricted by the U.S. Department of Housing and Urban Development. Funds received in advance for the Federal American Rescue Plan (ARP) are classified as restricted assets because their use is restricted to COVID-19 relief and economic recovery. Funds received in advance for the first payment over an eighteen-year period of the State Opioid Settlement Funds are classified as restricted assets because their use is restricted to opioid remediation activities. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. The amount budgeted by the Board of Commissioners for revaluation included in the General Fund Balance-Committed is restricted assets per North Carolina General Statute 153A-150.

**Brunswick County Restricted Cash**

<b>Governmental Activities</b>			
General Fund	Tax Revaluation	\$	214,566
	Section 8 Expenditures		55,482
	Reserve for Debt Service		1,358,597
Education Capital Project Fund	Unexpended Debt Proceeds		13,599,138
Grants Special Revenue Fund	American Rescue Plan Proceeds		15,204,904
	Opioid Settlement Proceeds		<u>522,875</u>
	Total Governmental Activities	\$	<u>30,955,562</u>
<b>Business-Type Activities</b>			
Water Fund	Unexpended Debt Proceeds	\$	79,004,769
	Reserve for Debt Service		434,291
	Customer Deposits		2,356,385
Sewer Fund	Unexpended Debt Proceeds		4,424,131
	Reserve for Debt Service		<u>1,000,129</u>
	Total Business-type Activities	\$	<u>87,219,705</u>
Total Restricted Cash		\$	<u>118,175,267</u>

**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.

**Allowances for Doubtful Accounts**

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

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

Amounts reported at June 30, 2022 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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Capital Assets**

Capital assets, which include land, buildings, operating plants, 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 received prior to June 30, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets, donated works of art and similar assets, and capital assets received in a service concession arrangement after June 30, 2015, should be reported at acquisition value rather than fair value.

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	4-15 years

**Leases**

Lessee: The County is a lessee for noncancellable leases of buildings, equipment, and operating plants. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the life of the related lease.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The County is a lessor for noncancellable leases of tower space. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has deferred costs from the advanced refunding of debt, related deferrals, and contributions made to the OPEB or pension plan in the current fiscal year. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The County has

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

prepaid taxes, receivables, and other OPEB and pension-related deferrals in the governmental funds, and leases, other OPEB, and pension-related deferrals in the water and wastewater fund.

**Long-Term Debt**

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 are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the 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. Issuance costs, whether withheld from the actual debt proceeds received, are reported as debt service expenditures.

The County's long-term debt for water and wastewater purposes is carried in the Water and Wastewater Funds. The debt service requirements for the water and wastewater debt are being met by water and wastewater revenues. However, the taxing power was pledged to make general obligation payments in the water fund if water revenues were not sufficient. At the end of the fiscal year, there was \$2,180,000 water general obligation debt outstanding.

**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 shall be paid for the annual leave balance to the date of separation. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. Compensated absences are reported in governmental funds only if matured.

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.

**Opioid Settlement Funds**

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front-loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The County received \$522,875 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund to account for these funds. All funds are to be used for opioid abatement and remediation activities. The MOA offers several options of expending the funds. Option A will allow the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic. Option B will allow a wider array of strategies to address the impact of the opioid epidemic. Under the MOA, the County may spend opioid settlement funds on opioid remediation strategies authorized under Option A or Option B, or both. Prior to expending opioid settlement funds, authorization is required by budget or resolution. As of June 30, 2022, the County has not authorized or selected a strategy for opioid settlement funds.

#### **Reimbursements for Pandemic-related Expenditures**

In FY 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The County was allocated \$27,741,111 of fiscal recovery funds to be paid in two equal installments. The first installment of \$13,870,556 was received in June 2021. The second installment of 13,870,555 was received in June 2022. County staff and the Board of Commissioners elected to use \$2,369,543 of the ARPA funds for premium pay, \$126,989 for a sewer infrastructure project, \$10,000,000 for the revenue replacement standard allowance, and \$39,678 for Direct Administrative Costs. ARPA funds reimbursed the appropriate General and Enterprise funds totaling \$2,409,221 used for premium pay and direct administrative costs. Revenue Replacement funds in the amount of \$10,000,000 was transferred to the General Fund and \$126,989 for sewer infrastructure has been transferred to the Sewer Fund. Additional General Fund projects include obligation of \$110,322 for future direct administrative costs and \$2,000,000 for Parks in Qualified Census Tracts repairs and maintenance. The remaining funds will be disbursed once the intended use of the funds has been identified and completed.

#### **Net Position**

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

#### **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. The General Fund has non-spendable fund balance for prepaids of \$64,000. This is the portion of fund balance that is not available because it represents the year-end balance of ending prepaids, which are not spendable resources.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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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:

	<b>Education</b>			
	<b>Capital</b>	<b>Special</b>		
	<b>Projects</b>	<b>Revenue</b>	<b>Total</b>	
	<u>General Fund</u>	<u>Projects</u>	<u>Revenue</u>	<u>Total</u>
Restricted for Stabilization by State Statute- portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].*	\$ 15,341,245	\$ -	\$ 97,885	\$ 15,439,130

\*Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS) is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>General Fund</b>	<b>Education Capital Projects</b>	<b>Special Revenue</b>	<b>Total</b>
Restricted for General Government-portion of fund balance that is restricted for the Municipal Interlocal Agreement for Special Obligation Bonds	\$ 1,343,880	\$ -	\$ -	\$ 1,343,880
Restricted for Public Housing-portion of fund balance that is restricted by revenue source for section 8 expenditures.	55,482	-	-	55,482
Restricted for Human Services Health Program-portion of fund balance that is restricted by revenue source for health expenditures.	2,637,059	-	-	2,637,059
Restricted for Health Services-portion of fund balance that can only be used to benefit beneficiaries under the Social Services Representative Payee Program.	21,758	-	-	21,758
Restricted for Public Safety-portion of fund balance that is restricted for seized funds held by the Sheriff	560,956	-	-	560,956
Restricted for Public Safety-portion of fund balance that is restricted by revenue source for E911 expenditures.	-	-	1,478,845	1,478,845
Restricted for Register of Deeds-portion of fund balance that is restricted by revenue source for technology for the Register of Deeds office.	-	-	1,114,787	1,114,787
Restricted for Education-portion of fund balance that is restricted for debt service issued for Public School Capital needs.	14,717	-	-	14,717
Restricted for Education-portion of fund balance that is restricted by revenue source or unspent debt proceeds for Public School Capital needs.**	-	13,599,138	-	13,599,138
<b>Total restricted fund balance</b>	<b>\$ 4,633,852</b>	<b>\$ 13,599,138</b>	<b>\$ 2,593,632</b>	<b>\$ 20,826,622</b>

\*\*Unspent debt proceeds are not included in net position for full accrual accounting and therefore will not be restricted on the Statement of Net Position (Exhibit A).

Committed Fund Balance-portion of fund balance that can only be used for a specific purpose determined by formal action of the government's highest level of decision-making authority. The Brunswick County governing body is the highest level of decision-making authority for the government that can by the adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation. Committed fund balance is summarized as follows:

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>County Capital Projects</u>	<u>Education Capital Projects</u>	<u>Total</u>
Committed for General Government-portion of fund balance that can only be used for general government (facilities additions and renovations) \$	-	\$ 31,734,522	\$ -	\$ 31,734,522
Committed for General Government-portion of fund balance that is restricted for a legally budgeted Tax Revaluation	214,566	-	-	214,566
Committed for Environmental Protection-portion of fund balance that can only be used for environmental protection (Landfill Closure and Transfer Station)	-	13,791,026	-	13,791,026
Committed for Economic Development-portion of fund balance that can only be used for economic development	-	3,000,000	-	3,000,000
Committed for Culture & Recreation-portion of fund balance that can only be used for culture and recreation (Park Renovations)	-	875,435	-	875,435
Committed for Transportation-portion of fund balance that can only be used for transportation	-	74,236	-	74,236
Committed for Education-portion of fund balance that can only be used for education	-	-	25,492,003	25,492,003
Total committed fund balance	<u>\$ 214,566</u>	<u>\$ 49,475,219</u>	<u>\$ 25,492,003</u>	<u>\$ 75,181,788</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. The General Fund has Assigned Fund Balance of \$6,046,124 for subsequent year's expenditures. This is the portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The General Fund has Assigned Fund Balance of \$10,000,000 designated for future county and community needs projects and mandated services. Projects will be presented to the commissioners individually for formal approval and appropriation.

Unassigned Fund Balance-portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The general fund should be the only fund to report a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative fund balance. The general fund is the only fund that reports a positive unassigned fund balance.

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Unassigned portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds	<u>\$ 103,370,576</u>	<u>\$ (63,035)</u>	<u>\$ 103,307,541</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS  
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Fund Balance Remaining 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	\$139,670,363
Less:	
Nonspendable	(64,000)
Stabilization by State Statute	(15,341,245)
Restricted	(4,633,852)
Committed	(214,566)
Assigned	<u>(16,046,124)</u>
Fund balance remaining	<u>\$103,370,576</u>

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.

**Defined Benefit Cost-Sharing Plans**

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: The Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

**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 Airport Commission to fund their annual budget. 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.

**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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, include the following:

	Reported at <u>Fair Value</u>
Cash on Hand	\$ 12,090
Deposits - NOW, SuperNOW, MMDA and Certificates of Deposit	349,627,397
Investments: North Carolina Capital Management Trust	<u>72,657,338</u>
Total	<u>\$ 422,296,825</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 name. 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 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, 2022, the deposits of the County had a reported value of \$349,627,397 and bank balances of \$347,024,612. Of the bank balances, \$1,000,000 was covered by federal depository insurance and \$346,024,612 was covered by collateral held under the Pooling Method. Cash on hand at June 30, 2022, was \$12,090.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**B. Investments**

As of June 30, 2022, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6 - 12 Months</u>	<u>1 - 3 Years</u>
Government Portfolio	Fair Value-Level 1	\$ 72,657,338	\$ 72,657,338	n/a	n/a

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Service.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

*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). The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investor Service as of June 30, 2022.

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

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

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**3. Accounts Receivable**

Receivables at the government-wide level at June 30, 2022, were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
Governmental activities					
Receivables	\$ 2,980,169	\$ 2,602,574	\$ 55,245	\$ 1,953,186	\$ 7,591,174
Allowance for doubtful accounts	<u>(1,116,566)</u>	<u>(1,334,473)</u>	<u>-</u>	<u>-</u>	<u>(2,451,039)</u>
Total governmental activities	<u>\$ 1,863,603</u>	<u>\$ 1,268,101</u>	<u>\$ 55,245</u>	<u>\$ 1,953,186</u>	<u>\$ 5,140,135</u>

	<u>Customer Billings</u>	<u>Deposits</u>	<u>Interest</u>	<u>Lease</u>	<u>Special Assessments</u>	<u>Other</u>	<u>Total</u>
Business-type activities							
Receivables:							
Water	\$ 5,571,295	\$ 16,412	\$ 17,015	\$ 2,247,156	\$ -	\$ 370,401	\$ 8,222,279
Wastewater	<u>2,555,294</u>	<u>9,244</u>	<u>10,464</u>	<u>-</u>	<u>499,315</u>	<u>2,530,892</u>	<u>5,605,209</u>
Total receivables	8,126,589	25,656	27,479	2,247,156	499,315	2,901,293	13,827,488
Allowance for doubtful accounts:							
Water	(105,000)	-	-	-	-	-	(105,000)
Wastewater	<u>(55,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,251)</u>	<u>-</u>	<u>(115,251)</u>
Total allowance	(160,000)	-	-	-	(60,251)	-	(220,251)
Total business-type activities	<u>\$ 7,966,589</u>	<u>\$ 25,656</u>	<u>\$ 27,479</u>	<u>\$ 2,247,156</u>	<u>\$ 439,064</u>	<u>\$ 2,901,293</u>	<u>\$ 13,607,237</u>

	<u>Taxes</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
Custodial Funds				
Receivables	\$ 1,445,069	\$ 601	27,888	\$ 1,473,558
Allowance for doubtful accounts	<u>(661,156)</u>	<u>-</u>	<u>-</u>	<u>(661,156)</u>
Total governmental activities	<u>\$ 783,913</u>	<u>\$ 601</u>	<u>\$ 27,888</u>	<u>\$ 812,402</u>

On 07/01/2021, Brunswick County, NC entered into a 51-month lease as Lessor for the use of tower space. An initial lease receivable was recorded in the amount of \$107,094. As of 06/30/2022, the value of the lease receivable is \$82,685. The lessee is required to make monthly fixed payments of \$2,099. The lease has an interest rate of 0.8930%. The value of the deferred inflow of resources as of 06/30/2022 was \$82,205, and Brunswick County recognized lease revenue of \$24,890 during the fiscal year.

On 07/01/2021, Brunswick County, NC entered into a 312-month lease as Lessor for the use of tower space. An initial lease receivable was recorded in the amount of \$69,036. As of 06/30/2022, the value of the lease receivable is \$67,380. The lessee is required to make monthly fixed payments of \$200. The lease has an interest rate of 0.3160%. The value of the deferred inflow of resources as of 06/30/2022 was \$66,381, and Brunswick County recognized lease revenue of \$2,655 during the fiscal year. The lessee has 5 extension options, each for 60 months.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

On 07/01/2021, Brunswick County, NC entered into a 161-month lease as Lessor for the use of tower space. An initial lease receivable was recorded in the amount of \$609,525. As of 06/30/2022, the value of the lease receivable is \$590,276. The lessee is required to make annual fixed payments of \$42,704. The lease has an interest rate of 0.3870%. The value of the deferred inflow of resources as of 06/30/2022 was \$564,094, and Brunswick County recognized lease revenue of \$45,430 during the fiscal year. The lessee has 2 extension options, each for 60 months.

On 07/01/2021, Brunswick County, NC entered into a 254-month lease as Lessor for the use of tower space. An initial lease receivable was recorded in the amount of \$728,910. As of 06/30/2022, the value of the lease receivable is \$718,129. The lessee is required to make annual fixed payments of \$29,018. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of 06/30/2022 was \$694,474, and Brunswick County recognized lease revenue of \$34,437 during the fiscal year. The lessee has 4 extension options, each for 60 months.

On 07/01/2021, Brunswick County, NC entered into an 87-month lease as Lessor for the use of tower space. An initial lease receivable was recorded in the amount of \$355,057. As of 06/30/2022, the value of the lease receivable is \$331,523. The lessee is required to make annual fixed payments of \$50,914. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2022 was \$306,083, and Brunswick County recognized lease revenue of \$48,973 during the fiscal year. The lessee has 1 extension option for 60 months.

On 08/01/2021, Brunswick County, NC entered into a 164-month lease as Lessor for the use of tower space. An initial lease receivable was recorded in the amount of \$170,022. As of 06/30/2022, the value of the lease receivable is \$161,323. The lessee is required to make monthly fixed payments of \$896. The lease has an interest rate of 0.8930%. The value of the deferred inflow of resources as of 06/30/2022 was \$158,596, and Brunswick County recognized lease revenue of \$11,426 during the fiscal year. The lessee has 2 extension options, each for 60 months.

On 08/01/2021, Brunswick County, NC entered into a 82-month lease as Lessor for the use of tower space. An initial lease receivable was recorded in the amount of \$334,468. As of 06/30/2022, the value of the lease receivable is \$295,840. The lessee is required to make monthly fixed payments of \$3,608. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2022 was \$289,578, and Brunswick County recognized lease revenue of \$44,890 during the fiscal year. The lessee has 1 extension option for 60 months.

In fiscal year 2022, the County recognized \$212,701 of lease revenue and \$9,667 of interest revenue under the lease.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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	\$ 7,680,859	\$ -	\$ 7,680,859
Medicaid hold harmless	85,403	-	85,403
Sales tax refunds	1,206,263	1,517,387	2,723,650
NC Department of Transportation grant reimbursements	35,817	-	35,817
Due from federal government for grant assistance	281,925	11,526	293,451
Due from State of North Carolina for grant assistance	3,075,256	-	3,075,256
Emergency telephone system	34,072	-	34,072
Lower Cape Fear Water & Sewer Authority reimbursement	-	2,619,272	2,619,272
<b>Total</b>	<b>\$ 12,399,595</b>	<b>\$ 4,148,185</b>	<b>\$ 16,547,780</b>

**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.

<b>Year Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 2,225,208	\$ 728,756	\$ 2,953,964
2020	1,987,931	472,134	2,460,065
2021	1,991,581	293,758	2,285,339
2022	2,036,025	117,071	2,153,096
<b>Total</b>	<b>\$ 8,240,745</b>	<b>\$ 1,611,719</b>	<b>\$ 9,852,464</b>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**4. Capital Assets**

Governmental capital assets at June 30, 2022, are summarized as follows:

	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/ Reclasses</u>	<u>June 30, 2022</u>
<b>Non-Depreciable Assets:</b>					
Land	\$ 16,873,908	\$ -	\$ -	\$ -	\$ 16,873,908
Construction in Progress	<u>12,064,253</u>	<u>4,718,468</u>	<u>201,210</u>	<u>(110,757)</u>	<u>16,470,754</u>
Total non-depreciable assets	<u>28,938,161</u>	<u>4,718,468</u>	<u>201,210</u>	<u>(110,757)</u>	<u>33,344,662</u>
<b>Depreciable Assets</b>					
Buildings and improvements	184,362,914	324,733	-	110,757	184,798,404
Equipment and vehicles	<u>50,677,337</u>	<u>3,556,371</u>	<u>1,091,058</u>	<u>111,517</u>	<u>53,254,167</u>
Total depreciable assets	<u>235,040,251</u>	<u>3,881,104</u>	<u>1,091,058</u>	<u>222,274</u>	<u>238,052,571</u>
<b>Less accumulated depreciation</b>					
Buildings and improvements	74,836,554	5,861,077	-	-	80,697,631
Equipment and vehicles	<u>41,077,786</u>	<u>3,872,272</u>	<u>1,049,107</u>	<u>111,517</u>	<u>44,012,468</u>
Total accumulated depreciation	<u>115,914,340</u>	<u>9,733,349</u>	<u>1,049,107</u>	<u>111,517</u>	<u>124,710,099</u>
Total depreciable assets, net	<u>119,125,911</u>	<u>(5,852,245)</u>	<u>41,951</u>	<u>110,757</u>	<u>113,342,472</u>
Total Capital Assets	<u>\$ 148,064,072</u>	<u>\$ (1,133,777)</u>	<u>\$ 243,161</u>	<u>\$ -</u>	<u>\$ 146,687,134</u>

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

<u>Function</u>	<u>Depreciation Expense</u>
General government	\$ 704,506
Public safety	3,877,973
Central services	606,114
Human services	240,785
Environmental protection	416,760
Economic and physical development	114,096
Cultural and recreation	2,290,434
Education	<u>1,482,681</u>
Total	<u>\$9,733,349</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

Enterprise fund capital assets at June 30, 2022, are summarized as follows:

<b>Water Fund</b>	<b>June 30, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers/ Reclasses</b>	<b>June 30, 2022</b>
<b>Non-Depreciable Assets:</b>					
Land	\$ 760,138	\$ -	\$ -	\$ -	\$ 760,138
Construction in Progress	82,912,485	47,620,780	-	-	130,533,265
Total non-depreciable assets	<u>83,672,623</u>	<u>47,620,780</u>	-	-	<u>131,293,403</u>
<b>Depreciable Assets</b>					
Operating Plants, buildings and improvements	57,209,618	523,585	-	-	57,733,203
Distribution system	161,107,038	4,283,818	-	-	165,390,856
Equipment and vehicles	24,827,473	1,696,761	-	(73,076)	26,451,158
Total depreciable assets	<u>243,144,129</u>	<u>6,504,164</u>	-	<u>(73,076)</u>	<u>249,575,217</u>
<b>Less accumulated depreciation</b>					
Operating Plants, buildings and improvements	26,267,097	1,930,313	-	-	28,197,410
Distribution system	53,790,335	3,215,280	-	-	57,005,615
Equipment and vehicles	14,113,073	1,663,983	-	(73,076)	15,703,980
Total accumulated depreciation	<u>94,170,505</u>	<u>6,809,576</u>	-	<u>(73,076)</u>	<u>100,907,005</u>
Total depreciable assets, net	<u>148,973,624</u>	<u>(305,412)</u>	-	-	<u>148,668,212</u>
Total capital Assets	<u>\$ 232,646,247</u>	<u>\$47,315,368</u>	\$ -	\$ -	<u>\$ 279,961,615</u>
<b>Wastewater Fund</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 2,142,177	\$ -	\$ -	\$ -	\$ 2,142,177
Construction in Progress	43,539,898	8,437,957	-	(5,987,463)	45,990,392
Total non-depreciable assets	<u>45,682,075</u>	<u>8,437,957</u>	-	<u>(5,987,463)</u>	<u>48,132,569</u>
<b>Depreciable Assets</b>					
Operating Plants, buildings and improvements	160,897,942	235,799	-	-	161,133,741
Collection system	126,985,750	5,841,283	-	5,987,463	138,814,496
Equipment and vehicles	9,951,635	3,456,641	-	(38,441)	13,369,835
Total depreciable assets	<u>297,835,327</u>	<u>9,533,723</u>	-	<u>5,949,022</u>	<u>313,318,072</u>
<b>Less accumulated depreciation</b>					
Operating Plants, buildings and improvements	52,986,829	4,719,042	-	-	57,705,871
Collection system	25,050,143	2,670,761	-	-	27,720,904
Equipment and vehicles	4,509,162	956,824	-	(38,441)	5,427,545
Total accumulated depreciation	<u>82,546,134</u>	<u>8,346,627</u>	-	<u>(38,441)</u>	<u>90,854,320</u>
Total depreciable assets, net	<u>215,289,193</u>	<u>1,187,096</u>	-	<u>5,987,463</u>	<u>222,463,752</u>
Total capital Assets	<u>\$ 260,971,268</u>	<u>\$ 9,625,053</u>	\$ -	\$ -	<u>\$ 270,596,321</u>
Total Enterprise Fund Assets, Net	<u>\$ 493,617,515</u>				<u>\$ 550,557,936</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**5. Right to Use Leased Assets**

The County has recorded forty right to use leased assets. The assets are right to use assets for leased buildings, equipment, and water operating plants. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Governmental right to use assets at June 30, 2022, are summarized as follows:

<b>Governmental Fund</b>	<b>June 30, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2022</b>
<b>Right to use assets</b>				
Leased buildings	\$ -	\$ 173,939	\$ -	\$ 173,939
Leased equipment	-	601,982	-	601,982
Total right to use assets	-	775,921	-	775,921
<b>Less accumulated amortization</b>				
Leased buildings	-	200,334	-	200,334
Leased equipment	-	78,542	-	78,542
Total accumulated amortization	-	278,876	-	278,876
Right to use assets, net	\$ -	\$ 497,045	\$ -	\$ 497,045

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

<b>Function</b>	<b>Amortization Expense</b>
General government	\$ 40,669
Public safety	50,417
Central services	70,103
Human services	105,242
Economic and physical development	3,796
Cultural and recreation	8,649
Total	\$ 278,876

Water Fund right to use assets at June 30, 2022, are summarized as follows:

<b>Water Fund</b>	<b>June 30, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2022</b>
<b>Right to use assets</b>				
Leased equipment	\$ -	\$ 30,950	\$ -	\$ 30,950
Leased operating plant	-	1,767,210	-	1,767,210
Total right to use assets	-	1,798,160	-	1,798,160
<b>Less accumulated amortization</b>				
Leased equipment	-	7,956	-	7,956
Leased operating plant	-	35,899	-	35,899
Total accumulated amortization	-	43,855	-	43,855
Right to use assets, net	\$ -	\$ 1,754,305	\$ -	\$ 1,754,305

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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

**Accounts Payable Disaggregate Information**

<b>Type of Payable</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Trade payables	\$ 4,221,450	\$ 2,725,442	\$ 6,946,892
Construction costs payable	3,279,553	7,345,194	10,624,747
Accrued salaries and fringe benefits	2,830,673	418,878	3,249,551
Advances from grantors	3,514,859	-	3,514,859
Future claims for workers' compensation	198,163	-	198,163
Other payables	1,515,126	-	1,515,126
<b>Total</b>	<b>\$ 15,559,824</b>	<b>\$ 10,489,514</b>	<b>\$ 26,049,338</b>

**Inter-fund Receivables / Payables**

The County's Interfund balances as of June 30, 2022, are \$1,771,313. \$1,740,786 represents amounts due to the Education Capital Project Fund from the General Fund for local option sales tax receivable at fiscal year-end. \$30,527 represents amounts advanced by the General Fund to Special Revenue Funds for grant project expenditures made in advance of grantor reimbursements.

**Inter-fund Transfers**

The County's General Fund transferred funds during fiscal year 2022 to fund County and education capital improvements and reimbursement of expenditures in the Emergency Telephone System Fund. The Grants Special Revenue Fund made transfers to fund reimbursement of American Rescue Plan Act eligible expenditures in the General Fund and Enterprise Funds.

		Education County Capital Capital Project	Non Major Governmental Fund	Total Governmental Funds	Enterprise Funds
<b>To:</b>	<b>General Fund</b>	<b>Project Fund</b>	<b>Fund</b>	<b>Funds</b>	<b>Funds</b>
<b>From:</b>					
General Fund	\$ -	\$ 24,238,843	\$ 10,393,810	\$ 5,280	\$ 34,637,933
Non Major Governmental	10,000,000	-	-	-	126,988
<b>Totals</b>	<b>\$ 10,000,000</b>	<b>\$ 24,238,843</b>	<b>\$ 10,393,810</b>	<b>\$ 5,280</b>	<b>\$ 44,637,933</b>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**7. Deferred Outflows and Inflows of Resources**

The balance in deferred outflows and inflows of resources at June 30, 2022, is composed of the following elements:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		
LGERS	\$ 4,290,131	\$ -
Register of Deeds	5,214	5,927
LEOSSA	606,389	100,716
OPEB	93,489	3,883,402
Pensions - net difference between projected and actual investment earnings	-	19,267,823
Pensions - Change in proportion and difference between employer contributions and proportionate share of contributions	281,396	686,651
Change in assumptions		
LGERS/ROD	8,507,796	-
LEOSSA	1,824,080	340,239
DOSSA	10,447	5,455
OPEB	28,183,289	6,861,675
County contributions subsequent to the measurement date	7,839,456	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	101,758	-
Benefit payments/administration costs paid subsequent to the measurement date (OPEB)	3,458,952	
Prepaid Taxes, not yet earned (General Fund)	-	377,375
Taxes Receivable (General Fund)	-	1,268,101
Grant Receivable (General Fund)	-	44,407
EMS Receivable (General Fund)	-	368,697
Health Department Receivable (General Fund)	-	20,119
Leases (Water Fund)	-	2,161,411
	<b>\$ 55,202,397</b>	<b>\$ 35,391,998</b>

**8. 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. Principal and interest requirements are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

The County's General Obligation Bonds consisted of the following at June 30, 2022:

<u>Original Issue</u>		<u>Payment Information</u>		<u>Outstanding Balance</u>	
<u>Date</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>	<u>Governmental</u>	<u>Business-Type</u>
				<u>Activities</u>	<u>Activities</u>
2012	3.00%	Annual	\$1,660,000 - \$2,750,000	\$ 740,000	\$ -
2012	2.00% - 4.00%	Annual	\$30,000 - \$285,000	-	2,180,000
2013	0.33% - 4.00%	Annual	\$80,000 - \$3,475,000	765,000	-
2018	2.85% - 5.00%	Annual	\$2,455,000 - \$2,500,000	42,455,000	-
2020	2.00% - 5.00%	Annual	\$2,085,000 - \$2,090,000	<u>39,705,000</u>	<u>-</u>
Total General Obligation Bonds				<u>\$ 83,665,000</u>	<u>\$ 2,180,000</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, 2022, for which the County held no collateral totaled \$83,581,007 and was comprised of the following issues: series 2012 school refunding of 2003 and 2004 \$740,000, series 2013A school and community college refunding \$681,007 and school series 2018 \$42,455,000 and 2020 \$39,705,000 which are the first and second of three phases of the approved \$152 million bond referendum. The school series 2018 and 2020 have related premiums of \$2,321,267 and \$5,322,480, respectively.

**B. Revenue Bonds**

Revenue bonds are collateralized by the rate-setting authority of the Water and Wastewater Funds. Principal and interest requirements are appropriated when due.

The County's Revenue Bonds consisted of the following at June 30, 2022:

<u>Original Issue</u>		<u>Payment Information</u>		<u>Outstanding Balance</u>	
<u>Date</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>	<u>Business-Type</u>	<u>Activities</u>
2015	2.00% - 5.00%	Annual	\$735,000 - \$4,575,000	\$	44,055,000
2019	3.00% - 5.00%	Annual	\$375,000 - \$4,735,000		82,480,000
2020	2.00% - 5.00%	Annual	\$3,045,000 - \$8,115,000		<u>152,065,000</u>
Total Revenue Bonds				<u>\$</u>	<u>278,600,000</u>

The County has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$50.55 million in water and wastewater refunding revenue bonds series 2008A and 2010 RZEDB, \$15.93 million in water and wastewater revenue bonds in 2015, \$87.6 million in water and wastewater refunding revenue bonds in 2019 and \$152.0 million in water revenue bonds in 2020. 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 and Reverse Osmosis Treatment, Water Transmission Main, Ocean Isle Beach Wastewater Treatment Plant improvements, Sunset Beach Wastewater Collection System, Northeast Water Plant expansion, LCFWSA Parallel Water Main and utility service lines. The bonds are payable solely from water and wastewater customer net revenues and are payable through 2050. Annual principal and

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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interest payments on the bonds are expected to require less than 45 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$409,182,128. Principal and interest paid for the current year and total operating revenues were \$15,577,751 and \$82,511,173, respectively.

The County issued combined system enterprise revenue bonds for water and wastewater system improvements pursuant to a General Trust Indenture dated May 1, 2004, as amended effective August 20, 2013, and a series indenture, Number 3, dated 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, 2022.

The County has covenanted that it will set rates in compliance with a Rate Covenant, as set forth in the County's General Trust Indenture. For the fiscal year ended June 30, 2022, the County's compliance with the Rate Covenant is shown below:

Operating revenues and investment earnings	\$ 85,029,812
Add: 20% surplus account (expendable net position)	<u>12,358,067</u>
Total	<u>\$ 97,387,879</u>

Operating expense excluding OPEB (net of depreciation)	31,879,094
120% of Principal and Interest Requirements on the Bonds	18,693,301
100% of Principal and Interest Requirements on Subordinate Indebtedness, General Obligation Indebtedness and Other Indebtedness	<u>2,646,788</u>
Total	<u>\$ 53,219,183</u>

97,387,879 > 53,219,183

Operating revenues and investment earnings	\$ 85,029,812
Total	<u>\$ 85,029,812</u>

Operating expense excluding OPEB (net of depreciation)	31,879,094
120% of Principal and Interest Requirements on the Bonds	18,693,301
100% of Principal and Interest Requirements on Subordinate Indebtedness, General Obligation Indebtedness and Other Indebtedness	<u>2,646,788</u>
Total	<u>\$ 53,219,183</u>

85,029,812 > 53,219,183

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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The County's debt service coverage calculation for the year ended June 30, 2022, is as follows:

Operating revenues and investment earnings	\$ 85,029,812
Operating expense excluding OPEB (net of depreciation)	<u>31,879,094</u>
Net revenue available for debt service *	53,150,718
Add: 20% surplus account (expendable net position)	<u>12,358,067</u>
Adjusted net revenues	<u><u>\$ 65,508,785</u></u>
Senior debt service	\$ 15,577,751
Subordinate debt service	<u>2,646,788</u>
Total debt service	18,224,539
Add: 20% senior debt service	<u>3,115,550</u>
Adjusted debt service	<u><u>\$ 21,340,089</u></u>
Coverage Test 1	
Net revenues/total debt service	<u><u>2.92</u></u>
Coverage Test 2	
Adjusted net revenues/adjusted debt service	<u><u>3.07</u></u>

\* In accordance with the County's General Trust Indenture, assessment revenues of \$2,347,508 are used to offset the associated debt service. Certain agreements have allowed for the collection of these assessment revenues over a period of 10 years. Therefore, the amortized annual portion of these certain assessments are included in the calculation of net revenues and not the gross assessment in the year assessed.

**C. Limited Obligation Bonds**

The County's Limited Obligation Bonds consisted of the following at June 30, 2022:

<u>Payment Information</u>				<u>Balance</u>	
<u>Issued</u>	<u>Period</u>	<u>Amount</u>	<u>Rate</u>	<u>Governmental</u>	<u>Purpose and Collateral</u>
				<u>Activities</u>	
		\$520,000-			School Projects; Refund
2015	Annual	\$1,485,000	2.00% - 5.00%	\$ 6,830,000	2005B Schools
		\$65,000-			School Projects; Refund
2022	Annual	\$2,240,000	1.12%	<u>11,150,000</u>	2012 Schools
				<u><u>\$ 17,980,000</u></u>	

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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

The County's Installment Purchase notes payable consisted of the following at June 30, 2022:

<u>Issued</u>	<u>Rate</u>	<u>Payment Information</u>		<u>Outstanding Balance</u>		<u>Collateral</u>
		<u>Period</u>	<u>Amount</u>	<u>Business-Type Activities</u>		
2010	0.00%	Annual	\$100,000	\$	900,000	Wastewater System
2012	1.84%	Annual	\$247,250 - \$687,250		1,011,180	Wastewater System
				\$	<u>1,911,180</u>	

The County's outstanding note from direct placement related to enterprise activities of \$900,000 (Sunset Beach Collection System) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

The County has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$6.33 million in 2012C revenue bonds in 2012. The County's outstanding note from direct placement related to enterprise activities of \$1,011,180 (NEBRWWTP, Boiling Spring Lakes Wastewater Collection System) is secured with collateral of the system. The note contains provisions that an event of default could (a) declare the bonds immediately due and payable (b) allow the trustee to take possession of the Enterprise Fund and any moneys therein and administer the application thereof.

The County's State Revolving Fund Loans payable consisted of the following at June 30, 2022:

<u>Issued</u>	<u>Rate</u>	<u>Payment Information</u>		<u>Outstanding Balance</u>		<u>Collateral</u>
		<u>Period</u>	<u>Amount</u>	<u>Business-Type Activities</u>		
2003	2.55%	Annual	\$375,000	\$	273,703	Wastewater System
2005	2.21%	Annual	\$806,645 - \$1,220,552		4,726,472	Wastewater System
2006	2.21%	Annual	\$511,525 - \$790,275		2,000,000	Wastewater System
2011	0.00%	Annual	\$75,000		675,000	Wastewater System
2013	2.50%	Annual	\$29,386		352,629	Wastewater System
2019	0.00%	Annual	\$47,052		376,414	Wastewater System
				\$	<u>8,404,218</u>	

The County's outstanding note from direct borrowings related to enterprise activities of \$273,703 (NEBRWWTP) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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The County's outstanding note from direct borrowings related to enterprise activities of \$4,726,472 (WBRWRF) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

The County's outstanding note from direct borrowings related to enterprise activities of \$2,000,000 (WBRWRF) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

The County's outstanding note from direct borrowings related to enterprise activities of \$675,000 (Sanitary Sewer Systems) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

The County's outstanding note from direct borrowings related to enterprise activities of \$352,629 (Town of Navassa Sewer System) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

The County's outstanding note from direct borrowings related to enterprise activities of \$376,414 (Water Distribution and Sanitary Sewer Systems) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

**E. Leases**

The County has entered into agreements to lease certain buildings, equipment, and operating plants. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On 07/01/2021, the County entered into a 43-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$7,113. As of 06/30/2022, the value of the lease liability is \$5,147. Brunswick County is required to make monthly principal and interest payments of \$168. The lease has an interest rate of 0.8930%. The value of the right to use asset as of 06/30/2022 of \$7,113 with accumulated amortization of \$1,985.

On 07/01/2021, the County entered into a 15-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$2,297. As of 06/30/2022, the value of the lease liability is \$460. Brunswick County is required to make monthly principal and interest payments of \$154. The lease has an interest rate of 0.3870%. The value of the right to use asset as of 06/30/2022 of \$2,297 with accumulated amortization of \$1,782.

On 07/01/2021, the County entered into a 36-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$27,498. As of 06/30/2022, the value of the lease liability is \$20,550. Brunswick County is required to make annual principal and interest payments of \$6,950. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$27,498 with accumulated amortization of \$9,090.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

On 07/01/2021, the County entered into a 46-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$15,019. As of 06/30/2022, the value of the lease liability is \$11,142. Brunswick County is required to make monthly principal and interest payments of \$332. The lease has an interest rate of 0.8930%. The value of the right to use asset as of 06/30/2022 of \$15,019 with accumulated amortization of \$3,918.

On 07/01/2021, the County entered into a 37-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$11,851. As of 06/30/2022, the value of the lease liability is \$7,877. Brunswick County is required to make annual principal and interest payments of \$3,981. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$11,851 with accumulated amortization of \$3,844.

On 07/01/2021, the County entered into a 39-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$3,595. As of 06/30/2022, the value of the lease liability is \$2,496. Brunswick County is required to make monthly principal and interest payments of \$93. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$3,595 with accumulated amortization of \$1,106.

On 07/01/2021, the County entered into a 16-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$3,471. As of 06/30/2022, the value of the lease liability is \$927. Brunswick County is required to make monthly principal and interest payments of \$232. The lease has an interest rate of 0.3870%. The value of the right to use asset as of 06/30/2022 of \$3,471 with accumulated amortization of \$2,529.

On 07/01/2021, the County entered into a 16-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$2,617. As of 06/30/2022, the value of the lease liability is \$655. Brunswick County is required to make monthly principal and interest payments of \$164. The lease has an interest rate of 0.3870%. The value of the right to use asset as of 06/30/2022 of \$2,617 with accumulated amortization of \$1,907.

On 07/01/2021, the County entered into a 56-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$10,016. As of 06/30/2022, the value of the lease liability is \$7,942. Brunswick County is required to make monthly principal and interest payments of \$180. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2022 of \$10,016 with accumulated amortization of \$2,119.

On 07/01/2021, the County entered into a 36-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$6,686. As of 06/30/2022, the value of the lease liability is \$4,442. Brunswick County is required to make annual principal and interest payments of \$2,245. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$6,686 with accumulated amortization of \$2,214.

On 07/01/2021, the County entered into a 25-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$3,680. As of 06/30/2022, the value of the lease liability is \$1,918. Brunswick County is required to make monthly principal and interest payments of \$148. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2022 of \$3,680 with accumulated amortization of \$1,734.

On 07/01/2021, the County entered into a 23-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$7,667. As of 06/30/2022, the value of the lease

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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liability is \$3,676. Brunswick County is required to make monthly principal and interest payments of \$335. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2022 of \$7,667 with accumulated amortization of \$3,921.

On 07/01/2021, the County entered into a 24-month lease as Lessee for the use of building space. An initial lease liability was recorded in the amount of \$28,659. As of 06/30/2022, the value of the lease liability is \$14,360. Brunswick County is required to make monthly principal and interest payments of \$1,200. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2022 of \$28,659 with accumulated amortization of \$14,329.

On 07/01/2021, the County entered into a 24-month lease as Lessee for the use of building space. An initial lease liability was recorded in the amount of \$94,717. As of 06/30/2022, the value of the lease liability is \$47,421. Brunswick County is required to make monthly principal and interest payments of \$3,959. The lease has an interest rate of 0.3160%. The value of the right to use asset as of 06/30/2022 of \$94,717 with accumulated amortization of \$47,358. Brunswick County has 1 extension option(s), each for 12 months.

On 07/01/2021, the County entered into a 36-month lease as Lessee for the use of radio tower space. An initial lease liability was recorded in the amount of \$50,563. As of 06/30/2022, the value of the lease liability is \$34,571. Brunswick County is required to make monthly principal and interest payments of \$1,343. The lease has an interest rate of 0.3160%. The value of the right to use asset as of 06/30/2022 of \$50,563 with accumulated amortization of \$16,854. Brunswick County has 2 extension option(s), each for 12 months.

On 07/01/2021, the County entered into a 44-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$7,229. As of 06/30/2022, the value of the lease liability is \$5,279. Brunswick County is required to make monthly principal and interest payments of \$167. The lease has an interest rate of 0.8930%. The value of the right to use asset as of 06/30/2022 of \$7,229 with accumulated amortization of \$1,951.

On 07/01/2021, the County entered into a 26-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$25,814. As of 06/30/2022, the value of the lease liability is \$14,372. Brunswick County is required to make monthly principal and interest payments of \$961. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2022 of \$25,814 with accumulated amortization of \$11,631.

On 07/01/2021, the County entered into a 39-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$2,892. As of 06/30/2022, the value of the lease liability is \$2,008. Brunswick County is required to make monthly principal and interest payments of \$75. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$2,892 with accumulated amortization of \$890.

On 07/01/2021, the County entered into a 24-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$11,511. As of 06/30/2022, the value of the lease liability is \$5,768. Brunswick County is required to make monthly principal and interest payments of \$482. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2022 of \$11,511 with accumulated amortization of \$5,756.

On 07/15/2021, the County entered into a 48-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$7,361. As of 06/30/2022, the value of the lease

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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liability is \$5,541. Brunswick County is required to make monthly principal and interest payments of \$156. The lease has an interest rate of 0.8770%. The value of the right to use asset as of 06/30/2022 of \$7,361 with accumulated amortization of \$1,769.

On 07/01/2021, the County entered into a 36-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$7,443. As of 06/30/2022, the value of the lease liability is \$4,944. Brunswick County is required to make annual principal and interest payments of \$2,499. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$7,443 with accumulated amortization of \$2,481.

On 07/01/2021, the County entered into a 36-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$5,555. As of 06/30/2022, the value of the lease liability is \$3,716. Brunswick County is required to make monthly principal and interest payments of \$156. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$5,555 with accumulated amortization of \$1,828.

On 07/01/2021, the County entered into a 38-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$3,569. As of 06/30/2022, the value of the lease liability is \$2,450. Brunswick County is required to make monthly principal and interest payments of \$95. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$3,569 with accumulated amortization of \$1,113.

On 07/01/2021, the County entered into a 39-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$6,553. As of 06/30/2022, the value of the lease liability is \$4,551. Brunswick County is required to make monthly principal and interest payments of \$170. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$6,553 with accumulated amortization of \$1,992.

On 07/01/2021, the County entered into a 35-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$12,387. As of 06/30/2022, the value of the lease liability is \$8,286. Brunswick County is required to make annual principal and interest payments of \$4,188. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2022 of \$12,387 with accumulated amortization of \$4,175.

On 07/01/2021, the County entered into a 36-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$316,241. As of 06/30/2022, the value of the lease liability is \$209,467. Brunswick County is required to make annual principal and interest payments of \$106,774. The lease has an interest rate of 1.2960%. The value of the right to use asset as of 06/30/2022 of \$316,241 with accumulated amortization of \$105,414.

On 07/01/2021, the County entered into a 36month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$6,661. As of 06/30/2022, the value of the lease liability is \$4,450. Brunswick County is required to make monthly principal and interest payments of \$186. The lease has an interest rate of 0.4700%. The value of the right to use asset as of 06/30/2022 of \$6,661 with accumulated amortization of \$2,220.

On 07/01/2021, the County entered into a 36-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$6,661. As of 06/30/2022, the value of the lease liability is \$4,450. Brunswick County is required to make monthly principal and interest payments

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

of \$186. The lease has an interest rate of 0.4700%. The value of the right to use asset as of 06/30/2022 of \$6,661 with accumulated amortization of \$2,220.

On 07/01/2021, the County entered into a 37-month lease as Lessee for the use of a postage machine. An initial lease liability was recorded in the amount of \$38,233. As of 06/30/2022, the value of the lease liability is \$26,510. Brunswick County is required to make quarterly principal and interest payments of \$2,963. The lease has an interest rate of 0.4700%. The value of the right to use asset as of 06/30/2022 of \$38,233 with accumulated amortization of \$12,084.

On 07/01/2021, the County entered into a 15-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$3,139. As of 06/30/2022, the value of the lease liability is \$628. Brunswick County is required to make quarterly principal and interest payments of \$628. The lease has an interest rate of 0.3080%. The value of the right to use asset as of 06/30/2022 of \$3,139 with accumulated amortization of \$2,511.

On 07/01/2021, the County entered into a 49-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$19,728. As of 06/30/2022, the value of the lease liability is \$16,794. Brunswick County is required to make monthly principal and interest payments of \$258. The lease has an interest rate of 0.8930%. The value of the right to use asset as of 06/30/2022 of \$19,728 with accumulated amortization of \$4,741.

On 07/01/2021, the County entered into a 627-month lease as Lessee for the use of well sites. An initial lease liability was recorded in the amount of \$1,736,362. As of 06/30/2022, the value of the lease liability is \$1,697,704. Brunswick County is required to make annual principal and interest payments of \$43,255. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2022 of \$1,736,362 with accumulated amortization of \$33,232.

On 07/01/2021, the County entered into a 60-month lease as Lessee for the use of well sites. An initial lease liability was recorded in the amount of \$11,569. As of 06/30/2022, the value of the lease liability is \$9,241. Brunswick County is required to make annual principal and interest payments of \$2,328. The lease has an interest rate of 0.3160%. The value of the right to use asset as of 06/30/2022 of \$11,569 with accumulated amortization of \$2,314.

On 07/01/2021, the County entered into a 654-month lease as Lessee for the use of well sites. An initial lease liability was recorded in the amount of \$19,279. As of 06/30/2022, the value of the lease liability is \$18,870. Brunswick County is required to make annual principal and interest payments of \$658. The lease has an interest rate of 2.5830%. The value of the right to use asset as of 06/30/2022 of \$19,279 with accumulated amortization of \$354.

On 07/01/2021, the County entered into a 60-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$8,171. As of 06/30/2022, the value of the lease liability is \$6,588. Brunswick County is required to make monthly principal and interest payments of \$137. The lease has an interest rate of 0.8900%. The value of the right to use asset as of 06/30/2022 of \$8,171 with accumulated amortization of \$1,615.

On 07/01/2021, the County entered into a 22-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$3,051. As of 06/30/2022, the value of the lease liability is \$1,388. Brunswick County is required to make monthly principal and interest payments of \$139. The lease has an interest rate of 0.2500%. The value of the right to use asset as of 06/30/2022 of \$3,051 with accumulated amortization of \$1,599.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

On 09/01/2021, the County entered into a 60-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$20,555. As of 06/30/2022, the value of the lease liability is \$17,187. Brunswick County is required to make monthly principal and interest payments of \$351. The lease has an interest rate of 1.0190%. The value of the right to use asset as of 06/30/2022 of \$20,555 with accumulated amortization of \$3,426.

On 10/01/2021, the County entered into a 48-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$7,363. As of 06/30/2022, the value of the lease liability is \$5,998. Brunswick County is required to make monthly principal and interest payments of \$156. The lease has an interest rate of 0.8610%. The value of the right to use asset as of 06/30/2022 of \$7,363 with accumulated amortization of \$1,381.

On 11/01/2021, the County entered into a 60-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$5,973. As of 06/30/2022, the value of the lease liability is \$5,209. Brunswick County is required to make monthly principal and interest payments of \$106.00. The lease has an interest rate of 2.5830%. The value of the right to use asset as of 06/30/2022 of \$5,973 with accumulated amortization of \$796.

On 02/01/2022, the County entered into a 48-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$5,3312. As of 06/30/2022, the value of the lease liability is \$4,794. Brunswick County is required to make monthly principal and interest payments of \$111. The lease has an interest rate of 1.0470%. The value of the right to use asset as of 06/30/2022 of \$5,332 with accumulated amortization of \$546.

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

The following is a summary of changes in governmental long-term debt for the year ended June 30, 2022, for the County:

<b>Governmental Activities</b>	<b>June 30, 2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2022</b>	<b>Current Maturities</b>
General obligation bonds	\$ 92,075,000	\$ -	\$ 8,410,000	\$ 83,665,000	\$ 5,715,000
Limited obligation bonds	20,335,000	11,215,000	13,570,000	17,980,000	2,765,000
Bond premiums	9,025,170	-	507,385	8,517,785	507,384
Leases	-	775,921	276,729	499,192	270,837
Compensated absences	4,703,875	5,938,376	5,481,090	5,161,161	275,000
Net pension liability (LGERS)	27,800,176	-	15,698,474	12,101,702	-
Total pension liability (LEOSSA)	8,339,592	531,918	-	8,871,510	-
Total pension liability (DOSSA)	143,652	15,450	-	159,102	-
Total OPEB liability	153,792,103	9,212,470	-	163,004,573	-
Landfill closure & post-closure	8,547,525	207,962	924,212	7,831,275	121,697
Total	<u>\$ 324,762,093</u>	<u>\$ 27,897,097</u>	<u>\$ 44,867,890</u>	<u>\$ 307,791,300</u>	<u>\$ 9,654,918</u>

Note: The general fund is typically used to liquidate other long-term liabilities including OPEB liability, landfill closure and post-closure liability, and the compensated absences and pension liabilities recorded in the governmental funds. The total of other debt not issued for capital is \$197,129,323 which is comprised of compensated absences of \$5,161,161, pension benefit obligation of \$21,132,314, other post-employment benefits of \$163,004,573 and landfill closure and post-closure of \$7,831,275.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

The following is a summary of changes in business-type long-term debt for the year ended June 30, 2022, for the County:

<u>Business-Type Activities</u>	<u>June 30, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>	<u>Current Maturities</u>
Direct placement and direct borrowing revenue bonds	\$ 287,300,000	\$ -	\$ 8,700,000	\$ 278,600,000	\$10,975,000
Bond premiums	28,744,914	-	1,368,662	27,376,252	1,368,661
General obligation bonds	2,380,000	-	200,000	2,180,000	205,000
Direct placement installment purchase	3,751,028	-	1,839,848	1,911,180	787,250
Direct borrowing state revolving fund loans	10,447,940	-	2,043,722	8,404,218	2,068,386
Leases	-	1,798,160	47,575	1,750,585	34,251
Compensated absences	740,521	1,049,473	986,813	803,181	32,000
Net pension liability (LGERS)	3,330,081	-	1,946,568	1,383,513	-
Total OPEB liability	23,362,458	172,636	-	23,535,094	-
Total	<u>\$ 360,056,942</u>	<u>\$ 3,020,269</u>	<u>\$ 17,133,188</u>	<u>\$ 345,944,023</u>	<u>\$15,470,548</u>

Note: The total of other debt not issued for capital is \$25,721,788 which is comprised of compensated absences of \$803,181, pension benefit obligation of \$1,383,513, and other post-employment benefits of \$23,535,094.

**G. Maturities of Long-Term Debt**

The annual requirements to retire all debt outstanding, other than compensated absences, pension benefit obligation, and landfill closure costs, on June 30, 2022, including interest, are as follows:

	<u>General Obligation Bonds</u>		<u>Limited Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 5,715,000	\$ 2,923,260	\$ 2,765,000	\$ 428,493
2024	4,970,000	2,650,010	2,700,000	377,155
2025	4,590,000	2,409,110	2,270,000	326,738
2026	4,590,000	2,179,610	2,230,000	281,138
2027	4,590,000	1,960,560	2,190,000	235,793
2028-2032	22,950,000	7,110,050	4,255,000	616,151
2033-2037	22,950,000	3,340,500	1,570,000	101,062
2038-2042	13,310,000	493,140	-	-
Totals	<u>\$ 83,665,000</u>	<u>\$ 23,066,240</u>	<u>\$ 17,980,000</u>	<u>\$ 2,366,530</u>

	<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 270,837	\$ 4,201
2024	189,439	2,120
2025	29,398	277
2026	8,395	70
2027	1,123	3
Totals	<u>\$ 499,192</u>	<u>\$ 6,671</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Business-Type Activities**

	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 205,000	\$ 88,150	\$ 10,975,000	\$ 10,503,424
2024	215,000	80,450	11,385,000	10,096,919
2025	225,000	71,850	11,375,000	9,579,185
2026	230,000	62,750	11,840,000	9,061,265
2027	240,000	53,450	12,380,000	8,519,327
2028-2032	1,065,000	111,800	56,135,000	34,348,090
2033-2037	-	-	47,830,000	23,305,475
2038-2042	-	-	47,785,000	14,520,850
2043-2047	-	-	41,135,000	7,939,350
2048-2052	-	-	27,760,000	1,681,800
<b>Totals</b>	<b>\$ 2,180,000</b>	<b>\$ 468,450</b>	<b>\$ 278,600,000</b>	<b>\$ 129,555,685</b>

	State Revolving Loans		Installment Purchases	
	Principal	Interest	Principal	Interest
2023	\$ 2,068,386	\$ 164,114	\$ 787,250	\$ 12,283
2024	1,819,892	120,166	423,930	2,980
2025	1,845,657	82,642	100,000	-
2026	1,871,989	44,550	100,000	-
2027	151,438	5,877	100,000	-
2028-2032	588,083	18,366	400,000	-
2033-2037	58,773	2,204	-	-
<b>Totals</b>	<b>\$ 8,404,218</b>	<b>\$ 437,919</b>	<b>\$ 1,911,180</b>	<b>\$ 15,263</b>

	Leases	
	Principal	Interest
2023	\$ 34,251	\$ 18,685
2024	34,752	18,353
2025	37,326	18,002
2026	30,974	17,658
2027	26,689	17,360
2028-2032	137,085	82,477
2033-2037	144,582	74,980
2038-2042	152,496	67,065
2043-2047	160,851	58,710
2048-2052	169,673	49,889
2053-2057	178,988	40,573
2058-2062	188,826	30,735
2063-2067	199,218	20,343
2068-2072	210,196	9,365
2073-2077	44,678	551
<b>Totals</b>	<b>\$ 1,750,585</b>	<b>\$ 524,746</b>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**H. Net Investment in Capital Assets**

The total Net Investment in Capital Assets at June 30, 2022, is composed of the following elements:

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Total capital assets (net of depreciation)	\$ 147,184,179	\$ 552,312,241	\$ 699,496,420
Total debt, gross	110,661,977	320,222,235	430,884,212
Less:			
Education debt for which the County does not hold title	91,224,754	-	91,224,754
Unexpended proceeds*	-	83,428,900	83,428,900
Total capital debt	<u>19,437,223</u>	<u>236,793,335</u>	<u>256,230,558</u>
Net Investment in Capital Assets	<u>\$ 127,746,956</u>	<u>\$ 315,518,906</u>	<u>\$ 443,265,862</u>

\*Unexpended debt proceeds related to education debt in the amount of \$13,599,138 is not included in the calculation of governmental Net Investment in Capital Assets.

**I. Other Debt Disclosures**

At June 30, 2022, the County had a legal debt margin of \$2.42 billion.

**Advance Refunding**

On November 7, 2019, the County issued \$13,670,000 series 2019B enterprise revenue advance refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of providing general resources for all future debt service payments of \$14,053,750 of enterprise revenue bonds. As a result, the refunded bonds are considered to be defeased. The liabilities for the debt were removed from the governmental activities column of the statement of net position in the fiscal year ending June 30, 2020. The reacquisition price was higher than the net carrying amount of the old debt by \$1,150,000. The amount was netted against the net debt and amortized over the life of the refunded debt, which is same as the life of the new issue. The advance refunding was undertaken to reduce total debt service payments over the next seven years by \$610,753 in a net economic gain of \$530,251. At June 30, 2022, \$12,520,000 of defeased bonds remain outstanding.

**Current Refunding**

On January 13, 2022, the County issued \$11,215,000 series 2022 limited obligation refunding bonds to refund current debt service payments of \$11,132,391 of limited obligation bonds. As a result, the refunded bonds are considered to be defeased. The liabilities for the debt were removed from the governmental activities column of the statement of net position in the fiscal year ending June 30, 2022. The reacquisition price was higher than the net carrying amount of the old debt by \$280,000. The amount was netted against the net debt and amortized over the life of the refunded debt, which is same as the life of the new issue. The refunding was undertaken to reduce total debt service payments over the next six years by \$639,589 in a net economic gain of \$615,991.

**Debt Related to Capital Activities**

Of the total Governmental Activities debt listed only \$18,854,038 relates to assets the County holds title. There is no unspent restricted cash related to this debt.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

#### 9. 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, 2022, there are no industrial revenue bonds outstanding.

#### 10. Pension Plan and Other Postemployment Obligations

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

###### Plan Description

The County is a participating employer in 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 membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (Annual Report) for the State of North Carolina. The State's Annual 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, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

###### Benefits Provided

LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

**Contributions.**

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2022, was 12.04% of compensation for law enforcement officers, 11.40% for general employees, and 11.39 for social services department employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$7,811,891 for the year ended June 30, 2022.

**Refunds of Contributions**

County employees who have terminated service as a contributing member of LGERS may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the County reported a liability of \$13,485,215 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021, utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the County's proportion was .879% (measured as of June 30, 2021), which was an increase of .008% from its proportion as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$5,648,914. On June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,290,131	\$ -
Change of assumptions	8,472,160	-
Net difference between projected and actual investment earnings	-	19,266,322
Change in proportion and difference between employer contributions and proportionate share of contributions	253,676	629,138
County contributions subsequent to the measurement date	<u>7,811,891</u>	<u>-</u>
	<u>\$20,827,858</u>	<u>\$19,895,460</u>

\$7,811,891 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2023	\$1,080,317
2024	(536,434)
2025	(1,527,767)
2026	(5,895,609)
2027	-
Thereafter	-

**Actuarial Assumptions**

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e., general, law enforcement officer), and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020, valuation with the exception of the discount rate were based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021, are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Opportunistic Fixed Income	7.0%	6.0%
Inflation Sensitive	6.0%	4.0%
Total	<u>94.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. Return projections do not include an excess return expectations over benchmark averages. All rates of return and inflation are annualized.

**Discount rate**

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate**

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
County's proportionate share of the net pension liability (asset)	\$ 52,348,486	\$ 13,485,215	\$ (18,496,997)

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**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Report for the State of North Carolina.

**B. Registers of Deeds' Supplemental Pension Fund**

**Plan Description**

Brunswick County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who 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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Report for the State of North Carolina. The State's Annual Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided**

An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

**Contributions**

Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$27,565 for the year ended June 30, 2022.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the County reported an asset of \$488,701 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021, utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2021, the County's proportion was 2.544%, which was an increase of 0.263% from its proportion measured as of June 30, 2020.

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For the year ended June 30, 2022, the County recognized pension expense of \$17,763. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,214	\$ 5,927
Changes of assumptions	35,636	-
Net difference between projected and actual investment earnings	-	1,501
Change in proportion and difference between employer contributions and proportionate share of contributions	27,720	57,513
County contributions subsequent to the measurement date	<u>27,565</u>	<u>-</u>
	<u>\$ 96,135</u>	<u>\$ 64,941</u>

\$27,565 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2023.

Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2023	\$ 2,012
2024	(8,633)
2025	(1,145)
2026	11,395
2027	-
Thereafter	-

**Actuarial Assumptions**

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e., general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

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The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021, is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. Return projections do not include an excess return expectations over benchmark averages. All rates of return and inflation are annualized.

**Discount rate**

The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate**

The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	<u>1% Decrease</u> <u>(2.00%)</u>	<u>Discount Rate</u> <u>(3.00%)</u>	<u>1% Increase</u> <u>(4.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ (388,179)	\$ (488,701)	\$ (573,175)

**Pension plan fiduciary net position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Annual Report for the State of North Carolina.

**C. 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 qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service.

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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. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2020, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	13
Active members	<u>181</u>
Total	<u><u>194</u></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.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

**Actuarial Assumptions**

The entry age normal actuarial cost method was used in the December 31, 2020, valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount Rate	2.25 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20-Year High-Grade Rate Index.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths After Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

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Deaths After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

**Contributions**

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$197,239 as benefits came due for the reporting period.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the County reported a total pension liability of \$8,871,510. The total pension liability was measured as of December 31, 2021, based on a December 31, 2020, actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2021, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$1,167,310.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 606,389	\$ 100,716
Changes of assumptions	1,824,080	340,239
County benefit payments and plan administrative expense made subsequent to the measurement date	101,758	-
	<u>\$ 2,532,227</u>	<u>\$ 440,955</u>

The County paid \$101,758 in benefit payments and \$0 in admin expenditures subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows or deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2023	\$472,679
2024	462,683
2025	446,505
2026	398,350
2027	206,292
Thereafter	3,005

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Sensitivity of the County’s total pension liability to changes in the discount rate. The following presents the County’s total pension liability calculated using the discount rate of 2.25 percent, as well as what the County’s total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease <u>(1.25%)</u>	Discount Rate (2.25%)	1% Increase <u>(3.25%)</u>
Total pension liability	\$ 9,775,229	\$ 8,871,510	\$ 8,052,500

**Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance**

	<u>2022</u>
Beginning balance	\$ 8,339,592
Service Cost	537,017
Interest on the total pension liability	159,051
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	312,819
Changes of assumptions or other inputs	(279,730)
Benefit payments	(197,239)
Other changes	-
Ending balance of the total pension liability	<u>\$ 8,871,510</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent at December 31, 2020 (measurement date) to 2.25 percent at December 31, 2021 (measurement date).

*Changes in Benefit Terms.* Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

The plan currently uses mortality tables that vary by age, and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

**D. Detention 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 qualified sworn detention officers under the age of 62 who have completed at least 30 years of creditable service or have attained 60 years of age and have completed 25 or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer 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. A separate report was not issued for the plan.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS  
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All full-time County detention officers are covered by the Separation Allowance. At December 31, 2020, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	-
Active members	<u>59</u>
Total	<u><u>59</u></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.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

**Actuarial Assumptions**

The entry age normal actuarial cost method was used in the December 31, 2020, valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.25 to 8.25 percent, including inflation and productivity factor
Discount Rate	2.25 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20-Year High-Grade Rate Index.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the General Mortality Table for Retirees. Rates for male members are first Set Forward 2 years, then are multiplied by 96% for ages under 81, and increase until reaching 100% at age 85 and above. Rates for female members are 100% for ages under 92 and increase until reaching 110% at age 95 and above. Because the retiree tables have no rates prior to age 50, the General Mortality Table for Employees is used for ages less than 50.

Death After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

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**NOTES TO FINANCIAL STATEMENTS  
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Deaths After Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates for General Employee male members are Set Forward 3 years and rates for General Employee female members are Set Back 1 year.

Deaths Prior to Retirement: Mortality rates for General Employees are based on the General Mortality Table for Employees.

**Contributions**

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$0 as benefits came due for the reporting period.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the County reported a total pension liability of \$159,102. The total pension liability was measured as of December 31, 2021, based on a December 31, 2020, actuarial valuation. The total pension liability was rolled forward to December 31, 2021, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$33,102.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	10,447	5,455
County benefit payments and plan administrative expense made subsequent to the measurement date	-	-
	<u>\$ 10,447</u>	<u>\$ 5,455</u>

The County paid \$0 in benefit payments and \$0 in admin expenditures subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows or deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2023	\$ 5,615
2024	110
2025	(733)
2026	-
2027	-
Thereafter	-

Sensitivity of the County’s total pension liability to changes in the discount rate. The following presents the County’s total pension liability calculated using the discount rate of 2.25 percent, as

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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well as what the County’s total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease <u>(1.25%)</u>	Discount Rate (2.25%)	1% Increase <u>(3.25%)</u>
Total pension liability	\$ 184,665	\$ 159,102	\$ 136,756

**Schedule of Changes in Total Pension Liability  
Detention Officers' Special Separation Allowance**

	<u>2022</u>
Beginning balance	\$ 143,652
Service Cost	20,494
Interest on the total pension liability	2,772
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(7,816)
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u><u>\$ 159,102</u></u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent at December 31, 2020 (measurement date) to 2.25 percent at December 31, 2021 (measurement date).

*Changes in Benefit Terms.* Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

The plan currently uses mortality tables that vary by age, and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

**E. 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 Annual Report for the State of North Carolina. The State’s Annual Report 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.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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**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.

The County contributed \$655,552 for the reporting year. No amounts were forfeited.

**F. 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, 2022, were \$3,860,834 which consisted of \$2,734,429 from the County and \$1,126,405 from the employees.

**G. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability for LGERS and ROD was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that December 31, 2020. The total pension liability for LEOSSA was measured as of December 31, 2021, with an actuarial valuation date of December 31, 2020. The total pension liability for DOSSA was measured as of December 31, 2021, with an actuarial valuation date of December 31, 2020.

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>DOSSA</u>	<u>Total</u>
Proportionate share of the net pension liability (asset)	\$ 13,485,215	\$ (488,701)	\$ -	\$ -	\$ 12,996,514
Proportion of the net pension liability (asset)	0.87932%	2.54360%	n/a	n/a	n/a
Total pension liability	-	-	8,871,510	159,102	9,030,612
Pension Expense	5,648,914	17,763	1,167,310	33,102	6,867,089

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At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>DOSSA</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>					
Differences between expected an actual experience	\$ 4,290,131	\$ 5,214	\$ 606,389	\$ -	\$ 4,901,734
Changes of Assumptions	8,472,160	35,636	1,824,080	10,447	10,342,323
Changes in proportion and differences between contributions and proportionate share of contributions	253,676	27,720	-	-	281,396
County contributions (LGERS, ROD)/benefit payments and administrative costs (LEOSSA, DOSSA) subsequent to the measurement date	7,811,891	27,565	101,758	-	7,941,214

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>DOSSA</u>	<u>Total</u>
<b>Deferred Inflows of Resources</b>					
Differences between expected and actual experience	\$ -	\$ 5,927	\$ 100,716	\$ -	\$ 106,643
Changes of assumptions	-	-	340,239	5,455	345,694
Net difference between projected and actual earnings on plan investments	19,266,322	1,501	-	-	19,267,823
Changes in proportion and differences between contributions and proportionate share of contributions	629,138	57,513	-	-	686,651

**H. 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

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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, 2022, the County made contributions to the State for death benefits of \$45,865. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.05% and 0.14%, 0.04% for Health Department employees, and 0.03% for Department of Social Services employees of covered payroll, respectively.

**I. Other Post-Employment Benefits – Health Care Benefits**

**Plan Description**

In addition to providing pension benefits, the County administers a single employer-defined benefit Healthcare Benefits Plan (the HCB Plan). As of July 1, 2015, this plan provides post-employment healthcare benefits to retirees of the County, provided they retire from active service from the North Carolina Local Governmental Employees' Retirement System (System), the North Carolina Law Enforcement Officers' Retirement System, or are in disability retirement with five years of creditable service. Retirees hired prior to January 1, 2012, receive the same benefits as active employees after a minimum of ten years of creditable service with the retirement system through disability retirement with five years of service. The HCB Plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The County pays the full cost of coverage for these benefits. Employees hired on or after January 1, 2012, with a minimum of 10 years of continuous service with the County or fifteen years of total creditable service with the County or who through disability retirement has at least five years of continuous creditable service with the County also have the option of purchasing, net of a County contribution, coverage for themselves at the cost consistent with active employee premiums. The Board of County Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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<b>Hire Date</b>	<b>Service Requirement</b>	<b>Benefits</b>
Hired on or before 12/31/2011	10 years creditable service with retirement system or, If disability retirement, 5 years creditable service with retirement system	Individual health insurance at no cost to age 65. Dependent coverage offered at cost consistent with active employee premiums. Medicare Supplement at age 65+
Hired/Rehired on or after 1/1/2012 but before 7/1/2015	At least 10 years continuous creditable service with Brunswick County or 15 years of total creditable service with Brunswick County or, If disability retirement, 5 years continuous creditable service with Brunswick County	Continue individual health insurance at cost consistent with active employee premiums. Dependent coverage offered at cost consistent with active employee premiums. Medicare Supplement at age 65+, cost share based on years of service with Brunswick County: 25+ years – 100% paid by County 15 – 24 years – 75% paid by County 10 – 14 years – 50% paid by County 5 years of service (disability retirement only) - 50% paid by County
Hired/Rehired on or after 7/1/2015	At least 10 years continuous creditable service with Brunswick County or 15 years of total creditable service with Brunswick County or, If disability retirement, 5 years continuous creditable service with Brunswick County	Continue individual health insurance to age 65 at cost consistent with active employee premiums. No dependent coverage available. Health insurance for pre-65 retirees and Medicare Supplement at age 65+, cost share based on total years of service with NC Retirement System. 25+ years – premium consistent with active employees. 15 – 24 years – 75% paid by County 10 – 14 years – 50% paid by County 5 years of service (disability retirement only) - 50% paid by County

Membership of the plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

	<b>General Employees</b>
Inactive employees or beneficiaries currently receiving benefits	385
Inactive members entitled to but not yet receiving benefits	-
Active employees	<u>1,006</u>
Total	<u><u>1,391</u></u>

**Total OPEB Liability**

The County's total OPEB liability of \$186,539,667 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases	
General employees	3.25 - 8.41 percent, including inflation
Law enforcement officer	3.25 - 7.90 percent, including inflation
Municipal bond index rate	
Prior measurement date	2.21 percent
Measurement date	2.16 percent
Healthcare cost trend rates	
Pre-medicare	7.00 percent for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25 percent for 2020 decreasing to an ultimate rate of 4.50% by 2024
Dental	4.00 percent

The discount rate used to measure the TOL was based on the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

**Changes to the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at July 1, 2020</b>	\$ 177,154,561
<b>Change for the Year</b>	
Service cost	8,583,500
Interest	4,057,967
Changes of benefit terms	-
Differences between expected and actual experience	109,415
Changes in assumptions or other inputs	896,783
Benefit payments	<u>(4,262,559)</u>
<b>Net changes</b>	9,385,106
<b>Balance at June 30, 2021</b>	<u><u>\$ 186,539,667</u></u>

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020, valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate (2.16 percent):

	1% Decrease <u>(1.16%)</u>	Current Discount Rate (2.16%)	1% Increase (3.16%) <u></u>
Total OPEB liability	\$223,963,342	\$ 186,539,667	\$157,624,643

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u></u>	Discount Rate <u></u>	1% Increase <u></u>
Total OPEB liability	\$152,856,420	\$ 186,539,667	\$231,385,066

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2022, the County recognized OPEB expense of \$14,719,024. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 93,489	\$ 3,883,402
Changes of assumptions	28,183,289	6,861,675
Benefit payments and administrative costs made subsequent to the measurement date	<u>3,458,952</u>	<u>-</u>
	<u>\$ 31,735,730</u>	<u>\$ 10,745,077</u>

\$3,458,952 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2023	\$ 2,077,557
2024	2,077,557
2025	2,784,140
2026	4,793,394
2027	4,823,929
Thereafter	975,124

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

#### 11. 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 Environmental Quality ("NCDEQ") has issued a life of site permit for the landfill. The final phases of the landfill, Phases 6A, 6B, and 6C, were permitted for 588,000 CY. It is estimated that approximately 88% of the total airspace for 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, 2022, the volume utilized has not exceeded the permitted capacity.

Using the results of the annual survey it is estimated that approximately 74,644 cubic yards of useable airspace remain in the C&D debris landfill. The tonnage of C&D debris received at the landfill during FY 2021-2022 increased approximately 13% from FY 2020-2021. The tonnage of C&D debris disposed in the landfill during FY 2021-2022 decreased approximately 9% from FY 2020-2021. The C&D debris disposed represents a decrease and County continues to divert a portion of the C&D debris waste stream through the MSW Transfer Station. The County diverted approximately 27% more C&D debris during FY 2021-2022 than in FY 2020-2021. It is important to note that this increase in the amount C&D debris received is not significant to the overall landfill operation.

It is anticipated that the life of the C&D debris landfill will extend to at least FY 2022-2023 based on a tonnage equal to that received in FY 2021-2022, 10% annual growth, and no diversion of C&D debris. 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. If temporary hauling and disposal continues, the existing landfill life may be extended.

##### **Closure and Post-Closure Care Cost**

The C&D debris landfill closure and post-closure costs have been prepared as each phase of the C&D debris landfill developed. The post-closure costs for the MSW landfill were developed at the time the MSW landfill was closed. It is important to note the MSW landfill post-closure costs will not carry forward until the C&D debris landfill closure occurs. Previously, the NC Division of Waste Management confirmed that after the C&D debris landfill closure occurs, the 30-year post-closure period will restart for the MSW and C&D debris landfill. However, the NC Division of Waste Management (DWM) confirmed this year that the MSW post-closure costs do not need to be included since the current C&D debris site is on top of the closed MSW landfill.

The closure and post-closure care liability is computed based on the cumulative, estimated capacity of the landfill utilized as of June 30, 2022, which is 88% of the total airspace and 94% of the useable

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

airspace. It is estimated that closure of the C&D debris landfill will occur sometime during FY 2023-2024. It should be noted that Phases 6A and 6B have reached the extent of the useable airspace allowed. The post-closure care cost for the C&D debris landfill is expected to be approximately \$185,000 annually after closure. At June 30, 2022, the combined closure and post-closure care costs for both landfills are expected to total \$7,831,275 based on an escalation factor of 4.1%. Of that amount, \$7,831,275 has been accrued at June 30, 2022, and is included in the Long-Term Debt reported on the statement of net position.

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 included in the County Capital Project Fund in the amount of \$9,934,355. 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.

The last addition of closure costs occurred during the 2007 permitting action for the C&D debris landfill permit amendment. During this permitting action, a modified Phase 6C area was added to the C&D debris landfill closure costs. The modified Phase 6 area was associated with the final grades of Area 6C being permitted to gain additional airspace. The modified Phase 6 area has a higher closure cost per acre than the other phases. This is due to geotechnical considerations where Area 6C will tie back to existing grades of the existing C&D debris landfill.

**12. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools (Property/Liability and Worker's Compensation) administered by the North Carolina Association of County Commissioners. Through the pool, the County obtains property coverage equal to replacement cost of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$2 million per occurrence, auto physical damage for owned autos at actual cash value, and crime coverage of \$250,000 per occurrence. All property coverage and some liability coverages are subject to per occurrence deductibles, as selected by the County.

The Pool is audited annually by certified public accountants, and audited financial statements are available to the County upon request. The Pool is reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000. Up to \$2 million limit for liability coverage. Through the captive, the Liability and Property Pool is reinsured for \$2 million of annual aggregate losses in excess of \$250,000 per occurrence for property, auto physical damage, and crime coverage, with additional limits of \$750 million purchased through a group of commercial carriers through the multi-state public entity captive.

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. There were no significant changes to the insurance coverage from the previous year and settled claims have not exceeded limits in any line of coverage with the Pool during the past five fiscal years.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The County began participation in the Pool for Worker's Compensation beginning July 1, 2019, from being a County self-funded insurance and the County is responsible for payment of claims incurred prior to July 1, 2019. Worker's compensation insurance with the Pool provides state statutory coverage, has a \$2 million dollar Employer's Liability limit, and is contracted with a third-party administrator, Sedgwick Claims Management Services, to manage cost containment.

Commercial coverage for risks associated with emergency services provided by the County is carried by VFIS of North Carolina, Inc. Brokered with Coastal Insurance, there have been no significant changes in coverage, and settled claims have not exceeded limits during the past five fiscal years.

The County is a member of the North Carolina Health Insurance Pool (NCHIP) since July 1, 2018, which is a local government risk pool for employee health benefits of cities and counties. Under NCHIP, a portion of the County's claims for employee health benefits is self-funded and a portion of the claims is pooled with other NCHIP members. NCHIP has contracted with Blue Cross and Blue Shield as a third-party administrator to adjudicate claims and manage cost containment. To safeguard against catastrophic claims, NCHIP has specific stop-loss coverage that occurs after \$200,000 in claims per member. The specific stop loss is brokered through Blue Cross and Blue Shield.

The Director of Fiscal Operations, Tax Administrator, 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 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.

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.

### 13. Claims and Judgments

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

### 14. 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, 2022, the amount of general obligation bonds issued for this purpose that was still outstanding was \$681,007. The County made total debt service payments related to the bonds of \$2,695,363 during the fiscal year. Of that total, \$2,581,595 was

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**NOTES TO FINANCIAL STATEMENTS  
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for principal and \$113,768 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 \$4,444,554 to the Community College for operating and capital purposes and \$188,216 to the Foundation Grant for tuition during the fiscal year ended June 30, 2022.

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, 2022. Complete financial statements for the Brunswick County Community College may be obtained from the Community College's administrative offices at U.S. Hwy. 17 N., Supply, North Carolina.

**Trillium Health Resources**

The County participates with 26 other counties in Eastern North Carolina in a joint venture to operate the Trillium Health Resources ("Center"), which is located in New Hanover County. The Trillium Health Resources Board is a political subdivision of the State of North Carolina. Brunswick County contributed \$250,443 for operating purposes during the year ended June 30, 2022. The participating counties do not have any equity interest in the joint venture. Complete financial statements for Trillium Health Resources may be obtained from the Center's administrative offices at 3809 Shipyard Boulevard, Wilmington, North Carolina 28403.

**15. 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 \$36,334 to the Council during the fiscal year ended June 30, 2022.

**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 Authority is currently allowed to withdraw 96 mgd from the Cape Fear River and under construction is a parallel raw water main project that will increase capacity to no less than 96 mgd. 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, 2022, was \$1,818,301. In addition, the Authority made payments to the County during the fiscal year totaling \$2,916,510 pursuant to a maintenance contract. \$2,523,435 received by the County in 2022 was for the reimbursement of expenses associated with the LCFWSA Raw Water Main Repair.

**Northeast Brunswick Water Reclamation Facility**

The Facility is owned, operated, and maintained by the County. H2GO and the County have entered into wastewater service agreements for a portion of the treatment capacity in the plant. The Facility has a permitted treatment capacity of 2.475 mgd. The County is currently under construction of a 2.5 mgd plant expansion for additional treatment capacity due to the increased needs of the participants and is

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**NOTES TO FINANCIAL STATEMENTS  
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scheduled to be complete in mid-fiscal year 2023. 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 allocated 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 a budget and operating recommendations to the County Commissioners.

**West Brunswick Regional Water Reclamation Facility**

The Facility is owned, operated, and maintained by the County. The Town of Holden Beach, Town of Oak Island, Town of Shallotte, and the County have entered into wastewater service agreements for a portion of the 6.0 mgd treatment capacity in the plant. As part of the West Brunswick Regional Area, the Shallotte Water Reclamation Facility was acquired from the Town of Shallotte through a Sewer Service Agreement. The Shallotte Facility has a permitted treatment capacity of 0.5 mgd and effluent from the facility is sprayed on a 200-acre site adjacent to the plant. The City of Southport and The County have entered into a wastewater service agreement for the City of Southport to purchase 0.75 mgd capacity and the County will expand the West Brunswick Regional Wastewater System from 6.5 to 7.25 mgd. 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 allocated 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 wastewater service agreement and policies and regulations provide for an oversight committee to make a budget and operating recommendations to the County Commissioners.

**Ocean Isle Beach Water Reclamation Facility**

The Facility was acquired from the Town of Ocean Isle Beach in 2012 through a Sewer Service Agreement. The Facility has a permitted treatment capacity of 1.05 mgd and effluent from the facility is sprayed on a 320-acre site adjacent to the plant. The Facility serves the Town of Ocean Isle Beach and the nearby portion of the County Sewer Service Area including Ocean Isle Palms and Ocean Ridge. The County has the transmission ability to transfer wastewater from the Ocean Isle Beach WWTP to the West Brunswick Water Reclamation Facility.

**16. Benefit Payments issued by the State**

Certain amounts were paid directly to individual recipients by the State from Federal and State monies. County personnel are involved with certain functions, primarily eligibility determination, that cause benefit payments to be issued by the State. This additional aid to County recipients does not appear in the basic financial statements because it does not represent revenues and expenditures of the County.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**17. 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.

**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, 2022, 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.

**Construction Commitments**

The County had commitments, as shown below, for construction contracts outstanding at June 30, 2022. 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
Shalotte Transmission Waterline	\$ 274,356
NW Plant Expansion and RO Treatment	2,167,503
Brunswick County Schools Referendum	1,047,582
Courthouse Addition and Expansion	169,496
Brunswick County Transfer Station	456,391
NE Brunswick Regional WRF Expansion	1,232,888
Total	<u>\$ 5,348,216</u>

**18. Change in Accounting Principle**

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use, an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.



# REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Schedule of Changes in the Total Other Post Employment Benefits Liability and Related Ratios
- Notes to the Required Schedules for the Other Post Employment Benefits
- Schedule of Proportionate Share of Net Pension Liability (Asset) for the Local Government Employee's Retirement System
- Schedule of County Contributions for the Local Government Employee's Retirement System
- Schedule of Proportionate Share of Net Pension Liability (Asset) for the Register of Deeds Supplemental Pension Fund
- Schedule of County Contributions for the Register of Deeds Supplemental Pension Fund
- Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as A Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in Total Pension Liability for the Detention Officers' Special Separation Allowance
- Schedule of Total Pension Liability as A Percentage of Covered Payroll for the Detention Officers' Special Separation Allowance



**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST FIVE FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 8,583,500	\$ 6,200,725	\$ 5,614,327	\$ 6,394,492	\$ 7,138,096
Interest	4,057,967	5,018,945	4,745,212	4,517,716	3,955,778
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	109,415	(572,436)	(226,626)	(7,241,517)	(23,620)
Changes of assumptions	896,783	31,089,634	8,347,568	(5,504,850)	(12,728,581)
Benefit payments	<u>(4,262,559)</u>	<u>(3,529,654)</u>	<u>(3,007,333)</u>	<u>(3,159,928)</u>	<u>(2,570,121)</u>
Net change in total OPEB liability	9,385,106	38,207,214	15,473,148	(4,994,087)	(4,228,448)
Total OPEB liability - beginning	<u>177,154,561</u>	<u>138,947,347</u>	<u>123,474,199</u>	<u>128,468,286</u>	<u>132,696,734</u>
Total OPEB liability - ending	<u>\$186,539,667</u>	<u>\$177,154,561</u>	<u>\$138,947,347</u>	<u>\$123,474,199</u>	<u>\$128,468,286</u>
Covered employee payroll	51,030,251	51,030,251	45,375,656	45,375,656	42,403,530
Total OPEB liability as a percentage of covered employee payroll	365.55%	347.16%	306.22%	272.12%	302.97%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

Information is not available for years prior to 2018. It is intended to be shown for ten years and will be displayed as it becomes available.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**COUNTY OF BRUNSWICK'S PROPORTIONATE SHARE  
OF NET PENSION LIABILITY (ASSET)  
LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM  
LAST NINE FISCAL YEARS\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County of Brunswick's proportion of the net pension liability (asset) (%)	0.87932%	0.87116%	0.89226%	0.82382%	0.82747%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$13,485,215	\$31,130,257	\$24,366,924	\$19,543,826	\$12,641,447
County of Brunswick's covered payroll	\$59,531,252	\$57,671,640	\$56,484,415	\$50,538,682	\$48,814,016
County of Brunswick's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	22.65%	53.98%	43.14%	38.67%	25.90%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	91.63%	94.18%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the LGERS plan.

Information is not available for years prior to 2014. It is intended to be shown for ten years and will be displayed as it becomes available.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**COUNTY OF BRUNSWICK'S PROPORTIONATE SHARE  
OF NET PENSION LIABILITY (ASSET)  
LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM  
LAST NINE FISCAL YEARS\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County of Brunswick's proportion of the net pension liability (asset) (%)	0.60212%	0.80306%	0.81261%	0.79000%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$17,390,621	\$ 3,691,281	\$ (4,792,336)	\$ 9,522,534
County of Brunswick's covered payroll	\$46,196,679	\$46,166,707	\$44,833,198	\$40,073,387
County of Brunswick's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.64%	8.00%	( 10.69%)	23.76%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**COUNTY OF BRUNSWICK'S CONTRIBUTIONS  
LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM  
LAST NINE FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 7,811,891	\$ 6,103,000	\$ 5,250,112	\$ 4,473,650	\$ 3,875,769
Contributions in relation to the contractually required contribution	<u>7,811,891</u>	<u>6,103,000</u>	<u>5,250,112</u>	<u>4,473,650</u>	<u>3,875,769</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County of Brunswick's covered payroll	\$68,125,174	\$59,531,252	\$57,671,640	\$56,484,415	\$50,538,682
Contributions as a percentage of covered payroll	11.47%	10.25%	9.10%	7.92%	7.67%

Information is not available for years prior to 2014. It is intended to be shown for ten years and will be displayed as it becomes available.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**COUNTY OF BRUNSWICK'S CONTRIBUTIONS  
LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM  
LAST NINE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,630,728	\$ 3,147,279	\$ 3,283,782	\$ 3,175,088
Contributions in relation to the contractually required contribution	<u>3,630,728</u>	<u>3,147,279</u>	<u>3,283,782</u>	<u>3,175,088</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County of Brunswick's covered payroll	\$48,814,016	\$46,196,679	\$46,166,707	\$44,833,198
Contributions as a percentage of covered payroll	7.44%	6.81%	7.11%	7.08%

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**COUNTY OF BRUNSWICK'S PROPORTIONATE SHARE  
OF NET PENSION LIABILITY (ASSET)  
REGISTER OF DEEDS SUPPLEMENTAL PENSION FUND  
LAST NINE FISCAL YEARS\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County of Brunswick's proportion of the net pension liability (asset) (%)	2.54360%	2.28053%	1.93967%	2.51207%	2.18960%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ (488,701)	\$ (522,652)	\$ (382,930)	\$ (416,074)	\$ (373,743)
County of Brunswick's covered payroll	\$ 103,447	\$ 100,079	\$ 96,448	\$ 91,812	\$ 88,835
County of Brunswick's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(4 72.42%)	(5 22.24%)	(3 97.03%)	(4 53.18%)	(4 20.72%)
Plan fiduciary net position as a percentage of the total pension liability	156.53%	173.62%	164.11%	153.31%	153.77%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Information is not available for years prior to 2014. It is intended to be shown for ten years and will be displayed as it becomes available.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**COUNTY OF BRUNSWICK'S PROPORTIONATE SHARE  
OF NET PENSION LIABILITY (ASSET)  
REGISTER OF DEEDS SUPPLEMENTAL PENSION FUND  
LAST NINE FISCAL YEARS\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County of Brunswick's proportion of the net pension liability (asset) (%)	1.93860%	2.10041%	2.09977%	1.99812%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ (362,452)	\$ (486,760)	\$ (475,927)	\$ (426,798)
County of Brunswick's covered payroll	\$ 85,010	\$ 83,940	\$ 81,101	\$ 79,254
County of Brunswick's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(4 26.36%)	(5 79.89%)	(5 86.83%)	(5 38.52%)
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**COUNTY OF BRUNSWICK'S CONTRIBUTIONS  
REGISTER OF DEEDS SUPPLEMENTAL PENSION FUND  
LAST NINE FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 27,565	\$ 30,527	\$ 21,836	\$ 18,436	\$ 19,867
Contributions in relation to the contractually required contribution	<u>27,565</u>	<u>30,527</u>	<u>21,836</u>	<u>18,436</u>	<u>19,867</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County of Brunswick's covered payroll	\$ 115,874	\$ 103,447	\$ 100,079	\$ 96,448	\$ 91,812
Contributions as a percentage of covered payroll	23.79%	29.51%	21.82%	19.11%	21.64%

Information is not available for years prior to 2014. It is intended to be shown for ten years and will be displayed as it becomes available.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**COUNTY OF BRUNSWICK'S CONTRIBUTIONS  
REGISTER OF DEEDS SUPPLEMENTAL PENSION FUND  
LAST NINE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 19,024	\$ 17,468	\$ 16,807	\$ 17,144
Contributions in relation to the contractually required contribution	<u>19,024</u>	<u>17,468</u>	<u>16,807</u>	<u>17,144</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County of Brunswick's covered payroll	\$ 88,835	\$ 85,010	\$ 83,940	\$ 81,101
Contributions as a percentage of covered payroll	21.41%	20.55%	20.02%	21.14%

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST SIX FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning Balance	\$ 8,339,592	\$ 5,793,388	\$ 4,716,034	\$ 4,424,953	\$ 3,807,449
Service Cost	537,017	330,014	329,165	309,697	245,841
Interest on the total pension liability	159,051	185,870	169,223	138,041	145,866
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	312,819	(126,134)	497,284	188,974	(56,959)
Changes of assumptions or other inputs	(279,730)	2,340,181	215,772	(232,522)	339,847
Benefit payments	(197,239)	(183,727)	(134,090)	(113,109)	(57,091)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 8,871,510</u>	<u>\$ 8,339,592</u>	<u>\$ 5,793,388</u>	<u>\$ 4,716,034</u>	<u>\$ 4,424,953</u>

The amounts presented for each fiscal year were determined as of the prior December 31.

Information is not available for years prior to 2017. It is intended to be shown for ten years and will be displayed as it becomes available.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST SIX FISCAL YEARS**

	<u>2017</u>
Beginning Balance	\$ 3,583,212
Service Cost	265,075
Interest on the total pension liability	126,977
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(114,970)
Benefit payments	(52,845)
Other changes	<u>-</u>
Ending balance of the total pension liability	<u>\$ 3,807,449</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST SIX FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability	\$ 8,871,510	\$ 8,339,592	\$ 5,793,388	\$ 4,716,034	\$ 4,424,953
Covered-employee payroll	11,957,518	11,215,298	11,968,501	10,139,455	9,559,174
Total pension liability as a percentage of covered employee payroll	74.19%	74.36%	48.41%	46.51%	46.29%

Note to the schedules:

Brunswick County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Information is not available for years prior to 2017. It is intended to be shown for ten years and will be displayed as it becomes available.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST SIX FISCAL YEARS**

	<u>2017</u>
Total pension liability	\$ 3,807,449
Covered-employee payroll	9,791,266
Total pension liability as a percentage of covered employee payroll	38.89%

Note to the schedules:

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY  
DETENTION OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST TWO FISCAL YEARS**

	<u>2022</u>	<u>2021</u>
Beginning Balance	\$ 143,652	\$ -
Service Cost	20,494	114,024
Interest on the total pension liability	2,772	3,229
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	-	-
Changes of assumptions or other inputs	(7,816)	26,399
Benefit payments	-	-
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 159,102</u>	<u>\$ 143,652</u>

The amounts presented for each fiscal year were determined as of the prior December 31.

The program was approved as of July 1, 2020. It is intended to be shown for ten years and will be displayed as it becomes available.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL  
DETENTION OFFICERS' SPECIAL SEPARATION ALLOWANCE  
LAST TWO FISCAL YEARS**

	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 159,102	\$ 143,652
Covered-employee payroll	2,470,944	2,470,944
Total pension liability as a percentage of covered employee payroll	6.44%	5.81%

Note to the schedules:

Brunswick County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

The program was approved as of July 1, 2020. It is intended to be shown for ten years and will be displayed as it becomes available.



# 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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Current year taxes		\$ 152,052,498		\$ 145,794,285
Prior year taxes		1,944,149		3,366,220
Penalties and interest		<u>834,881</u>		<u>1,082,975</u>
	<u>\$ 150,878,878</u>	<u>154,831,528</u>	<u>\$ 3,952,650</u>	<u>150,243,480</u>
<b>Local Option Sales Taxes:</b>				
Article 39 and 44 (1%)		17,874,114		14,963,939
Article 40 (1/2%)		11,116,379		10,047,866
Article 42 (1/2%)		<u>11,779,344</u>		<u>10,074,104</u>
	<u>34,603,239</u>	<u>40,769,837</u>	<u>6,166,598</u>	<u>35,085,909</u>
<b>Other Taxes and Licenses:</b>				
Scrap tire disposal fee		287,199		150,464
Deed stamp excise tax		9,023,200		7,909,198
Solid waste tax		66,697		68,361
White goods disposal tax		92,452		56,098
1% Occupancy Tax		<u>2,795,875</u>		<u>2,337,074</u>
	<u>9,725,181</u>	<u>12,265,423</u>	<u>2,540,242</u>	<u>10,521,195</u>
<b>Unrestricted Intergovernmental:</b>				
Medicaid hold harmless		6,154,520		6,238,454
Beer and wine tax		263,838		300,219
Jail fees		<u>468,045</u>		<u>539,398</u>
	<u>6,698,243</u>	<u>6,886,403</u>	<u>188,160</u>	<u>7,078,071</u>
<b>Restricted Intergovernmental:</b>				
State and federal grant		19,315,219		21,297,334
State aid to libraries		147,378		152,730
CARES Act		-		54,603
State cost reimbursement		65,280		-
Court facility fees		141,142		121,970
Payments in lieu of taxes		4,428		6,050
ABC education requirement		2,556		2,154
ABC law enforcement services		20,295		13,043
State drug tax		<u>34,649</u>		<u>52,616</u>
	<u>20,311,408</u>	<u>19,730,947</u>	<u>(580,461)</u>	<u>21,700,500</u>
<b>Permits and Fees:</b>				
Building inspections and permits		5,257,996		3,973,907
Recording fees		1,153,810		1,300,198

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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Permit and Fees (continued):</b>				
Fire inspection fees		209,530		218,774
Concealed handgun permit		274,790		382,794
Other permit and fees		1,083,861		906,219
	<u>5,782,521</u>	<u>7,979,987</u>	<u>2,197,466</u>	<u>6,781,892</u>
<b>Sales and Services:</b>				
Solid waste fees		4,165,012		3,477,371
School resource officer reimbursement		1,665,840		1,570,071
Rents		15,152		13,930
EMS Charges		5,872,329		5,195,662
Public health user fees		1,544,474		1,368,638
Sheriff animal protective services fees		105,851		93,282
Social services fees		39,855		59,288
Public housing fees		2,507		3,077
Tax collection fees		351,872		318,152
Other sales and services		2,431,316		2,098,204
Register of deeds		438,241		428,066
Marriage licenses		55,517		56,841
Recreation services		256,710		89,183
	<u>14,941,485</u>	<u>16,944,676</u>	<u>2,003,191</u>	<u>14,771,765</u>
<b>Investment earnings</b>	<u>100,275</u>	<u>137,394</u>	<u>37,119</u>	<u>80,630</u>
<b>Other:</b>				
ABC bottles taxes		87,091		81,640
County Board of Alcohol Control		30,000		30,000
Contributions		96,994		116,784
Other revenues		2,773,704		3,938,919
	<u>2,550,164</u>	<u>2,987,789</u>	<u>437,625</u>	<u>4,167,343</u>
<b>Total revenues</b>	<u>245,591,394</u>	<u>262,533,984</u>	<u>16,942,590</u>	<u>250,430,785</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Body:</b>				
Salaries		226,526		189,464
Fringe benefits		63,246		55,331
Operating costs		<u>38,641</u>		<u>32,707</u>
	<u>366,868</u>	<u>328,413</u>	<u>38,455</u>	<u>277,502</u>
<b>County Administration:</b>				
Salaries		657,498		669,217
Fringe benefits		197,057		199,287
Operating costs		26,771		46,021
Capital outlay		<u>9,409</u>		<u>-</u>
	<u>1,038,963</u>	<u>890,735</u>	<u>148,228</u>	<u>914,525</u>
<b>Human Resources:</b>				
Salaries		354,772		339,421
Fringe benefits		121,373		120,060
Operating costs		<u>3,298</u>		<u>4,876</u>
	<u>515,737</u>	<u>479,443</u>	<u>36,294</u>	<u>464,357</u>
<b>Communications:</b>				
Salaries		91,386		-
Fringe benefits		31,789		-
Operating costs		<u>22,884</u>		<u>-</u>
	<u>252,021</u>	<u>146,059</u>	<u>105,962</u>	<u>-</u>
<b>Finance:</b>				
Salaries		967,346		903,580
Fringe benefits		350,077		305,634
Operating costs		510,054		449,470
Capital outlay		<u>65,732</u>		<u>-</u>
	<u>2,002,121</u>	<u>1,893,209</u>	<u>108,912</u>	<u>1,658,684</u>
<b>Tax Administration:</b>				
Salaries		2,539,173		2,448,067
Fringe benefits		1,013,514		965,052
Operating costs		924,304		875,946
Capital outlay		<u>39,472</u>		<u>-</u>
	<u>5,139,612</u>	<u>4,516,463</u>	<u>623,149</u>	<u>4,289,065</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>County Attorney:</b>				
Salaries		411,572		416,647
Fringe benefits		127,173		127,666
Operating costs		61,642		52,168
Capital outlay		<u>2,617</u>		<u>-</u>
	<u>724,044</u>	<u>603,004</u>	<u>121,040</u>	<u>596,481</u>
<b>Court Facilities:</b>				
Operating costs		<u>208,166</u>		<u>177,361</u>
	<u>274,936</u>	<u>208,166</u>	<u>66,770</u>	<u>177,361</u>
<b>Board of Elections:</b>				
Salaries		675,670		864,924
Fringe benefits		141,208		148,583
Operating costs		198,551		359,566
Capital outlay		<u>15,540</u>		<u>-</u>
	<u>1,168,727</u>	<u>1,030,969</u>	<u>137,758</u>	<u>1,373,073</u>
<b>Register of Deeds:</b>				
Salaries		670,112		654,767
Fringe benefits		301,247		293,209
Operating costs		4,861,355		4,347,293
Capital outlay		<u>5,973</u>		<u>29,454</u>
	<u>6,036,141</u>	<u>5,838,687</u>	<u>197,454</u>	<u>5,324,723</u>
<b>Contingency:</b>				
Operating costs	<u>538,000</u>	<u>-</u>	<u>538,000</u>	<u>-</u>
Total general government	<u>18,057,170</u>	<u>15,935,148</u>	<u>2,122,022</u>	<u>15,075,771</u>
<b>Central Services:</b>				
<b>Information Technology:</b>				
Salaries		1,182,596		1,163,698
Fringe benefits		409,927		399,503
Operating costs		939,473		1,111,739
Capital outlay		<u>5,332</u>		<u>96,271</u>
	<u>3,659,148</u>	<u>2,537,328</u>	<u>1,121,820</u>	<u>2,771,211</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Fleet Services:</b>				
Salaries		702,677		684,393
Fringe benefits		283,355		270,912
Operating costs		449,990		334,222
Capital outlay		<u>110,309</u>		<u>86,736</u>
	<u>1,973,731</u>	<u>1,546,331</u>	<u>427,400</u>	<u>1,376,263</u>
<b>Engineering:</b>				
Salaries		491,016		463,069
Fringe benefits		169,256		157,068
Operating costs		45,267		162,185
Capital outlay		<u>10,366</u>		<u>-</u>
	<u>751,076</u>	<u>715,905</u>	<u>35,171</u>	<u>782,322</u>
<b>Operation Services:</b>				
Salaries		2,288,052		2,238,716
Fringe benefits		998,076		966,100
Operating costs		3,298,612		3,090,250
Capital outlay		<u>406,599</u>		<u>226,280</u>
	<u>7,585,653</u>	<u>6,991,339</u>	<u>594,314</u>	<u>6,521,346</u>
<b>Non-departmental:</b>				
Fringe benefits		5,793,104		5,696,954
Operating costs		<u>174,977</u>		<u>294,482</u>
	<u>6,838,103</u>	<u>5,968,081</u>	<u>870,022</u>	<u>5,991,436</u>
Total central services	<u>20,807,711</u>	<u>17,758,984</u>	<u>3,048,727</u>	<u>17,442,578</u>
<b>Public Safety:</b>				
<b>District Attorney:</b>				
Operating costs		<u>27,520</u>		<u>20,886</u>
	<u>53,000</u>	<u>27,520</u>	<u>25,480</u>	<u>20,886</u>
<b>Sheriff:</b>				
Salaries		12,060,061		11,010,834
Fringe benefits		4,418,477		3,988,151
Operating costs		3,342,044		2,928,027
Capital outlay		<u>1,383,854</u>		<u>1,173,204</u>
	<u>22,386,787</u>	<u>21,204,436</u>	<u>1,182,351</u>	<u>19,100,216</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Detention Center:</b>				
Salaries		5,270,161		4,774,415
Fringe benefits		2,062,080		1,855,402
Operating costs		3,359,573		2,709,348
Capital outlay		<u>164,458</u>		<u>107,353</u>
	<u>11,431,698</u>	<u>10,856,272</u>	<u>575,426</u>	<u>9,446,518</u>
<b>Emergency Medical:</b>				
Salaries		6,608,706		6,400,504
Fringe benefits		2,349,172		2,228,571
Operating costs		2,243,679		2,083,217
Capital outlay		<u>715,306</u>		<u>262,034</u>
	<u>15,297,914</u>	<u>11,916,863</u>	<u>3,381,051</u>	<u>10,974,326</u>
<b>Emergency Management:</b>				
Salaries		291,792		266,941
Fringe benefits		86,698		84,156
Operating costs		396,323		488,770
Capital outlay		<u>23,467</u>		<u>5,334</u>
	<u>1,096,402</u>	<u>798,280</u>	<u>298,122</u>	<u>845,201</u>
<b>Other Agencies:</b>				
Fire districts		60,000		60,000
Rescue Squads		<u>340,800</u>		<u>322,800</u>
	<u>700,800</u>	<u>400,800</u>	<u>300,000</u>	<u>382,800</u>
<b>Building Inspections and Central Permitting</b>				
Salaries		2,206,890		1,760,876
Fringe benefits		781,494		619,581
Operating costs		387,538		128,360
Capital outlay		<u>216,056</u>		<u>59,991</u>
	<u>4,140,453</u>	<u>3,591,978</u>	<u>548,475</u>	<u>2,568,808</u>
<b>Fire Inspections</b>				
Salaries		413,180		379,345
Fringe benefits		129,184		116,578
Operating costs		72,970		61,437
Capital outlay		<u>11,623</u>		<u>36,267</u>
	<u>652,104</u>	<u>626,957</u>	<u>25,147</u>	<u>593,627</u>
<b>Central Communications:</b>				
Salaries		1,814,078		1,768,119
Fringe benefits		684,836		686,836
Operating costs		392,989		446,376
Capital outlay		<u>470,228</u>		<u>194,830</u>
	<u>5,107,263</u>	<u>3,362,131</u>	<u>1,745,132</u>	<u>3,096,161</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Animal Protective Services:</b>				
Salaries		628,304		611,377
Fringe benefits		250,237		241,044
Operating costs		298,624		217,740
Capital outlay		<u>51,470</u>		<u>33,253</u>
	<u>1,362,022</u>	<u>1,228,635</u>	<u>133,387</u>	<u>1,103,414</u>
Total public safety	<u>62,228,443</u>	<u>54,013,872</u>	<u>8,214,571</u>	<u>48,131,957</u>
<b>Transportation:</b>				
Cape Fear Regional Jetport		111,000		111,000
Odell Williamson Municipal Airport		50,000		27,500
Brunswick Transit System		<u>245,881</u>		<u>-</u>
Total transportation	<u>406,881</u>	<u>406,881</u>	<u>-</u>	<u>138,500</u>
<b>Environmental Protection:</b>				
<b>Solid Waste:</b>				
Salaries		404,290		359,300
Fringe benefits		160,269		148,002
Operating costs		18,805,605		18,527,744
Capital outlay		<u>35,247</u>		<u>224,830</u>
	<u>19,631,142</u>	<u>19,405,411</u>	<u>225,731</u>	<u>19,259,876</u>
<b>Other:</b>				
Forestry services	<u>270,109</u>	<u>198,260</u>	<u>71,849</u>	<u>245,902</u>
Total environmental protection	<u>19,901,251</u>	<u>19,603,671</u>	<u>297,580</u>	<u>19,505,778</u>
<b>Economic Development:</b>				
<b>Community Enforcement:</b>				
Salaries		187,563		150,565
Fringe benefits		78,922		60,950
Operating costs		14,467		13,338
Capital outlay		<u>27,243</u>		<u>-</u>
	<u>311,010</u>	<u>308,195</u>	<u>2,815</u>	<u>224,853</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Planning:</b>				
Salaries		495,691		483,307
Fringe benefits		173,170		175,107
Operating costs		249,772		260,491
Capital outlay		3,569		-
	<u>1,109,665</u>	<u>922,202</u>	<u>187,463</u>	<u>918,905</u>
<b>Cooperative Extension:</b>				
Salaries		301,618		300,897
Fringe benefits		119,395		125,904
Operating costs		125,413		170,679
Capital outlay		23,935		7,571
	<u>770,646</u>	<u>570,361</u>	<u>200,285</u>	<u>605,051</u>
<b>Soil and Water Conservation:</b>				
Salaries		155,504		177,544
Fringe benefits		63,227		65,779
Operating costs		13,233		12,296
Capital outlay		29,136		-
	<u>265,888</u>	<u>261,100</u>	<u>4,788</u>	<u>255,619</u>
<b>Public Housing Section 8:</b>				
Salaries		180,299		156,687
Fringe benefits		77,062		63,454
Operating costs		2,092,475		2,043,166
Capital outlay		8,047		-
	<u>2,471,654</u>	<u>2,357,883</u>	<u>113,771</u>	<u>2,263,307</u>
<b>1% Occupancy Tax:</b>				
Operating costs	<u>3,100,000</u>	<u>2,795,875</u>	<u>304,125</u>	<u>2,337,073</u>
<b>Other Economic Development:</b>				
Contracted services		139,466		23,325
Lockwood Folly & Shallotte Dredging		356,879		494,343
Brunswick Business and Industry Development		575,000		425,000
Access road economic development project		400,000		-
	<u>3,085,058</u>	<u>1,471,345</u>	<u>1,613,713</u>	<u>942,668</u>
Total economic development	<u>11,113,921</u>	<u>8,686,961</u>	<u>2,426,960</u>	<u>7,547,476</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Human Services:</b>				
<b>Health:</b>				
<b>Administration:</b>				
Salaries		2,250,481		2,128,499
Fringe benefits		1,290,956		1,306,112
Operating costs		335,596		279,939
Capital outlay		<u>379,682</u>		<u>25,527</u>
	<u>4,976,007</u>	<u>4,256,715</u>	<u>719,292</u>	<u>3,740,077</u>
<b>Communicable Diseases:</b>				
Operating costs	<u>627,515</u>	<u>306,474</u>	<u>321,041</u>	<u>367,227</u>
<b>Adult Health Maintenance:</b>				
Operating costs		<u>133,729</u>		<u>1,032,759</u>
	<u>272,800</u>	<u>133,729</u>	<u>139,071</u>	<u>1,032,759</u>
<b>Senior Health:</b>				
Salaries		53,086		39,807
Fringe benefits		21,446		14,875
Operating costs		<u>1,037</u>		<u>1,754</u>
	<u>79,606</u>	<u>75,569</u>	<u>4,037</u>	<u>56,436</u>
<b>Maternal and Child Health:</b>				
Salaries		386,799		352,333
Fringe benefits		166,662		151,954
Operating costs		<u>474,223</u>		<u>444,365</u>
	<u>1,193,306</u>	<u>1,027,684</u>	<u>165,622</u>	<u>948,652</u>
<b>Environmental Health:</b>				
Salaries		1,336,553		1,285,709
Fringe benefits		483,411		460,867
Operating costs		883,718		969,738
Capital outlay		<u>16,953</u>		<u>244,218</u>
	<u>3,472,570</u>	<u>2,720,635</u>	<u>751,935</u>	<u>2,960,532</u>
Total health	<u>10,621,804</u>	<u>8,520,806</u>	<u>2,100,998</u>	<u>9,105,683</u>
<b>Veterans' Services:</b>				
Salaries		156,248		141,152
Fringe benefits		61,994		57,800
Operating costs		<u>37,306</u>		<u>14,468</u>
Total veterans' services	<u>261,405</u>	<u>255,548</u>	<u>5,857</u>	<u>213,420</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Social Services:</b>				
<b>Administration:</b>				
Salaries		7,815,433		7,236,249
Fringe benefits		3,729,828		3,478,156
Operating costs		4,014,920		3,081,107
Capital outlay		129,513		83,343
	<u>17,727,987</u>	<u>15,689,694</u>	2,038,293	<u>13,878,855</u>
<b>Other Operating Costs:</b>				
Medical assistance		3,478		5,630
Aid to the blind		3,549		4,100
Adoption assistance		188,043		169,448
Foster care		655,847		592,306
State foster home		638,272		724,210
Special assistance		266,415		295,623
Day care		1,539		4,207
Special child adoption assistance		11,114		5,959
	<u>2,194,908</u>	<u>1,768,257</u>	426,651	<u>1,801,483</u>
Total social services	<u>19,922,895</u>	<u>17,457,951</u>	2,464,944	<u>15,680,338</u>
<b>Other Human Services:</b>				
Trillium Health Resources		250,443		250,443
Brunswick Senior Resources, Inc.		2,888,852		2,713,739
Other human services		179,360		211,238
	<u>3,318,656</u>	<u>3,318,655</u>	1	<u>3,175,420</u>
Total human services	<u>34,124,760</u>	<u>29,552,960</u>	4,571,800	<u>28,174,861</u>
<b>Education:</b>				
Public schools		47,523,253		46,096,535
Public schools - capital outlay		996,991		967,060
Public schools - fines and forfeitures		315,588		299,765
Community college		4,276,270		4,354,069
Community college - capital outlay		356,500		295,343
Total education	<u>53,630,387</u>	<u>53,468,602</u>	161,785	<u>52,012,772</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Culture and Recreation:</b>				
<b>Parks and Recreation:</b>				
<b>Administration:</b>				
Salaries		683,634		571,044
Fringe benefits		216,912		190,075
Operating costs		629,986		380,468
Capital outlay		62,589		168,930
	<u>1,794,485</u>	<u>1,593,121</u>	<u>201,364</u>	<u>1,310,517</u>
<b>Maintenance:</b>				
Salaries		746,974		684,841
Fringe benefits		311,593		286,792
Operating costs		632,719		367,738
Capital outlay		70,505		66,054
	<u>1,904,404</u>	<u>1,761,791</u>	<u>142,613</u>	<u>1,405,425</u>
Total Parks and Recreation	<u>3,698,889</u>	<u>3,354,912</u>	<u>343,977</u>	<u>2,715,942</u>
<b>Brunswick County Library:</b>				
Salaries		769,375		777,644
Fringe benefits		321,721		322,420
Operating costs		211,152		213,176
Capital outlay		12,387		-
	<u>1,482,250</u>	<u>1,314,635</u>	<u>167,615</u>	<u>1,313,240</u>
Total culture and recreation	<u>5,181,139</u>	<u>4,669,547</u>	<u>511,592</u>	<u>4,029,182</u>
<b>Debt Service:</b>				
Principal retirement	11,321,740	11,321,729	11	12,305,000
Interest and fees	5,067,833	5,057,723	10,110	3,240,524
Total debt service	<u>16,389,573</u>	<u>16,379,452</u>	<u>10,121</u>	<u>15,545,524</u>
Total expenditures	<u>241,841,236</u>	<u>220,476,078</u>	<u>21,365,158</u>	<u>207,604,399</u>
<b>Revenues over (under) expenditures</b>	<u>3,750,158</u>	<u>42,057,906</u>	<u>38,307,748</u>	<u>42,826,386</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Other Financing Sources (Uses):</b>				
Lease liabilities issued	775,941	775,921	(20)	-
Issuance of long-term debt	11,215,000	11,215,000	-	-
Payment to escrow agent for refunded debt	<u>(10,935,000)</u>	<u>(10,935,000)</u>	-	-
	<u>1,055,941</u>	<u>1,055,921</u>	<u>(20)</u>	<u>-</u>
<b>Transfers From Other Funds:</b>				
Transfer from special revenue fund	<u>10,000,000</u>	<u>10,000,000</u>	-	-
<b>Transfers To Other Funds:</b>				
Transfer to county capital project fund	(24,238,843)	(24,238,843)	-	(10,000,000)
Transfer to grant project funds	-	-	-	(300,000)
Transfer to emergency telephone system fund	(5,280)	(5,280)	-	(145,288)
Transfer to school capital project funds	<u>(10,393,810)</u>	<u>(10,393,810)</u>	-	<u>(8,731,926)</u>
	<u>(34,637,933)</u>	<u>(34,637,933)</u>	-	<u>(19,177,214)</u>
<b>Budgetary Financing Sources (Uses):</b>				
Appropriated fund balance	<u>19,831,834</u>	-	<u>(19,831,834)</u>	-
Total other financing sources (uses)	<u>(3,750,158)</u>	<u>(23,582,012)</u>	<u>(19,831,854)</u>	<u>(19,177,214)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	18,475,894	<u>\$ 18,475,894</u>	23,649,172
<b>Fund balance, beginning of year</b>		<u>121,194,469</u>		<u>97,026,999</u>
Restated		-		518,298
Fund balance, beginning, as restated		<u>121,194,469</u>		<u>97,545,297</u>
<b>Fund balance, end of year</b>		<u>\$ 139,670,363</u>		<u>\$ 121,194,469</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - COUNTY CAPITAL PROJECTS FUND  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Budget	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
<b>Restricted Intergovernmental:</b>				
NC Department of Transportation	\$ 29,420,192	\$ 22,135,399	\$ 3,425,624	\$ 25,561,023
CARES Act	151,000	92,000	-	92,000
NC Parks & Recreation Trust Fund	300,000	300,000	-	300,000
	<u>29,871,192</u>	<u>22,527,399</u>	<u>3,425,624</u>	<u>25,953,023</u>
<b>Investment earnings</b>	<u>841,170</u>	<u>852,789</u>	<u>46,766</u>	<u>899,555</u>
<b>Other:</b>				
Performance bonds	290,876	290,876	-	290,876
Other revenues	350,000	349,240	-	349,240
	<u>640,876</u>	<u>640,116</u>	<u>-</u>	<u>640,116</u>
Total revenues	<u>31,353,238</u>	<u>24,020,304</u>	<u>3,472,390</u>	<u>27,492,694</u>
<b>Expenditures:</b>				
<b>Capital Improvements:</b>				
<b>General Government:</b>				
Courthouse Addition Renovation	15,372,366	11,338,650	2,967,023	14,305,673
Future capital projects	30,000,000	-	-	-
	<u>45,372,366</u>	<u>11,338,650</u>	<u>2,967,023</u>	<u>14,305,673</u>
<b>Environmental protection:</b>				
Landfill Transfer Station	5,727,000	282,024	1,615,685	1,897,709
Future capital projects	9,961,735	-	-	-
	<u>15,688,735</u>	<u>282,024</u>	<u>1,615,685</u>	<u>1,897,709</u>
<b>Economic Development:</b>				
Boiling Spring Lakes	3,000,000	-	-	-
Springlake at Maritime Shores	274,585	-	-	-
	<u>3,274,585</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cultural and recreation:</b>				
Ocean Isle Beach Park improvements	5,805,569	5,805,568	-	5,805,568
Smithville Park improvements	6,189,666	5,979,162	110,757	6,089,919
Brunswick Waterway Park improvements	201,210	201,210	-	201,210
Waccamaw Multiuse Building	355,800	242,369	8,003	250,372
Smithville Park Improvements Phase III	500,000	-	17,000	17,000
	<u>13,052,245</u>	<u>12,228,309</u>	<u>135,760</u>	<u>12,364,069</u>
<b>Transportation:</b>				
Airport improvements	<u>30,744,760</u>	<u>22,994,173</u>	<u>3,459,172</u>	<u>26,453,345</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - COUNTY CAPITAL PROJECTS FUND  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Budget	Actual		Total to Date
		Prior Years	Current Year	
<b>Other:</b>				
Future capital projects	505,004	-	-	-
Total expenditures	108,637,695	46,843,156	8,177,640	55,020,796
<b>Revenues over (under) expenditures</b>	(77,284,457)	(22,822,852)	(4,705,250)	(27,528,102)
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	4,805,618	-	-	-
Transfer from general fund	76,772,723	52,233,884	24,238,843	76,472,727
Transfer to general fund	(4,293,884)	(4,293,884)	-	(4,293,884)
Total other financing sources (uses)	77,284,457	47,940,000	24,238,843	72,178,843
<b>Net change in fund balance</b>	\$ -	\$ 25,117,148	19,533,593	\$ 44,650,741
<b>Fund balance, beginning of year</b>			29,941,626	
<b>Fund balance, end of year</b>			\$ 49,475,219	

## COUNTY OF BRUNSWICK, NORTH CAROLINA

## SCHEDULE OF REVENUES AND EXPENDITURES

## AND CHANGES IN FUND BALANCE

## BUDGET TO ACTUAL - EDUCATION CAPITAL PROJECTS FUND

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Budget	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
NC Public Education Lottery	\$ 7,082,039	\$ 7,092,797	\$ -	\$ 7,092,797
Investment earnings	-	411,032	21,715	432,747
Investment earnings-debt proceeds	-	1,295,276	23,196	1,318,472
Total revenues	<u>7,082,039</u>	<u>8,799,105</u>	<u>44,911</u>	<u>8,844,016</u>
<b>Expenditures:</b>				
Brunswick County Schools	197,928,835	144,838,548	15,571,419	160,409,967
Brunswick Community College	2,304,445	2,004,940	299,505	2,304,445
Total expenditures	<u>200,233,280</u>	<u>146,843,488</u>	<u>15,870,924</u>	<u>162,714,412</u>
<b>Revenues over (under) expenditures</b>	(193,151,241)	(138,044,383)	(15,826,013)	(153,870,396)
<b>Other Financing Sources (Uses):</b>				
Transfer from general fund	86,413,625	75,830,108	10,393,810	86,223,918
Transfer to general fund	(314,013)	(314,013)	-	(314,013)
Premium on bonds issued	8,749,216	8,749,217	-	8,749,217
Debt financing issued	91,750,000	91,750,000	-	91,750,000
Appropriated fund balance	6,552,413	-	-	-
Total other financing sources (uses)	<u>193,151,241</u>	<u>176,015,312</u>	<u>10,393,810</u>	<u>186,409,122</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 37,970,929</u>	(5,432,203)	<u>\$ 32,538,726</u>
<b>Fund balance, beginning of year</b>			<u>44,523,344</u>	
<b>Fund balance, end of year</b>			<u>\$ 39,091,141</u>	

# NON-MAJOR GOVERNMENTAL FUNDS

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## **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.

## **AMERICAN RESCUE PLAN ACT FUND**

This fund accounts for funds received for COVID-19 relief and economic recovery.

## **NATIONAL OPIOID SETTLEMENT FUND**

This fund accounts for funds received for opioid remediation activities.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
JUNE 30, 2022

	<u>Emergency Telephone System Fund</u>	<u>Grant Project</u>	<u>ROD- Technology Enhancement Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>National Opioid Settlement Fund</u>	<u>Total</u>
<b>Assets:</b>						
Cash and cash equivalents	\$ 1,488,819	\$ -	\$ 1,153,258	\$ -	\$ -	\$ 2,642,077
Restricted cash and cash equivalents/investments	-	-	-	15,204,904	522,875	15,727,779
Interest receivable	469	-	309	-	-	778
Other governmental agencies	34,072	63,035	-	-	-	97,107
Total assets	<u>\$ 1,523,360</u>	<u>\$ 63,035</u>	<u>\$ 1,153,567</u>	<u>\$15,204,904</u>	<u>\$ 522,875</u>	<u>\$18,467,741</u>
<b>Liabilities:</b>						
Accounts payable and other liabilities	9,974	32,508	38,471	-	-	80,953
Due to other funds	-	30,527	-	-	-	30,527
Unearned revenue	-	-	-	15,204,904	522,875	15,727,779
Total liabilities	<u>9,974</u>	<u>63,035</u>	<u>38,471</u>	<u>15,204,904</u>	<u>522,875</u>	<u>15,839,259</u>
<b>Fund Balance:</b>						
Stabilization by State Statute	34,541	63,035	309	-	-	97,885
Restricted - other	1,478,845	-	1,114,787	-	-	2,593,632
Unassigned	-	(63,035)	-	-	-	(63,035)
Total fund balances	<u>1,513,386</u>	<u>-</u>	<u>1,115,096</u>	<u>-</u>	<u>-</u>	<u>2,628,482</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 1,523,360</u>	<u>\$ 63,035</u>	<u>\$ 1,153,567</u>	<u>\$15,204,904</u>	<u>\$ 522,875</u>	<u>\$18,467,741</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NON MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Emergency Telephone System Fund	Grant Project	ROD- Technology Enhancement Fund	American Rescue Plan Act Fund	National Opioid Settlement Fund	Total
<b>Revenues:</b>						
Restricted intergovernmental	\$ 408,866	\$ 791,405	\$ 2,000	\$12,536,208	\$ -	\$13,738,479
Permits and fees	-	-	239,243	-	-	239,243
Investment earnings	1,549	-	1,121	-	-	2,670
Total revenues	<u>410,415</u>	<u>791,405</u>	<u>242,364</u>	<u>12,536,208</u>	<u>-</u>	<u>13,980,392</u>
<b>Expenditures:</b>						
General government	-	428,186	160,864	39,677	-	628,727
Public safety	679,875	-	-	-	-	679,875
Human Services	-	-	-	2,369,543	-	2,369,543
Environmental protection	-	363,219	-	-	-	363,219
Total expenditures	<u>679,875</u>	<u>791,405</u>	<u>160,864</u>	<u>2,409,220</u>	<u>-</u>	<u>4,041,364</u>
<b>Revenues over (under) expenditures</b>	(269,460)	-	81,500	10,126,988	-	9,939,028
<b>Other Financing Sources:</b>						
Transfers from general fund	5,280	-	-	-	-	5,280
Transfers to general fund	-	-	-	(10,000,000)	-	(10,000,000)
Transfers to wastewater fund	-	-	-	(126,988)	-	(126,988)
Total other financing sources (uses)	<u>5,280</u>	<u>-</u>	<u>-</u>	<u>(10,126,988)</u>	<u>-</u>	<u>(10,121,708)</u>
<b>Net change in fund balances</b>	(264,180)	-	81,500	-	-	(182,680)
<b>Fund balance, beginning of year</b>	<u>1,777,566</u>	<u>-</u>	<u>1,033,596</u>	<u>-</u>	<u>-</u>	<u>2,811,162</u>
<b>Fund balance, end of year</b>	<u>\$ 1,513,386</u>	<u>\$ -</u>	<u>\$ 1,115,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,628,482</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 408,865	\$ 408,866	\$ 1	\$ 799,291
Investment earnings	-	1,549	1,549	1,295
Total revenues	<u>408,865</u>	<u>410,415</u>	<u>1,550</u>	<u>800,586</u>
<b>Expenditures:</b>				
Telephone and furniture	308,657	151,397	157,260	263,596
Computer software	297,563	212,452	85,111	27,320
Computer hardware	1,008,697	131,736	876,961	71,332
Staff training	11,000	3,644	7,356	2,151
Implemental functions	30,238	30,238	-	23,623
Capital Outlay	<u>150,408</u>	<u>150,408</u>	<u>-</u>	<u>168,292</u>
Total expenditures	<u>1,806,563</u>	<u>679,875</u>	<u>1,126,688</u>	<u>556,314</u>
<b>Revenues over (under) expenditures</b>	(1,397,698)	(269,460)	1,128,238	244,272
<b>Other Financing Sources (Uses):</b>				
Transfers from general fund	5,280	5,280	-	145,288
Appropriated fund balance	<u>1,392,418</u>	<u>-</u>	<u>(1,392,418)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,397,698</u>	<u>5,280</u>	<u>(1,392,418)</u>	<u>145,288</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	(264,180)	<u>\$ (264,180)</u>	389,560
<b>Fund balance, beginning of year</b>		<u>1,777,566</u>		<u>1,388,006</u>
<b>Fund balance, end of year</b>		<u>\$ 1,513,386</u>		<u>\$ 1,777,566</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - GRANT PROJECT FUND  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
<b>Restricted Intergovernmental:</b>				
SAMHSA FY 19-24	\$ 1,600,000	\$ 947,011	\$ 428,186	\$ 1,375,197
HMPG-5 Residential Properties	1,380,527	259,531	-	259,531
Building Reuse Program	1,000,000	700,000	-	700,000
USDA Dept. of Agriculture Watershed Grant	696,443	50,506	273,249	323,755
NC Dept. of Agriculture Watershed Grant	147,344	8,324	89,970	98,294
Total revenues	<u>4,824,314</u>	<u>1,965,372</u>	<u>791,405</u>	<u>2,756,777</u>
<b>Expenditures:</b>				
SAMHSA FY 19-24	1,600,000	947,011	428,186	1,375,197
HMPG-5 Residential Properties	1,380,527	259,531	-	259,531
Pacon Manufacturing Incentive and Reuse	1,300,000	1,000,000	-	1,000,000
Watershed Grant Round 1	419,109	24,315	178,611	202,926
Watershed Grant Round 2	381,072	3,570	184,608	188,178
Watershed Grant Round 3	43,606	30,945	-	30,945
Total expenditures	<u>5,124,314</u>	<u>2,265,372</u>	<u>791,405</u>	<u>3,056,777</u>
<b>Revenues over (under) expenditures</b>	(300,000)	(300,000)	-	(300,000)
<b>Other Financing Sources (Uses):</b>				
Transfers from general fund	<u>300,000</u>	<u>300,000</u>	-	<u>300,000</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund balance, beginning of year</b>			-	
<b>Fund balance, end of year</b>			<u>\$ -</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 2,000	\$ 2,000	\$ -	\$ -
Permits and fees	194,317	239,243	44,926	279,279
Investment earnings	7,000	1,121	(5,879)	823
Total revenues	<u>203,317</u>	<u>242,364</u>	<u>39,047</u>	<u>280,102</u>
<b>Expenditures:</b>				
General government	<u>220,865</u>	<u>160,864</u>	<u>60,001</u>	<u>149,417</u>
<b>Revenues over (under) expenditures</b>	(17,548)	81,500	99,048	130,685
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>17,548</u>	-	<u>(17,548)</u>	-
<b>Net change in fund balance</b>	<u>\$ -</u>	81,500	<u>\$ 81,500</u>	130,685
<b>Fund balance, beginning of year</b>		<u>1,033,596</u>		<u>902,911</u>
<b>Fund balance, end of year</b>		<u>\$ 1,115,096</u>		<u>\$ 1,033,596</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - AMERICAN RESCUE PLAN ACT FUND  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
<b>Restricted Intergovernmental:</b>				
American Rescue Plan	\$ 27,741,111	\$ -	\$ 12,536,208	\$12,536,208
<b>Expenditures:</b>				
Direct administrative costs	150,000	-	39,677	39,677
Premium pay	2,400,000	-	2,369,543	2,369,543
Parks and recreation	2,000,000	-	-	-
Unassigned	<u>13,064,123</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>17,614,123</u>	<u>-</u>	<u>2,409,220</u>	<u>2,409,220</u>
<b>Revenues over (under) expenditures</b>	10,126,988	-	10,126,988	10,126,988
<b>Other Financing Sources (Uses):</b>				
Transfers to general fund	(10,000,000)	-	(10,000,000)	(10,000,000)
Transfers to wastewater fund	<u>(126,988)</u>	<u>-</u>	<u>(126,988)</u>	<u>(126,988)</u>
Total other financing sources (uses)	<u>(10,126,988)</u>	<u>-</u>	<u>(10,126,988)</u>	<u>(10,126,988)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund balance, beginning of year</b>			<u>-</u>	
<b>Fund balance, end of year</b>			<u>\$ -</u>	

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**SCHEDULE OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**BUDGET TO ACTUAL - NATIONAL OPIOID SETTLEMENT FUND  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
<b>Restricted Intergovernmental:</b>				
National Opioid Settlement Fund	\$ 13,609,604	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
<b>Other:</b>				
Unassigned	13,609,604	-	-	-
Total expenditures	13,609,604	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund balance, beginning of year</b>			-	
<b>Fund balance, end of year</b>			<u>\$ -</u>	

# 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, 2022

	<u>Water Fund</u>	<u>Water Capital Projects</u>	<u>Total</u>
<b>Current Assets:</b>			
Cash, cash equivalents and investments	\$ 39,509,244	\$ 9,246,430	\$ 48,755,674
Restricted cash	2,790,676	79,004,769	81,795,445
Interest receivable	16,126	889	17,015
Receivables and special assessments, net	5,853,108	-	5,853,108
Current portion of lease receivable	194,496	-	194,496
Due from other governmental agencies	2,847,170	969,962	3,817,132
Inventories	1,948,630	-	1,948,630
Total current assets	<u>53,159,450</u>	<u>89,222,050</u>	<u>142,381,500</u>
<b>Current Liabilities:</b>			
Accounts payable and other liabilities	2,111,681	5,793,556	7,905,237
Customer deposits	2,356,385	-	2,356,385
Interest payable	1,771,076	-	1,771,076
Current portion of debt	5,705,016	-	5,705,016
Total current liabilities	<u>11,944,158</u>	<u>5,793,556</u>	<u>17,737,714</u>
<b>Expendable net position</b>	<b>41,215,292</b>	<b>83,428,494</b>	<b>124,643,786</b>
<b>Noncurrent Items:</b>			
Lease receivable	2,052,660	-	2,052,660
Non-depreciable capital assets	131,293,403	-	131,293,403
Depreciable capital assets, net	148,668,212	-	148,668,212
Right to use leased asset, net of amortization	1,754,305	-	1,754,305
Deferred outflow	4,090,397	-	4,090,397
Net pension liability	(901,097)	-	(901,097)
Compensated absences	(527,954)	-	(527,954)
Total other post-employment liability	(15,125,143)	-	(15,125,143)
Non-current portion of debt	(207,924,271)	-	(207,924,271)
Deferred inflow	(4,589,757)	-	(4,589,757)
Total net position	<u>\$ 100,006,047</u>	<u>\$ 83,428,494</u>	<u>\$ 183,434,541</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Revenues:</b>				
User charges	\$ 30,244,300	\$ 37,572,387	\$ 7,328,087	\$ 29,633,015
Restricted intergovernmental revenue	-	22,738	22,738	81,663
Investment earnings	40,000	46,128	6,128	33,656
Other	<u>3,700,074</u>	<u>3,351,407</u>	<u>(348,667)</u>	<u>743,270</u>
Total revenues	<u>33,984,374</u>	<u>40,992,660</u>	<u>7,008,286</u>	<u>30,491,604</u>
<b>Expenditures:</b>				
Salaries	5,760,074	5,403,841	356,233	5,147,320
Fringe benefits	2,824,112	2,564,753	259,359	2,434,496
Operating expenditures	9,573,772	8,116,933	1,456,839	7,892,608
Repairs and maintenance	6,981,630	5,294,529	1,687,101	2,538,732
Capital outlay	4,960,151	4,018,506	941,645	1,332,424
<b>Debt Service:</b>				
Principal	1,913,149	1,913,147	2	1,324,462
Interest	<u>1,314,243</u>	<u>1,314,239</u>	<u>4</u>	<u>892,349</u>
Total expenditures	<u>33,327,131</u>	<u>28,625,948</u>	<u>4,701,183</u>	<u>21,562,391</u>
<b>Revenues over (under) expenditures</b>	657,243	12,366,712	11,709,469	8,929,213
<b>Other Financing Sources (Uses):</b>				
Lease liabilities issued	1,798,162	1,798,160	(2)	-
Transfer to water capital project fund	(9,308,023)	(7,861,000)	1,447,023	(920,580)
Claims settlement	(147,382)	(147,382)	-	(4,471,457)
Appropriated net position	<u>7,000,000</u>	<u>-</u>	<u>(7,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(657,243)</u>	<u>(6,210,222)</u>	<u>(5,552,979)</u>	<u>(5,392,037)</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>6,156,490</u>	<u>\$ 6,156,490</u>	<u>\$ 3,537,176</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, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Reconciliation From Budgetary Basis</b>				
<b>To Full Accrual Basis:</b>				
<b>Capital Project Related Items:</b>				
Revenues from water capital projects		77,717		
Transfer from water fund to water capital project fund		7,861,000		
Capital project expenditures		(47,620,780)		
<b>Other Reconciling Items:</b>				
Lease liabilities issued		(1,798,160)		
CIP additions from capital projects		47,620,780		
Capitalized capital outlay and CIP adjustment		2,220,346		
Capitalized lease capital outlay		1,798,160		
Change in interest accrued		(1,554,547)		
Change in vacation accrual		(35,834)		
Change in net OPEB liability		(160,933)		
Change in deferred outflows of resources - pensions		264,473		
Change in deferred outflows of resources - OPEB		(562,778)		
Change in net pension liability		1,254,455		
Change in deferred inflows of resources - pensions		(1,368,636)		
Change in deferred inflows of resources - OPEB		333,302		
Change in inventory		446,924		
Retirement of long-term debt		1,913,147		
Amortization of bond premium		704,206		
Contributed capital assets-Deeds of Dedication		4,283,818		
Depreciation		(6,809,576)		
Amortization of right to use assets		(43,855)		
Change in net position - GAAP basis		<u>\$ 14,979,719</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, 2022

	Project Budget	Actual		Total to Date
		Prior Year	Current Year	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 2,218,967	\$ -	\$ -	\$ -
Investment earnings	120,276	177,956	1,928	179,884
Investment earnings-debt proceeds	-	263,111	75,789	338,900
Assessments	52,724	39,495	-	39,495
Assessments penalties and interest	-	13,229	-	13,229
Total revenues	<u>2,391,967</u>	<u>493,791</u>	<u>77,717</u>	<u>571,508</u>
<b>Expenditures:</b>				
Southeast Water Tank	50,550	50,550	-	50,550
FY16 Water Mains Top 7 and Apollo	1,773,285	1,731,758	-	1,731,758
Raw Water Mains Project	28,683,127	23,242,549	2,785,720	26,028,269
Shalotte Transmission Main	6,123,000	1,888,136	3,707,517	5,595,653
Northwest Water Plant Treatment Expansion	168,321,390	56,337,000	40,967,518	97,304,518
74/76 Industrial Park Water Main	1,727,715	1,307,724	58,622	1,366,346
74/76 Mintz Dr. to Old Maco	105,000	71,526	28,968	100,494
Navassa Water System Rehabilitation	2,263,347	15,000	23,395	38,395
Utility Operations Center	1,100,000	-	49,040	49,040
Total expenditures	<u>210,147,414</u>	<u>84,644,243</u>	<u>47,620,780</u>	<u>132,265,023</u>
<b>Revenues over (under) expenditures</b>	(207,755,447)	(84,150,452)	(47,543,063)	(131,693,515)
<b>Other Financing Sources (Uses):</b>				
Long term debt issued	178,600,000	178,600,000	-	178,600,000
Bond Premium	17,428,317	17,428,317	-	17,428,317
Transfers from water fund	18,291,970	10,430,981	7,861,000	18,291,981
Transfers to water fund	(985,770)	(985,770)	-	(985,770)
Reserve for future projects	(7,362,567)	-	-	-
Appropriated fund balance	1,783,497	-	-	-
Total other financing sources (uses)	<u>207,755,447</u>	<u>205,473,528</u>	<u>7,861,000</u>	<u>213,334,528</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 121,323,076</u>	<u>\$ (39,682,063)</u>	<u>\$ 81,641,013</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WASTEWATER FUND (NON-GAAP)  
JUNE 30, 2022

	Wastewater Fund	Wastewater Capital Projects	Total
<b>Current Assets:</b>			
Cash and cash equivalents/investments	\$ 29,512,657	\$ 8,441,024	\$ 37,953,681
Restricted cash	1,000,129	4,424,131	5,424,260
Interest receivable	10,024	440	10,464
Receivables and special assessments, net	5,479,494	-	5,479,494
Due from other governmental agencies	158,986	172,067	331,053
Due from other funds	1,764,852	-	1,764,852
Inventories	208,187	-	208,187
Total current assets	<u>38,134,329</u>	<u>13,037,662</u>	<u>51,171,991</u>
<b>Current Liabilities:</b>			
Accounts payable and other liabilities	1,032,639	1,551,638	2,584,277
Interest payable	925,582	-	925,582
Prepaid fees	129,711	-	129,711
Current portion of debt	9,765,532	-	9,765,532
Due to other funds	-	1,764,852	1,764,852
Total current liabilities	<u>11,853,464</u>	<u>3,316,490</u>	<u>15,169,954</u>
<b>Expendable net position</b>	<b>26,280,865</b>	<b>9,721,172</b>	<b>36,002,037</b>
<b>Noncurrent Items:</b>			
Non-depreciable capital assets	48,132,569	-	48,132,569
Depreciable capital assets, net	222,463,752	-	222,463,752
Deferred outflow	2,275,715	-	2,275,715
Net pension liability	(482,416)	-	(482,416)
Compensated absences	(243,227)	-	(243,227)
Total other post-employment liability	(8,409,951)	-	(8,409,951)
Non-current portion of debt	(96,859,416)	-	(96,859,416)
Deferred inflow	(1,374,613)	-	(1,374,613)
Total net position	<u>\$ 191,783,278</u>	<u>\$ 9,721,172</u>	<u>\$ 201,504,450</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL - WASTEWATER FUND (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Revenues:</b>				
User charges	\$ 29,763,761	\$ 41,447,652	\$ 11,683,891	\$ 37,123,956
Investment earnings	20,000	38,187	18,187	23,804
Restricted intergovernmental revenues	-	2,670	2,670	25,254
Other	104,000	114,319	10,319	300,541
Total revenues	<u>29,887,761</u>	<u>41,602,828</u>	<u>11,715,067</u>	<u>37,473,555</u>
<b>Expenditures:</b>				
Salaries	3,241,547	3,002,857	238,690	2,888,778
Fringe benefits	1,534,793	1,391,379	143,414	1,308,719
Operating expenditures	5,819,257	5,056,811	762,446	4,493,558
Repairs and maintenance	2,396,713	1,720,234	676,479	2,117,757
Capital outlay	5,473,417	3,692,441	1,780,976	2,747,367
<b>Debt Service:</b>				
Principal	10,918,002	10,917,998	4	12,391,786
Interest	4,149,247	4,131,803	17,444	4,591,276
Total expenditures	<u>33,532,976</u>	<u>29,913,523</u>	<u>3,619,453</u>	<u>30,539,241</u>
<b>Revenues over (under) expenditures</b>	(3,645,215)	11,689,305	15,334,520	6,934,314
<b>Other Financing Sources (Uses):</b>				
Transfer to wastewater capital project fund	(6,667,143)	(6,667,143)	-	(618,809)
Transfer from wastewater capital project fund	375,000	375,000	-	1,128,000
Transfer from special revenue fund	126,989	126,988	(1)	-
Claims settlement	(339,227)	(339,227)	-	(10,291,934)
Appropriated net position	10,149,596	-	(10,149,596)	-
Total other financing sources (uses)	<u>3,645,215</u>	<u>(6,504,382)</u>	<u>(10,149,597)</u>	<u>(9,782,743)</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>5,184,923</u>	<u>\$ 5,184,923</u>	<u>\$ (2,848,429)</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL - WASTEWATER FUND (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021</u>
<b>Reconciliation From Budgetary Basis</b>				
<b>To Full Accrual Basis:</b>				
<b>Capital Project Activities:</b>				
Revenues from wastewater capital projects		9,099		
Transfer from wastewater fund to wastewater capital projects		6,667,143		
Transfer from wastewater capital projects to wastewater fund		(375,000)		
Capital project expenditures		(8,437,957)		
<b>Other Reconciling Items:</b>				
CIP additions from capital projects		8,437,957		
Capitalized capital outlay and CIP adjustment		3,692,441		
Change in interest accrued		84,196		
Change in vacation accrual		(26,826)		
Change in net OPEB liability		(11,703)		
Change in deferred outflows of resources - pensions		145,916		
Change in deferred outflows of resources - OPEB		(329,218)		
Change in net pension liability		692,113		
Change in deferred inflows of resources - pensions		(755,109)		
Change in deferred inflows of resources - OPEB		191,585		
Contributed assets-Deeds of Dedication		5,841,282		
Change in inventory		54,767		
Retirement of long-term debt		10,917,998		
Amortization of bond premium		664,456		
Unamortized outflow of resources related to refunding of debt		(523,546)		
Depreciation		(8,346,627)		
Change in net position - GAAP basis		<u>\$ 23,777,890</u>		

## COUNTY OF BRUNSWICK, NORTH CAROLINA

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
WASTEWATER CAPITAL PROJECT FUNDS (NON-GAAP)  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Project Budget</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Restricted intergovernmental revenue	\$ 2,852,818	\$ -	\$ -	\$ -
Investment earnings	169,754	169,852	4,083	173,935
Investment earnings-debt proceeds	-	418,862	5,016	423,878
Assessments	557,053	557,052	-	557,052
Assessments penalties and interest	99,017	102,512	-	102,512
West Bruns. Regional WWTP Southport Contribution	<u>2,632,000</u>	-	-	-
Total revenues	<u>6,310,642</u>	<u>1,248,278</u>	<u>9,099</u>	<u>1,257,377</u>
<b>Expenditures:</b>				
West Brunswick Wastewater Treatment Facility	2,632,000	1,580,659	197,963	1,778,622
Northeast Wastewater Treatment Plant	45,714,971	36,134,721	7,659,056	43,793,777
Northeast Wastewater Treatment Plant E. Trans. Main	3,616,997	3,180,855	173,706	3,354,561
Northeast Wastewater Treatment Plant W. Trans. Main	2,891,839	2,529,722	103,180	2,632,902
Ocean Ridge Reclaimed Water Main	125,800	45,100	60,300	105,400
Sea Trail Wastewater Treatment Plant	147,000	53,840	50,850	104,690
Navassa Wastewater System Rehabilitation	<u>2,852,818</u>	<u>15,000</u>	<u>192,902</u>	<u>207,902</u>
Total expenditures	<u>57,981,425</u>	<u>43,539,897</u>	<u>8,437,957</u>	<u>51,977,854</u>
<b>Revenues over (under) expenditures</b>	(51,670,783)	(42,291,619)	(8,428,858)	(50,720,477)
<b>Other Financing Sources (Uses):</b>				
Long term debt issued	44,980,000	44,980,000	-	44,980,000
Bond premium	7,243,807	7,243,806	-	7,243,806
Transfer from wastewater fund	12,734,785	6,067,646	6,667,143	12,734,789
Transfer to wastewater fund	(9,043,274)	(8,668,274)	(375,000)	(9,043,274)
Reserve for future projects	(8,425,131)	-	-	-
Appropriated fund balance	<u>4,180,596</u>	-	-	-
Total other financing sources (uses)	<u>51,670,783</u>	<u>49,623,178</u>	<u>6,292,143</u>	<u>55,915,321</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 7,331,559</u>	<u>\$ (2,136,715)</u>	<u>\$ 5,194,844</u>

# CUSTODIAL FUNDS

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Custodial funds are used to account for short-term custodial collections of resources on behalf of another individual, entity, or government.

## **MUNICIPAL 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.

## **SMITHVILLE TOWNSHIP COLLECTIONS FUND**

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

## **INMATE FUND**

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

JUNE 30, 2022

	<b>Municipal Collections Fund</b>	<b>Smithville Township Collections Fund</b>	<b>Inmate Fund</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 645,833	\$ 1,066,443	\$ 27,712	\$ 1,739,988
Interest receivable for other governments	-	601	-	601
Receivable for other governments, net	<u>760,476</u>	<u>23,437</u>	<u>27,888</u>	<u>811,801</u>
Total assets	<u>1,406,309</u>	<u>1,090,481</u>	<u>55,600</u>	<u>2,552,390</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	400,742	-	26,371	\$ 427,113
Due to other governments	<u>645,833</u>	<u>1,043,890</u>	<u>-</u>	<u>1,689,723</u>
Total liabilities	<u>1,046,575</u>	<u>1,043,890</u>	<u>26,371</u>	<u>2,116,836</u>
<b>Net position:</b>				
Restricted for:				
Indiviudals, organization, and other governments	<u>359,734</u>	<u>46,591</u>	<u>29,229</u>	<u>435,554</u>
Total net position	<u>\$ 359,734</u>	<u>\$ 46,591</u>	<u>\$ 29,229</u>	<u>\$ 435,554</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	<b>Municipal Collections Fund</b>	<b>Smithville Township Collections Fund</b>	<b>Inmate Fund</b>	<b>Total</b>
<b>Additions:</b>				
Collections for other governments	\$ 56,533,129	\$ 3,483,174	\$ -	\$ 60,016,303
Collections on behalf of inmates	<u>-</u>	<u>-</u>	<u>577,831</u>	<u>577,831</u>
Total additions	<u>56,533,129</u>	<u>3,483,174</u>	<u>577,831</u>	<u>60,594,134</u>
<b>Deductions:</b>				
Distributions to other governments	56,483,865	3,460,709	-	59,944,574
Payments on behalf of inmates	<u>-</u>	<u>-</u>	<u>589,561</u>	<u>589,561</u>
Total deductions	<u>56,483,865</u>	<u>3,460,709</u>	<u>589,561</u>	<u>60,534,135</u>
Net increase (decrease) in fiduciary net position	<u>49,264</u>	<u>22,465</u>	<u>(11,730)</u>	<u>59,999</u>
Net position, beginning of year	<u>310,470</u>	<u>24,126</u>	<u>40,959</u>	<u>375,555</u>
Net position, end of year	<u>\$ 359,734</u>	<u>\$ 46,591</u>	<u>\$ 29,229</u>	<u>\$ 435,554</u>



# SUPPLEMENTAL FINANCIAL DATA

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This section includes additional information on property taxes and schedules required by the U.S. Department of Housing and Urban Development.

## **GENERAL FUND**

Schedule of Ad Valorem Taxes Receivable

## **COUNTY-WIDE LEVY**

Analysis of Current Tax Levy

## **BALANCE SHEET**

Financial Data Schedule

## **REVENUES AND EXPENSES**

Financial Data Schedule

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND  
JUNE 30, 2022

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2021</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2022</u>
2022	\$ -	\$ 153,438,978	\$ 152,041,522	\$ 1,397,456
2021	1,456,838	-	1,097,435	359,403
2020	553,770	-	392,538	161,232
2019	279,828	-	165,472	114,356
2018	203,488	-	112,070	91,418
2017	153,479	-	73,322	80,157
2016	152,421	-	61,184	91,237
2015	155,283	-	62,728	92,555
2014	185,733	-	58,219	127,514
2013	206,402	-	119,156	87,246
2012	162,937	-	162,937	-
	<u>\$ 3,510,179</u>	<u>\$ 153,438,978</u>	<u>\$ 154,346,583</u>	2,602,574
Less: Allowance for uncollected taxes receivable General Fund				<u>1,334,473</u>
Ad valorem taxes receivable (net)				<u>\$ 1,268,101</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 154,831,528
<b>Reconciling Items:</b>				
Interest collected and penalties				(834,881)
Releases on prior year tax				58,621
Write-offs				234,868
Reimbursement of prior year's taxes collected				80,538
Collection of taxes previously written off				<u>(24,091)</u>
Total collections and credits				<u>\$ 154,346,583</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2022**

	County-Wide		Property Excluding Registered Vehicles	Registered Motor Vehicles
	Property Valuation	Rate		
Original levy:				
Property taxed at current year's rate	\$ 31,441,127,559	0.4850	\$ 152,489,469	\$ 142,187,881
Penalties	-		36,879	36,879
Total	<u>31,441,127,559</u>		<u>152,526,348</u>	<u>142,224,760</u>
Discoveries:				
Current and prior years' taxes	88,625,715		913,176	912,957
Penalties	-		45,092	45,092
Total	<u>88,625,715</u>		<u>958,268</u>	<u>958,049</u>
Abatements	<u>(9,409,806)</u>		<u>(45,638)</u>	<u>-</u>
Total property valuation	<u>\$ 31,520,343,468</u>			
Net levy			153,438,978	143,137,171
Less uncollected taxes at June 30, 2022			<u>1,397,456</u>	<u>1,397,456</u>
Current year's taxes collected			<u>\$ 152,041,522</u>	<u>\$ 141,739,715</u>
Current levy collection percentage			<u>99.09%</u>	<u>99.02%</u>
Prior year levy collection percentage			<u>99.01%</u>	<u>100.00%</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

FINANCIAL DATA SCHEDULE - BALANCE SHEET  
JUNE 30, 2022

Line Item #	Account Description	Housing Choice Vouchers 14.871	HCV CARES Act Funding 14.HCC	Total
	<b>Assets:</b>			
	Current assets:			
	Cash:			
111	Cash - unrestricted	\$ 44,736	\$ -	\$ 44,736
113	Cash - other restricted	55,482	5,333	60,815
115	Cash - restricted for payment of current liabilities	10,911	-	10,911
100	Total cash	<u>111,129</u>	<u>5,333</u>	<u>116,462</u>
150	Total current assets	<u>111,129</u>	<u>5,333</u>	<u>116,462</u>
190	Total assets	<u>\$ 111,129</u>	<u>\$ 5,333</u>	<u>\$ 116,462</u>
	<b>Liabilities and Net Position</b>			
	Liabilities:			
	Current liabilities:			
312	Accounts payable < 90 days	\$ 1,926	\$ -	\$ 1,926
321	Accrued wage/payroll taxes payable	2,647	-	2,647
345	Other current liabilities	6,338	-	6,338
	Total current liabilities	<u>10,911</u>	<u>-</u>	<u>10,911</u>
300	Total liabilities	<u>10,911</u>	<u>-</u>	<u>10,911</u>
	<b>Net position:</b>			
511.4	Restricted net position	55,482	-	55,482
512.4	Unrestricted net position	44,736	5,333	50,069
513	Total net position	<u>100,218</u>	<u>5,333</u>	<u>105,551</u>
600	Total liabilities and net position	<u>\$ 111,129</u>	<u>\$ 5,333</u>	<u>\$ 116,462</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022

Line Item #	Account Description	Housing Choice Vouchers 14.871	HCV CARES Act Funding 14.HCC	Total
<b>Revenue:</b>				
70600	HUD PHA operating grants	\$ 2,240,790	\$ -	\$ 2,240,790
71100	Investment income - unrestricted	174	-	174
71400	Fraud recovery	2,507	-	2,507
70000	Total revenue	<u>2,243,471</u>	<u>-</u>	<u>2,243,471</u>
<b>Expenses:</b>				
Administrative:				
91100	Administrative salaries	180,299	-	180,299
91500	Employee benefit contributions - administrative	77,063	-	77,063
91600	Office expenses	23,424	-	23,424
91900	Other	-	87,677	87,677
91000	Total operating - administrative	<u>280,786</u>	<u>87,677</u>	<u>368,463</u>
General expenses:				
96200	Other general expenses	1,346	-	1,346
96900	Total operating expenses	<u>282,132</u>	<u>87,677</u>	<u>369,809</u>
97000	Excess of operating revenue over operating expenses	<u>1,961,339</u>	<u>(87,677)</u>	<u>1,873,662</u>
97300	Housing assistance payments	<u>1,982,743</u>	<u>-</u>	<u>1,982,743</u>
90000	Total expenses	<u>2,264,875</u>	<u>87,677</u>	<u>2,352,552</u>
10000	Excess(deficiency) of revenue over(under) expenses	<u>\$ (21,404)</u>	<u>\$ (87,677)</u>	<u>\$ (109,081)</u>
MEMO Account Information:				
11030	Beginning equity	121,622	93,010	214,632
11170	Administrative fee equity	44,736	-	44,736
40049	Housing assistance payments equity	<u>55,482</u>	<u>5,333</u>	<u>60,815</u>
11190	Unit months available	5,772	-	5,772
11210	Number of unit months leased	4,150	-	4,150



# NON-MAJOR COMPONENT UNIT FINANCIAL DATA

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## **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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON-MAJOR COMPONENT UNITS  
JUNE 30, 2022

	<b>Brunswick County Board of Alcoholic Control</b>	<b>Brunswick County Airport Commission</b>	<b>Brunswick County Tourism Development Authority</b>	<b>Totals</b>
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash, cash equivalents and investments	\$ 1,364,049	\$ 765,664	\$ 2,493,589	\$ 4,623,302
Restricted cash and investments	-	18,875	-	18,875
Receivables, net	160	12,561	544,155	556,876
Lease receivable	-	34,158	-	34,158
Inventory	536,986	128,223	-	665,209
Prepaid items	23,594	31,483	6,052	61,129
Total current assets	<u>1,924,789</u>	<u>990,964</u>	<u>3,043,796</u>	<u>5,959,549</u>
<b>Non-Current Assets:</b>				
Lease receivable, non-current	-	531,561	-	531,561
Capital assets, net	3,568,439	29,298,722	982	32,868,143
Right to use leased assets, net of amortization	-	19,288	110,237	129,525
Total non-current assets	<u>3,568,439</u>	<u>29,849,571</u>	<u>111,219</u>	<u>33,529,229</u>
Total assets	<u>5,493,228</u>	<u>30,840,535</u>	<u>3,155,015</u>	<u>39,488,778</u>
<b>Deferred Outflows of Resources:</b>				
Pension deferrals	106,971	-	48,275	155,246
OPEB deferrals	26,268	-	-	26,268
Total deferred outflows	<u>133,239</u>	<u>-</u>	<u>48,275</u>	<u>181,514</u>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Debt obligation - current portion	\$ 53,403	\$ 19,508	\$ 27,337	\$ 100,248
Accounts payable and accrued expenses	365,260	80,132	36,422	481,814
Liabilities to be paid from restricted assets	-	18,875	-	18,875
Total current liabilities	<u>418,663</u>	<u>118,515</u>	<u>63,759</u>	<u>600,937</u>
<b>Noncurrent Liabilities:</b>				
Net pension liability	64,871	-	17,176	82,047
Total OPEB liability	125,121	-	-	125,121
Compensated absences	-	-	16,842	16,842
Debt obligation - long-term portion	1,282,781	-	84,907	1,367,688
Total noncurrent liabilities	<u>1,472,773</u>	<u>-</u>	<u>118,925</u>	<u>1,591,698</u>
Total liabilities	<u>1,891,436</u>	<u>118,515</u>	<u>182,684</u>	<u>2,192,635</u>
<b>Deferred Inflows of Resources:</b>				
Lease deferrals		509,524		509,524
Pension deferrals	94,365	-	24,862	119,227
OPEB deferral	134,153	-	-	134,153
Total deferred inflows	<u>228,518</u>	<u>509,524</u>	<u>24,862</u>	<u>762,904</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON-MAJOR COMPONENT UNITS  
JUNE 30, 2022

	<u>Brunswick County Board of Alcoholic Control</u>	<u>Brunswick County Airport Commission</u>	<u>Brunswick County Tourism Development Authority</u>	<u>Totals</u>
<b>Net position:</b>				
Net investment in capital assets	2,009,104	29,298,502	-	31,307,606
<b>Restricted:</b>				
Stabilization by State Statute	-	-	544,155	544,155
For Tourism Promotion	-	-	2,451,589	2,451,589
For Working Capital	164,702	-	-	164,702
Unrestricted	<u>1,332,707</u>	<u>913,994</u>	-	<u>2,246,701</u>
Total net position	<u>\$ 3,506,513</u>	<u>\$ 30,212,496</u>	<u>\$ 2,995,744</u>	<u>\$ 36,714,753</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
NON-MAJOR COMPONENT UNITS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Brunswick County Board of Alcoholic Control</b>	<b>Brunswick County Airport Commission</b>	<b>Brunswick County Tourism Development Authority</b>	<b>Totals</b>
<b>Revenues:</b>				
Sales and services	\$ 5,589,513	\$ 2,024,468	\$ 375	\$ 7,614,356
Room occupancy taxes	-	-	2,711,364	2,711,364
Unrestricted intergovernmental	-	129,333	-	129,333
Other revenue	2,661	210,724	-	213,385
Sale of real property	111,587	-	-	111,587
Investment earnings	781	468	2,709	3,958
Total revenues	<u>5,704,542</u>	<u>2,364,993</u>	<u>2,714,448</u>	<u>10,783,983</u>
<b>Expenses</b>				
Operating expenses	<u>5,203,698</u>	<u>2,498,014</u>	<u>2,032,683</u>	<u>9,734,395</u>
Capital contributions	<u>-</u>	<u>3,969,811</u>	<u>-</u>	<u>3,969,811</u>
<b>Change in net position</b>	500,844	3,836,790	681,765	5,019,399
<b>Net position, beginning of year</b>	<u>3,005,669</u>	<u>26,375,706</u>	<u>2,313,979</u>	<u>31,695,354</u>
<b>Net position, end of year</b>	<u>\$ 3,506,513</u>	<u>\$ 30,212,496</u>	<u>\$ 2,995,744</u>	<u>\$ 36,714,753</u>

# 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.

## **REVENUE CAPACITY**

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.

## **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.

## **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.

## **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.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

Last Ten Fiscal Years

	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Governmental activities				
Net investment in capital assets	\$ 82,982,620	\$ 85,033,340	\$ 94,573,843	\$ 98,533,551
Restricted	12,788,396	13,683,095	13,757,595	11,393,121
Unrestricted	<u>(7,358,632)</u>	<u>(7,117,818)</u>	<u>(11,489,319)</u>	<u>4,291,984</u>
Total governmental activities net position	<u>\$ 88,412,384</u>	<u>\$ 91,598,617</u>	<u>\$ 96,842,119</u>	<u>\$ 114,218,656</u>
Business-type activities				
Net investment in capital assets	\$ 215,460,422	\$ 220,347,412	\$ 229,251,045	\$ 237,499,403
Unrestricted	<u>55,390,170</u>	<u>57,003,023</u>	<u>55,051,652</u>	<u>56,333,023</u>
Total business-type activities net position	<u>\$ 270,850,592</u>	<u>\$ 277,350,435</u>	<u>\$ 284,302,697</u>	<u>\$ 293,832,426</u>
Primary Government				
Net investment in capital assets	\$ 298,443,042	\$ 305,380,752	\$ 323,824,888	\$ 336,032,954
Restricted	12,788,396	13,683,095	13,757,595	11,393,121
Unrestricted	<u>48,031,538</u>	<u>49,885,205</u>	<u>43,562,333</u>	<u>60,625,007</u>
Total primary government net position	<u>\$ 359,262,976</u>	<u>\$ 368,949,052</u>	<u>\$ 381,144,816</u>	<u>\$ 408,051,082</u>

**Table 1**

<b>Fiscal Year</b>					
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 103,666,583	\$ 110,230,469	\$ 115,617,349	\$ 120,163,924	\$ 126,785,111	\$ 127,746,956
14,833,062	15,635,110	18,668,825	21,291,880	22,879,562	23,171,792
<u>7,002,602</u>	<u>(55,398,142)</u>	<u>(83,341,628)</u>	<u>(79,120,681)</u>	<u>(90,325,264)</u>	<u>(58,291,400)</u>
<u>\$ 125,502,247</u>	<u>\$ 70,467,437</u>	<u>\$ 50,944,546</u>	<u>\$ 62,335,123</u>	<u>\$ 59,339,409</u>	<u>\$ 92,627,348</u>
\$ 249,222,001	\$ 256,733,898	\$ 274,843,506	\$ 284,015,403	\$ 302,098,004	\$ 315,518,906
<u>54,639,409</u>	<u>47,853,948</u>	<u>44,114,541</u>	<u>53,574,925</u>	<u>44,083,378</u>	<u>69,420,085</u>
<u>\$ 303,861,410</u>	<u>\$ 304,587,846</u>	<u>\$ 318,958,047</u>	<u>\$ 337,590,328</u>	<u>\$ 346,181,382</u>	<u>\$ 384,938,991</u>
\$ 352,888,584	\$ 366,964,367	\$ 390,460,855	\$ 404,179,327	\$ 428,883,115	\$ 443,265,862
14,833,062	15,635,110	18,668,825	21,291,880	22,879,562	23,171,792
<u>61,642,011</u>	<u>(7,544,194)</u>	<u>(39,227,087)</u>	<u>(25,545,756)</u>	<u>(46,241,886)</u>	<u>11,128,685</u>
<u>\$ 429,363,657</u>	<u>\$ 375,055,283</u>	<u>\$ 369,902,593</u>	<u>\$ 399,925,451</u>	<u>\$ 405,520,791</u>	<u>\$ 477,566,339</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**Changes in Net Position  
(accrual basis of accounting)**

Last Ten Fiscal Years

	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 10,934,466	\$ 12,254,383	\$ 11,457,688	\$ 12,394,690
Public safety	35,303,805	39,375,729	38,962,019	38,664,204
Central services	12,644,064	14,123,067	15,525,612	13,337,319
Human services	26,348,700	28,293,768	28,935,510	27,603,012
Transportation	2,616,195	2,006,314	471,838	1,359,490
Environmental protection	13,394,236	16,242,909	14,029,464	14,346,834
Cultural and recreation	3,951,742	4,084,737	3,937,844	4,019,127
Economic and physical development	7,616,623	7,270,311	9,799,191	7,367,883
Education	42,982,116	44,441,846	44,955,498	43,174,118
Interest on long-term debt	4,616,769	4,510,795	3,487,733	3,293,032
Total governmental activities	<u>160,408,716</u>	<u>172,603,859</u>	<u>171,562,397</u>	<u>165,559,709</u>
Business-type activities:				
Water	17,581,607	18,819,605	17,679,797	19,859,927
Wastewater	16,822,230	19,863,644	19,163,000	21,036,877
Total business-type activities	<u>34,403,837</u>	<u>38,683,249</u>	<u>36,842,797</u>	<u>40,896,804</u>
Total primary government expenses	<u>\$ 194,812,553</u>	<u>\$ 211,287,108</u>	<u>\$ 208,405,194</u>	<u>\$ 206,456,513</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services:				
General government	\$ 1,771,496	\$ 1,912,777	\$ 1,532,631	\$ 1,456,894
Public safety	8,077,465	9,155,944	9,956,633	10,157,712
Human services	2,351,986	2,386,613	2,467,380	735,106
Environmental protection	2,682,035	2,655,010	2,869,355	3,672,124
Cultural and recreation	200,813	230,952	279,147	292,772
Economic and physical development	1,058,732	1,066,665	1,036,255	1,045,124
Operating grants and contributions:				
General government	713,544	775,551	2,383,738	3,224,530
Public safety	1,579,854	2,403,013	4,522,352	1,589,862
Central services	-	225,469	221,081	140,213
Human services	14,187,069	15,115,863	16,639,756	15,605,953
Transportation	235,060	217,571	169,157	186,354
Environmental protection	6,961	17,721	7,212	14,696
Cultural and recreation	147,278	131,243	131,776	149,460
Economic and physical development	2,428,282	2,365,158	2,212,062	2,691,449

Table 2

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 12,963,358	\$ 13,687,487	\$ 13,314,538	\$ 15,306,541	\$ 17,647,297	\$ 18,295,685
42,827,646	44,821,539	49,929,898	53,594,015	57,293,377	63,909,721
15,867,210	17,317,898	24,293,860	19,216,028	18,939,131	15,992,165
29,451,140	25,306,675	25,630,231	27,802,694	30,604,477	33,681,908
809,229	2,332,476	3,575,858	3,502,110	986,003	3,866,053
14,832,478	15,746,784	17,556,933	17,969,669	20,046,140	19,692,763
4,461,038	4,595,063	4,595,624	6,618,268	6,627,479	7,370,332
8,653,116	7,764,610	8,117,571	6,531,495	8,907,797	8,940,721
45,425,138	51,382,418	78,603,400	76,387,466	87,560,695	70,314,822
<u>2,939,230</u>	<u>2,557,786</u>	<u>4,115,665</u>	<u>3,620,295</u>	<u>4,531,542</u>	<u>4,006,029</u>
<u>178,229,583</u>	<u>185,512,736</u>	<u>229,733,578</u>	<u>230,548,581</u>	<u>253,143,938</u>	<u>246,070,199</u>
21,929,069	23,586,326	25,246,278	25,771,987	30,706,103	30,374,476
<u>21,851,601</u>	<u>22,027,760</u>	<u>21,150,244</u>	<u>22,320,986</u>	<u>35,552,021</u>	<u>23,802,307</u>
<u>43,780,670</u>	<u>45,614,086</u>	<u>46,396,522</u>	<u>48,092,973</u>	<u>66,258,124</u>	<u>54,176,783</u>
<u>\$ 222,010,253</u>	<u>\$ 231,126,822</u>	<u>\$ 276,130,100</u>	<u>\$ 278,641,554</u>	<u>\$ 319,402,062</u>	<u>\$ 300,246,982</u>
\$ 1,666,619	\$ 1,800,557	\$ 1,684,852	\$ 2,001,158	\$ 2,749,023	\$ 2,326,109
9,792,703	10,853,112	11,891,138	13,115,402	14,574,006	16,904,098
2,898,025	3,041,993	868,799	1,009,260	1,427,926	1,584,329
3,751,566	3,725,329	5,914,747	4,665,644	5,575,575	6,596,328
264,574	290,068	258,926	158,049	89,183	256,710
890,920	1,027,381	892,741	957,525	909,296	1,086,368
4,124,111	4,208,974	7,924,185	17,735,961	7,920,581	6,612,172
1,683,576	1,380,991	1,892,746	4,254,740	1,248,559	10,909,421
198,863	201,391	273,089	139,499	117,501	138,393
16,460,187	11,763,894	11,840,342	10,930,652	15,327,774	19,978,207
225,953	230,887	230,880	270,488	-	245,881
15,281	15,250	8,236	16,007	115,261	395,184
149,232	154,674	150,238	148,239	248,009	148,878
2,397,652	2,255,420	2,109,795	2,378,582	1,593,605	950,264

Continued on next page

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**Changes in Net Position  
(accrual basis of accounting)**

Last Ten Fiscal Years

	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Capital grants and contributions:				
Public safety	28,309	-	28,309	189,187
Transportation	1,998,505	1,870,448	619,861	1,454,556
Cultural and recreation	-	-	-	-
Education	1,386,898	1,440,936	1,043,025	-
Total governmental activities program revenues	<u>38,854,287</u>	<u>41,970,934</u>	<u>46,119,730</u>	<u>42,605,992</u>
Business-type activities:				
Charges for services:				
Water	20,622,239	20,418,106	21,246,815	22,526,148
Wastewater	41,665,426	23,488,533	21,887,017	24,758,778
Capital grants and contributions:				
Water	1,339,740	512,097	888,007	1,495,593
Wastewater	1,181,493	691,966	554,683	1,552,767
Total business-type activities program revenues	<u>64,808,898</u>	<u>45,110,702</u>	<u>44,576,522</u>	<u>50,333,286</u>
Total primary government program revenues	<u>\$ 103,663,185</u>	<u>\$ 87,081,636</u>	<u>\$ 90,696,252</u>	<u>\$ 92,939,278</u>
Net (expense)/revenue				
Governmental activities	\$(121,554,429)	\$(130,632,925)	\$(125,442,667)	\$(122,953,717)
Business-type activities	<u>30,405,061</u>	<u>6,427,453</u>	<u>7,733,725</u>	<u>9,436,482</u>
Total primary government net (expense)/revenue	<u>\$ (91,149,368)</u>	<u>\$ (124,205,472)</u>	<u>\$ (117,708,942)</u>	<u>\$ (113,517,235)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Ad Valorem taxes	\$ 109,152,892	\$ 112,080,219	\$ 111,847,084	\$ 114,258,168
Local option taxes	16,941,795	17,832,031	19,698,311	20,944,326
Other taxes	3,484,388	3,766,292	4,088,743	4,956,253
Investment earnings	168,330	140,616	120,072	159,867
Disposal of capital assets	-	-	-	11,640
Transfers	-	-	-	-
Total governmental activities	<u>129,747,405</u>	<u>133,819,158</u>	<u>135,754,210</u>	<u>140,330,254</u>
Business-type activities:				
Investment earnings	83,874	72,390	53,888	93,247
Transfers	-	-	-	-
Total business-type activities	<u>83,874</u>	<u>72,390</u>	<u>53,888</u>	<u>93,247</u>
Total primary government	<u>\$ 129,831,279</u>	<u>\$ 133,891,548</u>	<u>\$ 135,808,098</u>	<u>\$ 140,423,501</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 8,192,976	\$ 3,186,233	\$ 10,311,543	\$ 17,376,537
Business-type activities	<u>30,488,935</u>	<u>6,499,843</u>	<u>7,787,613</u>	<u>9,529,729</u>
Total primary government	<u>\$ 38,681,911</u>	<u>\$ 9,686,076</u>	<u>\$ 18,099,156</u>	<u>\$ 26,906,266</u>

**Table 2 (Continued)**

<b>Fiscal Year</b>					
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>
-	-	-	-	-	-
365,097	2,799,107	2,585,911	3,835,237	882,575	3,425,624
-	-	-	1,641,088	1,641,088	-
-	-	-	-	-	-
<u>44,884,359</u>	<u>43,749,028</u>	<u>48,526,625</u>	<u>63,257,531</u>	<u>54,419,962</u>	<u>71,557,966</u>
23,676,875	25,024,243	25,732,032	30,480,611	30,457,948	40,946,532
25,297,775	29,197,534	29,365,427	31,450,189	37,449,751	41,564,641
1,740,949	1,740,949	2,212,677	935,236	2,918,743	4,283,818
2,961,366	1,134,455	2,356,731	2,186,128	3,959,187	5,841,282
<u>53,676,965</u>	<u>57,097,181</u>	<u>59,666,867</u>	<u>65,052,164</u>	<u>74,785,629</u>	<u>92,636,273</u>
<u>\$ 98,561,324</u>	<u>\$ 100,846,209</u>	<u>\$ 108,193,492</u>	<u>\$ 128,309,695</u>	<u>\$ 129,205,591</u>	<u>\$ 164,194,239</u>
\$(133,345,224)	\$(141,763,708)	\$(181,206,953)	\$(167,291,050)	\$(198,723,976)	\$(174,512,233)
9,896,295	11,483,095	13,270,345	16,959,191	8,527,505	38,459,490
<u>\$(123,448,929)</u>	<u>\$(130,280,613)</u>	<u>\$(167,936,608)</u>	<u>\$(150,331,859)</u>	<u>\$(190,196,471)</u>	<u>\$(136,052,743)</u>
\$ 118,423,006	\$ 124,140,830	\$ 127,900,138	\$ 142,610,199	\$ 149,471,104	\$ 154,660,159
22,464,392	23,986,670	26,288,973	28,320,802	35,085,909	40,769,837
5,087,399	6,006,050	5,774,132	6,350,878	10,521,195	12,265,423
265,529	702,812	2,186,800	1,738,549	131,756	231,741
-	-	-	-	-	-
-	-	(465,981)	(338,801)	-	(126,988)
<u>146,240,326</u>	<u>154,836,362</u>	<u>161,684,062</u>	<u>178,681,627</u>	<u>195,209,964</u>	<u>207,800,172</u>
132,689	326,059	633,875	1,334,289	63,549	171,131
-	-	465,981	338,801	-	126,988
<u>132,689</u>	<u>326,059</u>	<u>1,099,856</u>	<u>1,673,090</u>	<u>63,549</u>	<u>298,119</u>
<u>\$ 146,373,015</u>	<u>\$ 155,162,421</u>	<u>\$ 162,783,918</u>	<u>\$ 180,354,717</u>	<u>\$ 195,273,513</u>	<u>\$ 208,098,291</u>
\$ 12,895,102	\$ 13,072,654	\$ (19,522,891)	\$ 11,390,577	\$ (3,514,012)	\$ 33,287,939
10,028,984	11,809,154	14,370,201	18,632,281	8,591,054	38,757,609
<u>\$ 22,924,086</u>	<u>\$ 24,881,808</u>	<u>\$ (5,152,690)</u>	<u>\$ 30,022,858</u>	<u>\$ 5,077,042</u>	<u>\$ 72,045,548</u>



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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Video Programming Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Total</b>
2013	108,945,817	16,941,795	426,533	234,872	126,549,017
2014	112,999,386	17,832,031	421,718	258,749	131,511,884
2015	113,180,642	19,698,311	429,720	287,908	133,596,581
2016	116,180,734	20,944,326	416,674	269,014	137,810,748
2017	119,820,026	22,464,392	431,684	288,854	143,004,956
2018	124,318,739	23,986,670	432,744	284,924	149,023,077
2019	128,233,886	26,288,973	425,200	292,723	155,240,782
2020	142,572,371	28,320,802	407,169	300,885	171,601,227
2021	150,243,480	35,085,909	404,719	300,219	186,034,327
2022	154,831,528	40,769,837	380,262	263,838	196,245,465

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

Last Ten Fiscal Years

	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>General Fund</b>				
Non-spendable	\$ -	\$ -	\$ -	\$ 64,000
Restricted	10,707,390	11,500,851	11,840,454	9,707,172
Assigned	649,053	1,080,269	1,900,526	1,444,986
Committed	214,566	214,566	214,566	214,566
Unassigned	<u>55,107,448</u>	<u>53,503,393</u>	<u>54,420,202</u>	<u>60,934,148</u>
 Total General fund	 <u>\$ 66,678,457</u>	 <u>\$ 66,299,079</u>	 <u>\$ 68,375,748</u>	 <u>\$ 72,364,872</u>
 <b>All Other Governmental Funds</b>				
Restricted in Special Revenue Funds	\$ 1,703,515	\$ 2,182,244	\$ 1,917,141	\$ 1,685,949
Restricted in Capital Project Funds	377,491	297,795	10,987,621	1,921,723
Committed in Capital Project Funds	21,750,674	25,778,509	22,349,948	29,611,963
Assigned in Special Revenue Funds	-	-	16,339	-
Unassigned in Special Revenue Funds	<u>(350,670)</u>	<u>(48,106)</u>	<u>-</u>	<u>(81,924)</u>
 Total all other governmental funds	 <u>\$ 23,481,010</u>	 <u>\$ 28,210,442</u>	 <u>\$ 35,271,049</u>	 <u>\$ 33,137,711</u>

Note: The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

Ten years are presented in the format after the implementation of GASB 54.

**Table 4**

<b>Fiscal Year</b>					
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 64,000	\$ 64,000	\$ 64,000	\$ 64,000	\$ 64,000	\$ 64,000
12,327,583	13,205,849	16,283,789	18,223,266	19,425,458	19,975,097
1,704,369	2,522,556	2,176,237	2,346,999	3,349,236	16,046,124
214,566	214,566	214,566	214,566	214,566	214,566
59,299,170	59,897,574	62,014,132	76,178,168	98,141,209	103,370,576
<u>\$ 73,609,688</u>	<u>\$ 75,904,545</u>	<u>\$ 80,752,724</u>	<u>\$ 97,026,999</u>	<u>\$ 121,194,469</u>	<u>\$ 139,670,363</u>
\$ 2,005,166	\$ 1,960,642	\$ 1,946,000	\$ 2,618,954	\$ 2,944,022	\$ 2,691,517
168,580	50,249,024	31,212,566	8,467,379	30,445,864	13,599,138
35,836,600	42,347,852	32,958,725	43,840,005	44,139,925	74,967,222
-	-	-	-	-	-
(118,432)	(49,255)	(46,533)	(328,037)	(132,860)	(63,035)
<u>\$ 37,891,914</u>	<u>\$ 94,508,263</u>	<u>\$ 66,070,758</u>	<u>\$ 54,598,301</u>	<u>\$ 77,396,951</u>	<u>\$ 91,194,842</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
<b>Revenues</b>				
Ad Valorem taxes	\$ 108,945,817	\$ 112,999,386	\$ 113,180,642	\$ 116,180,734
Local option sales taxes	16,941,795	17,832,031	19,698,311	20,944,326
Other taxes and licenses	3,484,388	3,766,292	4,088,743	4,956,253
Unrestricted intergovernmental	1,133,188	1,229,149	2,944,878	2,409,442
Restricted intergovernmental	22,164,613	23,434,166	25,211,479	23,264,655
Permits and fees	3,316,555	3,440,498	3,758,831	4,005,174
Sales and services	9,275,461	10,129,821	9,953,877	10,380,809
Investment earnings	159,171	134,017	115,374	154,756
Other revenue	1,627,789	1,876,791	2,684,426	2,677,309
<b>Total revenues</b>	<u>167,048,777</u>	<u>174,842,151</u>	<u>181,636,561</u>	<u>184,973,458</u>
<b>Expenditures</b>				
General government	10,215,740	9,947,052	10,462,255	11,094,536
Public safety	32,451,639	36,154,948	39,131,213	36,077,101
Central services	11,664,103	11,846,684	12,534,486	14,019,519
Human services	25,051,483	27,045,142	28,229,950	26,531,689
Transportation	373,450	371,421	327,320	340,204
Environmental protection	13,420,533	13,687,085	13,839,188	14,162,219
Culture and recreation	3,654,807	3,841,553	7,456,999	3,842,141
Economic and physical development	6,419,770	6,098,694	6,349,571	5,978,964
Education	36,675,154	37,920,810	37,784,270	38,148,499
Non-County Capital Projects	4,998,600	5,858,111	29,024	2,443,977
Capital Outlay and CIP	2,886,725	4,742,686	14,446,478	15,610,192
Debt Service:				
Principal retirement	9,910,000	9,215,000	10,440,000	11,470,000
Interest and fiscal charges	6,492,027	3,762,911	3,489,128	3,410,271
<b>Total expenditures</b>	<u>164,214,031</u>	<u>170,492,097</u>	<u>184,519,882</u>	<u>183,129,312</u>
Revenues over (under) expenditures	<u>2,834,746</u>	<u>4,350,054</u>	<u>(2,883,321)</u>	<u>1,844,146</u>
<b>Other Financing Sources (Uses)</b>				
Lease liabilities issued	-	-	-	-
Issuance of long-term debt	16,620,000	-	15,135,000	-
Premium on Bonds Issued	1,875,258	-	1,555,597	-
Payment to escrow agent-refunded debt	(16,275,000)	-	(4,670,000)	-
Sale of capital assets	-	-	-	11,640
Transfer from other funds	4,003,845	11,176,286	8,350,111	14,404,200
Transfer to other funds	(4,003,845)	(11,176,286)	(8,350,111)	(14,404,200)
<b>Total other financing sources (uses)</b>	<u>2,220,258</u>	<u>-</u>	<u>12,020,597</u>	<u>11,640</u>
Net change in fund balances	<u>\$ 5,055,004</u>	<u>\$ 4,350,054</u>	<u>\$ 9,137,276</u>	<u>\$ 1,855,786</u>
Debt service as a percentage of noncapital expenditure:	10.2%	7.8%	8.2%	8.9%

Table 5

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 119,820,026	\$ 124,318,739	\$ 128,233,886	\$ 142,572,371	\$ 150,243,480	\$ 154,831,528
22,464,392	23,986,670	26,288,973	28,320,802	35,085,909	40,769,837
5,087,399	6,006,050	5,774,132	6,350,878	10,521,195	12,265,423
3,498,931	3,767,405	4,769,103	5,431,459	7,078,071	6,886,403
22,515,122	19,901,118	21,995,524	32,231,680	24,658,314	36,895,050
4,250,117	4,865,937	4,908,774	5,306,314	7,061,171	8,219,230
10,723,116	11,045,810	13,353,198	13,230,183	14,771,765	16,944,676
255,505	670,553	2,132,981	1,715,833	131,756	231,741
2,112,102	2,056,327	2,582,637	2,554,942	4,167,343	2,987,789
<u>190,726,710</u>	<u>196,618,609</u>	<u>210,039,208</u>	<u>237,714,462</u>	<u>253,719,004</u>	<u>280,031,677</u>
11,338,308	12,139,032	12,175,158	13,524,217	15,592,028	16,425,130
38,267,043	41,289,717	47,358,290	44,988,092	46,647,714	54,161,251
14,771,649	14,455,791	24,723,421	17,184,713	17,033,291	14,572,003
27,729,000	23,850,729	24,485,819	25,528,144	27,821,773	31,396,356
379,803	385,617	447,953	441,020	138,500	406,881
14,671,053	15,975,013	17,421,701	17,546,077	19,339,779	19,931,643
4,792,096	4,299,750	4,608,817	4,000,827	3,794,200	4,725,278
5,577,280	5,943,733	6,191,937	6,204,188	8,539,906	8,595,031
40,022,567	42,342,658	45,217,658	48,228,674	52,012,772	53,468,602
2,838,329	5,342,674	30,906,415	29,972,597	35,276,278	19,330,096
10,021,208	11,185,550	9,804,969	8,175,317	13,078,450	9,174,283
11,295,000	11,383,292	11,233,460	13,623,305	12,305,000	11,321,729
<u>3,024,355</u>	<u>2,569,088</u>	<u>2,224,964</u>	<u>4,975,026</u>	<u>3,240,524</u>	<u>5,057,723</u>
<u>184,727,691</u>	<u>191,162,644</u>	<u>236,800,562</u>	<u>234,392,197</u>	<u>254,820,215</u>	<u>248,566,006</u>
<u>5,999,019</u>	<u>5,455,965</u>	<u>(26,761,354)</u>	<u>3,322,265</u>	<u>(1,101,211)</u>	<u>31,465,671</u>
-	-	-	-	-	775,921
-	50,460,057	-	-	41,795,000	11,215,000
-	2,995,184	-	-	5,754,033	-
-	-	-	-	-	(10,935,000)
-	-	-	-	-	-
16,883,690	17,208,599	11,581,050	22,380,941	19,177,214	44,637,933
<u>(16,883,690)</u>	<u>(17,208,599)</u>	<u>(8,409,022)</u>	<u>(20,901,388)</u>	<u>(19,177,214)</u>	<u>(44,764,921)</u>
<u>-</u>	<u>53,455,241</u>	<u>3,172,028</u>	<u>1,479,553</u>	<u>47,549,033</u>	<u>928,933</u>
<u>\$ 5,999,019</u>	<u>\$ 58,911,206</u>	<u>\$ (23,589,326)</u>	<u>\$ 4,801,818</u>	<u>\$ 46,447,822</u>	<u>\$ 32,394,604</u>
8.2%	7.8%	5.9%	8.2%	6.4%	6.8%

**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>Less: Tax Exempt Property</b>
	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Motor Vehicles</b>	<b>Other</b>	
2013	18,317,595	4,296,720	989,099	1,885,322	889,727
2014	18,506,731	4,341,085	1,403,046	1,908,353	900,170
2015	18,773,228	4,403,597	1,164,656	1,888,653	903,918
2016	16,775,139	3,934,909	1,275,999	2,075,894	603,427
2017	17,294,479	4,056,730	1,396,251	2,166,088	639,991
2018	17,794,986	4,174,133	1,459,086	2,302,919	666,572
2019	18,382,391	4,311,919	1,600,760	2,396,734	686,539
2020	20,709,084	4,857,686	1,669,005	2,497,353	645,101
2021	21,465,724	5,035,170	2,002,838	2,498,424	657,978
2022	22,200,365	5,207,493	2,139,478	2,650,561	668,144

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 2019. 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**

<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
24,599,009	0.004425	23,857,055	103.11%
25,259,045	0.004425	23,422,705	107.84%
25,326,216	0.004425	23,574,622	107.43%
23,458,514	0.004850	23,681,116	99.06%
24,273,557	0.004850	24,890,850	97.52%
25,064,552	0.004850	26,218,151	95.60%
26,005,265	0.004850	29,183,330	89.11%
29,088,027	0.004850	29,441,323	98.80%
30,344,178	0.004850	32,523,235	93.30%
31,529,753	0.004850	35,845,558	87.96%

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
County:				
Brunswick County-wide rate	\$ 0.4425	\$ 0.4425	\$ 0.4425	\$ 0.4850
Municipality Rates:				
Village of Bald Head Island	0.5910	0.5910	0.5900	0.6663
Village of Bald Head Island MSD Zone A (4)	0.6718	0.6708	0.6708	0.7471
Village of Bald Head Island MSD Zone B (4)	0.6416	0.6406	0.6406	0.7169
Town of Belville	0.0683	0.0683	0.0683	0.0683
City of Boiling Spring Lakes	0.1700	0.1400	0.1700	0.2100
Town of Bolivia	0.0500	0.0500	0.0500	0.0500
Town of Calabash	0.0875	0.0875	0.0875	0.0875
Town of Carolina Shores	0.1016	0.1016	0.1016	0.1016
Town of Caswell Beach	0.1700	0.1700	0.1700	0.2200
Town of Holden Beach	0.1270	0.1270	0.1270	0.1500
Town of Leland	0.1515	0.1515	0.1515	0.1515
Town of Navassa	0.2000	0.2000	0.2000	0.2000
City of Northwest	0.2100	0.2200	0.2200	0.2400
Town of Oak Island	0.2750	0.2750	0.2750	0.2750
Town of Ocean Isle Beach	0.1300	0.1550	0.1550	0.1875
Town of Sandy Creek	0.3000	0.3000	0.3000	0.3000
Town of Shallotte	0.3500	0.3500	0.3500	0.3500
Town of St. James Plantation	0.0500	0.0500	0.0500	0.0500
City of Southport	0.2456	0.2456	0.2456	0.2456
Town of Sunset Beach	0.1050	0.1050	0.1050	0.1600
Town of Varnamtown	0.0500	0.0500	0.0500	0.0500
Other Districts: (3)				
North Brunswick Sanitary District	na	na	na	na
Southeastern Brunswick Sanitary District	-	-	-	-
Smithville Township	0.0400	0.0400	0.0400	0.0400

Notes:

- (1) Property was revalued in January 2011, January 2015 and January 2019
- (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, 2022.  
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**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$	0.4850	\$ 0.4850	\$ 0.4850	\$ 0.4850	\$ 0.4850	\$ 0.4850
	0.6663	0.6663	0.6863	0.6863	0.6863	0.6863
	0.7471	0.7471	0.7771	0.7771	0.7771	0.7771
	0.7169	0.7169	0.7419	0.7419	0.7419	0.7419
	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
	0.2100	0.2100	0.2300	0.2300	0.2300	0.2820
	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
	0.0875	0.0875	0.0875	0.0875	0.0875	0.0875
	0.1016	0.1016	0.1016	0.1016	0.1016	0.1016
	0.2200	0.2400	0.2400	0.2400	0.2400	0.2700
	0.2200	0.2200	0.2200	0.2000	0.2000	0.2000
	0.1833	0.2100	0.2100	0.2100	0.2100	0.2500
	0.2000	0.2000	0.2000	0.2000	0.2300	0.2300
	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400
	0.2900	0.3100	0.3100	0.2800	0.2800	0.2800
	0.1875	0.1875	0.1875	0.1639	0.1639	0.1639
	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
	0.3500	0.3500	0.3450	0.3525	0.3525	0.3525
	0.0500	0.0500	0.0500	0.0600	0.0600	0.0600
	0.2456	0.2956	0.2956	0.2956	0.2956	0.2956
	0.1600	0.1600	0.1500	0.1600	0.1600	0.1600
	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
	na	na	na	na	na	na
	-	-	-	-	-	-
	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 2022			Fiscal Year 2013		
		2021 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2012 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy (1)	Utility	\$1,603,228,454	1	5.10%	\$ 934,128,814	1	3.80%
Bruns. Electric Membership Corp.	Utility	204,679,381	2	0.65%	180,931,073	3	0.74%
Archer Daniels Midland Company	Industry	118,305,155	3	0.38%	131,391,864	5	0.53%
Red Mountain Timberco LLC	Timber	70,949,278	4	0.23%	92,465,763	8	0.38%
Bald Head Island Ltd	Developer	60,744,948	5	0.19%	128,132,881	6	0.52%
Funston Land and Timber LLC	Timber	44,823,505	6	0.14%	110,295,367	7	0.45%
Wal-Mart Real Estate Business Trust	Retail	39,401,237	7	0.13%	85,631,412	9	0.35%
Piedmont Natural Gas Co. Inc.	Utility	36,138,557	8	0.11%	n/a	n/a	n/a
D R Horton, Inc.	Constructio	29,568,866	9	0.09%	n/a	n/a	n/a
Comet Westgate Owner, LLC	Real Estate	27,318,557	10	0.09%	n/a	n/a	n/a
N.C. Eastern Municipal Power Ag.	Utility	n/a	n/a	n/a	184,838,192	2	0.75%
DAK Americas	Industry	n/a	n/a	n/a	173,827,797	4	0.71%
Andrew Bolnick Trustee	Developer	n/a	n/a	n/a	<u>56,111,412</u>	10	0.23%
Totals		<u>\$2,235,157,938</u>		7.11%	<u>\$2,077,754,575</u>		8.45%

Notes:

(1) Formerly Progress Energy Carolinas, Inc.

Source: Brunswick County Tax Department

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

<b>Fiscal Year Ended June 30</b>	<b>Total Net Tax Levy</b>	<b>Collection Within Fiscal Year of Levy</b>	<b>Percent of Levy Collected</b>	<b>Collections in Subsequent Years</b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collections to Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Tax Levy</b>
2013	109,045,695	103,031,401	94.48%	5,927,048	108,958,449	99.9%	87,246	0.1%
2014	112,022,102	106,499,446	95.07%	5,395,142	111,894,588	99.9%	127,514	0.1%
2015	111,987,421	107,298,668	95.81%	4,596,198	111,894,866	99.9%	92,555	0.1%
2016	113,979,053	110,454,040	96.91%	3,433,776	113,887,816	99.9%	91,237	0.1%
2017	117,803,110	115,101,632	97.71%	2,621,321	117,722,953	99.9%	80,157	0.1%
2018	121,658,790	119,535,583	98.25%	2,031,789	121,567,372	99.9%	91,418	0.1%
2019	125,942,283	123,941,110	98.41%	1,886,817	125,827,927	99.9%	114,356	0.1%
2020	141,152,012	138,971,877	98.46%	2,018,903	140,990,780	99.9%	161,232	0.1%
2021	147,236,527	145,779,689	99.01%	1,097,435	146,877,124	99.8%	359,403	0.2%
2022	153,438,978	152,041,522	99.09%	-	152,041,522	99.1%	1,397,456	0.9%

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					Business-Type Activities
	General Obligation Bonded	Limited Obligation Bonded	Unamortized Bond Premiums	Installment Loans	Leases	General Obligation Bonded
2013	63,915,000	36,240,000	-	500,000	-	3,760,000
2014	57,895,000	33,120,000	-	425,000	-	3,605,000
2015	50,615,000	40,500,000	1,504,922	350,000	-	3,445,000
2016	42,815,000	36,900,000	1,403,572	280,000	-	3,280,000
2017	35,140,000	33,350,000	1,302,222	210,000	-	3,110,000
2018	77,480,000	29,825,000	4,121,175	471,765	-	2,935,000
2019	69,965,000	26,340,000	3,870,066	238,305	-	2,755,000
2020	60,020,000	22,900,000	3,634,670	-	-	2,570,000
2021	92,075,000	20,335,000	9,025,170	-	-	2,380,000
2022	83,665,000	17,980,000	8,517,785	-	499,192	2,180,000

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

- (1) State Data Center; projection as of June 30, 2022; annual estimates previous nine
- (2) Bureau of Economic Analysis; amounts are for prior calendar year

Table 10

<b>Business-Type Activities</b>					<b>(2)</b>	
<b>Revenue Bonds</b>	<b>Unamortized Bond Premiums</b>	<b>SRF Debt &amp; Installment Loans</b>	<b>Leases</b>	<b>Total Primary Government</b>	<b>Debt to Personal Income Ratio</b>	<b>(1) Per Capita</b>
97,936,222	-	52,895,869	-	255,247,091	6.2%	2,265
93,122,808	-	48,586,282	-	236,754,090	5.4%	2,050
98,667,778	8,315,899	43,819,260	-	247,217,859	5.1%	2,088
93,560,754	7,777,411	40,052,114	-	226,068,851	4.3%	1,861
88,114,991	7,238,924	34,957,210	-	203,423,347	3.6%	1,628
82,500,667	6,700,436	29,726,839	-	233,760,882	3.8%	1,809
76,741,654	6,161,948	24,430,504	-	210,502,477	3.3%	1,575
295,155,000	30,113,577	19,458,815	-	433,852,062	6.2%	3,155
287,300,000	28,744,914	14,198,968	-	454,059,052	n/a	3,234
278,600,000	27,376,252	10,315,398	1,750,585	430,884,212	n/a	3,002

**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>Net General Obligation Bonded Debt</b>	<b>Ratio General Obligation Bonded Debt to Assessed Value</b>	<b>(1) Population</b>	<b>General Obligation Bonded Debt per Capita</b>
2013	24,598,580	67,675,000	0.3%	112,685	600.57
2014	25,259,280	61,500,000	0.2%	115,479	532.56
2015	25,326,216	54,060,000	0.2%	118,372	456.70
2016	23,440,904	46,095,000	0.2%	121,479	379.45
2017	24,253,680	38,250,000	0.2%	124,921	306.19
2018	25,056,082	77,494,696	0.3%	129,199	599.81
2019	25,949,786	69,949,455	0.3%	133,610	523.53
2020	29,077,328	59,969,214	0.2%	137,530	436.04
2021	30,326,015	86,373,791	0.3%	140,411	615.15
2022	31,520,343	78,201,252	0.2%	143,549	544.77

Notes:

(1) State Data Center; projection as of June 30, 2022; annual estimates previous nine years

**Direct and Underlying Governmental Activities Debt**  
 June 30, 2022

	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Direct:</b>			
Brunswick County	\$ 110,162,785	100%	\$ 110,162,785
<b>Underlying Debt:</b>			
Village of Bald Head Island	11,643,509	100%	11,643,509
Town of Belville	670,278	100%	670,278
City of Boiling Spring Lakes	539,999	100%	539,999
Town of Caswell Beach	257,083	100%	257,083
Town of Holden Beach	39,171,637	100%	39,171,637
Town of Leland	15,570,458	100%	15,570,458
Town of Ocean Isle Beach	6,615,000	100%	6,615,000
Town of Saint James	1,666,838	100%	1,666,838
Town of Shallotte	600,000	100%	600,000
City of Southport	1,513,600	100%	1,513,600
Southeast Brunswick Sanitary District	704,000	100%	704,000
Smithville Township	<u>1,825,000</u>	100%	<u>1,825,000</u>
<b>Total Underlying Debt</b>	<u>80,777,402</u>		<u>80,777,402</u>
<b>Total Direct and Underlying Debt</b>	<u>\$ 190,940,187</u>		<u>\$ 190,940,187</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

	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Debt limit	\$ 1,967,886,412	\$ 2,020,742,425	\$ 2,026,097,249	\$ 1,875,272,335
Total net debt applicable to limit	<u>104,415,000</u>	<u>95,045,000</u>	<u>94,910,000</u>	<u>83,275,000</u>
Legal margin	<u>\$ 1,863,471,412</u>	<u>\$ 1,925,697,425</u>	<u>\$ 1,931,187,249</u>	<u>\$ 1,791,997,335</u>
Total net debt applicable to the limit as a percentage of debt limit	5.3%	4.7%	4.7%	4.4%

**Table 13**

<b>Fiscal Year</b>					
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 1,940,294,365	\$ 2,004,486,530	\$ 2,075,982,868	\$ 2,326,186,232	\$ 2,426,081,202	\$ 2,521,627,477
<u>71,810,000</u>	<u>110,711,765</u>	<u>99,298,305</u>	<u>85,490,000</u>	<u>114,790,000</u>	<u>103,825,000</u>
<u>\$ 1,868,484,365</u>	<u>\$ 1,893,774,765</u>	<u>\$ 1,976,684,563</u>	<u>\$ 2,240,696,232</u>	<u>\$ 2,311,291,202</u>	<u>\$ 2,417,802,477</u>
3.7%	5.5%	4.8%	3.7%	4.7%	4.1%

**Calculation of Legal Debt Margin for Fiscal Year 2022:**

Assessed value of taxable property	\$ 31,520,343,468
	x 0.08
Debt limit- 8 percent of assessed value	<u>2,521,627,477</u>
Gross debt:	
Total bonded debt	364,445,000
Total limited obligation bonds	17,980,000
Total installment purchases	<u>10,315,398</u>
Gross debt	392,740,398
Less: Water and wastewater revenue bonds & installment purchases	<u>288,915,398</u>
Total amount of debt applicable to debt limit (net debt)	<u>103,825,000</u>
Legal debt margin	<u>\$ 2,417,802,477</u>

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**Pledged-Revenue Coverage**  
Last Ten Fiscal Years

**Net Coverage:**

Fiscal Year End June 30	Enterprise Funds			All Enterprise Fund Debt Service		
	Operating Revenue Plus Interest	Operating Expenses Excluding OPEB (Net of Depreciation)	Net Available Revenue	Principal	Interest	Total
2013	62,371,539	18,210,821	44,160,718	8,620,528	6,148,351	14,768,879
2014	43,879,271	20,009,476	23,869,795	9,278,001	6,059,305	15,337,306
2015	45,932,582	19,068,756	26,863,826	9,897,052	6,244,414	16,141,466
2016	50,123,035	22,122,056	28,000,979	10,239,170	5,327,540	15,566,710
2017	51,852,201	24,237,704	27,614,497	10,710,667	5,455,456	16,166,123
2018	57,292,698	25,588,838	31,703,860	11,019,695	5,113,813	16,133,508
2019	58,476,196	28,328,057	30,148,139	11,235,348	4,709,974	15,945,322
2020	66,009,951	29,150,883	36,859,068	11,777,500	4,841,855	16,619,355
2021	70,318,756	31,132,190	39,186,566	13,716,248	5,483,625	19,199,873
2022	85,029,812	31,879,094	53,150,718	12,783,570	5,440,969	18,224,539

**Required Coverage:**

Fiscal Year Ended June 30	Net Available Revenue	20% Unrestricted Net Position	Total Debt Service	Parity Debt Service	20% Parity Debt Service
2013	44,160,718	10,767,443	14,768,879	12,127,116	2,425,423
2014	23,869,795	9,833,780	15,337,306	12,623,679	2,524,736
2015	26,863,826	9,800,603	16,141,466	13,446,225	2,689,245
2016	28,000,979	10,054,493	15,566,710	12,787,267	2,557,453
2017	27,614,497	9,699,772	16,166,123	13,415,468	2,683,094
2018	31,703,860	10,824,107	16,133,508	13,406,090	2,681,218
2019	30,148,139	12,058,998	15,945,322	13,330,608	2,666,122
2020	36,859,068	12,058,998	16,619,355	13,977,393	2,795,479
2021	39,186,566	13,676,849	19,199,873	16,537,343	3,307,469
2022	53,150,718	12,358,067	18,224,539	15,577,751	3,115,550

Notes:

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

**Table 14**

**Enterprise Fund Parity Debt Service**

<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Net Coverage</b>
6,255,074	5,444,209	11,699,283	2.99
7,234,652	5,389,027	12,623,679	1.56
7,827,988	5,618,237	13,446,225	1.66
8,068,932	4,718,335	12,787,267	1.80
8,513,791	4,901,677	13,415,468	1.71
8,795,702	4,610,388	13,406,090	1.97
9,058,912	4,271,696	13,330,608	1.89
9,525,909	4,451,484	13,977,393	2.22
11,406,658	5,130,685	16,537,343	2.04
10,439,848	5,137,903	15,577,751	2.92

**Coverage**

<b>100% Parity</b>	<b>120% Parity</b>
2.99	3.19
1.56	1.89
1.66	1.95
1.80	2.10
1.71	1.98
1.97	2.26
1.89	2.27
2.22	2.52
2.04	2.35
2.92	3.07

**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>
2013	112,685	4,133,337	36,680	48.8	12,201	9.1%
2014	115,479	4,422,547	38,297	49.2	12,416	6.9%
2015	118,372	4,825,859	40,769	50	12,240	7.1%
2016	121,479	5,279,266	43,458	50.9	12,290	5.8%
2017	124,921	5,649,899	45,228	51.9	12,401	4.8%
2018	129,199	6,099,266	47,208	52.8	12,425	5.0%
2019	133,610	6,452,646	48,295	53.8	12,363	5.3%
2020	137,530	6,979,323	50,748	54.7	12,444	8.3%
2021	140,411	not available	not available	55.5	11,963	6.1%
2022	143,549	not available	not available	56.3	12,484	5.1%

Notes:

- (1) State Data Center; projection as of June 30, 2022; 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 2022			Fiscal Year 2013		
		Employees	Rank	% Total County Employment	Employees	Rank	% Total County Employment
Brunswick County Board of Education	Education	1,939	1	3.51%	1,933	1	3.77%
County of Brunswick	Local Government	1,210	2	2.19%	1,019	2	1.99%
Wal-Mart Associates Inc.	Retail Chain	943	3	1.71%	883	3	1.72%
Duke Energy (Formerly Progress Energy)	Utility	780	4	1.41%	865	4	1.69%
Food Lion LLC	Grocery Chain	720	5	1.30%	455	7	0.89%
Brunswick Novant Medical	Medical Care Facility	700	6	1.27%	500	6	0.98%
Lowe's Food	Grocery Chain	460	7	0.83%	n/a	n/a	n/a
Victaulic	Manufacturing	380	8	0.69%	n/a	n/a	n/a
Brunswick Community College	Education	365	9	0.66%	517	5	1.01%
Lowe's Home Centers	Retail Chain	300	10	0.54%	n/a	n/a	n/a
DAK Americas	Dacron Poly. Fiber	n/a	n/a	n/a	365	8	0.71%
Dosher Memorial	Medical Care Facility	n/a	n/a	n/a	364	9	0.71%
Liberty Healthcare Group	Trade/Transportation	n/a	n/a	n/a	285	10	0.56%
Totals		<u>7,797</u>		14.13%	<u>7,186</u>		14.03%

Source: NC Employment Security Commission; total county employment



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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Function:</b>										
General government	95.5	95	95	95	97	98	100	101	104	105
Public safety	339	362	361	367	379	397	436	451	470	493
Central services	78	79	84	85	86	87	91	91	92	94
Human services	218	220	213	218	217	218	222	223	230	236
Environmental protection	8	7	7	7	7	7	7	8	8	9
Cultural and recreation	39	39	39	39	43	43	45	45	45	46
Economic and physical development	32	27	27	22	22	25	25	27	27	27
Utilities	<u>118.5</u>	<u>118</u>	<u>120</u>	<u>123</u>	<u>127</u>	<u>131</u>	<u>136</u>	<u>146</u>	<u>147</u>	<u>154</u>
Total	<u>928</u>	<u>947</u>	<u>946</u>	<u>956</u>	<u>978</u>	<u>1,006</u>	<u>1,062</u>	<u>1,092</u>	<u>1,123</u>	<u>1,164</u>

Source: County Finance Department

Note: This schedule represents the number of approved permanent FTE's as of June 30, 2022.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### Operating Indicators by Function/Program Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
General Government				
Number of registered voters	81,954	85,047	84,823	91,413
Number of marriage licenses issued	864	903	946	916
Number of tax bills issued excluding motor vehicles	152,792	152,075	153,744	155,864
Law enforcement:				
Civil papers issued	8,863	7,646	8,380	11,301
Offenses reported	5,476	5,122	4,686	5,390
Uniform mileage	2,131,207	1,818,162	1,948,884	2,133,688
Emergency Services:				
Fire Protection:				
Number of calls answered	12,364	15,107	15,131	15,428
Number of inspections conducted	1,009	1,336	1,715	1,643
Emergency Medical Services:				
Number of calls answered	17,214	19,520	20,361	17,338
Number of transports	11,269	12,952	14,093	10,689
Code enforcement/building permits:				
Number of zoning and solid waste violations	540	440	583	613
Number of building permits:				
Single-family	1,517	1,967	1,918	2,077
Commercial	226	226	208	318
Culture and Recreation:				
Number of athletic fields rented	61	63	134	63
Youth recreation:				
Certified coaches	205	238	275	525
Sports teams	103	119	126	182
Participants	3,330	6,922	3,730	3,938
Adult recreation:				
Sports teams	55	48	50	36
Participants	3,700	3,136	2,700	720
Fitness program participants	2,201	1,536	n/a	n/a
Library system total circulation	547,559	539,487	544,822	542,239
Solid waste:				
Waste received (tons per 1,000 population)	864	898	899	966
Ratio of recyclable to total waste received	8.0%	21.7%	22.1%	24.3%
Public Utilities:				
Water customers	34,984	36,028	37,112	38,760
Water average daily treatment (in gallons)	13,385,000	13,628,000	13,558,885	14,138,190
Wastewater customers	12,142	13,841	14,514	15,847
Wastewater average daily treatment (in gallons)	4,250,000	5,202,500	5,764,442	5,995,560
Education:				
Number of teachers	779	795	791	784
Number of students	12,201	12,416	12,240	12,290
Number of charter students	725	769	880	1,002

Sources: Various government departments.

Table 18

Fiscal Year					
2017	2018	2019	2020	2021	2022
95,047	99,099	100,613	108,464	115,644	123,459
872	918	759	737	885	994
154,982	161,248	158,454	159,583	163,413	164,179
11,823	12,522	11,864	10,159	10,948	11,383
5,414	4,812	5,653	5,739	6,473	6,828
22,248,160	2,380,425	2,366,513	2,476,215	2,647,354	2,809,139
18,508	19,029	25,073	23,266	18,631	22,304
1,512	2,211	2,590	3,416	6,922	9,778
17,889	18,242	19,866	23,348	23,915	24,664
11,047	11,069	10,999	11,695	12,492	12,838
319	421	482	515	507	706
2,336	2,584	2,512	2,516	3,739	4,135
321	450	251	202	177	215
75	83	68	19	n/a	57
248	198	267	120	128	402
195	177	165	101	64	187
3,145	3,029	3,120	1,404	680	2,067
46	40	43	20	7	9
1,748	1,520	1,830	400	140	180
n/a	n/a	n/a	n/a	n/a	n/a
545,216	544,130	551,271	423,790	445,365	422,991
966	957	1,233	1,022	1,099	1,199
22.0%	20.4%	18.4%	24.0%	21.3%	19.5%
40,101	41,557	42,934	44,583	47,127	50,095
15,024,000	15,277,210	15,860,783	16,417,474	16,969,860	17,489,000
16,579	17,719	18,816	19,825	21,474	23,624
5,645,539	6,162,226	7,062,559	6,819,022	7,673,922	7,327,762
803	824	816	793	808	823
12,401	12,425	12,363	12,444	12,212	12,524
1,093	1,199	1,274	1,303	1,486	1,499

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

	<b>Fiscal Year</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Law enforcement:</b>				
Sheriff stations	15	15	13	10
Deputy patrol units	51	50	50	50
Detention center capacity	440	440	440	440
<b>Emergency services:</b>				
Rescue stations	9	9	9	9
EMS vehicles	15	16	21	21
<b>Culture and recreational:</b>				
Community centers	7	7	5	5
Parks	13	13	13	13
Libraries (branches)	5	5	5	5
<b>Public Utilities:</b>				
Miles of water mains	980	999	1,013	1,029
Maximum daily water capacity (in gallons)	30,000,000	30,000,000	30,000,000	30,000,000
Miles of wastewater mains	521	547	550	569
Maximum daily wastewater capacity (in gallons)	10,130,000	10,955,000	10,855,555	10,855,555
<b>(1) Education:</b>				
Number of schools	19	19	19	19
Number of charter schools	1	1	2	2
Community colleges	1	1	1	1

Sources: Various government departments.

**Table 19**

<b>Fiscal Year</b>						
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	
5	5	5	5	5	5	5
57	57	60	60	60	60	60
440	440	440	440	440	440	440
9	9	9	8	8	8	8
21	22	25	25	27	27	27
5	4	4	4	4	4	4
13	13	13	13	13	13	13
5	5	5	5	5	5	5
1,044	1,053	1,066	1,097	1,113	1,128	
30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
581	593	599	623	645	660	
10,855,555	10,855,555	10,855,555	10,855,555	10,855,000	10,855,000	
19	19	19	19	20	20	
2	2	2	2	2	2	
1	1	1	1	1	1	



# 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***

### **Independent Auditor's Report**

Board of Commissioners  
Brunswick County  
Bolivia, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 31, 2022. Our report includes a reference to other auditors who audited the financial statements of the Brunswick County Board of Alcoholic Control, as described in our report on Brunswick County's financial statements. The financial statements of the Brunswick County Board of Alcoholic Control, the Brunswick County Airport Commission, and the Brunswick County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable non-compliance associated with the Brunswick County Board of Alcoholic Control, the Brunswick County Airport Commission, or the Brunswick County Tourism Development Authority.

### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P. A.  
Hickory, North Carolina  
October 31, 2022

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

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

## **Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

Board of Commissioners  
Brunswick County  
Bolivia, North Carolina

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

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

We have audited Brunswick County, North Carolina's, compliance with the types of compliance requirements identified as subject to audit in the OMB *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 Brunswick County's major federal programs for the year ended June 30, 2022. Brunswick County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Brunswick County 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, 2022.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Brunswick County and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Brunswick County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Brunswick County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Brunswick County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Brunswick County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Brunswick County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- obtain an understanding of Brunswick County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Brunswick County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

October 31, 2022

# MARTIN STARNES

## & ASSOCIATES, CPAs, P.A.

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

### **Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by Uniform Guidance and the State Single Audit Implementation Act**

#### **Independent Auditor's Report**

Board of Commissioners  
Brunswick County  
Bolivia, North Carolina

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

##### ***Opinion on Each Major State Program***

We have audited Brunswick County, North Carolina's, compliance with the types of compliance requirements identified as subject to audit in the OMB *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 Brunswick County's major state programs for the year ended June 30, 2022. Brunswick County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Brunswick County 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, 2022.

##### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Brunswick County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Brunswick County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Brunswick County's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Brunswick County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Brunswick County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Brunswick County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- obtain an understanding of Brunswick County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Brunswick County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal over compliance with a type

of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

October 31, 2022

**BRUNSWICK COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**1. Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Non-compliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<b><u>Federal Program</u></b>	<b><u>AL #</u></b>
Medicaid Cluster	93.778
Covid-19 Coronavirus State and Local Recovery Funds	21.027
Temporary Assistance for Needy Families	93.558
Social Services Block Grant	93.667

Dollar threshold used to distinguish between Type A and Type B Programs \$839,056

Auditee qualified as low-risk auditee? No

**BRUNSWICK COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**State Awards**

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major state programs Unmodified

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:

State Aid to Airports  
Medicaid Cluster

**2. Financial Statements Findings**

None reported.

**3. Federal Award Findings, Responses, and Questioned Costs**

None reported.

**4. State Award Findings, Responses, and Questioned Costs**

None reported.

**BRUNSWICK COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Finding:** 2021-001

**Status:** Corrected.

**Finding:** 2021-002

**Status:** Corrected.



COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State Pass-through Grantor's Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
<b>Federal Awards:</b>					
<u>U.S. Department of Agriculture</u>					
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
<u>SNAP Cluster</u>					
State Administrative Matching Grant for the Supplemental Nutrition Assistance Program - Administration	10.561	205NC406S2514	965,461	-	-
Covid 19 -Nutrition Assistance Program - FNS ARPA Funds	10.561		88,733	-	-
Nutrition Assistance Program - FNS CAA Funds	10.561		32,590	-	-
State Administrative Matching Grant for the Supplemental Nutrition Assistance Program Fraud - Administration	10.561	205NC406S2514	46,815	-	-
Total SNAP Cluster:			1,133,599	-	-
Division of Public Health					
Administration:					
WIC Special Supplement Nutrition Program for Women, Infants and Children	10.557	13A2 5403 4V, 13A2 5403 GA, 13A2 5403 GB, 13A2 5403 GC, 13A2 5404 4V, 13A2 5404 GA, 13A2 5404 GB, 13A2 5404 GC, 13A2 5405 4V, 13A2 5405 GA, 13A2 5405 GB, 13A2 5405 GC, 13A2 5409 4V, 13A2 5409 GB, 13A2 5409 GC, 13A2 5416 4V, 13A2 5416 GA, 13A2 5416 GB, 13AC 5416 GC, 13A2 570C JQ, 13A2 570D JQ, 13A2 570E JQ, 13A2 570F JQ	538,541	-	-
Direct Program:					
Emergency Watershed Protection Program	10.923	NR204532XXXXC037	134,398	-	-
Emergency Watershed Protection Program	10.923	NR204532XXXXC038	138,851	-	-
Total U.S. Department of Agriculture			1,945,389	-	-
<u>U.S. Department of Interior</u>					
Payment in Lieu of Taxes (PILT)	15.226		4,428	-	-
<u>U.S. Department of Health and Human Services</u>					
<u>Administration for Children and Families</u>					
Passed-through the N.C. Department of Health and Human Services					
Division of Social Services					
Refugee and Entrant Assistance Cluster (Note 3)					
Refugee and Entrant Assistance State/Replacement					
Designee Administered Program	93.566	2002NCRCA	1,564	-	-
Total Refugee and Entrant Assistance Cluster			1,564	-	-
<u>Temporary Assistance for Needy Families (TANF)</u>					
Division of Public Health					
Temporary Assistance for Needy Families (TANF)	93.558	G2101NCTANF, G2201NCTANF	10,687	-	-
Division of Social Services					
Temporary Assistance for Needy Families - Work First Administration	93.558	G2101NCTANF, G2201NCTANF	120,433	-	-
Temporary Assistance for Needy Families - Work First Service	93.558	G2101NCTANF, G2201NCTANF	485,462	-	-
Total TANF			616,582	-	-
Division of Social Services					
Child Support Enforcement - IV-D Administration	93.563	2002NCCES	1,127,127	-	-
Child Support Enforcement - IV-D Offset Fees - Federal	93.563	2002NCCES	3,524	-	-
Child Support Enforcement - IV-D Offset Fees - ESC	93.563	2002NCCES	10	-	-
Low Income Home Energy Assistance	93.568	G2101NCLIEA, G2201NCLIEA	901,509	-	-
Low Income Home Energy Assistance - Administration	93.568	G2101NCLIEA, G2201NCLIEA	70,303	-	-
Low Income Home Energy Assistance - Crisis Intervention Payments	93.568	G2101NCLIEA, G2201NCLIEA	245,568	-	-
Coivd-19 - Low Income Home Energy Assistance - ARPA	93.568	2101NCE5C6	688,354	-	-
Covid-19 - Low Income Home Energy Assistance - ARPA ADM	93.568	2101NCE5C6	89,488	-	-
Covid-19 - Low Income Home Energy Assistance - COV19 ADM	93.568	2101NCE5C6 -3	9,443	-	-
Low Income Home Energy Assistance - LIHWAP Admin	93.568	2101NCE5C6	39,395	-	-
Low Income Home Energy Assistance - LIHWAP CAA	93.568	2101NCE5C6	142,225	-	-
Special children Adoption Fund Cluster (Note 3)					
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G2001NCCWSS, G2101NCCWSS	42,713	-	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2001NCFPCV, 2001NCFPSS, 2101NCFPSS	53,817	-	-
Total Special children Adoption Fund Cluster			96,530	-	-
Division of Social Services-cont.					
Social Services Block Grant - Other Services and Training	93.667	G2101NCSOSR, G2201NCSOSR	266,457	-	-
Social Services Block Grant - In-Home Services	93.667	G2101NCSOSR, G2201NCSOSR	2,195	-	-
Social Services Block Grant - In-Home Services over 60	93.667	G2101NCSOSR, G2201NCSOSR	7,785	-	-
Social Services Block Grant - Adult Day Care over 60	93.667	G2101NCSOSR, G2201NCSOSR	8,769	13,656	-
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G2001NC1420, G2101NC1420	17,194	4,298	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
<b>Federal Awards:</b>					
<u>Foster Care, Adoption and Guardianship Assistance Program (Note 3)</u>					
Adoption Assistance - Administration					
Adoption Assistance - IV-E Adoption Training	93.659	2002NCADPT	-	-	-
Adoption Assistance - IV-E Adoption/Off Training	93.659	2002NCADPT	20,335	-	-
Adoption Assistance - IV-E Optional Adoption Training	93.659	2002NCADPT	156	-	-
Foster Care Title IV-E Administration Foster Care	93.658	2002NCADPT	123,075	35,942	-
Foster Care Title IV-E - Child Protective Services	93.658	2002NCADPT	159,215	57,048	-
Foster Care Title IV-E - Foster Care Training	93.658	2002NCADPT	3,214	-	-
Foster Care Title IV-E - Foster Care/Off Training	93.658	2002NCADPT	557,813	-	-
<u>Direct Benefit Payments</u>					
Foster Care Title IV-E - IV-E Administration County Paid to CCI	93.658	2002NCADPT	152,304	76,152	-
Foster Care Title IV-E - IV-E Foster Care	93.658	2002NCADPT	215,095	43,417	-
Foster Care Title IV-E - IV-E Foster Care & Extended Max	93.658	2002NCADPT	12,703	4,223	-
Foster Care Title IV-E Max Level III	93.658	2002NCADPT	5,602	-	-
Total Foster Care, Adoption and Guardianship Assistance Program (Note 3)			1,249,512	216,782	-
<u>Direct Benefit Payments</u>					
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2002NCCILP	31,222	-	-
<u>Subsidized Child Care Cluster (Note 3)</u>					
<u>Child Care Development Fund Cluster</u>					
Division of Social Services					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration	93.596	2002NCCDDF	184,070	-	-
Total Child Care Development Fund Cluster/Subsidized Childcare Cluster			184,070	-	-
<u>Centers for Medicare and Medicaid Services</u>					
Passed-through the N.C. Department of Health and Human Services					
Centers for Medicare and Medicaid Services					
<u>Medicaid Cluster:</u>					
Administration:					
Medical Assistance Program - Adult Care Home Case Management Special	93.778	XIX-MAP 22	41,771	1,092	-
Medical Assistance Program - Medical Assistance Claim	93.778	XIX-MAP 22	37,966	-	-
Medical Assistance Program - Medical Assistance Administration	93.778	XIX-MAP 22	2,988,819	-	-
Medical Assistance Program - Medical Transportation Administration	93.778	XIX-MAP 22	212,043	-	-
Medical Assistance Program - State County Special Assistance	93.778	XIX-MAP 22	27,979	-	-
Total Medicaid Cluster			3,308,578	1,092	-
Children's Health Insurance Program-N.C. Health Choice	93.767	CHIP 22	61,737	3,017	-
<u>Centers for Disease Control and Prevention</u>					
Passed-through the N.C. Department of Health and Human Services					
Division of Public Health					
Public Health Emergency Preparedness	93.069	1264 2680 ER, 1264 1680 EQ	27,262	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460 2720 NF	50	-	-
Immunization Cooperative Agreements	93.268	1331 631C EJ	17,314	-	-
Passed-through the NC Cooperative Agreement for Emergency Response: Public Health					
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response	93.354	1332 535A YM CDC-RFA-TP18-1802 619 COVID-19 Crisis Response, 620AA	102,783	-	-
Covid-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1332 892A L5 - 361 ELC Reopening Schools SH Liaison	15,619	-	-
Covid-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1175 883A P5 - 543 ELC Enhancing Detection Activities	474,420	-	-
Division of Public Health-cont.					
Covid-19 - Immunization Cooperative Agreement	93.268	1331 6315 LD 1331 639B P7	291,816	-	-
Preventative Health and Health Services Block Grant	93.991	CDC-RFA-IP19-1901 716 CDC COVID-19 1261 5503 PH	30,607	-	-
Cancer Prevention & Control Programs for State, Territorial and Tribal Organizations	93.898	1320 310D D7 1320 310E D7	36,750	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1311 4631 NB	100	-	-
<u>Health Resources and Service Administration</u>					
Passed-through N.C. Department of Health and Human Services					
Division of Public Health					
Maternal and Child Health Services Block Grant to the States	93.994	1271 5318 AR, 1271 5351 AR, 1271 5745 AR, 13A1 5735 AP, 13A1 5740 AP	41,913	13,653	-
<u>Office of Assistant Secretary for Health</u>					
Passed-through N.C. Department of Health and Human Services					
Family Planning Services	93.217	13A1 5900 AP	54,194	-	-
Total Passed-through N.C. Department of Health and Human Services			10,261,969	252,498	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State Pass-through Grantor's Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
<b>Federal Awards:</b>					
<u>Substance Abuse and Mental Health Services Administration</u>					
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI081046-03, 04	428,186	-	-
Total U.S. Department of Health and Human Services			10,690,155	252,498	-
<u>U.S. Department of Environmental Protection Agency</u>					
Passthrough from North Carolina Department of Environmental Quality					
Capitalization Grants for Drinking Water State Revolving Fund Cluster	66.468	H-SRF-F-21-2017/WIF2017	23,395	-	-
Capitalization Grants for Drinking Water State Revolving Fund Cluster Total			23,395	-	-
Capitalization Grants for Clean Water State Revolving Fund Cluster	66.458	SRP-W-0186	192,903	-	-
Capitalization Grants for Clean Water State Revolving Fund Cluster Total			192,903	-	-
Total U.S. Department of Environmental Protection Agency			216,298	-	-
<u>U.S. Department of Housing and Urban Development</u>					
<u>Housing Voucher Cluster</u>					
Administration					
Section 8 Housing Choice Voucher Program	14.871		282,132	-	-
Direct Benefits					
Section 8 Housing Choice Voucher Program	14.871		1,982,743	-	-
Covid-19					
Section 8 Housing Choice Voucher Program	14.871		87,678	-	-
Total Housing Voucher Cluster			2,352,553	-	-
Total U.S. Department of Housing and Urban Development			2,352,553	-	-
<u>U.S. Department of Justice</u>					
<u>Office of Justice Programs</u>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-00278-JAGX	5,799	-	-
Total U.S. Department of Justice			5,799	-	-
<u>U.S. Department of Treasury</u>					
Covid-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	OMB No. 1505-0271	12,536,208	-	-
<u>U.S. Department of Homeland Security</u>					
Passed-through N.C. Department of Public Safety:					
Division of Emergency Management					
Disaster Grants-Public Assistance(Presidentially Declared Disaster)	97.036	FEMA-4487-DR-NC	6,301	-	-
Port Security Grant Program	97.056	EMW-2018-PU-00305-S01	1,689	-	-
Total U.S. Department of Homeland Security			7,990	-	-
<u>Department of Transportation</u>					
Passed-through N.C. Department of Transportation					
<u>Highway Safety Cluster</u>					
State and Community Highway Safety - GHSP-National Highway Traffic Safety Administration	20.600	PT-22-06-35/GHSP2022	12,330	-	-
Total Highway Safety Cluster			12,330	-	-
Passed-through N.C. Department of Transportation					
COVID-19 Airport Improvement Program - CARES Act	20.106	36237.45.18.3	59,000	-	-
Total U.S. Department of Transportation			71,330	-	-
<u>U.S. Department of Defense-Army Corps of Engineers</u>					
Navagation Projects - Mosquito Control Project (AIWW Contract)	12.107	W912PM-21-P-0038	138,393	-	-
Total U.S. Department of Defense			138,393	-	-
Total Federal Assistance			27,968,543	252,498	-
<b>State Grants:</b>					
<u>N.C. Department of Administration</u>					
Veterans Service		NCDMVA2022	-	2,109	-
Total N.C. Department of Administration			-	2,109	-
<u>N.C. Department of Agriculture and Consumer Services</u>					
Division of Soil and Water Conservation					
Watershed Restoration Project -Governmental 19-091-4056			-	44,213	-
Watershed Restoration Project -Governmental 19-091-4020			-	45,757	-
Total N.C. Department of Agriculture and Consumer Services			-	89,970	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
<b>State Grants:</b>					
<u>N.C. Department of Health and Human Services</u>					
Division of Social Services					
Administration					
Energy Assist Private Grants			-	4,532	-
St. Child Welfare/CPS/CS LD			-	128,824	-
AFDC Incent/Prog-Integrit			-	680	-
Direct Benefit Payments					
FC At Risk Maximization			-	1,852	-
SFHF Maximization			-	105,026	-
CWS Adopt Subsidy & Vendor Guard			-	112,909	-
Extended FC/Max Non IV-E			-	49,258	-
Covid-19 - APS/CPS Assessments - COVID			-	450	-
State Foster Home			-	137,325	-
Division of Public Health					
Food and Lodging Fees		1153 4752 SZ	-	33,777	-
PH Capacity Building		1161 4110 00	-	90,261	-
Healthy Communities		1261 5503 00	-	3,747	-
Public Health Pest Management		1153 4801 00	-	15,128	-
General Communicable Disease Control		1175 4510 00	-	13,292	-
Breast and Cervical Cancer Programs		1320 5599 00	-	30,550	-
Child Health		1270 5745 00	-	1,764	-
Family Planning State		13A1 5735 00	-	34,456	-
Maternal Health (HMHC)		13A1 5740 00	-	29,851	-
Women's Health Service Fund		13A1 6016 FR	-	9,947	-
HIV/STD State	1311 4536 RQ, 1311 4536 RR, 1311 4601 RQ, 1311 4601 RR		-	944	-
Tuberculosis		1460 4551 00	-	4,595	-
School Nurse Funding Initiative		1332 5358 00	-	150,000	-
Total N.C. Department of Health and Human Services			-	959,168	-
<u>N.C. Department of Environmental Quality</u>					
Soil and Water Technical Assistance		18-024-4070	-	22,677	-
Soil and Water - State Aid		21-035-4066	-	3,600	-
Community Waste Reduction and Recycling Grant 2021		CW20895	-	17,204	-
Total N.C. Department of Environmental Quality			-	43,481	-
<u>N.C. Department of Public Safety</u>					
NC Tier II Grant		Grant T2-2019, MOA 1908	-	-	-
Juvenile Crime Prevention Council Programs			-	242,486	171,861
Total N.C. Department of Public Safety			-	242,486	171,861
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund (Lottery)			-	860,863	-
Total N.C. Department of Public Instruction			-	860,863	-
<u>N.C. Office of State Budget &amp; Management</u>					
State Capital and Infrastructure Funds (SCIF)		Contract 20071	-	300,000	-
NC Grants in Aid - Register of Deeds Grant Program		Contract 2007RD1	-	2,000	-
Total N.C. Office of State Budget & Management			-	302,000	-
<u>N.C. Department of Transportation</u>					
State Aid to Airports Update ALP and Exhibit A	DOT-8	36244.58.8.2	-	33,069	-
State Aid to Airports - Corporate Hanger	DOT-8	36244.58.12.2	-	105,961	-
State Aid to Airports - West Apron Expansion	DOT-8	36244.58.13.1	-	2,931,718	-
Rural Operating Assistance Program Cluster					
ROAP Elderly and Disabled Transportation Assistance Program	DOT-CL	36220.10.9.1	-	110,642	-
ROAP Employment Transportation Assistance Program	DOT-CL	36236.11.8.1	-	31,285	-
ROAP Rural General Public Program (RGP)	DOT-CL	36228.22.9.1	-	103,954	-
Total Rural Operating Assistance Program Cluster			-	245,881	-
Total N.C. Department of Transportation			-	3,316,629	-
<u>N.C. Department of Cultural and Natural Resources</u>					
Division of State Library					
Aid to Public Libraries		FY 2022	-	147,378	-
Total N.C. Department of Cultural and Natural Resources			-	147,378	-
Total State Assistance			-	5,964,084	171,861
Total Assistance			\$ 27,968,543	\$ 6,216,582	\$ 171,861

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

**Notes to the Schedule of Expenditures of Federal and State Financial Awards:**

1. Basis of Presentation  
The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of Brunswick County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title II US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Award and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Brunswick County, it is not intended to and does not present the financial position, changes in net position or cash flows of Brunswick County.
2. Summary of Significant Accounting Policies  
Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Brunswick County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.
3. 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, Adoption, and Guardianship Assistance Program, Refugee and Entrant Cluster, Special Children Adoption Fund Cluster.



# BRUNSWICK COUNTY FINANCE DEPARTMENT



910-253-2000



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**BRUNSWICK COUNTY**  
**ANNUAL COMPREHENSIVE**  
**FINANCIAL REPORT**

**2022**