



**Brunswick
County**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2023**

910.253.2000



brunswickcountync.gov



finance@brunswickcountync.gov



**COUNTY OF BRUNSWICK
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**For the Fiscal Year Ended
June 30, 2023**

Prepared by Brunswick County Finance

**COUNTY OF BRUNSWICK, NORTH CAROLINA
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

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BRUNSWICK COUNTY

October 23, 2023

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, 2023.

This report consists of management's representations concerning the finances of Brunswick County (the "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.

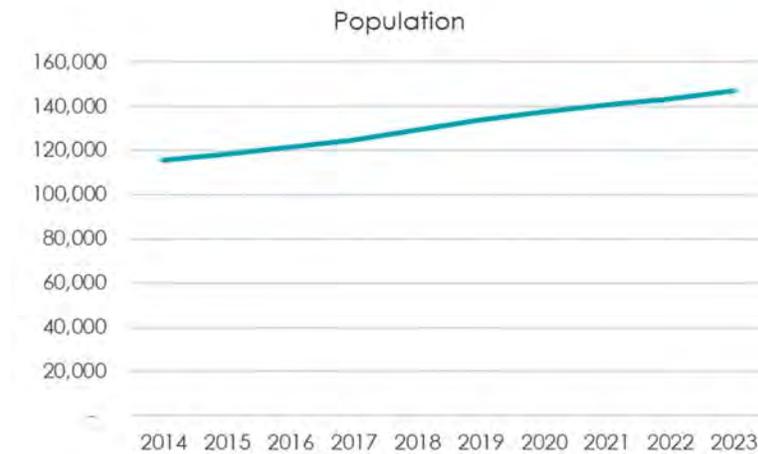
Thompson, Price, Scott, Adams & Co., P.A., a firm of licensed certified public accountants, has independently audited Brunswick County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Brunswick County for the fiscal year ended June 30, 2023, 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, 2023, 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 146,824, which is an increase of approximately 27% since 2014. 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 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.



Board of Commissioners &
County Manager's Office
100 Counties Prepared Training

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 23 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 131. 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 2022-2023. This is the seventeenth 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.

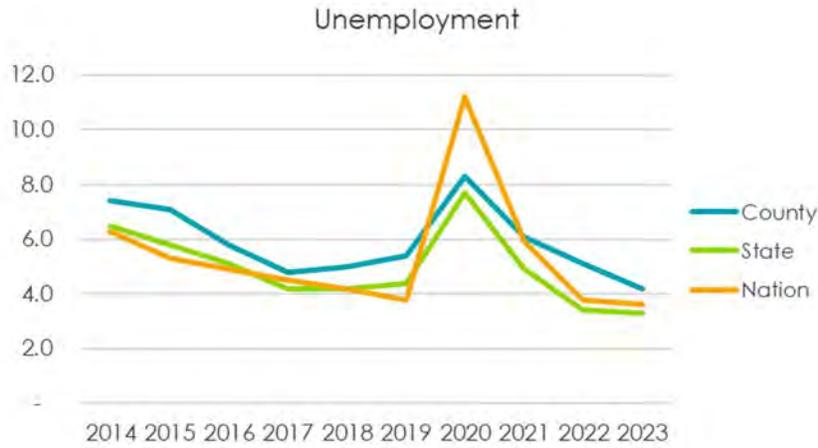
Brunswick County’s bond ratings with S & P Global Services are AAA for general obligation bonds, AA+ for limited obligation bonds, and AA for revenue bonds. Moody’s Investor Services are Aaa for general obligation bonds, Aa1 for limited obligation bonds, and Aa2 for revenue bonds.

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 2023 is 2.2%, ranked number 1 in the state and number 7 in the country. The permanent population grew at an average rate of approximately 2.6 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 2023 were 4.2 and 3.3 percent, respectively. The State’s seasonally adjusted unemployment rate in June 2023 is 3.6. 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 2023 increased to 58,429 jobs, representing 3,235 or a 5.9% increase from the previous year.

Brunswick County continues to see strong, consistent growth concerning economic growth and development. From 2022 to 2023, Brunswick County’s business investment increased by \$62,706,100 representing a 10.6% increase. There has been 1 new industry to announce their decision to locate in Brunswick County during FY 2023. Industrial Reliability & Repair, LLC (IRR) will be in a portion of the former QRP Building located at the Leland Industrial Park and create 160 jobs within 5 years paying average wages of \$71,000 which exceeds Brunswick County’s average wage in 2022 of \$46,464. Investment is projected to be \$1.25 million in machinery and equipment. Industrial Reliability & Repair fabricates parts for the industrial sector and provides on-site maintenance at industrial facilities throughout the eastern United States.

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 *CSXSelect 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 90 potential new companies during FY 2023. This represents an increase of 65% from the previous year. There are currently 102 new companies reviewing Brunswick County with 6 having visited a site. These active projects that have visited Brunswick County represent \$3.2 billion in new investment and 2,100 jobs. Brunswick County has also experienced an increase in the Labor Force from 58,500 in June 2022 to 60,615 in June 2023, representing an approximate increase of 3.6%.

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.

Retail trade is the largest employment sector in Brunswick County, accounting for 17% of employment, while accommodation and food services 15%, health care and social assistance represent 13%, construction 8%, government 7%, educational services 7%, administrative and waste services 5%, manufacturing 4%, arts, entertainment 4%, professional 4%, transportation 3%, utilities 3%, and real estate 3%. Various other employment sectors make up the remaining 7%.

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, a pharmacy, a lab, and an 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 disc golf, athletics, special populations programs, community events, and more. The Parks and Recreation department maintains 13 parks and 4 community centers including an amphitheater, multiple fields, and picnic shelters, 32 tennis courts, playgrounds, and 10 dedicated pickleball courts. The Brunswick Nature Park is 911 acres of undeveloped wilderness with hiking and biking trails and a kayak/canoe launch site.

Library: The mission of the Brunswick County Library is to provide materials, services, and programs to support the informational, cultural, recreational, and lifelong learning interests of the community. There are five library branches across Brunswick County offering books, magazines, DVDs, audiobooks, and online resources. Branches are in Southport, Shallotte, Leland, Oak Island, and Carolina Shores. Each offers computer access, educational and community events, and e-books along with public meeting rooms and copy/fax service.



Books for Bailey at the
Brunswick County Library

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 reflected in 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, 2024, totals \$275,730,725. A revaluation occurred in January 2023 resulting in a revenue-neutral tax rate calculated at \$0.3370. The County approved a property tax rate of \$0.3420 per \$100 of assessed value, based on a total valuation of \$49.04 billion. The estimated value of one cent is \$4.81 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 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 2024 totals \$56.0 million. This is made up of an environmental protection project for \$8.2 million for the closure of the construction and demolition landfill which is expected to reach its ultimate capacity within the next few years, \$40.9 million for County Complex Buildings and Renovations, \$0.1 million for design and engineering of covered equipment storage and a warehouse expansion in Central Services, \$0.1 for design of an Animal Protective Services Adoption Center, \$4.6 million for the construction of the Waccamaw MultiUse Facility, and \$2.1 million for Smithville Park Improvements Phase III. The planned funding source is \$54.1 million in capital and other reserves and \$1.8 million of Pay-Go funds.

Water. The number of customers connected to the County’s water system continues to increase with a rate of 9.9% to 55,037 as of June 30, 2023. This amount also includes the acquisition of the Town of Shallotte’s water system effective May 1, 2023. Due to the growth and the increase in irrigation demand,



additional transmission system improvements are planned for the next five years. The water fund capital improvement plan includes one project planned for design in FY 2024 at a total estimated cost of \$5.8 million. This is a transmission improvement project from the Northwest Water Treatment Plant to the Bell Swamp ground storage tank funded with \$2.1 million of grant funds and \$3.7 of reserves funds to be reimbursed by debt proceeds when issued.

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. Revenue bonds were issued 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 13.355 MGD. County customers connected to the system grew 9.1% as of the end of the fiscal year 2023 to 25,765 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. To extend regional partnership to the City of Southport, the treatment capacity of the Shallotte WWTP will be increased to accept 0.75 MGD of sewage flow from Southport into the West Brunswick Regional Wastewater System with the completion of the Mulberry Branch project in FY 2024. The project is funded both by county debt proceeds planned for October 2023 and reimbursement from the City of Southport.

The County operates the Northeast Brunswick Regional Water Reclamation Facility with a capacity of 4.975 MGD. This facility serves the H2GO as a participant 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 design to expand the Northeast Brunswick Regional Wastewater System capacity by an additional 3.75 MGD. Increasing its capacity to 8.725 MGD.

In an effort to centralize the processing facility and to address increases in the volume of biosolids generated, the county is designing the West Brunswick Biosolids Processing Facility. Biosolids will be thickened at the West Brunswick Regional Water Reclamation Facility and transferred to a new storage facility, until conditions are suitable for land application. 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, 2022. This is the twenty-first (21st) 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 Thompson, Price, Scott, Adams & Co., 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 2023 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 Casteen

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





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, 2022

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

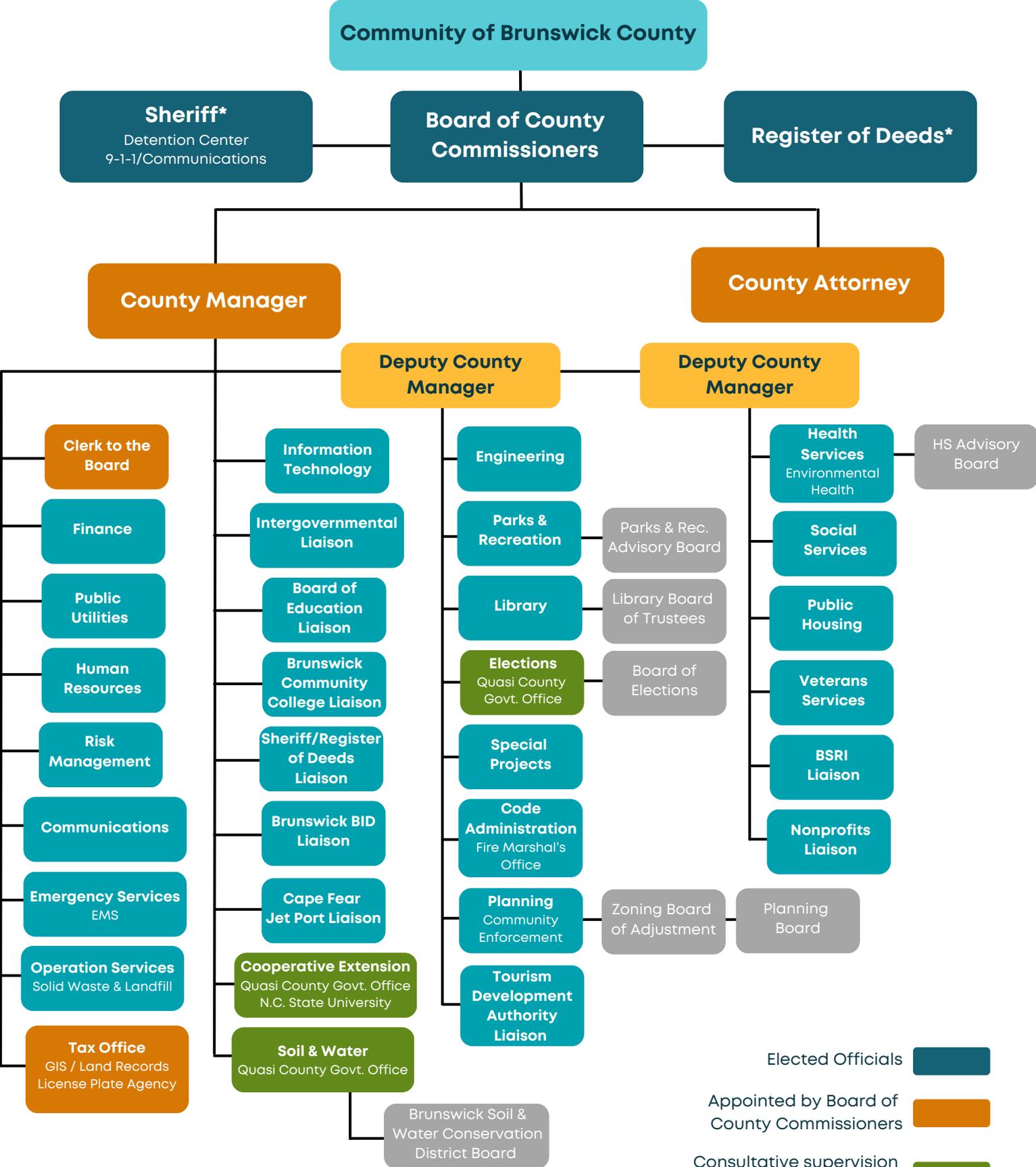
County Manager
County Attorney
Clerk to the Board
Director of Fiscal Operations

OTHER ELECTED OFFICIALS

Brenda M. Clemmons
Brian Chism

Register of Deeds
Sheriff

BRUNSWICK COUNTY ORGANIZATIONAL CHART



Elected Officials

Appointed by Board of County Commissioners

Consultative supervision by Administration

*County Manager has Budgetary Authority





Thompson, Price, Scott, Adams & Co, P.A.

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Whiteville, NC 28472
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**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Brunswick County
Bolivia, North Carolina

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of Brunswick County, North Carolina (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Brunswick County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Brunswick County, North Carolina as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, 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 Brunswick County ABC Board, which represents 14.36 percent, 10.21 percent, and 50.62 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units, as of June 30, 2023, 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 thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Brunswick County ABC Board, 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. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Brunswick 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 Brunswick County ABC Board, Brunswick County Airport Commission, and the Brunswick County Tourism Development Authority were not audited in accordance with *Governmental Auditing Standards*.

Members
American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

Change in Accounting Principle

As discussed in Note 17 to the financial statements, in 2023 the County adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of 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 material statement 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

- exercised professional judgement and maintained 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 Brunswick 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, 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists 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 information and the 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 on 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 statement, 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 23, 2023 on our consideration of Brunswick County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 23, 2023



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, 2023. 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

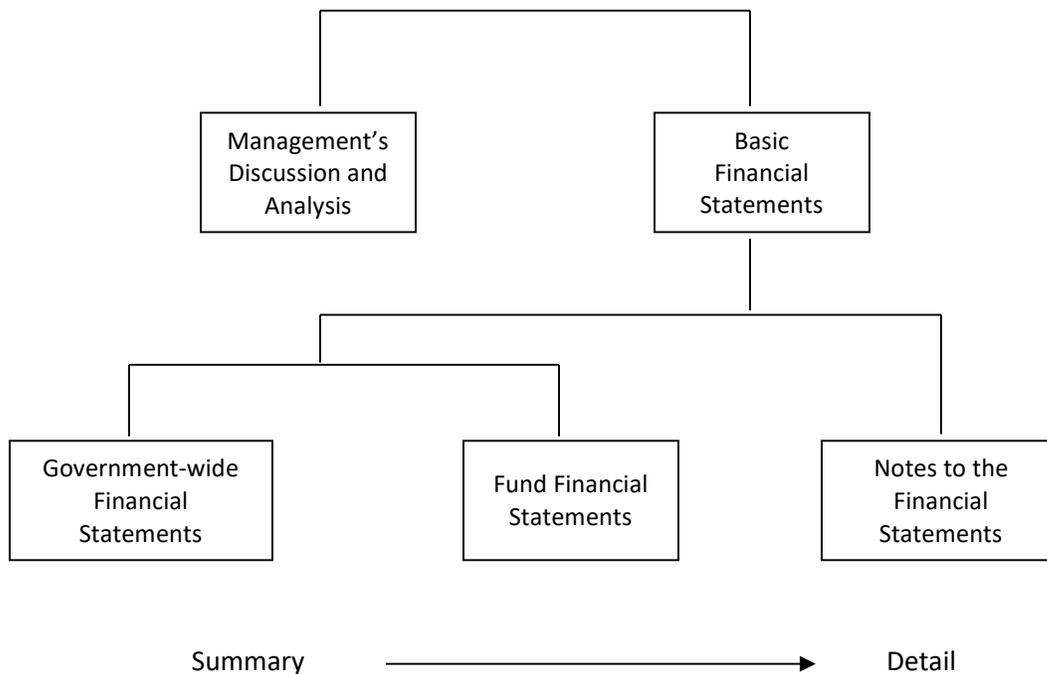
- The assets and deferred outflows of resources of Brunswick County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$117.2 million (*net position*). The County's net position is impacted considerably by the general obligation debt the County has issued on 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 incurs 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 \$136.7 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 7I on page 72 further explains the effect of education debt on net position.
- The County's net position of governmental activities increased by \$24.5 million mainly due to revenues of \$5.7 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 \$6.3 million and Local Option Sales Tax of \$4.1 million due to growth in the County and an increase of \$7.2 in investment earnings. This is partially offset by education capital project expenditures not included in capital assets.
- As of the close of the 2023 fiscal year, the County's general fund reported amounts restricted for Stabilization by State statute of \$15.0 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, \$2.0 million restricted for health and wellness programs, and \$0.6 million restricted for seized funds held by the Sheriff totaling \$3.9 million. The unrestricted fund balance totals \$131.6 million of which \$0.2 million is committed for revaluation purposes, \$0.7 million is nonspendable for prepaid and leases, \$8.1 million is assigned as designated for future projects, and just over \$18.1 million is assigned for carryover expenditures into the next fiscal year leaving \$104.5 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 for major governmental funds, 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 16-18 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 30-99 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 and other post-employment health benefits to employees. Required supplemental information can be found on pages 100-115 of this report.

Brunswick County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 328,976,365	\$ 264,720,208	\$ 196,920,254	\$ 193,841,299	\$ 525,896,619	\$ 458,561,507
Capital asset (net)	<u>153,080,503</u>	<u>147,184,179</u>	<u>597,843,712</u>	<u>552,312,241</u>	<u>750,924,215</u>	<u>699,496,420</u>
Total assets	<u>482,056,868</u>	<u>411,904,387</u>	<u>794,763,966</u>	<u>746,153,540</u>	<u>1,276,820,834</u>	<u>1,158,057,927</u>
Deferred Outflows of Resources:	<u>54,964,633</u>	<u>48,836,285</u>	<u>7,342,009</u>	<u>6,366,112</u>	<u>62,306,642</u>	<u>55,202,397</u>
Noncurrent liabilities	333,476,555	298,136,382	315,249,638	330,473,475	648,726,193	628,609,857
Other liabilities	<u>41,343,621</u>	<u>42,250,638</u>	<u>32,638,084</u>	<u>31,142,816</u>	<u>73,981,705</u>	<u>73,393,454</u>
Total Liabilities	<u>374,820,176</u>	<u>340,387,020</u>	<u>347,887,722</u>	<u>361,616,291</u>	<u>722,707,898</u>	<u>702,003,311</u>
Deferred Inflows of Resources:	<u>45,037,334</u>	<u>27,726,304</u>	<u>8,897,148</u>	<u>5,964,370</u>	<u>53,934,482</u>	<u>33,690,674</u>
Net position:						
Net investment in capital assets	134,129,701	127,746,956	347,728,658	315,518,906	481,858,359	443,265,862
Restricted	21,660,621	23,171,792	-	-	21,660,621	23,171,792
Unrestricted	<u>(38,626,331)</u>	<u>(58,291,400)</u>	<u>97,592,447</u>	<u>69,420,085</u>	<u>58,966,116</u>	<u>11,128,685</u>
Total net position	<u>\$ 117,163,991</u>	<u>\$ 92,627,348</u>	<u>\$ 445,321,105</u>	<u>\$ 384,938,991</u>	<u>\$ 562,485,096</u>	<u>\$ 477,566,339</u>

The assets and deferred outflows of resources of Brunswick County governmental activities exceeded its liabilities and deferred outflows of resources by \$117.2 million as of June 30, 2023. Current and other assets increased by \$67.3 million from the prior year. A significant contributing factor to the increase was the issuance of the third and final phase of the November 2016 \$152 million school bond referendum of \$52.5 million.

Other liabilities increased by \$0.6 million from the previous year. This consistency is a result of a decrease in construction costs payable due to the timing of projects and a reduction of accounts payable offset by an increase in advances from grantors related to the National Opioid Settlement Fund.

Long-term liabilities which include bonds, leases, IT subscriptions, compensated absences, post-employment, and landfill closure and post-closure obligations of the primary government increased by \$20.1 million. The main causes of the increase were the issuance of the third and final phase of the November 2016 \$152 million school bond referendum of \$52.5 million, and an increase of \$35.6 million for the County's net pension liability for the Local Government Employees' Retirement System. The overall increase in long-term liabilities was partially offset by the reduction of bonds payable based on the debt service principal payments made during the current year.

Net position is reported as follows: net investment in capital assets of \$134.1 million, restricted for stabilization by State statute \$15.1 million, restricted for other purposes of \$6.5 million, and unrestricted net position of \$(38.6) 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	\$ 153.1
Less long-term debt	(149.1)
Less current maturities of long-term debt	(15.2)
Landfill closure included in long-term debt	8.4
Current portion of compensated absences	0.3
Education general obligation debt payable	<u>136.6</u>
Total net investment in capital assets	<u>\$ 134.1</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, 2023, the unrestricted resources were \$(38.6) million. Even though the debt 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	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Changes for services	\$ 29,590,532	\$ 28,753,942	\$ 91,553,262	\$ 82,511,173	\$ 121,143,794	\$ 111,265,115
Operating grants and contributions	32,085,718	39,378,400	-	-	32,085,718	39,378,400
Capital grants and contributions	640,000	3,425,624	19,264,109	10,125,100	19,904,109	13,550,724
General revenues:						
Ad valorem taxes	160,995,382	154,660,159	-	-	160,995,382	154,660,159
Local option sales taxes	44,858,366	40,769,837	-	-	44,858,366	40,769,837
Other taxes	11,133,334	12,265,423	-	-	11,133,334	12,265,423
Investment earnings	<u>7,455,513</u>	<u>231,741</u>	<u>5,016,551</u>	<u>171,131</u>	<u>12,472,064</u>	<u>402,872</u>
Total revenues	<u>286,758,845</u>	<u>279,485,126</u>	<u>115,833,922</u>	<u>92,807,404</u>	<u>402,592,767</u>	<u>372,292,530</u>

Figure 3 continues on the following page

Figure 3 (continued)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Expenses:						
General government	18,260,463	18,295,685	-	-	18,260,463	18,295,685
Public safety	68,124,323	63,909,721	-	-	68,124,323	63,909,721
Central services	20,943,532	15,992,165	-	-	20,943,532	15,992,165
Human services	32,005,512	33,681,908	-	-	32,005,512	33,681,908
Transportation	991,949	3,866,053	-	-	991,949	3,866,053
Environmental protection	22,522,844	19,692,763	-	-	22,522,844	19,692,763
Cultural and recreation	7,721,848	7,370,332	-	-	7,721,848	7,370,332
Economic and physical development	9,179,681	8,940,721	-	-	9,179,681	8,940,721
Education	70,341,102	70,314,822	-	-	70,341,102	70,314,822
Interest on long-term debt	5,257,936	4,006,029	-	-	5,257,936	4,006,029
Water and wastewater	-	-	62,324,820	54,176,783	62,324,820	54,176,783
Total expenses	255,349,190	246,070,199	62,324,820	54,176,783	317,674,010	300,246,982
Increase (decrease) in net position before transfers	31,409,655	33,414,927	53,509,102	38,630,621	84,918,757	72,045,548
Transfers	(6,873,012)	(126,988)	6,873,012	126,988	-	-
Increase (decrease) in net position	24,536,643	33,287,939	60,382,114	38,757,609	84,918,757	72,045,548
Net position, July 1	92,627,348	59,339,409	384,938,991	346,181,382	477,566,339	405,520,791
Net position, June 30	\$ 117,163,991	\$ 92,627,348	\$ 445,321,105	\$ 384,938,991	\$ 562,485,096	\$ 477,566,339

Governmental activities. Governmental activities accounted for \$117.2 million, which is 20.8 percent of the total net position. Governmental revenues increased mainly due to increases in ad valorem tax collections and local option sales taxes. Tax revenues for the year increased primarily due to increased property tax revenue, which grew as a result of a 3.1% rate increase on all classes of property, as well as an average increase of approximately 3.5% in the taxable property values, driven by increased local real estate market values. Operating grants funded \$32.1 million of the county’s governmental activities. This was a decrease from the prior year due to \$5.7 million in the current year compared to \$12.5 million in the prior year 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 Transportation Capital Improvements and American Rescue Plan Act-funded Human Service projects offset by operational increases in Public Safety, Central Services, and Environmental Protection. The governmental net position increased by \$24.5 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 \$60.4 million. Business-type revenues increased mainly due to growth in customers resulting in increases in user charges, a prior 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 increased primarily due to operations increases and the first year of interest payments for the Northwest Plant expansion and Reverse Osmosis Treatment. Business-type net position increased by \$60.4 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 \$302.8 million, which is an increase of \$71.9 million over the prior year. Approximately \$79.3 million of the total fund balance is restricted by state stabilization or other restrictions and approximately \$223.5 million is unrestricted. Of the unrestricted fund balance at June 30, 2023, \$0.2 million was committed for a legally budgeted tax revaluation, \$98.8 million, or approximately 44.3 percent was committed for education and county capital projects, \$0.7 million was nonspendable for prepaid expenditures and lease receivables, \$8.1 million was assigned as designated for future projects and \$18.1 million was assigned for subsequent year expenditures leaving \$97.6 million of unassigned fund balance. The unassigned fund balance of \$97.6 million, which is approximately 32.2 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 \$104.5 million, while the total fund balance for the general fund increased from \$139.7 million to \$150.4 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 \$5.4 million received from the American Rescue Plan Act Fund to restore pre-pandemic employment for governmental services. Amounts in the General Fund balance assigned for subsequent year's expenditures totaled \$18.1 million and assigned for future projects totaled \$8.1 million. The amount of restricted general fund balance was \$15.0 million for stabilization by state statute and \$3.9 million for other restrictions related to health and wellness, public safety, public housing section 8 programs, education, 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 42.8% of total general fund expenditures before transfers for capital projects, while the total general fund balance represents 61.7% of that same amount. The County Capital Project fund balance increased by \$14.5 million due to transfers from the General Fund offset by planned capital project expenditures. The Education Capital Project Fund balance increased by \$53.8 million mainly due to the third phase of the \$152 million bond referendum debt issued at \$45.8 million in July of the current year offset by planned capital project expenditures. The Non-Major Governmental Funds balance decreased by \$7.2 million due to unearned revenue from a transfer of American Rescue Plan Act funds to the Enterprise Capital Project Fund that has been appropriated.

Enterprise Funds. The Water Fund's net position increased from \$31.7 million to \$215.1 million. The Wastewater Fund's net position increased from \$28.7 million to \$230.2 million. The increases in the net position of the enterprise funds are from growth in the customer base, a prior 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 \$19.6 million. Most of the increase was comprised of a \$2.7 million increase in ad valorem taxes, \$1.2 million in local option sales taxes, a \$7.4 million increase in intergovernmental revenues, and \$3.5 million for other taxes and licenses. Total actual revenues exceeded amended budgeted amounts by \$11.9 million. Total actual expenditures were \$35.2 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.

The implementation of GASB Statement No. 96 for the current year also required a budget amendment to increase debt service principal and interest expenditures. GASB 96 also required a change to include a budget amount for an other financing source for an IT subscription agreement.

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

The unrestricted net position of Water/Wastewater Funds at the end of the year totaled \$97.6 million. The primary factor affecting this amount was a net increase of \$45.5 million in the County's capital assets and capital contributions of \$19.3 million.

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, 2023, amounts to \$750.9 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, 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 2023 include the landfill transfer station and courthouse renovations.

Major capital asset transactions for Business-type activities during the fiscal year 2023 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, transmission expansion, the additional water and sewer main construction, and the expansion of the Utilities Operation Center.

Brunswick County's Capital Assets
Figure 4

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 16,873,908	\$ 16,873,908	\$ 2,927,412	\$ 2,902,315	\$ 19,801,320	\$ 19,776,223
Construction in progress	655,994	16,470,754	140,555,926	176,523,657	141,211,920	192,994,411
RTU SBITA implementation in progress	52,160	-	-	-	52,160	-
Operating plants, buildings & improvements	120,172,543	104,100,773	126,707,766	132,963,663	246,880,309	237,064,436
Equipment and vehicles	12,427,393	9,241,699	23,842,802	18,689,468	36,270,195	27,931,167
Distribution and collection systems	-	-	302,030,032	219,478,833	302,030,032	219,478,833
RTU leased operating plants & buildings	289,959	95,397	1,695,411	1,731,311	1,985,370	1,826,708
RTU leased equipment	333,765	401,648	29,107	22,994	362,872	424,642
RTU SBITA	<u>2,274,781</u>	<u>-</u>	<u>55,256</u>	<u>-</u>	<u>2,330,037</u>	<u>-</u>
Total capital assets, net	<u>\$153,080,503</u>	<u>\$147,184,179</u>	<u>\$597,843,712</u>	<u>\$552,312,241</u>	<u>\$750,924,215</u>	<u>\$699,496,420</u>

Additional information on Brunswick County's capital assets including the County's intangible right to use assets and SBITAs can be found in Note 4 on pages 51-53 of this report. Related leases and SBITAs are also discussed in the Leases and Subscription Based IT arrangements subsections 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 \$125.7 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	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$123,765,000	\$ 83,665,000	\$ 1,975,000	\$ 2,180,000	\$125,740,000	\$ 85,845,000
Limited obligation bonds	15,215,000	17,980,000	-	-	15,215,000	17,980,000
Bond premiums	13,733,098	8,517,785	26,007,592	27,376,252	39,740,690	35,894,037
Installment purchases & revolving loans	-	-	7,459,761	10,315,398	7,459,761	10,315,398
Revenue bonds	-	-	267,625,000	278,600,000	267,625,000	278,600,000
Leases	630,761	499,192	1,727,203	1,750,585	2,357,964	2,249,777
SBITA	2,259,204	-	73,472	-	2,332,676	-
Other	<u>193,078,078</u>	<u>197,129,323</u>	<u>25,968,485</u>	<u>25,721,788</u>	<u>219,046,563</u>	<u>222,851,111</u>
Total long-term debt	<u>\$348,681,141</u>	<u>\$307,791,300</u>	<u>\$330,836,513</u>	<u>\$345,944,023</u>	<u>\$679,517,654</u>	<u>\$653,735,323</u>

The legal debt limit is \$2.64 billion. The legal debt margin on June 30, 2023, was \$2.50 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 5.4% and to total general fund expenditures is 5.9%. The County's general obligation debt per capita is \$856 as of June 30, 2023. The County's governmental activities' gross debt per capita (excluding landfill closure/post-closure, accrued compensated absences, leases, SBITAs, and pension benefit obligations) is \$947 made up of \$843 of general obligation debt per capita and \$104 in outstanding limited obligation bonds for construction and renovation of various county and education buildings.

The County's debt had a net increase of \$40.9 million in governmental and a net decrease of \$15.1 million in enterprise funds, for a total increase of \$25.8 million during the current fiscal year. The key factor in this increase was the addition of the phase 3 general obligation school bonds. Additional information on Brunswick County's long-term debt can be found in Note 7 on pages 55-73 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Brunswick County is currently 4.1 percent and was 4.2 percent at June 30, 2023, compared to the state's seasonally adjusted unemployment rate of 3.3 percent currently and 3.3 percent at June 30, 2023.
- Inflationary trends in the region are similar to national indices.
- Population estimation of 146,824 has grown 27.1 percent in the last 10 years.

All of these factors were considered in preparing Brunswick County's budget for the fiscal year 2023-2024.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR 2023-2024

Governmental activities. The property tax rate decreased from the previous year's rate of \$0.4850 to \$0.3420, slightly higher than the calculated revaluation revenue-neutral tax rate of \$0.3370. Budgeted operating expenditures in the General Fund are expected to increase 11.7 percent to \$264.4 million.

Budgeted expenditures for education are expected to increase 8.4 percent or approximately \$4.8 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 2024 includes a fund balance appropriation in the general fund of \$4.9 million net of the \$1.3 million in escrow funds held for the Holden Beach sound nourishment project. The fiscal year 2023 included a fund balance appropriation in the general fund of \$0.9 million which did not include an appropriation to Brunswick Senior Resources, Inc. voted on separately at the same board of commissioner meeting increasing the appropriation to \$3.9 million, or \$2.6 million, net of the Holden Beach sound nourishment project. This is an increase over the prior year's appropriation of \$2.4 million. 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 by 6.0 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, 2023

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units Total
Assets:				
Cash and cash equivalents/investments	\$ 246,781,648	\$ 124,241,266	\$ 371,022,914	\$ 4,743,684
Receivables, net	4,993,190	9,942,012	14,935,202	1,642,325
Other governmental agencies	11,965,992	1,316,871	13,282,863	-
Inventories	-	2,188,788	2,188,788	698,573
Prepaid items	640,243	7,462	647,705	62,396
Restricted assets:				
Restricted cash and investments	64,276,934	59,223,855	123,500,789	19,925
Restricted net pension asset	318,358	-	318,358	-
Capital assets:				
Non-depreciable capital assets	17,529,902	143,483,338	161,013,240	-
Depreciable capital assets, net	132,599,936	452,580,600	585,180,536	34,229,021
Right to use leased asset, net of amortization	623,724	1,724,518	2,348,242	99,471
Non-amortizable right to use SBITA asset	52,160	-	52,160	-
Right to use SBITA asset, net of amortization	2,274,781	55,256	2,330,037	-
Total capital assets	153,080,503	597,843,712	750,924,215	-
Total assets	482,056,868	794,763,966	1,276,820,834	41,495,395
Deferred Outflows of Resources:	54,964,633	7,342,009	62,306,642	396,558
Liabilities:				
Accounts payable and other liabilities	\$ 8,865,700	\$ 9,968,625	\$ 18,834,325	\$ 661,206
Advance from grantor	15,190,732	1,904,164	17,094,896	-
Accrued interest payable	2,082,603	2,581,129	4,663,732	-
Liabilities to be paid from restricted assets	-	2,597,291	2,597,291	19,925
Long-term liabilities:				
Due within one year	15,204,586	15,586,875	30,791,461	98,239
Due beyond one year	154,164,786	290,093,308	444,258,094	1,194,912
Total pension liability - LEOSSA	7,821,779	-	7,821,779	-
Total pension liability - DOSSA	140,998	-	140,998	-
Net pension liability - LGERS	44,746,816	5,425,785	50,172,601	448,494
Total OPEB liability	126,602,176	19,730,545	146,332,721	94,118
Total liabilities	374,820,176	347,887,722	722,707,898	2,516,894
Deferred Inflows of Resources:	45,037,334	8,897,148	53,934,482	1,095,268
Net Position:				
Net investment in capital assets	134,129,701	347,728,658	481,858,359	33,054,301
Restricted for:				
Stabilization by State Statute	15,114,786	-	15,114,786	718,305
General Government Interlocal Agreement	1,317,720	-	1,317,720	-
Public Housing	19,651	-	19,651	-
Human Services	2,012,611	-	2,012,611	-
Public Safety	1,536,428	-	1,536,428	-
Register of Deeds Automation	1,172,223	-	1,172,223	-
Register of Deeds Pension Plan	487,202	-	487,202	-
Tourism Promotion	-	-	-	1,928,556
Working Capital	-	-	-	164,702
Unrestricted	(38,626,331)	97,592,447	58,966,116	2,413,927
Total net position	\$ 117,163,991	\$ 445,321,105	\$ 562,485,096	\$ 38,279,791

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, 2023

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Government Activities:				
General government	\$ 18,260,463	\$ 2,131,648	\$ 8,077,143	\$ -
Public safety	68,124,323	18,034,195	1,219,189	-
Central services	20,943,532	-	82,087	-
Human services	32,005,512	1,222,699	21,091,504	-
Transportation	991,949	-	164,544	640,000
Environmental protection	22,522,844	6,898,872	43,540	-
Cultural and recreation	7,721,848	300,293	249,390	-
Economic and physical development	9,179,681	1,002,825	1,158,321	-
Education	70,341,102	-	-	-
Interest on long-term debt	5,257,936	-	-	-
Total governmental activities	<u>255,349,190</u>	<u>29,590,532</u>	<u>32,085,718</u>	<u>640,000</u>
Business-type Activities:				
Water	35,663,951	51,580,618	-	9,965,579
Wastewater	<u>26,660,869</u>	<u>39,972,644</u>	<u>-</u>	<u>9,298,530</u>
Total business-type activities	<u>62,324,820</u>	<u>91,553,262</u>	<u>-</u>	<u>19,264,109</u>
Total primary government	<u>\$ 317,674,010</u>	<u>\$ 121,143,794</u>	<u>\$ 32,085,718</u>	<u>\$ 19,904,109</u>
Discretely presented component units	<u>\$ 12,180,831</u>	<u>\$ 8,650,191</u>	<u>\$ -</u>	<u>\$ 1,354,249</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, 2023

Function/Programs	Net (Expense) Revenue and Changes in Net Position			Component Units
	Primary Government		Total	
	Governmental Activities	Business-type Activities		Total
Primary Government:				
Government Activities:				
General government	\$ (8,051,672)	\$ -	\$ (8,051,672)	
Public safety	(48,870,939)	-	(48,870,939)	
Central services	(20,861,445)	-	(20,861,445)	
Human services	(9,691,309)	-	(9,691,309)	
Transportation	(187,405)	-	(187,405)	
Environmental protection	(15,580,432)	-	(15,580,432)	
Cultural and recreation	(7,172,165)	-	(7,172,165)	
Economic and physical development	(7,018,535)	-	(7,018,535)	
Education	(70,341,102)	-	(70,341,102)	
Interest on long-term debt	(5,257,936)	-	(5,257,936)	
Total governmental activities	<u>(193,032,940)</u>	<u>-</u>	<u>(193,032,940)</u>	
Business-type Activities:				
Water	-	25,882,246	25,882,246	
Wastewater	-	22,610,305	22,610,305	
Total business-type activities	<u>-</u>	<u>48,492,551</u>	<u>48,492,551</u>	
Total primary government	<u>(193,032,940)</u>	<u>48,492,551</u>	<u>(144,540,389)</u>	
Discretely presented component units				<u>\$ (2,176,391)</u>
General Revenues:				
Ad valorem taxes	160,995,382	-	160,995,382	-
Local option sales taxes	44,858,366	-	44,858,366	-
Deed stamp excise and other taxes	11,133,334	-	11,133,334	3,240,810
Investment earnings	7,455,513	5,016,551	12,472,064	35,805
Total general revenues	<u>224,442,595</u>	<u>5,016,551</u>	<u>229,459,146</u>	<u>3,276,615</u>
Transfers	<u>(6,873,012)</u>	<u>6,873,012</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>217,569,583</u>	<u>11,889,563</u>	<u>229,459,146</u>	<u>3,276,615</u>
Change in net position	<u>24,536,643</u>	<u>60,382,114</u>	<u>84,918,757</u>	<u>1,100,224</u>
Net position, beginning of year	<u>92,627,348</u>	<u>384,938,991</u>	<u>477,566,339</u>	<u>36,714,753</u>
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,814</u>
Net position, beginning, as restated	<u>92,627,348</u>	<u>384,938,991</u>	<u>477,566,339</u>	<u>37,179,567</u>
Net position, end of year	<u>\$ 117,163,991</u>	<u>\$ 445,321,105</u>	<u>\$ 562,485,096</u>	<u>\$ 38,279,791</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	Major Funds				Total Governmental Funds
	General	County Capital Project	Education Capital Project	Non Major Governmental Funds	
Assets:					
Cash and cash equivalents/investments	\$ 143,203,097	\$67,926,800	\$33,479,806	\$ 2,171,945	\$ 246,781,648
Restricted cash and investments	1,573,585	-	58,086,761	4,616,588	64,276,934
Interest receivable	251,929	102,422	42,617	5,775	402,743
Taxes receivable - net	1,024,168	-	-	-	1,024,168
Receivables - net	3,498,675	-	-	13,435	3,512,110
Other governmental agencies	11,660,551	552	182,029	122,860	11,965,992
Due from other funds	32,749	-	1,761,405	-	1,794,154
Lease receivable	54,169	-	-	-	54,169
Prepaid expenditures	640,189	-	-	54	640,243
Total assets	<u>\$ 161,939,112</u>	<u>\$68,029,774</u>	<u>\$93,552,618</u>	<u>\$ 6,930,657</u>	<u>\$ 330,452,161</u>
Liabilities:					
Accounts payable and other liabilities	\$ 7,912,991	\$ 141,033	\$ 660,218	\$ 151,458	\$ 8,865,700
Due to other funds	1,761,405	-	-	32,749	1,794,154
Advance from grantor	-	3,909,282	-	11,281,450	15,190,732
Total liabilities	<u>9,674,396</u>	<u>4,050,315</u>	<u>660,218</u>	<u>11,465,657</u>	<u>25,850,586</u>
Deferred Inflows of Resources:	<u>1,825,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,825,120</u>
Fund Balances:					
Nonspendable	694,358	-	-	54	694,412
Restricted:					
Restricted - Stabilization by State Statute	14,972,716	-	-	142,070	15,114,786
Restricted - other	3,902,485	-	58,086,761	2,177,796	64,167,042
Committed	214,566	63,979,459	34,805,639	-	98,999,664
Assigned	26,191,557	-	-	-	26,191,557
Unassigned	104,463,914	-	-	(6,854,920)	97,608,994
Total fund balances	<u>150,439,596</u>	<u>63,979,459</u>	<u>92,892,400</u>	<u>(4,535,000)</u>	<u>302,776,455</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 161,939,112</u>	<u>\$68,029,774</u>	<u>\$93,552,618</u>	<u>\$ 6,930,657</u>	<u>\$ 330,452,161</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, 2023

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

Fund balance as reported in the balance sheet - governmental funds (Exhibit C1)	\$ 302,776,455
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	150,129,838
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	623,724
SBITA assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,326,941
Net pension asset	318,358
LGERS and ROD deferrals are deferred outflows of resources on the Statement of Net Position	29,446,645
LEOSSA deferrals are deferred outflows of resources on the Statement of Net Position	2,098,329
DOSSA deferrals are deferred outflows of resources on the Statement of Net Position	5,840
OPEB deferrals are deferred outflows of resources on the Statement of Net Position	23,413,819
Accrual of interest payable for debt does not require the use of current financial resources and, therefore, is not reported in the funds	(2,082,603)
Net pension liability - LGERS	(44,746,816)
Total pension liability - LEOSSA	(7,821,779)
Total pension liability - DOSSA	(140,998)
Total OPEB liability	(126,602,176)
Other assets are not available to pay for current period expenditures and, therefore, are deferred inflows	1,441,143
LGERS and ROD Pension related deferrals	(255,346)
LEOSSA pension related deferrals	(1,776,303)
DOSSA pension related deferrals	(36,759)
OPEB related deferrals	(42,584,949)
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(169,369,372)</u>
Net position reported as governmental activities	<u>\$ 117,163,991</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, 2023

	Major Funds				Total Governmental Funds
	General	County Capital Project	Education Capital Project	Non Major Governmental Funds	
Revenues:					
Ad valorem taxes	\$ 161,239,315	\$ -	\$ -	\$ -	\$ 161,239,315
Local option sales taxes	44,858,366	-	-	-	44,858,366
Other taxes and licenses	11,133,334	-	-	-	11,133,334
Unrestricted intergovernmental revenues	8,266,572	-	-	-	8,266,572
Restricted intergovernmental revenues	18,026,038	640,000	-	6,733,898	25,399,936
Permits and fees	7,472,520	-	-	179,403	7,651,923
Sales and services	18,234,920	-	-	-	18,234,920
Investment earnings	3,680,431	1,482,400	2,206,494	86,188	7,455,513
Other	2,779,147	-	-	-	2,779,147
Total revenues	<u>275,690,643</u>	<u>2,122,400</u>	<u>2,206,494</u>	<u>6,999,489</u>	<u>287,019,026</u>
Expenditures:					
General government	16,606,567	1,008,125	-	570,802	18,185,494
Public safety	65,786,989	-	-	1,349,211	67,136,200
Central services	21,774,711	-	-	-	21,774,711
Human services	30,805,805	-	-	70,220	30,876,025
Transportation	325,544	666,405	-	-	991,949
Environmental protection	22,557,260	3,814,919	-	-	26,372,179
Culture and recreation	5,513,321	38,065	-	-	5,551,386
Economic and physical development	8,993,655	-	-	-	8,993,655
Education	57,159,529	-	12,353,010	-	69,512,539
Debt Service:					
Principal retirement	9,786,756	-	-	40,718	9,827,474
Interest and fiscal charges	4,482,197	-	-	1,253	4,483,450
Total expenditures	<u>243,792,334</u>	<u>5,527,514</u>	<u>12,353,010</u>	<u>2,032,204</u>	<u>263,705,062</u>
Revenues over (under) expenditures	<u>31,898,309</u>	<u>(3,405,114)</u>	<u>(10,146,516)</u>	<u>4,967,285</u>	<u>23,313,964</u>
Other Financing Sources (Uses):					
Lease liabilities issued	523,952	-	-	-	523,952
SBITA liabilities issued	3,105,910	-	-	156,005	3,261,915
Premiums on bonds issued	-	-	5,869,431	-	5,869,431
Issuance of long-term debt	-	-	45,815,000	-	45,815,000
Transfers from other funds	5,490,344	17,909,354	12,263,344	76,584	35,739,626
Transfers to other funds	(30,249,282)	-	-	(12,363,356)	(42,612,638)
Total other financing sources (uses)	<u>(21,129,076)</u>	<u>17,909,354</u>	<u>63,947,775</u>	<u>(12,130,767)</u>	<u>48,597,286</u>
Net change in fund balance	10,769,233	14,504,240	53,801,259	(7,163,482)	71,911,250
Fund balance, beginning of year	<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>
Fund balance, end of year	<u>\$ 150,439,596</u>	<u>\$ 63,979,459</u>	<u>\$ 92,892,400</u>	<u>\$ (4,535,000)</u>	<u>\$ 302,776,455</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, 2023

Net change in fund balances - total governmental funds (Exhibit D1)	\$ 71,911,250
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	(243,933)
Emergency services revenues	23,957
Grant receivable	(44,407)
Public Health revenues	4,202
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.	(18,532,026)
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.	17,467,785
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.	7,955,973
Benefit payments and pension administration costs for LEOWS are deferred outflows of resources on the statement of net position	130,469
Contributions and pension administration costs for OPEB are deferred outflows of resources on the statement of net position	3,787,426
The gain (loss) on disposal of capital assets is reported as a revenue in the statement of activities and not recorded in the fund statements.	(28,344)
The gain or loss due to the early termination of a lease is reported as a revenue or expense in the statement of activities and not recorded in the fund statements.	(3,649)
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.	(11,491,848)
Amortization of bond premium.	654,118
Principal repayments are reported as expenditures in the governmental fund statement. However, in the statement of activities, these transactions are not an expense, rather they are a decrease in liabilities.	9,827,474
Change in closure/post closure liability estimate. Expenses are reported as incurred in the funds.	(637,020)
Change in interest payable for governmental activity long-term debt. Interest expense is recorded as incurred in the fund statements.	(774,486)
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>(55,470,298)</u>
Change in net position of governmental activities per Exhibit B	<u>\$ 24,536,643</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, 2023

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Ad valorem taxes	\$ 153,849,442	\$ 156,581,239	\$ 161,239,315	\$ 4,658,076
Local option sales taxes	39,563,234	40,732,748	44,858,366	4,125,618
Other taxes and licenses	7,525,000	11,010,000	11,133,334	123,334
Unrestricted intergovernmental revenues	2,706,600	6,711,100	8,266,572	1,555,472
Restricted intergovernmental revenues	17,440,772	20,831,878	18,026,038	(2,805,840)
Permits and fees	6,416,010	6,569,910	7,472,520	902,610
Sales and services	14,728,936	15,557,686	18,234,920	2,677,234
Investment earnings	60,380	3,388,325	3,680,431	292,106
Other	1,866,142	2,370,888	2,779,147	408,259
Total revenues	<u>244,156,516</u>	<u>263,753,774</u>	<u>275,690,643</u>	<u>11,936,869</u>
Expenditures:				
General government	16,524,590	18,614,524	16,606,567	2,007,957
Central services	22,208,343	28,658,499	21,774,711	6,883,788
Public safety	61,974,453	75,936,182	65,786,989	10,149,193
Transportation	161,000	400,227	325,544	74,683
Environmental protection	20,935,449	23,359,276	22,557,260	802,016
Economic and physical development	8,771,765	11,987,759	8,993,655	2,994,104
Human services	30,769,283	39,496,974	30,805,805	8,691,169
Education	56,636,515	57,233,128	57,159,529	73,599
Culture and recreation	5,620,966	8,815,608	5,513,321	3,302,287
Debt Service:				
Principal retirement	8,480,000	9,801,315	9,786,756	14,559
Interest and fiscal charges	4,641,134	4,672,581	4,482,197	190,384
Total expenditures	<u>236,723,498</u>	<u>278,976,073</u>	<u>243,792,334</u>	<u>35,183,739</u>
Revenues over (under) expenditures	<u>7,433,018</u>	<u>(15,222,299)</u>	<u>31,898,309</u>	<u>47,120,608</u>
Other Financing Sources (Uses):				
Lease liabilities issued	-	523,955	523,952	(3)
SBITA liabilities issued	-	3,230,067	3,105,910	(124,157)
Transfers from other funds	-	5,540,345	5,490,344	(50,001)
Transfers to other funds	(8,301,170)	(30,249,283)	(30,249,282)	1
Appropriated fund balance	868,152	36,177,215	-	(36,177,215)
Total other financing sources (uses)	<u>(7,433,018)</u>	<u>15,222,299</u>	<u>(21,129,076)</u>	<u>(36,351,375)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	10,769,233	<u>\$ 10,769,233</u>
Fund balance, beginning of year			<u>139,670,363</u>	
Fund balance, end of year			<u>\$ 150,439,596</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, 2023

	Business-type Activities		
	Enterprise Funds		
	Water	Wastewater	Total
Assets:			
Current Assets:			
Cash and cash equivalents/investments	\$ 71,228,893	\$ 53,012,373	\$ 124,241,266
Restricted cash and investments	55,155,907	4,067,948	59,223,855
Interest receivable	106,149	73,804	179,953
Receivables and special assessments, net	4,829,366	2,879,485	7,708,851
Current portion of lease receivable	201,606	-	201,606
Other governmental agencies	964,493	352,378	1,316,871
Inventories	1,922,985	265,803	2,188,788
Prepaid expenditures	4,489	2,973	7,462
Total current assets	<u>134,413,888</u>	<u>60,654,764</u>	<u>195,068,652</u>
Non-Current Assets:			
Lease receivable	1,851,602	-	1,851,602
Non-depreciable capital assets	137,829,448	5,653,890	143,483,338
Depreciable capital assets, net	180,001,277	272,579,323	452,580,600
Right to use leased assets, net of amortization	1,724,518	-	1,724,518
Right to use SBITA assets, net of amortization	41,442	13,814	55,256
Total non-current assets	<u>321,448,287</u>	<u>278,247,027</u>	<u>599,695,314</u>
Total assets	<u>455,862,175</u>	<u>338,901,791</u>	<u>794,763,966</u>
Deferred Outflows of Resources:	4,609,660	2,732,349	7,342,009
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	8,828,800	1,139,825	9,968,625
Accrued interest payable	1,732,630	848,499	2,581,129
Current portion of debt	6,080,916	9,505,959	15,586,875
Payable From Restricted Assets:			
Customer Deposits	2,597,291	-	2,597,291
Advance from grantor	1,904,164	-	1,904,164
Total current liabilities	<u>21,143,801</u>	<u>11,494,283</u>	<u>32,638,084</u>
Noncurrent Liabilities:			
Net pension liability	3,506,117	1,919,668	5,425,785
Compensated absences	517,196	262,959	780,155
Total other post employment liability	12,083,794	7,646,751	19,730,545
Long-term debt	201,934,061	87,379,092	289,313,153
Total noncurrent liabilities	<u>218,041,168</u>	<u>97,208,470</u>	<u>315,249,638</u>
Total liabilities	<u>239,184,969</u>	<u>108,702,753</u>	<u>347,887,722</u>
Deferred Inflows of Resources:	6,192,402	2,704,746	8,897,148
Net Position:			
Net investment in capital assets	163,678,270	184,050,388	347,728,658
Unrestricted	51,416,194	46,176,253	97,592,447
Total net position	<u>\$ 215,094,464</u>	<u>\$ 230,226,641</u>	<u>\$ 445,321,105</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, 2023

	Business-type Activities		
	Enterprise Funds		
	Water	Wastewater	Total
Operating Revenues:			
User charges	\$ 48,243,167	\$ 39,721,210	\$ 87,964,377
Intergovernmental revenue	94,378	5,331	99,709
Other	3,243,073	246,103	3,489,176
Total operating revenues	<u>51,580,618</u>	<u>39,972,644</u>	<u>91,553,262</u>
Operating Expenses:			
Salaries and employee benefits	9,907,538	7,239,288	17,146,826
Operating expenses	9,718,093	5,314,179	15,032,272
Repairs and maintenance	2,303,831	1,778,044	4,081,875
Depreciation and amortization	6,746,722	8,647,795	15,394,517
Total operating expenses	<u>28,676,184</u>	<u>22,979,306</u>	<u>51,655,490</u>
Operating income (loss)	<u>22,904,434</u>	<u>16,993,338</u>	<u>39,897,772</u>
Non-operating Revenues (Expenses):			
Investment earnings	3,847,398	1,169,153	5,016,551
Gain(loss) on early termination of lease	1,820	-	1,820
Interest expense	(6,989,587)	(3,681,563)	(10,671,150)
Total nonoperating revenues (expenses)	<u>(3,140,369)</u>	<u>(2,512,410)</u>	<u>(5,652,779)</u>
Income before capital contributions	19,764,065	14,480,928	34,244,993
Transfers in (out)	1,930,279	4,942,733	6,873,012
Capital Contributions	3,108,288	-	3,108,288
Dedicated service lines	6,857,291	9,298,530	16,155,821
Total transfers and capital contributions	<u>11,895,858</u>	<u>14,241,263</u>	<u>26,137,121</u>
Increase (decrease) in net position	31,659,923	28,722,191	60,382,114
Net position, beginning of year	<u>183,434,541</u>	<u>201,504,450</u>	<u>384,938,991</u>
Net position, end of year	<u>\$ 215,094,464</u>	<u>\$ 230,226,641</u>	<u>\$ 445,321,105</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, 2023

	Business-type Activities		
	Enterprise Funds		
	Water	Wastewater	Total
Cash Flows From Operating Activities:			
Receipts from customers	\$ 52,821,573	\$ 42,442,942	\$ 95,264,515
Payments to suppliers for goods and services	(8,224,566)	(8,618,589)	(16,843,155)
Payments to or on behalf of employees	(9,053,602)	(5,672,005)	(14,725,607)
Net cash provided by (used in) operating activities	<u>35,543,405</u>	<u>28,152,348</u>	<u>63,695,753</u>
Cash Flows From Noncapital Financing Activities:			
Transfers in (out)	1,930,279	4,942,733	6,873,012
Intergovernmental revenues	1,904,164	-	1,904,164
Net cash provided (used) by noncapital financing activities	<u>3,834,443</u>	<u>4,942,733</u>	<u>8,777,176</u>
Net Cash From Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(35,272,799)	(7,637,959)	(42,910,758)
Interest paid	(7,028,033)	(3,758,646)	(10,786,679)
Principal payments on long-term debt	(5,001,599)	(9,101,909)	(14,103,508)
Net cash provided (used) in capital and related financing activities	<u>(47,302,431)</u>	<u>(20,498,514)</u>	<u>(67,800,945)</u>
Cash Flows From Investing Activities:			
Interest on investments	<u>3,758,264</u>	<u>1,105,813</u>	<u>4,864,077</u>
Net increase (decrease) in cash and cash equivalents	(4,166,319)	13,702,380	9,536,061
Cash and cash equivalents, beginning of year	<u>130,551,119</u>	<u>43,377,941</u>	<u>173,929,060</u>
Cash and cash equivalents, end of year	<u>\$ 126,384,800</u>	<u>\$ 57,080,321</u>	<u>\$ 183,465,121</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 22,904,434	\$ 16,993,338	\$ 39,897,772
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	6,746,722	8,647,795	15,394,517
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	1,023,742	2,600,009	3,623,751
(Increase) decrease in sales tax refund receivable	2,852,639	(21,325)	2,831,314
(Increase) decrease in inventories	25,645	(57,616)	(31,971)
(Increase) decrease in prepaids	(4,489)	(2,973)	(7,462)
(Increase) decrease in lease receivables	193,948	-	193,948
Increase (decrease) in accounts payable/accrued expenses	912,805	(1,424,720)	(511,915)
(Increase) decrease in deferred outflows of resources for pensions	(857,704)	(473,216)	(1,330,920)

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, 2023

	<u>Business-type Activities</u>		
	<u>Enterprise Funds</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Changes in Assets and Liabilities (continued):			
(Increase) decrease in pension liability	2,605,020	1,437,252	4,042,272
(Increase) decrease in deferred inflows of resources for pensions	(1,373,078)	(757,560)	(2,130,638)
(Increase) decrease in deferred outflows of resources - OPEB	338,441	16,582	355,023
(Increase) decrease in net OPEB liability	(3,041,349)	(763,200)	(3,804,549)
(Increase) decrease in deferred inflows of resources - OPEB	3,193,364	2,087,693	5,281,057
(Increase) decrease in deferred inflows of resources - leases	(217,641)	-	(217,641)
Increase (decrease) in unearned revenue	-	(129,711)	(129,711)
Increase (decrease) in customer deposits	240,906	-	240,906
	<u>240,906</u>	<u>-</u>	<u>240,906</u>
Net cash provided by (used in) operating activities	<u>\$ 35,543,405</u>	<u>\$ 28,152,348</u>	<u>\$ 63,695,753</u>
Supplemental Disclosures of Noncash Transactions			
Dedicated service lines	\$ 6,857,291	\$ 9,298,530	\$ 16,155,821
Capital contributions	3,108,288	-	3,108,288
Right to use leased asset, in exchange for lease liability	13,909	-	13,909

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, 2023

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 3,466,960
Interest receivable for other governments	4,248
Receivable for other governments, net	<u>774,213</u>
Total assets	<u>4,245,421</u>
Liabilities:	
Accounts payable and accrued liabilities	497,080
Due to other governments	<u>3,359,592</u>
Total liabilities	<u>3,856,672</u>
Net position:	
Restricted for:	
Individuals, organization, and other governments	<u>388,749</u>
Total net position	<u>\$ 388,749</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, 2023

	<u>Custodial Funds</u>
Additions:	
Collections for other governments	\$ 65,618,978
Collections on behalf of inmates	<u>635,870</u>
Total additions	<u>66,254,848</u>
Deductions:	
Distributions to other governments	65,669,497
Payments on behalf of inmates	<u>632,156</u>
Total deductions	<u>66,301,653</u>
Net increase (decrease) in fiduciary net position	<u>(46,805)</u>
Net position, beginning of year	<u>435,554</u>
Net position, end of year	<u>\$ 388,749</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, 2023**

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COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 146,824, 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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

board. Appropriations to the Airport totaled \$111,000 for the fiscal year ended June 30, 2023. The Airport, which also has a June 30 year-end, is presented as a business-type fund.

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

Other Component Units

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, 2023, 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 or 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, 2023, 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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements - The fund financial statements provide information about the County's funds, including its fiduciary funds. 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The County reports the following major enterprise funds:

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

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

The County reports the following 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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/amortization on capital and right to use assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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; subscription-based information technology arrangement liabilities (SBITA), 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 intangible right to use and subscription assets, are reported as expenditures in governmental funds. Issuance of general long-term debt and financing through leases and SBITAs 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 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 \$35,309,063. This was largely the result of prior year commitments rolled into the current fiscal year, ARP enabled County funding created using the standard allowance for governmental services provision, and to fund planned projects. These projects include implementing recommendations identified in the space and facility needs study and the Ash Waccamaw Multiuse Building.

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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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 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

Governmental Activities			
General Fund	Tax Revaluation	\$	214,566
	Section 8 Expenditures		19,651
	Reserve for Debt Service		1,339,368
Education Capital Project Fund	Unexpended Debt Proceeds		58,086,761
Grants Special Revenue Fund	American Rescue Plan Proceeds		2,833,993
	Opioid Settlement Proceeds		1,782,595
	Total Governmental Activities	\$	<u>64,276,934</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Brunswick County Restricted Cash

<hr/>			
Business-Type Activities			
Water Fund	Unexpended Debt Proceeds	\$	52,071,830
	Reserve for Debt Service		486,786
	Customer Deposits		2,597,291
Sewer Fund	Unexpended Debt Proceeds		2,681,144
	Reserve for Debt Service		1,386,804
	Total Business-type Activities	\$	<u>59,223,855</u>
Total Restricted Cash		\$	<u><u>123,500,789</u></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.

Leases Receivable

Lease receivables are measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Due To/From Other Funds and Internal Balances

Amounts reported at June 30, 2023 as due to/from other funds, generally represent short-term advances between funds. Such amounts reported at year-end are not available for appropriation and are not an expendable available financial resource.

Inventory

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

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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

Right to Use Assets

Capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets are amortized on a straight-line basis over the subscription term.

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 pension 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 prepaid taxes, receivables, unavailable revenues (reported only on the Balance Sheet of the Governmental Funds), leases, 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 \$1,975,000 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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 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.

The County received \$1,241,534 as part of this settlement in Fiscal Year 2023. 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 authorized the use of Option A for opioid settlement funds. High-Impact Opioid Abatement Strategies approved include Recovery Support Services, Recovery Housing Support and Early Intervention.

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, \$126,988 for a sewer infrastructure project, \$10,000,000 for the revenue replacement standard allowance, \$79,071 for direct administrative costs, \$5,400,000 for restoring pre-pandemic employment above the pre-pandemic baseline, \$58,304 for a lead and copper program, \$42,375 for the Ocean Isle Beach wastewater treatment plant centralization and rehabilitation project, \$42,658 for the southeast area improvements project, and \$93,215 for Automated External Defibrillators (AEDs) in county buildings.

ARPA funds reimbursed the appropriate General and Enterprise funds totaling \$2,812,155 used for premium pay, Trailwood Drive force main project, direct administrative costs, lead and copper program, Ocean Isle Beach wastewater treatment plant centralization and rehabilitation project, southeast area improvements project, and AEDs in county buildings. Revenue Replacement funds

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

in the amount of \$10,000,000 and restoring pre-pandemic employment above the pre-pandemic baseline funds in the amount \$5,400,000 were transferred to the General Fund, \$5,069,721 for sewer infrastructure has been transferred to the Sewer Fund, and \$1,930,279 for water infrastructure has been transferred to the Water Fund. Additional General Fund projects include the obligation of \$70,929 for future direct administrative costs, \$1,341,696 for the lead and copper program, \$72,800 for the purchase of public access computers for county libraries, \$900,000 for the purchase of ambulances, \$4,900,358 for the Ocean Isle Beach Wastewater Treatment Plant centralization and rehabilitation project, and \$1,182 for the southeast area improvements project. 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 and Non-Major Governmental Funds have non-spendable fund balances for prepaids and leases receivable of \$694,358 and \$54, respectively, for a total of \$694,412. This is the portion of fund balance that is not available because it represents the year-end balance of ending prepaids and lease receivables, net, which are not spendable resources.

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

	<u>General Fund</u>	<u>Special 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)].*	\$ 14,972,716	\$ 142,070	\$ 15,114,786

*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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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.

	<u>General Fund</u>	<u>Education Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
Restricted for General Government-portion of fund balance that is restricted for the Municipal Interlocal Agreement for Sp. Obligation Bond	\$ 1,317,720	\$ -	\$ -	\$ 1,317,720
Restricted for Public Housing-portion of fund balance that is restricted by revenue source for section 8 expenditures.	19,651	-	-	19,651
Restricted for Human Services Health Program-portion of fund balance that is restricted by revenue source for health expenditures.	1,932,059	-	-	1,932,059
Restricted for Health Services-portion of fund balance that can only be used to benefit beneficiaries under the Social Services Representative Payee Program.	50,451	-	-	50,451
Restricted for Health Services-portion of fund balance that is restricted by revenue source for opioid abatement and remediation activities	-	-	30,101	30,101
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.	-	-	975,472	975,472
Restricted for Register of Deeds-portion of fund balance that is restricted by revenue source for technology for the Register of Deeds office.	-	-	1,172,223	1,172,223
Restricted for Education-portion of fund balance that is restricted for debt service issued for Public School Capital needs.	21,648	-	-	21,648
Restricted for Education-portion of fund balance that is restricted by revenue source or unspent debt proceeds for Public School Capital needs.**	-	<u>58,086,761</u>	-	<u>58,086,761</u>
Total restricted fund balance	<u>\$ 3,902,485</u>	<u>\$ 58,086,761</u>	<u>\$ 2,177,796</u>	<u>\$ 64,167,042</u>

**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).

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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Committed Fund Balance – the 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:

	<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)	\$ -	\$ 48,736,681	\$ -	\$ 48,736,681
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)	-	11,265,461	-	11,265,461
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)	-	848,846	-	848,846
Committed for Transportation-portion of fund balance that can only be used for transportation	-	128,471	-	128,471
Committed for Education-portion of fund balance that can only be used for education	-	-	34,805,639	34,805,639
Total committed fund balance	<u>\$ 214,566</u>	<u>\$ 63,979,459</u>	<u>\$ 34,805,639</u>	<u>\$ 98,999,664</u>

Assigned Fund Balance – the portion of fund balance that 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 \$18,083,036 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 an Assigned Fund Balance of \$8,108,521 designated for future county and community needs projects and mandated services. Projects will be presented to the commissioners individually for formal approval and appropriation.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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Unassigned Fund Balance – the 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 exceed 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	\$ 104,463,914	\$ (6,854,920)	\$ 97,608,994

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	\$150,439,596
Less:	
Nonspendable	(694,358)
Stabilization by State Statute	(14,972,716)
Restricted	(3,902,485)
Committed	(214,566)
Assigned	<u>(26,191,557)</u>
Fund balance remaining	<u>\$104,463,914</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, 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 plan's 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 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, 2023, include the following:

	Reported at Fair Value
Cash on Hand	\$ 15,184
Deposits - NOW, SuperNOW, MMDA and Certificates of Deposit	320,574,187
Investments: North Carolina Capital Management Trust	<u>177,401,292</u>
Total	<u>\$ 497,990,663</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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023, the deposits of the County had a reported value of \$320,574,187 and bank balances of \$320,441,603. Of the bank balances, \$1,250,000 was covered by federal depository insurance and \$319,191,603 was covered by collateral held under the Pooling Method. Cash on hand at June 30, 2023, was \$15,184.

B. Investments

As of June 30, 2023, 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>
North Carolina Capital Management Trust:					
Government Portfoli	Fair Value-Level 1	<u>\$ 177,401,292</u>	<u>\$ 177,401,292</u>	<u>n/a</u>	<u>n/a</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023.

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.

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2023, were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Interest</u>	<u>Lease</u>	<u>Other</u>	<u>Total</u>	
Governmental activities							
Receivables	\$ 3,177,366	\$ 2,010,424	\$ 402,743	\$ 54,169	\$ 1,524,519	\$ 7,169,221	
Allowance for doubtful accounts	<u>(1,189,775)</u>	<u>(986,256)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,176,031)</u>	
Total governmental activities	<u>\$ 1,987,591</u>	<u>\$ 1,024,168</u>	<u>\$ 402,743</u>	<u>\$ 54,169</u>	<u>\$ 1,524,519</u>	<u>\$ 4,993,190</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	\$ 4,833,820	\$ 16,412	\$ 106,149	\$ 2,053,208	\$ -	\$ 100,134	\$ 7,109,723
Wastewater	<u>2,692,163</u>	<u>9,244</u>	<u>73,804</u>	<u>-</u>	<u>291,329</u>	<u>-</u>	<u>3,066,540</u>
Total receivables	7,525,983	25,656	179,953	2,053,208	291,329	100,134	10,176,263
Allowance for doubtful accounts:							
Water	(121,000)	-	-	-	-	-	(121,000)
Wastewater	<u>(53,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,251)</u>	<u>-</u>	<u>(113,251)</u>
Total allowance	(174,000)	-	-	-	(60,251)	-	(234,251)
Total business-type activities	<u>\$ 7,351,983</u>	<u>\$ 25,656</u>	<u>\$ 179,953</u>	<u>\$ 2,053,208</u>	<u>\$ 231,078</u>	<u>\$ 100,134</u>	<u>\$ 9,942,012</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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	<u>Taxes</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
Custodial Funds				
Receivables	\$ 1,341,568	\$ 4,248	15,883	\$ 1,361,699
Allowance for doubtful accounts	<u>(583,238)</u>	<u>-</u>	<u>-</u>	<u>(583,238)</u>
Total custodial funds	<u>\$ 758,330</u>	<u>\$ 4,248</u>	<u>\$ 15,883</u>	<u>\$ 778,461</u>

Lease Receivables

On 07/01/2021, the County 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 06/30/2023, the value of the lease receivable is \$58,138. 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 06/30/2023 was \$57,314, and the County recognized lease revenue of \$24,891 during the fiscal year.

On 07/01/2021, the County 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 06/30/2023, the value of the lease receivable is \$65,067. 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 06/30/2023 was \$63,726, and the County recognized lease revenue of \$2,655 during the fiscal year. The lessee has 5 extension options, each for 60 months.

On 07/01/2021, the County 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 06/30/2023, the value of the lease receivable is \$549,857. 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 06/30/2023 was \$518,664, and the 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, the County 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 06/30/2023, the value of the lease receivable is \$694,332. 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 06/30/2023 was \$660,037, and the 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, the County 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 06/30/2023, the value of the lease receivable is \$282,313. 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 06/30/2023 was \$257,110, and the County recognized lease revenue of \$48,973 during the fiscal year. The lessee has 1 extension option for 60 months.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

On 08/01/2021, the County 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 06/30/2023, the value of the lease receivable is \$151,572. 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 06/30/2023 was \$146,168, and the County recognized lease revenue of \$12,428 during the fiscal year. The lessee has 2 extension options, each for 60 months.

On 08/01/2021, the County entered into an 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 06/30/2023, the value of the lease receivable is \$251,929. 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 06/30/2023 was \$240,751, and the County recognized lease revenue of \$48,827 during the fiscal year. The lessee has 1 extension option for 60 months.

On 08/15/2022, the County entered into a 60-month lease as Lessor for the use of building space. An initial lease receivable was recorded in the amount of \$65,757. As of 06/30/2023, the value of the lease receivable is \$54,169. The lessee is required to make monthly fixed payments of \$1,161. The lease has an interest rate of 2.3660%. The value of the deferred inflow of resources as of 06/30/2023 was \$54,213, and the County recognized lease revenue of \$11,544 during the fiscal year.

In fiscal year 2022, the County recognized \$229,185 of lease revenue and \$13,858 of interest revenue under the leases.

	Governmental		Enterprise	
	Principal	Interest	Principal	Interest
2024	\$ 12,787	\$ 1,144	\$ 201,606	\$ 11,762
2025	13,092	838	209,148	10,574
2026	13,405	525	200,329	9,405
2027	13,726	204	200,028	8,357
2028	1,159	2	208,532	7,281
2029-2033	-	-	513,185	25,897
2034-2038	-	-	302,515	12,469
2039-2043	-	-	205,691	3,850
2044-2048	-	-	12,174	79
Totals	<u>\$ 54,169</u>	<u>\$ 2,713</u>	<u>\$ 2,053,208</u>	<u>\$ 89,674</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Due From Other Governments

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

	Governmental	Business-Type	
	Activities	Activities	Total
Local option sales tax	\$ 7,755,824	\$ -	\$ 7,755,824
Medicaid hold harmless	658,502	-	658,502
Sales tax refunds	1,515,478	1,242,407	2,757,885
North Carolina Vehicle Tax System	1,065,175	-	1,065,175
Due from federal government for grant assistance	181,653	636	182,289
Due from State of North Carolina for grant assistance	755,464	-	755,464
Emergency telephone system	33,896	-	33,896
Lower Cape Fear Water & Sewer Authority reimbursement	-	73,828	73,828
Total	<u>\$ 11,965,992</u>	<u>\$ 1,316,871</u>	<u>\$ 13,282,863</u>

Property Tax – Use Value Assessment on Certain Lands

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,950,388	\$ 463,217	\$ 2,413,605
2021	1,995,135	294,282	2,289,417
2022	2,007,293	115,419	2,122,712
2023	3,001,109	-	3,001,109
Total	<u>\$ 8,953,925</u>	<u>\$ 872,918</u>	<u>\$ 9,826,843</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

4. Capital Assets

Governmental capital assets at June 30, 2023, are summarized as follows:

	<u>June 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/ Reclasses</u>	<u>June 30, 2023</u>
Non-Depreciable Assets:					
Land	\$ 16,873,908	\$ -	\$ -	\$ -	\$ 16,873,908
Construction in progress	16,470,754	5,224,955	-	(21,039,715)	655,994
Right to use SBITA implementation in progress	-	52,160	-	-	52,160
Total non-depreciable assets	<u>33,344,662</u>	<u>5,277,115</u>	<u>-</u>	<u>(21,039,715)</u>	<u>17,582,062</u>
Depreciable and Right to Use Assets					
Buildings and improvements	184,798,404	1,156,963	-	21,039,715	206,995,082
Equipment and vehicles	53,254,167	7,178,407	2,200,211	32,825	58,265,188
Right to use buildings	173,939	361,626	123,376	-	412,189
Right to use equipment	601,982	162,326	43,090	-	721,218
Right to use SBITA	-	3,331,348	-	-	3,331,348
Total depreciable assets	<u>238,828,492</u>	<u>12,190,670</u>	<u>2,366,677</u>	<u>21,072,540</u>	<u>269,725,025</u>
Less accumulated depreciation and amortization					
Buildings and improvements	80,697,631	6,124,908	-	-	86,822,539
Equipment and vehicles	44,012,468	3,964,369	2,171,867	32,825	45,837,795
Right to use buildings	78,542	119,832	76,144	-	122,230
Right to use equipment	200,334	226,172	39,053	-	387,453
Right to use SBITA	-	1,056,567	-	-	1,056,567
Total accumulated depreciation	<u>124,988,975</u>	<u>11,491,848</u>	<u>2,287,064</u>	<u>32,825</u>	<u>134,226,584</u>
Total depreciable assets, net	<u>113,839,517</u>	<u>698,822</u>	<u>79,613</u>	<u>21,039,715</u>	<u>135,498,441</u>
Total Capital Assets	<u>\$ 147,184,179</u>	<u>\$ 5,975,937</u>	<u>\$ 79,613</u>	<u>\$ -</u>	<u>\$ 153,080,503</u>

Depreciation and amortization were charged to functional expenses on the Statement of Activities as follows:

Function	Amortization				Total
	Depreciation Expense	Expense- Leases	Amortization Expense-SBITA		
General government	\$ 892,616	\$ 43,741	\$ 281,946		\$ 1,218,303
Public safety	4,171,765	99,337	237,586		4,508,688
Central services	497,959	71,806	496,501		1,066,266
Human services	207,328	106,996	-		314,324
Environmental protection	451,961	-	-		451,961
Economic and physical development	111,494	9,213	34,044		154,751
Cultural and recreation	2,273,473	14,911	6,490		2,294,874
Education	1,482,681	-	-		1,482,681
Total	<u>\$ 10,089,277</u>	<u>\$ 346,004</u>	<u>\$ 1,056,567</u>		<u>\$ 11,491,848</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Enterprise fund capital assets at June 30, 2023, are summarized as follows:

Water Fund:				Transfers/ Reclasses	
	<u>June 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>		<u>June 30, 2023</u>
Non-Depreciable Assets:					
Land	\$ 760,138	\$ -	\$ -	\$ -	\$ 760,138
Construction in progress	<u>130,533,265</u>	<u>32,642,961</u>	<u>-</u>	<u>(26,106,916)</u>	<u>137,069,310</u>
Total non-depreciable assets	<u>131,293,403</u>	<u>32,642,961</u>	<u>-</u>	<u>(26,106,916)</u>	<u>137,829,448</u>
 Depreciable and Right to Use Assets					
Operating plants,					
buildings, and improvements	57,733,203	375,568	-	-	58,108,771
Distribution system	165,390,856	9,930,032	-	26,106,916	201,427,804
Equipment and vehicles	26,451,158	2,289,817	-	(32,825)	28,708,150
Right to use equipment	30,950	28,883	22,779	-	37,054
Right to use					
operating plant	1,767,210	-	-	-	1,767,210
Right to use SBITA	<u>-</u>	<u>79,404</u>	<u>-</u>	<u>-</u>	<u>79,404</u>
Total depreciable assets	<u>251,373,377</u>	<u>12,703,704</u>	<u>22,779</u>	<u>26,074,091</u>	<u>290,128,393</u>
 Less accumulated depreciation and amortization					
Operating plants,					
buildings, and improvements	28,197,410	1,951,300	-	-	30,148,710
Distribution system	57,005,615	3,638,971	-	-	60,644,586
Equipment and vehicles	15,703,980	1,778,997	-	(32,825)	17,450,152
Right to use equipment	7,956	7,796	7,805	-	7,947
Right to use					
operating plant	35,899	35,900	-	-	71,799
Right to use SBITA	<u>-</u>	<u>37,962</u>	<u>-</u>	<u>-</u>	<u>37,962</u>
Total accumulated depreciation	<u>100,950,860</u>	<u>7,450,926</u>	<u>7,805</u>	<u>(32,825)</u>	<u>108,361,156</u>
 Total depreciable assets, net	<u>150,422,517</u>	<u>5,252,778</u>	<u>14,974</u>	<u>26,106,916</u>	<u>181,767,237</u>
 Total Capital Assets	<u>\$ 281,715,920</u>	<u>\$ 37,895,739</u>	<u>\$ 14,974</u>	<u>\$ -</u>	<u>\$ 319,596,685</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Wastewater Fund:					Transfers/ Reclasses	
	<u>June 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>		<u>June 30, 2023</u>	
Non-Depreciable Assets:						
Land	\$ 2,142,177	\$ 25,097	\$ -	\$ -	\$ 2,167,274	
Construction in progress	45,990,392	1,636,782	-	(44,140,558)	3,486,616	
Total non-depreciable assets	<u>48,132,569</u>	<u>1,661,879</u>	<u>-</u>	<u>(44,140,558)</u>	<u>5,653,890</u>	
Depreciable and Right to Use Assets						
Operating plants, buildings, and improvements	161,133,741	45,917	-	-	161,179,658	
Collection system	138,814,496	9,336,483	-	44,140,558	192,291,537	
Equipment and vehicles	13,369,835	5,892,210	-	-	19,262,045	
Right to use SBITA	-	26,468	-	-	26,468	
Total depreciable assets	<u>313,318,072</u>	<u>15,301,078</u>	<u>-</u>	<u>44,140,558</u>	<u>372,759,708</u>	
Less accumulated depreciation and amortization						
Operating plants, buildings, and improvements	57,705,871	4,726,082	-	-	62,431,953	
Distribution system	27,720,904	3,323,819	-	-	31,044,723	
Equipment and vehicles	5,427,545	1,249,696	-	-	6,677,241	
Right to use SBITA	-	12,654	-	-	12,654	
Total accumulated depreciation	<u>90,854,320</u>	<u>9,312,251</u>	<u>-</u>	<u>-</u>	<u>100,166,571</u>	
Total depreciable assets, net	<u>222,463,752</u>	<u>5,988,827</u>	<u>-</u>	<u>44,140,558</u>	<u>272,593,137</u>	
Total Capital Assets	<u>\$ 270,596,321</u>	<u>\$ 7,650,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 278,247,027</u>	

5. Accounts Payable and Inter-fund Balances

Accounts Payable Disaggregate Information

<u>Type of Payable</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Trade payables	\$ 4,042,851	\$ 1,732,378	\$ 5,775,229
Construction costs payable	801,251	7,832,599	8,633,850
Accrued salaries and fringe benefits	2,518,042	403,648	2,921,690
Advances from grantors	15,190,732	1,904,164	17,094,896
Future claims for workers' compensation	36,720	-	36,720
Other payables	1,466,836	-	1,466,836
Total	<u>\$ 24,056,432</u>	<u>\$ 11,872,789</u>	<u>\$ 35,929,221</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Inter-fund Receivables / Payables

The County's Interfund balances as of June 30, 2023, are \$1,794,154. \$1,761,405 represents amounts due to the Education Capital Project Fund from the General Fund for local option sales tax receivable at fiscal year-end. \$32,749 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 2023 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.

		County Capital Project	Education Capital Project	Non Major Governmental	Total Governmental	Enterprise
To:	<u>General Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
From:						
General Fund	\$ -	\$ 17,909,354	\$ 12,263,344	\$ 76,584	\$ 30,249,282	\$ -
Non Major Governmental Fund	<u>5,490,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,490,344</u>	<u>6,873,012</u>
Totals	<u>\$ 5,490,344</u>	<u>\$ 17,909,354</u>	<u>\$ 12,263,344</u>	<u>\$ 76,584</u>	<u>\$ 35,739,626</u>	<u>\$ 6,873,012</u>

6. Deferred Outflows and Inflows of Resources

The balance in deferred outflows and inflows of resources at June 30, 2023, is composed of the following elements:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience		
LGERS/ROD	\$ 2,164,343	\$ 217,732
LEOSSA	584,085	72,774
DOSSA	3,369	-
OPEB	77,563	15,461,284
Pensions - net difference between projected and actual investment earnings	16,714,891	-
Pensions - Change in proportion and difference between employer contributions and proportionate share of contributions	306,461	354,264
Change in assumptions		
LGERS/ROD	5,022,957	-
LEOSSA	1,383,775	1,703,529
DOSSA	2,471	36,759
OPEB	22,606,698	33,760,393
County contributions subsequent to the measurement date	8,931,033	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	130,469	-
Benefit payments/administration costs paid subsequent to the measurement date (OPEB)	4,378,527	
Prepaid Taxes, not yet earned (General Fund)	-	329,764
Taxes Receivable (General Fund)	-	1,024,168
EMS Receivable (General Fund)	-	392,654
Health Department Receivable (General Fund)	-	24,321
Leases (General Fund)	-	54,213
Leases (Water Fund)	-	1,943,770
	<u>\$ 62,306,642</u>	<u>\$ 55,375,625</u>

7. Long-Term Obligations

A. General Obligation Bonds

General obligation bonds issued to finance the construction of facilities utilized in the operations of the water system are reported as long-term debt in the Water Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. 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.

The County's General Obligation Bonds consisted of the following at June 30, 2023:

Original Issue		Payment Information		Outstanding Balance	
Date	Rate	Period	Amount	Governmental Activities	Business-Type Activities
2012	2.00% - 4.00%	Annual	\$30,000 - \$285,000	\$ -	\$ 1,975,000
2013	0.33% - 4.00%	Annual	\$80,000 - \$3,475,000	380,000	-
2018	2.85% - 5.00%	Annual	\$2,455,000 - \$2,500,000	39,955,000	-
2020	2.00% - 5.00%	Annual	\$2,085,000 - \$2,090,000	37,615,000	-
2022	4.00% - 5.00%	Annual	\$2,290,000 - \$2,295,000	45,815,000	-
Total General Obligation Bonds				<u>\$123,765,000</u>	<u>\$ 1,975,000</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, 2023, for which the County held no collateral totaled \$123,723,278 and was comprised of the following issues: series 2013A school and community college refunding \$338,278 and school series 2018 \$39,955,000, 2020 \$37,615,000, and \$45,815,000 which are all three phases of the approved \$152 million bond referendum. The school series 2018, 2020, and 2022 have related premiums of \$2,171,508, 5,034,779, and \$5,722,696, respectively.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023:

<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 Activities</u>
2015	2.00% - 5.00%	Annual	\$735,000 - \$4,575,000	\$ 40,430,000
2019	3.00% - 5.00%	Annual	\$375,000 - \$4,735,000	78,175,000
2020	2.00% - 5.00%	Annual	\$3,045,000 - \$8,115,000	149,020,000
Total Revenue Bonds				<u>\$ 267,625,000</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 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 \$387,004,172. Principal and interest paid for the current year and total operating revenues were \$22,177,957 and \$91,553,262, 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, 2023.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023, the County's compliance with the Rate Covenant is shown below:

Operating revenues and investment earnings*	\$ 96,854,275
Add: 20% surplus account (expendable net positon)	<u>16,934,642</u>
Total	<u><u>\$ 113,788,917</u></u>

Operating expense excluding OPEB (net of depreciation)	34,429,442
120% of Principal and Interest Requirements on the Bonds	26,613,550
100% of Principal and Interest Requirements on Subordinate Indebtedness, General Obligation Indebtedness and Other Indebtedness	<u>2,625,650</u>
Total	<u><u>\$ 63,668,642</u></u>

113,788,917 > 63,668,642

Operating revenues and investment earnings*	\$ 96,854,275
Total	<u><u>\$ 96,854,275</u></u>

Operating expense excluding OPEB (net of depreciation)	34,429,442
120% of Principal and Interest Requirements on the Bonds	26,613,550
100% of Principal and Interest Requirements on Subordinate Indebtedness, General Obligation Indebtedness and Other Indebtedness	<u>2,625,650</u>
Total	<u><u>\$ 63,668,642</u></u>

96,854,275 > 63,668,642

* In accordance with the County's General Trust Indenture, assessment revenues of \$284,462 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 is included in the calculation of net revenues and not the gross assessment in the year assessed.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

The County's debt service coverage calculation for the year ended June 30, 2023, is as follows:

Operating revenues and investment earnings	\$ 96,854,275
Operating expense excluding OPEB (net of depreciation)	<u>34,429,442</u>
Net revenue available for debt service *	62,424,833
Add: 20% surplus account (expendable net position)	<u>16,934,642</u>
Adjusted net revenues	<u><u>\$ 79,359,475</u></u>
Senior debt service	\$ 22,177,958
Subordinate debt service	<u>2,625,650</u>
Total debt service	24,803,608
Add: 20% senior debt service	<u>4,435,592</u>
Adjusted debt service	<u><u>\$ 29,239,200</u></u>
Coverage Test 1	
Net revenues/total debt service	<u><u>2.52</u></u>
Coverage Test 2	
Adjusted net revenues/adjusted debt service	<u><u>2.71</u></u>

* In accordance with the County's General Trust Indenture, assessment revenues of \$284,462 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 is 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, 2023:

<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%	\$ 6,305,000	2005B Schools
		\$65,000-			School Projects; Refund
2022	Annual	\$2,240,000	1.12%	<u>8,910,000</u>	2012 Schools
				<u><u>\$ 15,215,000</u></u>	

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

D. Installment Purchases and State Revolving Fund Loans

The County's Installment Purchase notes payable consisted of the following at June 30, 2023:

<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</u>		
				<u>Activities</u>		
2010	0.00%	Annual	\$100,000	\$	800,000	Wastewater System
			\$247,250			Wastewater System
2012	1.84%	Annual	- \$687,250		323,930	
				\$	1,123,930	

The County's outstanding note from direct placement related to enterprise activities of \$800,000 (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 \$323,930 (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, 2023:

<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</u>		
				<u>Activities</u>		
2005	2.21%	Annual	\$806,645 - \$1,220,552		3,583,226	Wastewater System
2006	2.21%	Annual	\$511,525 - \$790,275		1,500,000	Wastewater System
2011	0.00%	Annual	\$75,000		600,000	Wastewater System
2013	2.50%	Annual	\$29,386		323,243	Wastewater System
2019	0.00%	Annual	\$47,052		329,362	Wastewater System
				\$	6,335,831	

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The County's outstanding note from direct borrowings related to enterprise activities of \$3,583,226 (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 \$1,500,000 (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 \$600,000 (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 \$323,243 (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 \$329,362 (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 06/30/2023, the value of the lease liability is \$3,168. The County is required to make monthly fixed payments of \$168. The lease has an interest rate of 0.8930%. The value of the right to use asset as of 06/30/2023 is \$7,113 with accumulated amortization of \$3,970.

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 06/30/2023, the value of the lease liability is \$13,750. The County is required to make annual fixed payments of \$6,950. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 is \$27,498 with accumulated amortization of \$18,181.

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 06/30/2023, the value of the lease liability is \$7,242. The County is required to make monthly fixed payments of \$332. The lease

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

has an interest rate of 0.8930%. The value of the right to use asset as of 06/30/2023 is \$15,019 with accumulated amortization of \$7,836.

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 06/30/2023, the value of the lease liability is \$3,953. The County is required to make annual fixed payments of \$3,981. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 is \$11,851 with accumulated amortization of \$7,687.

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 06/30/2023, the value of the lease liability is \$1,392. The County is required to make monthly fixed payments of \$93. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 is \$3,595 with accumulated amortization of \$2,212.

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 06/30/2023, the value of the lease liability is \$5,855. The County is required to make monthly fixed payments of \$180. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2023 is \$10,016 with accumulated amortization of \$4,237.

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 06/30/2023, the value of the lease liability is \$2,229. The County is required to make annual fixed payments of \$2,245. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 is \$6,686 with accumulated amortization of \$4,429.

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 06/30/2023, the value of the lease liability is \$148. The County is required to make monthly fixed payments of \$148. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2023 is \$3,680 with accumulated amortization of \$3,468.

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 06/30/2023, the value of the lease liability is \$17,736. The County is required to make monthly fixed payments of \$1,343. The lease has an interest rate of 0.3160%. The value of the right to use asset as of 06/30/2023 is \$50,563 with accumulated amortization of \$33,708. The 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 06/30/2023, the value of the lease liability is \$3,314. The County is required to make monthly fixed payments of \$167. The lease has an interest rate of 0.8930%. The value of the right to use asset as of 06/30/2023 is \$7,229 with accumulated amortization of \$3,902.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 06/30/2023, the value of the lease liability is \$2,882. The County is required to make monthly fixed payments of \$961. The lease has an interest rate of 0.5140%. The value of the right to use asset as of 06/30/2023 is \$25,814 with accumulated amortization of \$23,262.

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 06/30/2023, the value of the lease liability is \$1,120. The County is required to make monthly fixed payments of \$75. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 is \$2,892 with accumulated amortization of \$1,779.

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 06/30/2023, the value of the lease liability is \$3,710. The County is required to make monthly fixed payments of \$156. The lease has an interest rate of 0.8770%. The value of the right to use asset as of 06/30/2023 is \$7,361 with accumulated amortization of \$3,609.

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 06/30/2023, the value of the lease liability is \$2,481. The County is required to make annual fixed payments of \$2,499. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 is \$7,443 with accumulated amortization of \$4,962.

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 06/30/2023, the value of the lease liability is \$1,865. The County is required to make monthly fixed payments of \$156. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 is \$5,555 with accumulated amortization of \$3,656.

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 06/30/2023, the value of the lease liability is \$1,324. The County is required to make monthly fixed payments of \$95. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 is \$3,569 with accumulated amortization of \$2,227.

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 06/30/2023, the value of the lease liability is \$2,538. The County is required to make monthly fixed payments of \$170. The lease has an interest rate of 0.7270%. The value of the right to use asset as of 06/30/2023 is \$6,553 with accumulated amortization of \$3,985.

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 06/30/2023, the value of the lease liability is \$105,408. The County is required to make annual fixed payments of \$106,774. The lease has an interest rate of 1.2960%. The value of the right to use asset as of 06/30/2023 is \$316,241 with accumulated amortization of \$210,827.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 06/30/2023, the value of the lease liability is \$2,230. The County is required to make monthly fixed payments of \$186. The lease has an interest rate of 0.4700%. The value of the right to use asset as of 06/30/2023 is \$6,661 with accumulated amortization of \$4,441.

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 06/30/2023, the value of the lease liability is \$2,230. The County is required to make monthly fixed payments of \$186. The lease has an interest rate of 0.4700%. The value of the right to use asset as of 06/30/2023 is \$6,661 with accumulated amortization of \$4,441.

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 06/30/2023, the value of the lease liability is \$14,763. The County is required to make quarterly fixed payments of \$2,963. The lease has an interest rate of 0.4700%. The value of the right to use asset as of 06/30/2023 is \$38,233 with accumulated amortization of \$24,169.

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 06/30/2023, the value of the lease liability is \$1,672,428. The County is required to make annual fixed payments of \$43,255. The lease has an interest rate of 1.0590%. The value of the right to use asset as of 06/30/2023 is \$1,736,362 with accumulated amortization of \$66,464.

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 06/30/2023, the value of the lease liability is \$6,942. The County is required to make annual fixed payments of \$2,328. The lease has an interest rate of 0.3160%. The value of the right to use asset as of 06/30/2023 is \$11,569 with accumulated amortization of \$4,628.

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 06/30/2023, the value of the lease liability is \$18,700. The County is required to make annual fixed payments of \$658. The lease has an interest rate of 2.5830%. The value of the right to use asset as of 06/30/2023 is \$19,279 with accumulated amortization of \$707.

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 06/30/2023, the value of the lease liability is \$4,997. The County is required to make monthly fixed payments of \$137. The lease has an interest rate of 0.8900%. The value of the right to use asset as of 06/30/2023 is \$8,171 with accumulated amortization of \$3,232.

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 06/30/2023, the value of the lease liability is \$13,128. The County is required to make monthly fixed payments of \$351. The lease

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

has an interest rate of 1.0190%. The value of the right to use asset as of 06/30/2023 is \$20,555 with accumulated amortization of \$7,537.

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 06/30/2023, the value of the lease liability is \$4,170. The County is required to make monthly fixed payments of \$156. The lease has an interest rate of 0.8610%. The value of the right to use asset as of 06/30/2023 is \$7,363 with accumulated amortization of \$3,221.

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 06/30/2023, the value of the lease liability is \$4,058. The County is required to make monthly fixed payments of \$106. The lease has an interest rate of 2.5830%. The value of the right to use asset as of 06/30/2023 is \$5,973 with accumulated amortization of \$1,991.

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 \$5,332. As of 06/30/2023, the value of the lease liability is \$3,505. The County is required to make monthly fixed payments of \$111. The lease has an interest rate of 1.0470%. The value of the right to use asset as of 06/30/2023 is \$5,332 with accumulated amortization of \$1,856.

On 07/01/2022, the County entered into a 60-month lease as Lessee for the use of building space. An initial lease liability was recorded in the amount of \$240,153. As of 06/30/2023, the value of the lease liability is \$194,126. The County is required to make monthly fixed payments of \$4,259. The lease has an interest rate of 2.5517%. The value of the right to use asset as of 06/30/2023 is \$240,153 with accumulated amortization of \$48,031.

On 07/01/2022, 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 \$13,678. As of 06/30/2023, the value of the lease liability is \$10,363. The County is required to make monthly fixed payments of \$299. The lease has an interest rate of 2.4806%. The value of the right to use asset as of 06/30/2023 is \$13,678 with accumulated amortization of \$3,419.

On 07/01/2022, the County entered into a 36-month lease as Lessee for the use of building space. An initial lease liability was recorded in the amount of \$121,473. As of 06/30/2023, the value of the lease liability is \$81,828. The County is required to make monthly fixed payments of \$3,500. The lease has an interest rate of 2.5280%. The value of the right to use asset as of 06/30/2023 is \$121,473 with accumulated amortization of \$40,491.

On 07/01/2022, 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 \$7,726. As of 06/30/2023, the value of the lease liability is \$6,245. The County is required to make monthly fixed payments of \$137. The lease has an interest rate of 2.5517%. The value of the right to use asset as of 06/30/2023 is \$7,726 with accumulated amortization of \$1,545.

On 07/01/2022, 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 \$9,941. As of 06/30/2023, the value of the lease

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

liability is \$6,827. The County is required to make monthly fixed payments of \$265. The lease has an interest rate of 0.8930%. The value of the right to use asset as of 06/30/2023 is \$9,941 with accumulated amortization of \$3,139.

On 08/01/2022, 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 \$27,919. As of 06/30/2023, the value of the lease liability is \$21,847. The County is required to make monthly fixed payments of \$598. The lease has an interest rate of 2.4411%. The value of the right to use asset as of 06/30/2023 is \$27,919 with accumulated amortization of \$6,315.

On 09/01/2022, 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 \$11,983. As of 06/30/2023, the value of the lease liability is \$10,066. The County is required to make monthly fixed payments of \$212. The lease has an interest rate of 2.4570%. The value of the right to use asset as of 06/30/2023 is \$11,983 with accumulated amortization of \$1,997.

On 10/01/2022, the County entered into a 19-month lease as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$7,676. As of 06/30/2023, the value of the lease liability is \$4,071. The County is required to make monthly fixed payments of \$412. The lease has an interest rate of 2.6307%. The value of the right to use asset as of 06/30/2023 is \$7,676 with accumulated amortization of \$3,636.

On 10/15/2022, 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 \$44,037. As of 06/30/2023, the value of the lease liability is \$34,797. The County is required to make annual fixed payments of \$9,240. The lease has an interest rate of 2.4570%. The value of the right to use asset as of 06/30/2023 is \$44,037 with accumulated amortization of \$6,263.

On 11/01/2022, 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 \$7,648. As of 06/30/2023, the value of the lease liability is \$6,413. The County is required to make monthly fixed payments of \$168. The lease has an interest rate of 2.5320%. The value of the right to use asset as of 06/30/2023 is \$7,648 with accumulated amortization of \$1,275.

On 11/17/2022, 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 \$6,538. As of 06/30/2023, the value of the lease liability is \$5,304. The County is required to make monthly fixed payments of \$189. The lease has an interest rate of 2.6070%. The value of the right to use asset as of 06/30/2023 is \$6,538 with accumulated amortization of \$1,355.

On 11/23/2022, 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 \$10,449. As of 06/30/2023, the value of the lease liability is \$8,985. The County is required to make monthly fixed payments of \$229. The lease has an interest rate of 2.5320%. The value of the right to use asset as of 06/30/2023 is \$10,449 with accumulated amortization of \$1,582.

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On 12/01/2022, the County entered into a 36-month lease as Lessee for the use of a plotter. An initial lease liability was recorded in the amount of \$9,603. As of 06/30/2023, the value of the lease liability is \$7,777. The County is required to make monthly fixed payments of \$277. The lease has an interest rate of 2.6070%. The value of the right to use asset as of 06/30/2023 is \$9,603 with accumulated amortization of \$1,867.

On 01/01/2023, 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 \$8,925. As of 06/30/2023, the value of the lease liability is \$7,469. The County is required to make monthly fixed payments of \$257. The lease has an interest rate of 2.6070%. The value of the right to use asset as of 06/30/2023 is \$8,925 with accumulated amortization of \$1,487.

On 06/01/2023, 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 \$15,068. As of 06/30/2023, the value of the lease liability is \$14,740. The County is required to make monthly fixed payments of \$328. The lease has an interest rate of 2.2600%. The value of the right to use asset as of 06/30/2023 is \$15,068 with accumulated amortization of \$314.

On 06/15/2023, 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 \$10,017. As of 06/30/2023, the value of the lease liability is \$9,840. The County is required to make monthly fixed payments of \$176. The lease has an interest rate of 2.2300%. The value of the right to use asset as of 06/30/2023 is \$10,017 with accumulated amortization of \$89.

F. Subscription-Based Information Technology Arrangements

For the year ended June 30, 2023, the County implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

The County entered into agreements for certain Subscription-Based Information Technology Arrangements. The subscriptions qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

On 07/01/2022, the County entered into a 36-month subscription for the use of DebtBook platform. An initial subscription liability was recorded in the amount of \$44,819. As of 06/30/2023, the value of the subscription liability is \$31,319. The County is required to make annual fixed payments of \$13,500. The subscription has an interest rate of 2.0380%. The value of the right to use asset as of 06/30/2023 is \$44,819 with accumulated amortization of \$14,940.

On 07/01/2022, the County entered into a 35-month subscription for the use of Microsoft Enterprise software. An initial subscription liability was recorded in the amount of \$1,237,785. As of 06/30/2023, the value of the subscription liability is \$816,839. The County is required to make

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annual fixed payments of \$420,947. The subscription has an interest rate of 2.0380%. The value of the right to use asset as of 06/30/2023 is \$1,237,785 with accumulated amortization of \$424,384.

On 07/01/2022, the County entered into a 23-month subscription for the use of CivicClerk software. An initial subscription liability was recorded in the amount of \$22,021. As of 06/30/2023, the value of the subscription liability is \$10,923. The County is required to make annual fixed payments of \$11,130. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 is \$27,956 with accumulated amortization of \$14,017. The County has 1 extension option(s), each for 12 months.

On 07/01/2022, the County entered into a 43-month subscription for the use of CentralSquare CAD Software. An initial subscription liability was recorded in the amount of \$302,450. As of 06/30/2023, the value of the subscription liability is \$227,216. The County is required to make annual fixed payments of \$78,960. The subscription has an interest rate of 2.1120%. The value of the right to use asset as of 06/30/2023 is \$302,450 with accumulated amortization of \$83,755.

On 07/01/2022, the County entered into a 40-month subscription for the use of Motorola Solutions video as a service. An initial subscription liability was recorded in the amount of \$148,111. As of 06/30/2023, the value of the subscription liability is \$98,848. The County is required to make annual fixed payments of \$50,940. The subscription has an interest rate of 2.0380%. The value of the right to use asset as of 06/30/2023 is \$148,111 with accumulated amortization of \$43,705.

On 07/01/2022, the County entered into a 25-month subscription for the use of ESRI Mapping Software. An initial subscription liability was recorded in the amount of \$294,090. As of 06/30/2023, the value of the subscription liability is \$204,090. The County is required to make annual fixed payments of \$90,000. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 is \$294,090 with accumulated amortization of \$140,601.

On 07/01/2022, the County entered into a 24-month subscription for the use of PaymentWorks platform. An initial subscription liability was recorded in the amount of \$89,145. As of 06/30/2023, the value of the subscription liability is \$44,164. The County is required to make annual fixed payments of \$45,000. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 is \$89,145 with accumulated amortization of \$44,326.

On 07/01/2022, the County entered into a 25-month subscription for the use of PowerDMS software. An initial subscription liability was recorded in the amount of \$32,719. As of 06/30/2023, the value of the subscription liability is \$21,608. The County is required to make annual fixed payments of \$11,112. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 is \$32,719 with accumulated amortization of \$15,705. The County has 2 extension option(s), each for 12 months.

On 07/01/2022, the County entered into a 52-month subscription for the use of Priority Dispatch System platform. An initial subscription liability was recorded in the amount of \$60,057. As of 06/30/2023, the value of the subscription liability is \$44,891. The County is required to make annual fixed payments of \$15,600. The subscription has an interest rate of 2.1120%. The value of the right to use asset as of 06/30/2023 is \$60,057 with accumulated amortization of \$13,833.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 07/01/2022, the County entered into a 48-month subscription for the use of RecordingPRO software. An initial subscription liability was recorded in the amount of \$426,153. As of 06/30/2023, the value of the subscription liability is \$322,395. The County is required to make monthly fixed payments of \$9,250. The subscription has an interest rate of 2.1120%. The value of the right to use asset as of 06/30/2023 is \$426,153 with accumulated amortization of \$106,538.

On 07/01/2022, the County entered into a 50-month subscription for the use of Motorola Solutions video as a service. An initial subscription liability was recorded in the amount of \$232,024. As of 06/30/2023, the value of the subscription liability is \$174,279. The County is required to make annual fixed payments of \$60,564. The subscription has an interest rate of 2.1120%. The value of the right to use asset as of 06/30/2023 is \$232,024 with accumulated amortization of \$55,206.

On 07/01/2022, the County entered into a 20-month subscription for the use of MobileEyes Fire Inspections software. An initial subscription liability was recorded in the amount of \$16,093. As of 06/30/2023, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$16,296. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 is \$18,868 with accumulated amortization of \$11,321. The County has 1 extension option(s), each for 12 months.

On 07/01/2022, the County entered into a 55-month subscription for the use of Happy Software Online Assistance Portal. An initial subscription liability was recorded in the amount of \$46,841. As of 06/30/2023, the value of the subscription liability is \$35,191. The County is required to make annual fixed payments of \$12,247. The subscription has an interest rate of 2.1860%. The value of the right to use asset as of 06/30/2023 is \$46,841 with accumulated amortization of \$10,220.

On 07/01/2022, the County entered into a 36-month subscription for the use of Corvid SentinelOne Cybersecurity Platform. An initial subscription liability was recorded in the amount of \$87,562. As of 06/30/2023, the value of the subscription liability is \$58,832. The County is required to make monthly fixed payments of \$2,500. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 is \$87,562 with accumulated amortization of \$29,187. The County has 2 extension option(s), each for 12 months.

On 07/01/2022, the County entered into a 56-month subscription for the use of OverDrive Digital Library Content platform. An initial subscription liability was recorded in the amount of \$30,519. As of 06/30/2023, the value of the subscription liability is \$22,988. The County is required to make annual fixed payments of \$8,000. The subscription has an interest rate of 2.1860%. The value of the right to use asset as of 06/30/2023 is \$30,519 with accumulated amortization of \$6,490. The County has 1 extension option(s), each for 24 months.

On 09/06/2022, the County entered into a 24-month subscription for the use of Civic Engage software. An initial subscription liability was recorded in the amount of \$22,616. As of 06/30/2023, the value of the subscription liability is \$11,202. The County is required to make annual fixed payments of \$11,414. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 is \$58,148 with accumulated amortization of \$23,824. The County has 1 extension option(s), each for 12 months.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

On 09/06/2022, the County entered into a 24-month subscription for the use of CivicGov Planning Software. An initial subscription liability was recorded in the amount of \$79,058. As of 06/30/2023, the value of the subscription liability is \$39,158. The County is required to make annual fixed payments of \$39,900. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 is \$98,158 with accumulated amortization of \$40,218. The County has 1 extension option(s), each for 12 months.

On 10/18/2022, the County entered into a 23-month subscription for the use of CivicEngage software. An initial subscription liability was recorded in the amount of \$2,172. As of 06/30/2023, the value of the subscription liability is \$1,070. The County is required to make annual fixed payments of \$1,103. The subscription has an interest rate of 3.1070%. The value of the right to use asset as of 06/30/2023 is \$8,262 with accumulated amortization of \$3,043. The County has 1 extension option(s), each for 12 months.

On 02/01/2023, the County entered into a 36-month subscription for the use of Microsoft Enterprise software. An initial subscription liability was recorded in the amount of \$16,682. As of 06/30/2023, the value of the subscription liability is \$10,979. The County is required to make annual fixed payments of \$5,703. The subscription has an interest rate of 2.5830%. The value of the right to use asset as of 06/30/2023 is \$16,682 with accumulated amortization of \$2,317.

On 03/15/2023, the County entered into a 27-month subscription for the use of Microsoft Enterprise software. An initial subscription liability was recorded in the amount of \$176,871. As of 06/30/2023, the value of the subscription liability is \$156,685. The County is required to make annual fixed payments of \$80,746. The subscription has an interest rate of 2.0380%. The value of the right to use asset as of 06/30/2023 is \$176,871 with accumulated amortization of \$23,553.

G. Changes in Long-Term Debt

The following is a summary of changes in governmental long-term debt for the year ended June 30, 2023, for the County:

Governmental Activities	June 30, 2022	Additions	Retirements	June 30, 2023	Current Maturities
General obligation bonds	\$ 83,665,000	\$ 45,815,000	\$ 5,715,000	\$123,765,000	\$ 7,260,000
Limited obligation bonds	17,980,000	-	2,765,000	15,215,000	2,700,000
Bond premiums	8,517,785	5,869,431	654,118	13,733,098	800,855
Leases	499,192	523,952	392,383	630,761	312,110
SBITAS	-	3,261,915	1,002,711	2,259,204	1,029,069
Compensated absences	5,161,161	5,546,863	5,410,010	5,298,014	275,000
Net pension liability (LGERS)	12,101,702	32,645,114	-	44,746,816	-
Total pension liability (LEOSSA)	8,871,510	-	1,049,731	7,821,779	-
Total pension liability (DOSSA)	159,102	-	18,104	140,998	-
Total OPEB liability	163,004,573	-	36,402,397	126,602,176	2,705,855
Landfill closure & post-closure	7,831,275	637,020	-	8,468,295	121,697
Total	\$307,791,300	\$ 94,299,295	\$ 53,409,454	\$348,681,141	\$ 15,204,586

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

liabilities recorded in the governmental funds. The total of other debt not issued for capital is \$193,078,078 which is comprised of compensated absences of \$5,298,014, pension benefit obligation of \$52,709,593, other post-employment benefits of \$126,602,176 and landfill closure and post-closure of \$8,468,295.

The following is a summary of changes in business-type long-term debt for the year ended June 30, 2023, for the County:

Business-Type Activities	June 30, 2022	Additions	Retirements	June 30, 2023	Current Maturities
Direct placement and direct borrowing revenue bonds	\$278,600,000	\$ -	\$ 10,975,000	\$267,625,000	\$ 11,385,000
Bond premiums	27,376,252	-	1,368,660	26,007,592	1,368,662
General obligation bonds	2,180,000	-	205,000	1,975,000	215,000
Direct placement installment purchase	1,911,180	-	787,250	1,123,930	423,930
Direct borrowing state revolving fund loans	8,404,218	-	2,068,387	6,335,831	1,819,892
Leases	1,750,585	28,883	52,265	1,727,203	37,609
SBITAS	-	105,872	32,400	73,472	34,608
Compensated absences	803,181	987,412	978,438	812,155	32,000
Net pension liability (LGERS)	1,383,513	4,042,272	-	5,425,785	-
Total OPEB liability	23,535,094	-	3,804,549	19,730,545	270,174
Total	\$345,944,023	\$ 5,164,439	\$ 20,271,949	\$330,836,513	\$ 15,586,875

Note: The total of other debt not issued for capital is \$25,968,485 which is comprised of compensated absences of \$812,155, pension benefit obligation of \$5,425,785, and other post-employment benefits of \$19,730,545.

H. 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, 2023, including interest, are as follows:

Governmental Activities

	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 7,260,000	\$ 4,746,110	\$ 2,700,000	\$ 377,155
2025	6,885,000	4,390,585	2,270,000	326,739
2026	6,885,000	4,046,335	2,230,000	281,139
2027	6,885,000	3,712,535	2,190,000	235,793
2028	6,880,000	3,401,810	2,145,000	190,701
2029-2033	34,400,000	12,763,625	2,640,000	475,813
2034-2038	34,400,000	6,275,925	1,040,000	50,700
2039-2043	20,170,000	1,372,130	-	-
Totals	\$123,765,000	\$ 40,709,055	\$ 15,215,000	\$ 1,938,040

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	Leases		Subscriptions	
	Principal	Interest	Principal	Interest
2024	\$ 312,110	\$ 10,960	\$ 1,029,069	\$ 45,048
2025	155,284	5,969	948,666	24,091
2026	91,715	3,066	281,469	4,901
2027	71,230	1,045	-	-
2028	422	1	-	-
Totals	<u>\$ 630,761</u>	<u>\$ 21,041</u>	<u>\$ 2,259,204</u>	<u>\$ 74,040</u>

Business-Type Activities

	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
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	250,000	43,700	12,550,000	7,948,903
2029-2033	815,000	68,100	52,445,000	31,767,987
2034-2038	-	-	49,585,000	21,547,675
2039-2043	-	-	44,915,000	12,976,700
2044-2048	-	-	42,375,000	6,705,300
2049-2053	-	-	18,775,000	849,000
Totals	<u>\$ 1,975,000</u>	<u>\$ 380,300</u>	<u>\$ 267,625,000</u>	<u>\$ 119,052,261</u>

	State Revolving Loans		Installment Purchases	
	Principal	Interest	Principal	Interest
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	151,438	5,143	100,000	-
2029-2033	466,031	14,693	300,000	-
2034-2038	29,386	735	-	-
Totals	<u>\$ 6,335,831</u>	<u>\$ 273,806</u>	<u>\$ 1,123,930</u>	<u>\$ 2,980</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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	Leases		Subscriptions	
	Principal	Interest	Principal	Interest
2024	\$ 37,609	\$ 18,662	\$ 34,608	\$ 1,392
2025	38,055	18,217	38,864	736
2026	34,292	17,782	-	-
2027	28,737	17,428	-	-
2028	28,754	17,097	-	-
2029-2033	138,552	81,010	-	-
2034-2038	146,131	73,431	-	-
2039-2043	154,131	65,430	-	-
2044-2048	162,578	56,984	-	-
2049-2053	171,496	48,066	-	-
2054-2058	180,913	38,648	-	-
2059-2063	190,859	28,702	-	-
2064-2068	201,366	18,196	-	-
2069-2073	212,465	7,097	-	-
2074-2078	1,265	49	-	-
Totals	<u>\$ 1,727,203</u>	<u>\$ 506,799</u>	<u>\$ 73,472</u>	<u>\$ 2,128</u>

I. Net Investment in Capital Assets

The total Net Investment in Capital Assets at June 30, 2023, is composed of the following elements:

	Governmental	Business-type	Total
Total capital assets (net of depreciation)	<u>\$ 153,080,503</u>	<u>\$ 597,843,712</u>	<u>\$ 750,924,215</u>
Total debt, gross	155,603,063	304,868,028	460,471,091
Less:			
Education debt for which the County does not hold title	136,652,261	-	136,652,261
Unexpended proceeds*	-	54,752,974	54,752,974
Total capital debt	<u>18,950,802</u>	<u>250,115,054</u>	<u>269,065,856</u>
Net Investment in Capital Assets	<u>\$ 134,129,701</u>	<u>\$ 347,728,658</u>	<u>\$ 481,858,359</u>

*Unexpended debt proceeds related to education debt in the amount of \$58,086,761 is not included in the calculation of governmental Net Investment in Capital Assets.

J. Other Debt Disclosures

At June 30, 2023, the County had a legal debt margin of \$2.50 billion.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 six years by \$522,270 in a net economic gain of \$447,069.

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 five years by \$534,688 in a net economic gain of \$511,759.

Debt Related to Capital Activities

Of the total Governmental Activities debt listed only \$15,256,722 relates to assets the County holds title. There is no unspent restricted cash related to this debt.

8. Conduit Debt Obligations

Brunswick County Industrial Facility and Pollution Control Authority issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, there are no industrial revenue bonds outstanding.

9. 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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

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 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, 2023, was 13.10% of compensation for law enforcement officers, 12.10% for general

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

employees, and 12.10% for health and 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 \$8,909,113 for the year ended June 30, 2023.

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, 2023, the County reported a liability of \$50,172,601 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, 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, 2023, the County's proportion was .889% (measured as of June 30, 2022), which was an increase of .010% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$14,130,052. On June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,161,890	\$ 211,961
Change of assumptions	5,006,101	-
Net difference between projected and actual investment earnings	16,582,571	-
Change in proportion and difference between employer contributions and proportionate share of contributions	287,427	336,296
County contributions subsequent to the measurement date	8,909,113	-
	<u>\$ 32,947,102</u>	<u>\$ 548,257</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

\$8,909,113 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, 2024. 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:

2024	\$ 7,338,246
2025	6,334,850
2026	1,916,391
2027	7,900,245
2028	-
Thereafter	-

Actuarial Assumptions

The total pension liability in the December 31, 2021 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, 2021 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 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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
Total	<u>100.0%</u>	

The information in the preceding table is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022 and is part of the asset liability and investment policy of the North Carolina Retirement Systems. 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 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2022 is 0.78%.

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)	\$ 90,555,089	\$ 50,172,601	\$ 16,895,092

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

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 \$21,920 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$318,358 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, 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, 2022, the County's proportion was 2.405%, which was a decrease of 0.139% from its proportion measured as of June 30, 2021.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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For the year ended June 30, 2023, the County recognized pension expense of \$54,613. At June 30, 2023, 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	\$ 2,453	\$ 5,771
Changes of assumptions	16,856	-
Net difference between projected and actual investment earnings	132,320	-
Change in proportion and difference between employer contributions and proportionate share of contributions	19,034	17,968
County contributions subsequent to the measurement date	<u>21,920</u>	<u>-</u>
	<u>\$ 192,583</u>	<u>\$ 23,739</u>

\$21,920 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, 2024.

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

Year ended June 30:

2024	\$ 30,767
2025	38,828
2026	44,051
2027	33,278
2028	-
Thereafter	-

Actuarial Assumptions

The total pension liability in the December 31, 2021 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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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 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 information above is based on 30 year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset liability and investment policy of the North Carolina Retirement Systems. 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 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class and is 100% invested in the Bond Index External Investment Pool. The long term expected real rate of return for the Bond Index Investment Pool as of June 30, 2022 is 0.78%.

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>Discount Rate</u>	<u>1% Increase</u>
	<u>(2.00%)</u>	<u>(3.00%)</u>	<u>(4.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ (366,952)	\$ (318,358)	\$ (541,832)

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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS
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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. 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, 2021, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	15
Active members	<u>191</u>
Total	<u><u>206</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, 2021 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	4.31 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, 2021 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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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.

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 \$221,929 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, 2023, the County reported a total pension liability of \$7,821,779. The total pension liability was measured as of December 31, 2022, based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2022, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$971,468.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 584,085	\$ 72,774
Changes of assumptions	1,383,775	1,703,529
County benefit payments and plan administrative expense made subsequent to the measurement date	130,469	-
	<u>\$ 2,098,329</u>	<u>\$ 1,776,303</u>

The County paid \$130,469 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

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**NOTES TO FINANCIAL STATEMENTS
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will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows or deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 224,324
2025	208,146
2026	159,991
2027	(32,070)
2028	(235,354)
Thereafter	(133,480)

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 4.31 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 (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	\$ 8,610,662	\$ 7,821,779	\$ 7,111,597

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

	2023
Beginning balance	\$ 8,871,510
Service Cost	538,720
Interest on the total pension liability	197,112
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	153,922
Changes of assumptions or other inputs	(1,717,556)
Benefit payments	(221,929)
Other changes	-
Ending balance of the total pension liability	<u>\$ 7,821,779</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.25 percent at December 31, 2021 (measurement date) to 4.31 percent at December 31, 2022 (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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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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.

All full-time County detention officers are covered by the Separation Allowance. At December 31, 2022, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	-
Active members	<u>60</u>
Total	<u><u>60</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, 2022, 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	4.31 percent

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The actuarial assumptions used in the December 31, 2022, 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.

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, 2023, the County reported a total pension liability of \$140,998. The total pension liability was measured as of December 31, 2022, based on a December 31, 2022, actuarial valuation. The Total Pension Liability (TPL) is determined utilizing the Entry Age Normal (EAN) actuarial funding method. For the year ended June 30, 2023, the County recognized pension expense of \$22,240.

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,369	\$ -
Changes of assumptions	<u>2,471</u>	<u>36,759</u>
	<u>\$ 5,840</u>	<u>\$ 36,759</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, 2024. Other amounts reported as deferred inflows or deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ (11,069)
2025	(11,912)
2026	(7,938)
2027	-
2028	-
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 4.31 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 (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	<u>1% Decrease (3.31%)</u>	<u>Discount Rate (4.31%)</u>	<u>1% Increase (5.31%)</u>
Total pension liability	\$ 161,914	\$ 140,998	\$ 122,606

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

	<u>2023</u>
Beginning balance	\$ 159,102
Service Cost	19,791
Interest on the total pension liability	3,580
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	4,612
Changes of assumptions or other inputs	(46,087)
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 140,998</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.25 percent at December 31, 2021 (measurement date) to 4.31 percent at December 31, 2022 (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.

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 \$685,844 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, 2023, were \$3,945,085 which consisted of \$2,932,042 from the County and \$1,013,043 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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as of that December 31, 2021. The total pension liability for LEOSSA was measured as of December 31, 2022, with an actuarial valuation date of December 31, 2021. The total pension liability for DOSSA was measured as of December 31, 2022, with an actuarial valuation date of December 31, 2022.

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)	\$ 50,172,601	\$ (318,358)	\$ -	\$ -	\$ 49,854,243
Proportion of the net pension liability (asset)	0.88936%	2.40451%	n/a	n/a	n/a
Total pension liability	-	-	7,821,779	140,998	7,962,777
Pension Expense	14,130,052	54,613	971,468	22,240	15,178,373

At June 30, 2023, 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>
Deferred Outflows of Resources					
Differences between expected and actual experience	\$ 2,161,890	\$ 2,453	\$ 584,085	\$ 3,369	\$ 2,751,797
Changes of Assumptions	5,006,101	16,856	1,383,775	2,471	6,409,203
Net difference between projected and actual earnings on plan investments	16,582,571	132,320	-	-	16,714,891
Changes in proportion and differences between contributions and proportionate share of contributions	287,427	19,034	-	-	306,461
County contributions (LGERS, ROD)/benefit payments and administrative costs (LEOSSA, DOSSA) subsequent to the measurement date	8,909,113	21,920	130,469	-	9,061,502

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**NOTES TO FINANCIAL STATEMENTS
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	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>DOSSA</u>	<u>Total</u>
Deferred Inflows of Resources					
Differences between expected and actual experience	\$ 211,961	\$ 5,771	\$ 72,774	\$ -	\$ 290,506
Changes of assumptions	-	-	1,703,529	36,759	1,740,288
Changes in proportion and differences between contributions and proportionate share of contributions	336,296	17,968	-	-	354,264

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 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, 2023, the County made contributions to the State for death benefits of \$36,115. The County’s required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.04% and 0.14%, 0.03% 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

COUNTY OF BRUNSWICK, NORTH CAROLINA

**NOTES TO FINANCIAL STATEMENTS
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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.

Hire Date	Service Requirement	Benefits
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

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Membership of the plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

	Employees
Inactive employees or beneficiaries	
currently receiving benefits	411
Active employees	1,072
Total	1,483

Total OPEB Liability

The County's total OPEB liability of \$146,332,721 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 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 officers	3.25 - 7.90 percent, including inflation	
Municipal bond index rate		
Prior measurement date	2.16 percent	
Measurement date	3.54 percent	
Healthcare cost trend rates		
Pre-Medicare	7.00 percent for 2022 decreasing to an ultimate rate of 4.50% by 2032	
Medicare	5.125 percent for 2022 decreasing to an ultimate rate of 4.50% by 2025	
Dental	3.50 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.

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**NOTES TO FINANCIAL STATEMENTS
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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the County recognized OPEB expense of \$7,390,606. At June 30, 2023, 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 77,563	\$ 15,461,284
Changes of assumptions	22,606,698	33,760,393
Benefit payments and administrative costs made subsequent to the measurement date	<u>4,378,527</u>	<u>-</u>
	<u>\$ 27,062,788</u>	<u>\$ 49,221,677</u>

\$4,378,527 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, 2024. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	(5,088,238)
2025		(4,381,655)
2026		(2,372,401)
2027		(2,341,866)
2028		(6,190,671)
Thereafter		(6,162,585)

10. Landfill Closure and Post-Closure Costs

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

Municipal Solid Waste Landfill

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 81% 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, 2023, the volume utilized has not exceeded the permitted capacity.

Using the results of the annual survey it is estimated that approximately 58,123 cubic yards of useable airspace remain in the C&D debris landfill. The tonnage of C&D debris received at the landfill during FY 2022-2023 increased approximately 16% from FY 2021-2022. The tonnage of C&D debris disposed in the landfill during FY 2022-2023 decreased approximately 4% from FY 2021-2022. The C&D debris disposed represents a decrease as the County continues to divert a portion of the C&D debris waste stream through the MSW Transfer Station. The County diverted approximately 23% more C&D debris during FY 2022-2023 than in FY 2021-2022. 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 2023-2024 based on a tonnage equal to that received in FY 2022-2023, 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 in 2022 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, 2023, which is 81% of the total airspace and 90% of the useable 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. It is not expected that Phase 6A and 6B will be closed until Phase 6C reaches final capacity. At June 30, 2023, the combined closure and post-closure care costs for the C&D debris landfills is expected to total \$8,468,295 based on an escalation factor of 6.9%. Of that amount, \$8,468,295 has been accrued at June 30, 2023 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

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 \$8,468,295. 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.

11. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools (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.

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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 \$1,000,000, \$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.

12. Claims and Judgments

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

13. Joint Ventures

Brunswick County Community College

The County in conjunction with the State of North Carolina and the Brunswick County Board of Education participates in a joint venture to operate the Brunswick County Community College ("Community College"). Each of the three participants appoints four members of the thirteen-member board of trustees of the Community College. The president of the Community College's student government serves as an ex officio nonvoting member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. As of June 30, 2023, the amount of general obligation bonds issued for this purpose that was still outstanding was \$366,587. The County made total debt service payments related to the bonds of \$366,587 during the fiscal year. Of that total, \$342,729 was for principal and \$23,858 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 \$5,059,035 to the Community College for

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

operating and capital purposes and \$276,401 to the Foundation Grant for tuition during the fiscal year ended June 30, 2023.

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, 2023. 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 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, 2023. 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.

14. Jointly Governed Organizations

Cape Fear Council of Governments

The County, in conjunction with three other counties and forty-one municipalities, established the Cape Fear Council of Governments ("Council"). The participating governments established the Council to coordinate certain funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$35,805 to the Council during the fiscal year ended June 30, 2023.

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, 2023, was \$2,050,591. In addition, the Authority made payments to the County during the fiscal year totaling \$441,110 pursuant to a maintenance contract.

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 4.975 mgd. The County is currently in the design phase of a 3+ mgd plant expansion for additional treatment capacity due to the increased needs of the participants. Each participant is charged capacity service fees based on their share of the capacity in the plant. The

COUNTY OF BRUNSWICK, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

15. 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, 2023**

16. Commitments and Contingencies

Unemployment Benefits

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

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, 2023, 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, 2023. 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
NW Plant Expansion and RO Treatment	\$ 3,690,607
Utilities Operations Center	234,661
Brunswick County Transfer Station	116,047
Total	<u>\$ 4,041,315</u>

17. Change in Accounting Principle

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right-to-use, an underlying asset. Under this statement, the County is required to recognize a subscription liability and an intangible right-to-use asset.



REQUIRED SUPPLEMENTAL FINANCIAL DATA

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 SIX FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability					
Service cost	\$ 8,308,037	\$ 8,583,500	\$ 6,200,725	\$ 5,614,327	\$ 6,394,492
Interest	4,170,807	4,057,967	5,018,945	4,745,212	4,517,716
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(14,831,778)	109,415	(572,436)	(226,626)	(7,241,517)
Changes of assumptions	(34,325,577)	896,783	31,089,634	8,347,568	(5,504,850)
Benefit payments	<u>(3,528,435)</u>	<u>(4,262,559)</u>	<u>(3,529,654)</u>	<u>(3,007,333)</u>	<u>(3,159,928)</u>
Net change in total OPEB liability	(40,206,946)	9,385,106	38,207,214	15,473,148	(4,994,087)
Total OPEB liability - beginning	<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>
Total OPEB liability - ending	<u>\$ 146,332,721</u>	<u>\$ 186,539,667</u>	<u>\$ 177,154,561</u>	<u>\$ 138,947,347</u>	<u>\$ 123,474,199</u>
Covered employee payroll	61,551,536	51,030,251	51,030,251	45,375,656	45,375,656
Total OPEB liability as a percentage of covered employee payroll	237.74%	365.55%	347.16%	306.22%	272.12%

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>
2023	3.54%
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

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

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 7,138,096
Interest	3,955,778
Changes in benefit terms	-
Differences between expected and actual experience	(23,620)
Changes of assumptions	(12,728,581)
Benefit payments	<u>(2,570,121)</u>
Net change in total OPEB liability	(4,228,448)
Total OPEB liability - beginning	<u>132,696,734</u>
Total OPEB liability - ending	<u>\$ 128,468,286</u>
Covered employee payroll	42,403,530
Total OPEB liability as a percentage of covered employee payroll	302.97%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	2023	2022	2021	2020	2019
County of Brunswick's proportion of the net pension liability (asset) (%)	0.88936%	0.87932%	0.87116%	0.89226%	0.82382%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ 50,172,601	\$ 13,485,215	\$ 31,130,257	\$ 24,366,924	\$ 19,543,826
County of Brunswick's covered payroll	\$ 68,125,174	\$ 59,531,252	\$ 57,671,640	\$ 56,484,415	\$ 50,538,682
County of Brunswick's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	73.65%	22.65%	53.98%	43.14%	38.67%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	91.63%

* 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.

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	2018	2017	2016	2015	2014
County of Brunswick's proportion of the net pension liability (asset) (%)	0.82747%	0.60212%	0.80306%	0.81261%	0.79000%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ 12,641,447	\$ 17,390,621	\$ 3,691,281	\$ (4,792,336)	\$ 9,522,534
County of Brunswick's covered payroll	\$ 48,814,016	\$ 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	25.90%	37.64%	8.00%	(10.69%)	23.76%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	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 TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 8,909,113	\$ 7,811,891	\$ 6,103,000	\$ 5,250,112	\$ 4,473,650
Contributions in relation to the contractually required contribution	<u>8,909,113</u>	<u>7,811,891</u>	<u>6,103,000</u>	<u>5,250,112</u>	<u>4,473,650</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County of Brunswick's covered payroll	\$ 72,762,621	\$ 68,125,174	\$ 59,531,252	\$ 57,671,640	\$ 56,484,415
Contributions as a percentage of covered payroll	12.24%	11.47%	10.25%	9.10%	7.92%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,875,769	\$ 3,630,728	\$ 3,147,279	\$ 3,283,782	\$ 3,175,088
Contributions in relation to the contractually required contribution	<u>3,875,769</u>	<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>				
County of Brunswick's covered payroll	\$ 50,538,682	\$ 48,814,016	\$ 46,196,679	\$ 46,166,707	\$ 44,833,198
Contributions as a percentage of covered payroll	7.67%	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 TEN FISCAL YEARS*

	2023	2022	2021	2020	2019
County of Brunswick's proportion of the net pension liability (asset) (%)	2.40451%	2.54360%	2.28053%	1.93967%	2.51207%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ (318,358)	\$ (488,701)	\$ (522,652)	\$ (382,930)	\$ (416,074)
County of Brunswick's covered payroll	\$ 115,874	\$ 103,447	\$ 100,079	\$ 96,448	\$ 91,812
County of Brunswick's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(2 74.74%)	(4 72.42%)	(5 22.24%)	(3 97.03%)	(4 53.18%)
Plan fiduciary net position as a percentage of the total pension liability	139.04%	156.53%	173.62%	164.11%	153.31%

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	2018	2017	2016	2015	2014
County of Brunswick's proportion of the net pension liability (asset) (%)	2.18960%	1.93860%	2.10041%	2.09977%	1.99812%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ (373,743)	\$ (362,452)	\$ (486,760)	\$ (475,927)	\$ (426,798)
County of Brunswick's covered payroll	\$ 88,835	\$ 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 20.72%)	(4 26.36%)	(5 79.89%)	(5 86.83%)	(5 38.52%)
Plan fiduciary net position as a percentage of the total pension liability	153.77%	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 TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 21,920	\$ 27,565	\$ 30,527	\$ 21,836	\$ 18,436
Contributions in relation to the contractually required contribution	<u>21,920</u>	<u>27,565</u>	<u>30,527</u>	<u>21,836</u>	<u>18,436</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County of Brunswick's covered payroll	\$ 119,524	\$ 115,874	\$ 103,447	\$ 100,079	\$ 96,448
Contributions as a percentage of covered payroll	18.34%	23.79%	29.51%	21.82%	19.11%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 19,867	\$ 19,024	\$ 17,468	\$ 16,807	\$ 17,144
Contributions in relation to the contractually required contribution	<u>19,867</u>	<u>19,024</u>	<u>17,468</u>	<u>16,807</u>	<u>17,144</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County of Brunswick's covered payroll	\$ 91,812	\$ 88,835	\$ 85,010	\$ 83,940	\$ 81,101
Contributions as a percentage of covered payroll	21.64%	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 SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Beginning Balance	\$ 8,871,510	\$ 8,339,592	\$ 5,793,388	\$ 4,716,034	\$ 4,424,953
Service Cost	538,720	537,017	330,014	329,165	309,697
Interest on the total pension liability	197,112	159,051	185,870	169,223	138,041
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	153,922	312,819	(126,134)	497,284	188,974
Changes of assumptions or other inputs	(1,717,556)	(279,730)	2,340,181	215,772	(232,522)
Benefit payments	(221,929)	(197,239)	(183,727)	(134,090)	(113,109)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 7,821,779</u>	<u>\$ 8,871,510</u>	<u>\$ 8,339,592</u>	<u>\$ 5,793,388</u>	<u>\$ 4,716,034</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 SEVEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 3,807,449	\$ 3,583,212
Service Cost	245,841	265,075
Interest on the total pension liability	145,866	126,977
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(56,959)	-
Changes of assumptions or other inputs	339,847	(114,970)
Benefit payments	(57,091)	(52,845)
Other changes	<u>-</u>	<u>-</u>
Ending balance of the total pension liability	<u>\$ 4,424,953</u>	<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 SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability	\$ 7,821,779	\$ 8,871,510	\$ 8,339,592	\$ 5,793,388	\$ 4,716,034
Covered-employee payroll	12,684,602	11,957,518	11,215,298	11,968,501	10,139,455
Total pension liability as a percentage of covered employee payroll	61.66%	74.19%	74.36%	48.41%	46.51%

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 SEVEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 4,424,953	\$ 3,807,449
Covered-employee payroll	9,559,174	9,791,266
Total pension liability as a percentage of covered employee payroll	46.29%	38.89%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning Balance	\$ 159,102	\$ 143,652	\$ -
Service Cost	19,791	20,494	114,024
Interest on the total pension liability	3,580	2,772	3,229
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	4,612	-	-
Changes of assumptions or other inputs	(46,087)	(7,816)	26,399
Benefit payments	-	-	-
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 140,998</u>	<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 THREE FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 140,998	\$ 159,102	\$ 143,652
Covered-employee payroll	3,057,637	2,470,944	2,470,944
Total pension liability as a percentage of covered employee payroll	4.61%	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

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Revenues:				
Ad Valorem Taxes:				
Current year taxes		\$ 159,127,120		\$ 152,052,498
Prior year taxes		1,506,282		1,944,149
Penalties and interest		<u>605,913</u>		<u>834,881</u>
	<u>\$ 156,581,239</u>	<u>161,239,315</u>	<u>\$ 4,658,076</u>	<u>154,831,528</u>
Local Option Sales Taxes:				
Article 39 and 44 (1%)		19,597,988		17,874,114
Article 40 (1/2%)		12,251,335		11,116,379
Article 42 (1/2%)		<u>13,009,043</u>		<u>11,779,344</u>
	<u>40,732,748</u>	<u>44,858,366</u>	<u>4,125,618</u>	<u>40,769,837</u>
Other Taxes and Licenses:				
Scrap tire disposal fee		270,859		287,199
Deed stamp excise tax		7,377,077		9,023,200
Solid waste tax		73,314		66,697
White goods disposal tax		71,044		92,452
1% Occupancy Tax		<u>3,341,040</u>		<u>2,795,875</u>
	<u>11,010,000</u>	<u>11,133,334</u>	<u>123,334</u>	<u>12,265,423</u>
Unrestricted Intergovernmental:				
Medicaid hold harmless		7,371,573		6,154,520
Beer and wine tax		308,389		263,838
Jail fees		<u>586,610</u>		<u>468,045</u>
	<u>6,711,100</u>	<u>8,266,572</u>	<u>1,555,472</u>	<u>6,886,403</u>
Restricted Intergovernmental:				
State and federal grant		17,523,156		19,315,219
State aid to libraries		160,344		147,378
CARES Act		(5,333)		-
State cost reimbursement		34,931		65,280
Court facility fees		158,985		141,142
Payments in lieu of taxes		106,337		4,428
ABC education requirement		6,087		2,556
ABC law enforcement services		17,870		20,295
State drug tax		<u>23,661</u>		<u>34,649</u>
	<u>20,831,878</u>	<u>18,026,038</u>	<u>(2,805,840)</u>	<u>19,730,947</u>
Permits and Fees:				
Building inspections and permits		5,118,361		5,257,996
Recording fees		873,190		1,153,810
Fire inspection fees		220,793		209,530
Concealed handgun permit		260,665		274,790

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Permit and Fees (continued):				
Other permit and fees		999,511		1,083,861
	<u>6,569,910</u>	<u>7,472,520</u>	<u>902,610</u>	<u>7,979,987</u>
Sales and Services:				
Solid waste fees		4,562,979		4,165,012
School resource officer reimbursement		1,897,886		1,665,840
EMS Charges		6,907,143		5,872,329
Public health user fees		1,181,419		1,544,474
Sheriff animal protective services fees		122,417		105,851
Social services fees		41,280		39,855
Public housing fees		3,314		2,507
Tax collection fees		383,074		351,872
Other sales and services		2,335,893		2,431,316
Register of deeds		435,678		438,241
Marriage licenses		61,161		55,517
Recreation services		300,293		256,710
Rents		2,383		15,152
	<u>15,557,686</u>	<u>18,234,920</u>	<u>2,677,234</u>	<u>16,944,676</u>
Investment earnings	<u>3,388,325</u>	<u>3,680,431</u>	<u>292,106</u>	<u>137,394</u>
Other:				
ABC bottles taxes		87,469		87,091
County Board of Alcohol Control		30,000		30,000
Contributions		134,515		96,994
Other revenues		2,514,381		2,773,704
Lease and lease interest		12,782		-
	<u>2,370,888</u>	<u>2,779,147</u>	<u>408,259</u>	<u>2,987,789</u>
Total revenues	<u>263,753,774</u>	<u>275,690,643</u>	<u>11,936,869</u>	<u>262,533,984</u>
Expenditures:				
General Government:				
Governing Body:				
Salaries		233,405		226,526
Fringe benefits		67,790		63,246
Operating costs		43,259		38,641
Capital outlay		7,726		-
	<u>390,281</u>	<u>352,180</u>	<u>38,101</u>	<u>328,413</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
County Administration:				
Salaries		575,516		657,498
Fringe benefits		182,219		197,057
Operating costs		38,824		26,771
Capital outlay		<u>7,648</u>		<u>9,409</u>
	<u>1,036,404</u>	<u>804,207</u>	<u>232,197</u>	<u>890,735</u>
Human Resources:				
Salaries		412,095		354,772
Fringe benefits		149,304		121,373
Operating costs		<u>6,274</u>		<u>3,298</u>
	<u>639,092</u>	<u>567,673</u>	<u>71,419</u>	<u>479,443</u>
Communications:				
Salaries		143,741		91,386
Fringe benefits		53,936		31,789
Operating costs		<u>44,291</u>		<u>22,884</u>
	<u>269,903</u>	<u>241,968</u>	<u>27,935</u>	<u>146,059</u>
Finance:				
Salaries		1,037,443		967,346
Fringe benefits		376,821		350,077
Operating costs		470,127		510,054
Capital outlay		<u>186,124</u>		<u>65,732</u>
	<u>2,125,618</u>	<u>2,070,515</u>	<u>55,103</u>	<u>1,893,209</u>
Tax Administration:				
Salaries		2,768,119		2,539,173
Fringe benefits		1,098,640		1,013,514
Operating costs		1,230,158		924,304
Capital outlay		<u>168,410</u>		<u>39,472</u>
	<u>5,847,618</u>	<u>5,265,327</u>	<u>582,291</u>	<u>4,516,463</u>
County Attorney:				
Salaries		472,118		411,572
Fringe benefits		148,466		127,173
Operating costs		55,431		61,642
Capital outlay		<u>6,539</u>		<u>2,617</u>
	<u>777,709</u>	<u>682,554</u>	<u>95,155</u>	<u>603,004</u>
Court Facilities:				
Operating costs		<u>211,743</u>		<u>208,166</u>
	<u>424,990</u>	<u>211,743</u>	<u>213,247</u>	<u>208,166</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Board of Elections:				
Salaries		674,558		675,670
Fringe benefits		156,250		141,208
Operating costs		191,511		198,551
Capital outlay		<u>42,224</u>		<u>15,540</u>
	<u>1,165,111</u>	<u>1,064,543</u>	<u>100,568</u>	<u>1,030,969</u>
Register of Deeds:				
Salaries		707,681		670,112
Fringe benefits		312,439		301,247
Operating costs		3,899,584		4,861,355
Capital outlay		<u>426,153</u>		<u>5,973</u>
	<u>5,537,798</u>	<u>5,345,857</u>	<u>191,941</u>	<u>5,838,687</u>
Contingency:				
Operating costs	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Total general government	<u>18,614,524</u>	<u>16,606,567</u>	<u>2,007,957</u>	<u>15,935,148</u>
Central Services:				
Information Technology:				
Salaries		1,450,729		1,182,596
Fringe benefits		509,190		409,927
Operating costs		1,148,968		939,473
Capital outlay		<u>1,702,027</u>		<u>5,332</u>
	<u>6,787,564</u>	<u>4,810,914</u>	<u>1,976,650</u>	<u>2,537,328</u>
Fleet Services:				
Salaries		764,727		702,677
Fringe benefits		311,500		283,355
Operating costs		421,428		449,990
Capital outlay		<u>277,800</u>		<u>110,309</u>
	<u>2,768,697</u>	<u>1,775,455</u>	<u>993,242</u>	<u>1,546,331</u>
Engineering:				
Salaries		552,262		491,016
Fringe benefits		191,310		169,256
Operating costs		26,098		45,267
Capital outlay		<u>-</u>		<u>10,366</u>
	<u>848,722</u>	<u>769,670</u>	<u>79,052</u>	<u>715,905</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Operation Services:				
Salaries		2,600,709		2,288,052
Fringe benefits		1,122,734		998,076
Operating costs		3,597,373		3,298,612
Capital outlay		<u>484,152</u>		<u>406,599</u>
	<u>11,196,460</u>	<u>7,804,968</u>	<u>3,391,492</u>	<u>6,991,339</u>
Non-departmental:				
Fringe benefits		6,483,445		5,793,104
Operating costs		<u>130,259</u>		<u>174,977</u>
	<u>7,057,056</u>	<u>6,613,704</u>	<u>443,352</u>	<u>5,968,081</u>
 Total central services	 <u>28,658,499</u>	 <u>21,774,711</u>	 <u>6,883,788</u>	 <u>17,758,984</u>
Public Safety:				
District Attorney:				
Operating costs		<u>10,889</u>		<u>27,520</u>
	<u>13,000</u>	<u>10,889</u>	<u>2,111</u>	<u>27,520</u>
Sheriff:				
Salaries		13,350,400		12,060,061
Fringe benefits		5,103,061		4,418,477
Operating costs		3,688,040		3,342,044
Capital outlay		<u>1,630,512</u>		<u>1,383,854</u>
	<u>26,451,048</u>	<u>23,772,013</u>	<u>2,679,035</u>	<u>21,204,436</u>
Detention Center:				
Salaries		6,275,298		5,270,161
Fringe benefits		2,401,643		2,062,080
Operating costs		3,585,879		3,359,573
Capital outlay		<u>405,030</u>		<u>164,458</u>
	<u>13,210,539</u>	<u>12,667,850</u>	<u>542,689</u>	<u>10,856,272</u>
Emergency Medical:				
Salaries		7,147,723		6,608,706
Fringe benefits		2,597,145		2,349,172
Operating costs		2,410,679		2,243,679
Capital outlay		<u>807,023</u>		<u>715,306</u>
	<u>17,042,165</u>	<u>12,962,570</u>	<u>4,079,595</u>	<u>11,916,863</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Emergency Management:				
Salaries		402,090		291,792
Fringe benefits		141,009		86,698
Operating costs		497,502		396,323
Capital outlay		278,459		23,467
	<u>1,968,647</u>	<u>1,319,060</u>	<u>649,587</u>	<u>798,280</u>
Other Agencies:				
Fire districts		1,055,000		60,000
Rescue Squads		331,800		340,800
	<u>1,426,800</u>	<u>1,386,800</u>	<u>40,000</u>	<u>400,800</u>
Building Inspections and Central Permitting				
Salaries		2,800,750		2,206,890
Fringe benefits		1,009,751		781,494
Operating costs		283,404		387,538
Capital outlay		85,671		216,056
	<u>4,636,563</u>	<u>4,179,576</u>	<u>456,987</u>	<u>3,591,978</u>
Fire Inspections				
Salaries		480,928		413,180
Fringe benefits		145,710		129,184
Operating costs		68,753		72,970
Capital outlay		98,540		11,623
	<u>1,088,856</u>	<u>793,931</u>	<u>294,925</u>	<u>626,957</u>
Central Communications:				
Salaries		2,081,297		1,814,078
Fringe benefits		784,904		684,836
Operating costs		1,521,319		392,989
Capital outlay		3,086,302		470,228
	<u>8,639,759</u>	<u>7,473,822</u>	<u>1,165,937</u>	<u>3,362,131</u>
Animal Protective Services:				
Salaries		616,171		628,304
Fringe benefits		245,986		250,237
Operating costs		306,003		298,624
Capital outlay		52,318		51,470
	<u>1,458,805</u>	<u>1,220,478</u>	<u>238,327</u>	<u>1,228,635</u>
Total public safety	<u>75,936,182</u>	<u>65,786,989</u>	<u>10,149,193</u>	<u>54,013,872</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Transportation:				
Cape Fear Regional Jetport		111,000		111,000
Odell Williamson Municipal Airport		50,000		50,000
Brunswick Transit System		164,544		245,881
Total transportation	<u>400,227</u>	<u>325,544</u>	<u>74,683</u>	<u>406,881</u>
Environmental Protection:				
Solid Waste:				
Salaries		462,339		404,290
Fringe benefits		190,576		160,269
Operating costs		20,564,944		18,805,605
Capital outlay		1,152,009		35,247
	<u>23,072,804</u>	<u>22,369,868</u>	<u>702,936</u>	<u>19,405,411</u>
Other:				
Forestry services	<u>286,472</u>	<u>187,392</u>	<u>99,080</u>	<u>198,260</u>
Total environmental protection	<u>23,359,276</u>	<u>22,557,260</u>	<u>802,016</u>	<u>19,603,671</u>
Economic Development:				
Community Enforcement:				
Salaries		199,398		187,563
Fringe benefits		84,934		78,922
Operating costs		20,058		14,467
Capital outlay		-		27,243
	<u>312,796</u>	<u>304,390</u>	<u>8,406</u>	<u>308,195</u>
Planning:				
Salaries		632,430		495,691
Fringe benefits		226,792		173,170
Operating costs		189,672		249,772
Capital outlay		111,836		3,569
	<u>1,264,858</u>	<u>1,160,730</u>	<u>104,128</u>	<u>922,202</u>
Cooperative Extension:				
Salaries		362,939		301,618
Fringe benefits		154,848		119,395
Operating costs		150,045		125,413
Capital outlay		23,882		23,935
	<u>874,750</u>	<u>691,714</u>	<u>183,036</u>	<u>570,361</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Soil and Water Conservation:				
Salaries		173,155		155,504
Fringe benefits		69,827		63,227
Operating costs		22,417		13,233
Capital outlay		-		29,136
	<u>657,755</u>	<u>265,399</u>	<u>392,356</u>	<u>261,100</u>
Public Housing Section 8:				
Salaries		200,043		180,299
Fringe benefits		85,616		77,062
Operating costs		2,011,253		2,092,475
Capital outlay		46,841		8,047
	<u>2,517,228</u>	<u>2,343,753</u>	<u>173,475</u>	<u>2,357,883</u>
1% Occupancy Tax:				
Operating costs	<u>4,000,000</u>	<u>3,341,040</u>	<u>658,960</u>	<u>2,795,875</u>
Other Economic Development:				
Contracted services		105,379		139,466
Incentives		100,000		-
Lockwood Folly & Shallotte Dredging		106,250		356,879
Brunswick Business and Industry Development		575,000		575,000
Access road economic development project		-		400,000
	<u>2,360,372</u>	<u>886,629</u>	<u>1,473,743</u>	<u>1,471,345</u>
Total economic development	<u>11,987,759</u>	<u>8,993,655</u>	<u>2,994,104</u>	<u>8,686,961</u>
Human Services:				
Health:				
Administration:				
Salaries		2,798,410		2,250,481
Fringe benefits		1,381,773		1,290,956
Operating costs		198,380		335,596
Capital outlay		-		379,682
	<u>4,976,723</u>	<u>4,378,563</u>	<u>598,160</u>	<u>4,256,715</u>
Communicable Diseases:				
Operating costs	<u>851,166</u>	<u>486,917</u>	<u>364,249</u>	<u>306,474</u>
Adult Health Maintenance:				
Operating costs		223,402		133,729
	<u>715,234</u>	<u>223,402</u>	<u>491,832</u>	<u>133,729</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Senior Health:				
Salaries		59,925		53,086
Fringe benefits		23,994		21,446
Operating costs		1,730		1,037
	<u>89,346</u>	<u>85,649</u>	<u>3,697</u>	<u>75,569</u>
Maternal and Child Health:				
Salaries		490,202		386,799
Fringe benefits		206,235		166,662
Operating costs		536,079		474,223
	<u>1,390,124</u>	<u>1,232,516</u>	<u>157,608</u>	<u>1,027,684</u>
Environmental Health:				
Salaries		1,513,824		1,336,553
Fringe benefits		567,450		483,411
Operating costs		427,624		883,718
Capital outlay		-		16,953
	<u>3,332,872</u>	<u>2,508,898</u>	<u>823,974</u>	<u>2,720,635</u>
Total health	<u>11,355,465</u>	<u>8,915,945</u>	<u>2,439,520</u>	<u>8,520,806</u>
Veterans' Services:				
Salaries		218,771		156,248
Fringe benefits		85,319		61,994
Operating costs		52,564		37,306
Total veterans' services	<u>371,315</u>	<u>356,654</u>	<u>14,661</u>	<u>255,548</u>
Social Services:				
Administration:				
Salaries		8,969,122		7,815,433
Fringe benefits		4,130,468		3,729,828
Operating costs		2,902,400		4,014,920
Capital outlay		393,239		129,513
	<u>21,935,824</u>	<u>16,395,229</u>	<u>5,540,595</u>	<u>15,689,694</u>
Other Operating Costs:				
Medical assistance		1,707		3,478
Aid to the blind		3,758		3,549
Adoption assistance		201,324		188,043
Foster care		650,917		655,847
State foster home		592,945		638,272
Special assistance		277,033		266,415

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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Other Operating Costs (continued):				
Day care		5,356		1,539
Special child adoption assistance		15,538		11,114
	<u>2,444,971</u>	<u>1,748,578</u>	<u>696,393</u>	<u>1,768,257</u>
 Total social services	 <u>24,380,795</u>	 <u>18,143,807</u>	 <u>6,236,988</u>	 <u>17,457,951</u>
 Other Human Services:				
Trillium Health Resources		250,443		250,443
Brunswick Senior Resources, Inc.		3,017,136		2,888,852
Other human services		121,820		179,360
	<u>3,389,399</u>	<u>3,389,399</u>	<u>-</u>	<u>3,318,655</u>
 Total human services	 <u>39,496,974</u>	 <u>30,805,805</u>	 <u>8,691,169</u>	 <u>29,552,960</u>
 Education:				
Public schools		50,272,806		47,523,253
Public schools - capital outlay		1,054,674		996,991
Public schools - fines and forfeitures		496,613		315,588
Community college		4,674,986		4,276,270
Community college - capital outlay		660,450		356,500
Total education	<u>57,233,128</u>	<u>57,159,529</u>	<u>73,599</u>	<u>53,468,602</u>
 Culture and Recreation:				
Parks and Recreation:				
Administration:				
Salaries		776,926		683,634
Fringe benefits		247,137		216,912
Operating costs		721,363		629,986
Capital outlay		91,308		62,589
	<u>4,480,215</u>	<u>1,836,734</u>	<u>2,643,481</u>	<u>1,593,121</u>
 Maintenance:				
Salaries		888,169		746,974
Fringe benefits		365,137		311,593
Operating costs		652,290		632,719
Capital outlay		106,224		70,505
	<u>2,319,108</u>	<u>2,011,820</u>	<u>307,288</u>	<u>1,761,791</u>
 Total Parks and Recreation	 <u>6,799,323</u>	 <u>3,848,554</u>	 <u>2,950,769</u>	 <u>3,354,912</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Brunswick County Library:				
Salaries		829,930		769,375
Fringe benefits		356,184		321,721
Operating costs		404,097		211,152
Capital outlay		74,556		12,387
	<u>2,016,285</u>	<u>1,664,767</u>	<u>351,518</u>	<u>1,314,635</u>
 Total culture and recreation	 <u>8,815,608</u>	 <u>5,513,321</u>	 <u>3,302,287</u>	 <u>4,669,547</u>
Debt Service:				
Principal retirement	9,801,315	9,786,756	14,559	11,321,729
Interest and fees	4,672,581	4,482,197	190,384	5,057,723
Total debt service	<u>14,473,896</u>	<u>14,268,953</u>	<u>204,943</u>	<u>16,379,452</u>
 Total expenditures	 <u>278,976,073</u>	 <u>243,792,334</u>	 <u>35,183,739</u>	 <u>220,476,078</u>
 Revenues over (under) expenditures	 <u>(15,222,299)</u>	 <u>31,898,309</u>	 <u>47,120,608</u>	 <u>42,057,906</u>
Other Financing Sources (Uses):				
Lease liabilities issued	523,955	523,952	(3)	775,921
SBITA liabilities issued	3,230,067	3,105,910	(124,157)	-
Issuance of long-term debt	-	-	-	11,215,000
Payment to escrow agent for refunded debt	-	-	-	(10,935,000)
	<u>3,754,022</u>	<u>3,629,862</u>	<u>(124,160)</u>	<u>1,055,921</u>
Transfers From Other Funds:				
Transfer from American Rescue Plan Act fund	5,500,000	5,450,000	(50,000)	10,000,000
Transfer from emergency telephone system fund	40,345	40,344	(1)	-
	<u>5,540,345</u>	<u>5,490,344</u>	<u>(50,001)</u>	<u>10,000,000</u>
Transfers To Other Funds:				
Transfer to county capital project fund	(17,909,354)	(17,909,354)	-	(24,238,843)
Transfer to grant project funds	(58,477)	(58,477)	-	-
Transfer to emergency telephone system fund	(18,108)	(18,107)	1	(5,280)
Transfer to school capital project funds	(12,263,344)	(12,263,344)	-	(10,393,810)
	<u>(30,249,283)</u>	<u>(30,249,282)</u>	<u>1</u>	<u>(34,637,933)</u>
Budgetary Financing Sources (Uses):				
Appropriated fund balance	36,177,215	-	(36,177,215)	-
 Total other financing sources (uses)	 <u>15,222,299</u>	 <u>(21,129,076)</u>	 <u>(36,351,375)</u>	 <u>(23,582,012)</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Net change in fund balance	\$ <u>-</u>	10,769,233	\$ <u>10,769,233</u>	18,475,894
Fund balance, beginning of year		<u>139,670,363</u>		<u>121,194,469</u>
Fund balance, end of year		<u>\$ 150,439,596</u>		<u>\$ 139,670,363</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, 2023

	Project Budget	Actual			Variance
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental:					
NC Department of Transportation	\$ 30,258,376	\$ 25,202,021	\$ 640,000	\$ 25,842,021	\$ (4,416,355)
NC Capital and Infrastructure Fund	300,000	300,000	-	300,000	-
CARES Act	59,000	151,000	-	151,000	92,000
	<u>30,617,376</u>	<u>25,653,021</u>	<u>640,000</u>	<u>26,293,021</u>	<u>(4,324,355)</u>
Investment earnings	<u>841,170</u>	<u>899,554</u>	<u>1,482,400</u>	<u>2,381,954</u>	<u>1,540,784</u>
Other:					
Performance bonds	290,876	290,876	-	290,876	-
Other revenues	350,000	349,240	-	349,240	(760)
	<u>640,876</u>	<u>640,116</u>	<u>-</u>	<u>640,116</u>	<u>(760)</u>
Total revenues	<u>32,099,422</u>	<u>27,192,691</u>	<u>2,122,400</u>	<u>29,315,091</u>	<u>(2,784,331)</u>
Expenditures:					
Capital Improvements:					
General Government:					
Courthouse Addition Renovation	15,372,366	14,305,673	1,008,125	15,313,798	58,568
Future capital projects	40,000,000	-	-	-	40,000,000
	<u>55,372,366</u>	<u>14,305,673</u>	<u>1,008,125</u>	<u>15,313,798</u>	<u>40,058,568</u>
Environmental protection:					
Landfill Transfer Station	6,333,734	1,897,709	3,814,919	5,712,628	621,106
Future capital projects	10,644,355	-	-	-	10,644,355
	<u>16,978,089</u>	<u>1,897,709</u>	<u>3,814,919</u>	<u>5,712,628</u>	<u>11,265,461</u>
Economic Development:					
Springlake at Maritime Shores	274,585	-	-	-	274,585
Future capital projects	3,000,000	-	-	-	3,000,000
	<u>3,274,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,274,585</u>
Cultural and recreation:					
Smithville Park improvements	6,189,666	6,089,919	13,289	6,103,208	86,458
Brunswick Waterway					
Park improvements	201,210	201,210	-	201,210	-
Waccamaw Multiuse Building	431,900	250,372	11,476	261,848	170,052
Smithville Park improvements					
- Phase III	44,500	17,000	13,300	30,300	14,200
Future capital projects	455,500	-	-	-	455,500
	<u>7,322,776</u>	<u>6,558,501</u>	<u>38,065</u>	<u>6,596,566</u>	<u>726,210</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, 2023

	Project Budget	Actual			Variance
		Prior Years	Current Year	Total to Date	
Transportation:					
Airport improvements	31,486,818	26,453,345	666,405	27,119,750	4,367,068
Other:					
Future capital projects	7,053,030	-	-	-	7,053,030
Total expenditures	121,487,664	49,215,228	5,527,514	54,742,742	66,744,922
Revenues over (under) expenditures	(89,388,242)	(22,022,537)	(3,405,114)	(25,427,651)	63,960,591
Other Financing Sources (Uses):					
Appropriated fund balance	4,805,618	-	-	-	(4,805,618)
Transfer from general fund	88,876,508	70,967,158	17,909,354	88,876,512	4
Transfer to general fund	(4,293,884)	(4,293,884)	-	(4,293,884)	-
Total other financing sources (uses)	89,388,242	66,673,274	17,909,354	84,582,628	(4,805,614)
Net change in fund balance	\$ -	\$ 44,650,737	14,504,240	\$ 59,154,977	\$ 59,154,977
Fund balance, beginning of year			49,475,219		
Fund balance, end of year			\$ 63,979,459		

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCEBUDGET TO ACTUAL - EDUCATION CAPITAL PROJECTS FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Budget	Actual			Variance
		Prior Years	Current Year	Total to Date	
Revenues:					
NC Public Education Lottery	\$ 7,082,039	\$ 7,092,797	\$ -	\$ 7,092,797	\$ 10,758
Investment earnings	-	432,747	619,958	1,052,705	1,052,705
Investment earnings - debt proceeds	-	1,318,472	1,586,536	2,905,008	2,905,008
Total revenues	<u>7,082,039</u>	<u>8,844,016</u>	<u>2,206,494</u>	<u>11,050,510</u>	<u>3,968,471</u>
Expenditures:					
Brunswick County Schools	<u>261,686,905</u>	<u>160,409,967</u>	<u>12,353,010</u>	<u>172,762,977</u>	<u>88,923,928</u>
Revenues over (under) expenditures	(254,604,866)	(151,565,951)	(10,146,516)	(161,712,467)	92,892,399
Other Financing Sources (Uses):					
Transfer from general fund	96,182,818	83,919,473	12,263,344	96,182,817	(1)
Transfer to general fund	(314,013)	(314,013)	-	(314,013)	-
Premium on bonds issued	14,618,648	8,749,217	5,869,431	14,618,648	-
Debt financing issued	137,565,000	91,750,000	45,815,000	137,565,000	-
Appropriated fund balance	<u>6,552,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,552,413)</u>
Total other financing sources (uses)	<u>254,604,866</u>	<u>184,104,677</u>	<u>63,947,775</u>	<u>248,052,452</u>	<u>(6,552,414)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 32,538,726</u>	53,801,259	<u>\$ 86,339,985</u>	<u>\$ 86,339,985</u>
Fund balance, beginning of year			<u>39,091,141</u>		
Fund balance, end of year			<u>\$ 92,892,400</u>		



NON-MAJOR GOVERNMENTAL FUNDS

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, 2023

	Emergency Telephone System Fund	Grant Project	ROD- Technology Enhancement Fund	American Rescue Plan Act Fund	National Opioid Settlement Fund	Total
Assets:						
Cash and cash equivalents	\$ 995,543	\$ -	\$ 1,176,402	\$ -	\$ -	\$ 2,171,945
Restricted cash and cash equivalents/investments	-	-	-	2,833,993	1,782,595	4,616,588
Interest receivable	1,909	-	1,838	-	2,028	5,775
Receivables, net	13,150	285	-	-	-	13,435
Other governmental agencies	33,896	88,964	-	-	-	122,860
Prepaid expenditures	-	-	54	-	-	54
Total assets	<u>\$ 1,044,498</u>	<u>\$ 89,249</u>	<u>\$ 1,178,294</u>	<u>\$ 2,833,993</u>	<u>\$ 1,784,623</u>	<u>\$ 6,930,657</u>
Liabilities:						
Accounts payable and other liabilities	20,071	34,193	4,179	93,015	-	151,458
Due to other funds	-	32,749	-	-	-	32,749
Unearned revenue	-	-	-	9,528,956	1,752,494	11,281,450
Total liabilities	<u>20,071</u>	<u>66,942</u>	<u>4,179</u>	<u>9,621,971</u>	<u>1,752,494</u>	<u>11,465,657</u>
Fund Balance:						
Nonspendable - prepaids	-	-	54	-	-	54
Stabilization by State Statute	48,955	89,249	1,838	-	2,028	142,070
Restricted - other	975,472	-	1,172,223	-	30,101	2,177,796
Unassigned	-	(66,942)	-	(6,787,978)	-	(6,854,920)
Total fund balances	<u>1,024,427</u>	<u>22,307</u>	<u>1,174,115</u>	<u>(6,787,978)</u>	<u>32,129</u>	<u>(4,535,000)</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 1,044,498</u>	<u>\$ 89,249</u>	<u>\$ 1,178,294</u>	<u>\$ 2,833,993</u>	<u>\$ 1,784,623</u>	<u>\$ 6,930,657</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, 2023

	Emergency Telephone System Fund	Grant Project	ROD- Technology Enhancement Fund	American Rescue Plan Act Fund	National Opioid Settlement Fund	Total
Revenues:						
Restricted intergovernmental	\$ 406,750	\$ 637,119	\$ 2,166	\$ 5,675,947	\$ 11,916	\$ 6,733,898
Permits and fees	-	-	179,403	-	-	179,403
Investment earnings	27,360	-	26,699	-	32,129	86,188
Total revenues	<u>434,110</u>	<u>637,119</u>	<u>208,268</u>	<u>5,675,947</u>	<u>44,045</u>	<u>6,999,489</u>
Expenditures:						
General government	-	382,159	149,249	39,394	-	570,802
Public safety	1,014,866	241,130	-	93,215	-	1,349,211
Human Services	-	-	-	58,304	11,916	70,220
Debt Service:						
Principal retirement	40,718	-	-	-	-	40,718
Interest and fiscal charges	1,253	-	-	-	-	1,253
Total expenditures	<u>1,056,837</u>	<u>623,289</u>	<u>149,249</u>	<u>190,913</u>	<u>11,916</u>	<u>2,032,204</u>
Revenues over (under) expenditures	(622,727)	13,830	59,019	5,485,034	32,129	4,967,285
Other Financing Sources:						
SBITA liabilities issued	156,005	-	-	-	-	156,005
Transfers from general fund	18,107	58,477	-	-	-	76,584
Transfers to general fund	(40,344)	(50,000)	-	(5,400,000)	-	(5,490,344)
Transfer to water fund	-	-	-	(1,930,279)	-	(1,930,279)
Transfers to wastewater fund	-	-	-	(4,942,733)	-	(4,942,733)
Total other financing sources (uses)	<u>133,768</u>	<u>8,477</u>	<u>-</u>	<u>(12,273,012)</u>	<u>-</u>	<u>(12,130,767)</u>
Net change in fund balances	(488,959)	22,307	59,019	(6,787,978)	32,129	(7,163,482)
Fund balance, beginning of year	<u>1,513,386</u>	<u>-</u>	<u>1,115,096</u>	<u>-</u>	<u>-</u>	<u>2,628,482</u>
Fund balance, end of year	<u>\$ 1,024,427</u>	<u>\$ 22,307</u>	<u>\$ 1,174,115</u>	<u>\$ (6,787,978)</u>	<u>\$ 32,129</u>	<u>\$ (4,535,000)</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Revenues:				
Restricted Intergovernmental:				
NC 911 Board	\$ 406,749	\$ 406,750	\$ 1	\$ 408,866
NC 911 Board - 2023 PSAP Grant	238,722	-	(238,722)	-
	645,471	406,750	(238,721)	408,866
Investment earnings	-	27,360	27,360	1,549
Total revenues	<u>645,471</u>	<u>434,110</u>	<u>(211,361)</u>	<u>410,415</u>
Expenditures:				
Telephone and furniture	296,034	128,211	167,823	151,397
Computer software	161,560	54,639	106,921	212,452
Computer hardware	734,852	80,352	654,500	131,736
Staff training	11,000	8,872	2,128	3,644
Implemental functions	26,669	26,669	-	30,238
Capital Outlay	716,123	716,123	-	150,408
Debt Service:				
Principal retirement	40,719	40,718	1	-
Interest and fees	1,254	1,253	1	-
Total expenditures	<u>1,988,211</u>	<u>1,056,837</u>	<u>931,374</u>	<u>679,875</u>
Revenues over (under) expenditures	(1,342,740)	(622,727)	720,013	(269,460)
Other Financing Sources (Uses):				
SBITA liabilities issued	156,006	156,005	(1)	-
Transfers from general fund	18,108	18,107	(1)	5,280
Transfers to general fund	(40,345)	(40,344)	1	-
Appropriated fund balance	1,208,971	-	(1,208,971)	-
Total other financing sources (uses)	<u>1,342,740</u>	<u>133,768</u>	<u>(1,208,972)</u>	<u>5,280</u>
Net change in fund balance	<u>\$ -</u>	<u>(488,959)</u>	<u>\$ (488,959)</u>	<u>(264,180)</u>
Fund balance, beginning of year		<u>1,513,386</u>		<u>1,777,566</u>
Fund balance, end of year		<u>\$ 1,024,427</u>		<u>\$ 1,513,386</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, 2023

	Project Authorization	Actual			Variance
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental:					
SAMHSA FY 19-24	\$ 2,000,000	\$ 1,375,197	\$ 382,159	\$ 1,757,356	\$ (242,644)
HMPG-5 Residential Properties	1,380,527	259,531	-	259,531	(1,120,996)
Building Reuse Program	1,000,000	700,000	-	700,000	(300,000)
USDA Dept. of Agriculture Watershed Grant	696,443	323,755	-	323,755	(372,688)
Local Assistance and Tribal Consistency Fund	100,000	-	50,000	50,000	(50,000)
NC Dept. of Agriculture Watershed Grant	147,344	98,294	-	98,294	(49,050)
GHSP-Traffic Unit	331,367	-	204,960	204,960	(126,407)
NC Dept. of Agriculture ADFP	379,332	-	-	-	(379,332)
Total revenues	<u>6,035,013</u>	<u>2,756,777</u>	<u>637,119</u>	<u>3,393,896</u>	<u>(2,641,117)</u>
Expenditures:					
SAMHSA FY 19-24	2,000,000	1,375,197	382,159	1,757,356	242,644
HMPG-5 Residential Properties	1,380,527	259,531	-	259,531	1,120,996
Pacon Manufacturing Incentive and Reuse	1,300,000	1,000,000	-	1,000,000	300,000
Watershed Grant Round 1	419,109	202,926	-	202,926	216,183
Watershed Grant Round 2	381,072	188,178	-	188,178	192,894
Watershed Grant Round 3	43,606	30,945	-	30,945	12,661
GHSP-Traffic Unit	389,844	-	241,130	241,130	148,714
ADFP	379,332	-	-	-	379,332
Total expenditures	<u>6,293,490</u>	<u>3,056,777</u>	<u>623,289</u>	<u>3,680,066</u>	<u>2,613,424</u>
Revenues over (under) expenditures	(258,477)	(300,000)	13,830	(286,170)	(27,693)
Other Financing Sources (Uses):					
Transfers from general fund	358,477	300,000	58,477	358,477	-
Transfers to general fund	<u>(100,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>50,000</u>
Total other financing sources (uses)	<u>258,477</u>	<u>300,000</u>	<u>8,477</u>	<u>308,477</u>	<u>50,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>22,307</u>	<u>\$ 22,307</u>	<u>\$ 22,307</u>
Fund balance, beginning of year			-		
Fund balance, end of year			<u>\$ 22,307</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, 2023
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Revenues:				
Restricted intergovernmental	\$ 2,166	\$ 2,166	\$ -	\$ 2,000
Permits and fees	201,000	179,403	(21,597)	239,243
Investment earnings	5,000	26,699	21,699	1,121
Total revenues	<u>208,166</u>	<u>208,268</u>	<u>102</u>	<u>242,364</u>
Expenditures:				
General government	<u>230,701</u>	<u>149,249</u>	<u>81,452</u>	<u>160,864</u>
Revenues over (under) expenditures	(22,535)	59,019	81,554	81,500
Other Financing Sources (Uses):				
Appropriated fund balance	<u>22,535</u>	<u>-</u>	<u>(22,535)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>59,019</u>	<u>\$ 59,019</u>	<u>81,500</u>
Fund balance, beginning of year		<u>1,115,096</u>		<u>1,033,596</u>
Fund balance, end of year		<u>\$ 1,174,115</u>		<u>\$ 1,115,096</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, 2023

	Project Authorization	Actual			Variance
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental:					
American Rescue Plan	\$ 27,741,111	\$ 12,536,208	\$ 5,675,947	\$ 18,212,155	\$ (9,528,956)
Expenditures:					
General Government:					
Direct administrative costs	150,000	39,677	39,394	79,071	70,929
Public Safety:					
AEDs	93,215	-	93,215	93,215	-
Ambulances	900,000	-	-	-	900,000
Human Services:					
Premium pay	2,369,543	2,369,543	-	2,369,543	-
Lead and Copper program	1,400,000	-	58,304	58,304	1,341,696
Cultural and recreation:					
Public access computers	72,800	-	-	-	72,800
Other:					
Unassigned	355,552	-	-	-	355,552
Total expenditures	5,341,110	2,409,220	190,913	2,600,133	2,740,977
Revenues over (under) expenditures	22,400,001	10,126,988	5,485,034	15,612,022	(6,787,979)
Other Financing Sources (Uses):					
Transfers to general fund	(15,400,000)	(10,000,000)	(5,400,000)	(15,400,000)	-
Transfers to water fund	(1,930,279)	-	(1,930,279)	(1,930,279)	-
Transfers to wastewater fund	(5,069,722)	(126,988)	(4,942,733)	(5,069,721)	1
Total other financing sources (uses)	(22,400,001)	(10,126,988)	(12,273,012)	(22,400,000)	1
Net change in fund balance	\$ -	\$ -	(6,787,978)	\$ (6,787,978)	\$ (6,787,978)
Fund balance, beginning of year			-		
Fund balance, end of year			\$ (6,787,978)		

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCEBUDGET TO ACTUAL - NATIONAL OPIOID SETTLEMENT FUND
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Actual			Variance
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental:					
National Opioid Settlement Fund	\$ 24,594,960	\$ -	\$ 11,916	\$ 11,916	\$ (24,583,044)
Investment earnings	-	-	32,129	32,129	32,129
Total revenues	24,594,960	-	44,045	44,045	(24,550,915)
Expenditures:					
Human Services:					
Social services clinician	169,703	-	11,916	11,916	157,787
The Healing Place	240,900	-	-	-	240,900
	410,603	-	11,916	11,916	398,687
Other:					
Unassigned	24,184,357	-	-	-	24,184,357
Total expenditures	24,594,960	-	11,916	11,916	(24,583,044)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	32,129	<u>\$ 32,129</u>	<u>\$ 32,129</u>
Fund balance, beginning of year			-		
Fund balance, end of year			<u>\$ 32,129</u>		



ENTERPRISE FUNDS

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

MAJOR ENTERPRISE FUNDS:

WATER FUND

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

WATER CAPITAL PROJECTS FUND

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

WASTEWATER FUND

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

WASTEWATER CAPITAL PROJECTS FUND

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



COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WATER FUND (NON-GAAP)
JUNE 30, 2023

	Water Fund	Water Capital Projects	Total
Current Assets:			
Cash, cash equivalents and investments	\$ 51,321,199	\$ 19,907,694	\$ 71,228,893
Restricted cash	3,084,077	52,071,830	55,155,907
Interest receivable	86,711	19,438	106,149
Receivables and special assessments, net	4,829,366	-	4,829,366
Current portion of lease receivable	201,606	-	201,606
Due from other governmental agencies	336,600	627,893	964,493
Due from other funds	202,345	-	202,345
Inventories	1,922,985	-	1,922,985
Prepaid expenditures	4,489	-	4,489
Total current assets	<u>61,989,378</u>	<u>72,626,855</u>	<u>134,616,233</u>
Current Liabilities:			
Accounts payable and other liabilities	1,202,500	7,626,300	8,828,800
Customer deposits	2,597,291	-	2,597,291
Advance from grantor	-	1,904,164	1,904,164
Interest payable	1,732,630	-	1,732,630
Current portion of debt	6,080,916	-	6,080,916
Due to other funds	-	202,345	202,345
Total current liabilities	<u>11,613,337</u>	<u>9,732,809</u>	<u>21,346,146</u>
Expendable net position	50,376,041	62,894,046	113,270,087
Noncurrent Items:			
Lease receivable	1,851,602	-	1,851,602
Non-depreciable capital assets	137,829,448	-	137,829,448
Depreciable capital assets, net	180,001,277	-	180,001,277
Right to use leased assets, net of amortization	1,724,518	-	1,724,518
Right to use SBITA assets, net of amortization	41,442	-	41,442
Deferred outflow	4,609,660	-	4,609,660
Net pension liability	(3,506,117)	-	(3,506,117)
Compensated absences	(517,196)	-	(517,196)
Total other post-employment liability	(12,083,794)	-	(12,083,794)
Non-current portion of debt	(201,934,061)	-	(201,934,061)
Deferred inflow	(6,192,402)	-	(6,192,402)
Total net position	<u>\$ 152,200,418</u>	<u>\$ 62,894,046</u>	<u>\$ 215,094,464</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Revenues:				
User charges	\$ 40,916,358	\$ 48,243,167	\$ 7,326,809	\$ 37,572,387
Restricted intergovernmental revenue	-	7,320	7,320	22,738
Investment earnings	1,081,545	1,256,221	174,676	46,128
Other	2,912,969	3,243,073	330,104	3,351,407
Total revenues	<u>44,910,872</u>	<u>52,749,781</u>	<u>7,838,909</u>	<u>40,992,660</u>
Expenditures:				
Salaries	6,624,509	6,138,733	485,776	5,403,841
Fringe benefits	3,184,941	2,914,869	270,072	2,564,753
Operating expenditures	11,435,468	9,692,448	1,743,020	8,116,933
Repairs and maintenance	3,127,848	2,303,831	824,017	5,294,529
Capital outlay	5,289,958	2,738,125	2,551,833	4,018,506
Debt Service:				
Principal	5,001,759	5,001,599	160	1,913,147
Interest	7,028,052	7,028,033	19	1,314,239
Total expenditures	<u>41,692,535</u>	<u>35,817,638</u>	<u>5,874,897</u>	<u>28,625,948</u>
Revenues over (under) expenditures	3,218,337	16,932,143	13,713,806	12,366,712
Other Financing Sources (Uses):				
Lease liabilities issued	28,884	28,883	(1)	1,798,160
SBITA liabilities issued	79,404	79,404	-	-
Transfer to water capital project fund	(7,500,000)	(7,500,000)	-	(7,861,000)
Claims settlement	-	-	-	(147,382)
Appropriated net position	4,173,375	-	(4,173,375)	-
Total other financing sources (uses)	<u>(3,218,337)</u>	<u>(7,391,713)</u>	<u>(4,173,376)</u>	<u>(6,210,222)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	9,540,430	<u>\$ 9,540,430</u>	<u>\$ 6,156,490</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Reconciliation From Budgetary Basis				
To Full Accrual Basis:				
Capital Project Related Items:				
Revenues from water capital projects		2,678,235		
Transfer from water fund to water capital project fund		7,500,000		
Transfer from special revenue fund to water capital project fund		1,930,279		
Capital project expenditures		(32,642,961)		
Other Reconciling Items:				
Lease liabilities issued		(28,883)		
SBITA liabilities issued		(79,404)		
CIP additions from capital projects		32,642,961		
Capitalized capital outlay and CIP adjustment		2,629,838		
Capitalized lease capital outlay		28,883		
Capitalized SBITA capital outlay		79,404		
Change in interest accrued		38,446		
Change in vacation accrual		10,758		
Change in net OPEB liability		3,041,349		
Change in deferred outflows of resources - pensions		857,704		
Change in deferred outflows of resources - OPEB		(338,441)		
Change in net pension liability		(2,605,020)		
Change in deferred inflows of resources - pensions		1,373,078		
Change in deferred inflows of resources - OPEB		(3,193,364)		
Change in inventory		(25,645)		
Retirement of long-term debt		5,001,599		
Gain(Loss) on early termination of lease liability		16,794		
Amortization of bond premium		704,204		
Gain(Loss) on early termination of lease RTU asset		(14,974)		
Capital contributions		3,108,288		
Contributed capital assets-Deeds of Dedication		6,857,291		
Depreciation		(7,369,268)		
Amortization of right to use assets		(43,696)		
Amortization of SBITA assets		(37,962)		
		<u>31,659,923</u>		
Change in net position - GAAP basis		<u>\$ 31,659,923</u>		

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 WATER CAPITAL PROJECT FUNDS (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Budget	Actual			Variance
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted					
Intergovernmental revenue	\$ 4,210,188	\$ -	\$ 87,058	\$ 87,058	\$ (4,123,130)
Investment earnings	120,276	179,884	280,893	460,777	340,501
Investment earnings-debt proceed:	234,923	338,900	2,310,284	2,649,184	2,414,261
Assessments	39,495	39,495	-	39,495	-
Assessments penalties and interest	13,229	13,229	-	13,229	-
Total revenues	4,618,111	571,508	2,678,235	3,249,743	(1,368,368)
Expenditures:					
Southeast Water Tank (ARPA)	3,972,050	50,550	87,058	137,608	3,834,442
FY16 Water Mains Top 7/Apollo	9,063,285	1,731,758	31,865	1,763,623	7,299,662
Raw Water Mains Project	26,106,915	26,028,269	78,647	26,106,916	(1)
Shalotte Transmission Main	6,123,000	5,595,653	171,580	5,767,233	355,767
Northwest Water Plant					
Treatment Expansion	168,321,390	97,304,518	31,120,520	128,425,038	39,896,352
74/76 Industrial Park Water Main	1,727,715	1,366,346	71,830	1,438,176	289,539
74/76 Mintz Dr. to Old Maco	105,000	100,494	-	100,494	4,506
Navassa Water System					
Rehabilitation	2,263,347	38,395	211,330	249,725	2,013,622
Utility Operations Center	1,620,600	49,040	870,131	919,171	701,429
Total expenditures	219,303,302	132,265,023	32,642,961	164,907,984	54,395,318
Revenues over (under) expenditures	(214,685,191)	(131,693,515)	(29,964,726)	(161,658,241)	53,026,950
Other Financing Sources (Uses):					
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	25,791,970	18,291,981	7,500,000	25,791,981	11
Transfers from					
special revenue fund	1,930,279	-	1,930,279	1,930,279	-
Transfers to water fund	(985,770)	(985,770)	-	(985,770)	-
Reserve for future projects	(9,863,102)	-	-	-	9,863,102
Appropriated fund balance	1,783,497	-	-	-	(1,783,497)
Total other financing sources (uses)	214,685,191	213,334,528	9,430,279	222,764,807	8,079,616
Revenues and other financing sources over (under) expenditures and other financing uses					
	<u>\$ -</u>	<u>\$ 81,641,013</u>	<u>\$ (20,534,447)</u>	<u>\$ 61,106,566</u>	<u>\$ 61,106,566</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WASTEWATER FUND (NON-GAAP)
JUNE 30, 2023

	Wastewater Fund	Wastewater Capital Projects	Total
Current Assets:			
Cash and cash equivalents/investments	\$ 35,477,161	\$ 17,535,212	\$ 53,012,373
Restricted cash	1,386,804	2,681,144	4,067,948
Interest receivable	55,978	17,826	73,804
Receivables and special assessments, net	2,879,485	-	2,879,485
Due from other governmental agencies	352,074	304	352,378
Due from other funds	2,356,209	-	2,356,209
Inventories	265,803	-	265,803
Prepaid expenditures	2,973	-	2,973
Total current assets	<u>42,776,487</u>	<u>20,234,486</u>	<u>63,010,973</u>
Current Liabilities:			
Accounts payable and other liabilities	933,526	206,299	1,139,825
Interest payable	848,499	-	848,499
Current portion of debt	9,505,959	-	9,505,959
Due to other funds	-	2,356,209	2,356,209
Total current liabilities	<u>11,287,984</u>	<u>2,562,508</u>	<u>13,850,492</u>
Expendable net position	31,488,503	17,671,978	49,160,481
Noncurrent Items:			
Non-depreciable capital assets	5,653,890	-	5,653,890
Depreciable capital assets, net	272,579,323	-	272,579,323
Right to use SBITA assets, net of amortization	13,814	-	13,814
Deferred outflow	2,732,349	-	2,732,349
Net pension liability	(1,919,668)	-	(1,919,668)
Compensated absences	(262,959)	-	(262,959)
Total other post-employment liability	(7,646,751)	-	(7,646,751)
Non-current portion of debt	(87,379,092)	-	(87,379,092)
Deferred inflow	(2,704,746)	-	(2,704,746)
Total net position	<u>\$ 212,554,663</u>	<u>\$ 17,671,978</u>	<u>\$ 230,226,641</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL - WASTEWATER FUND (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Revenues:				
User charges	\$ 30,245,700	\$ 39,721,210	\$ 9,475,510	\$ 41,447,652
Investment earnings	839,000	818,257	(20,743)	38,187
Restricted intergovernmental revenues	-	5,331	5,331	2,670
Other	255,889	246,103	(9,786)	114,319
Total revenues	<u>31,340,589</u>	<u>40,790,901</u>	<u>9,450,312</u>	<u>41,602,828</u>
Expenditures:				
Salaries	4,006,026	3,884,654	121,372	3,002,857
Fringe benefits	1,924,311	1,787,351	136,960	1,391,379
Operating expenditures	6,178,918	5,371,795	807,123	5,056,811
Repairs and maintenance	2,348,717	1,778,044	570,673	1,720,234
Capital outlay	8,342,011	6,027,645	2,314,366	3,692,441
Debt Service:				
Principal	9,101,911	9,101,909	2	10,917,998
Interest	3,758,649	3,758,646	3	4,131,803
Total expenditures	<u>35,660,543</u>	<u>31,710,044</u>	<u>3,950,499</u>	<u>29,913,523</u>
Revenues over (under) expenditures	(4,319,954)	9,080,857	13,400,811	11,689,305
Other Financing Sources (Uses):				
SBITA liabilities issued	26,468	26,468	-	-
Transfer to wastewater capital project fund	(4,704,460)	(4,704,460)	-	(6,667,143)
Transfer from wastewater capital project fund	492,053	410,500	(81,553)	375,000
Transfer from special revenue fund	-	-	-	126,988
Claims settlement	-	-	-	(339,227)
Appropriated net position	8,505,893	-	(8,505,893)	-
Total other financing sources (uses)	<u>4,319,954</u>	<u>(4,267,492)</u>	<u>(8,587,446)</u>	<u>(6,504,382)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>4,813,365</u>	<u>\$ 4,813,365</u>	<u>\$ 5,184,923</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND
ACTUAL - WASTEWATER FUND (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022</u>
Reconciliation From Budgetary Basis				
To Full Accrual Basis:				
Capital Project Activities:				
Revenues from wastewater capital projects		350,896		
Transfer from wastewater fund to wastewater capital projects		4,704,460		
Transfer from special revenue fund to water capital project fund		4,942,733		
Transfer from wastewater capital projects to wastewater fund		(410,500)		
Capital project expenditures		(1,636,782)		
Other Reconciling Items:				
SBITA liabilities issued		(26,468)		
CIP additions from capital projects		1,636,782		
Capitalized capital outlay and CIP adjustment		6,001,177		
Capitalized SBITA capital outlay		26,468		
Change in interest accrued		77,083		
Change in vacation accrual		(19,732)		
Change in net OPEB liability		763,200		
Change in deferred outflows of resources - pensions		473,216		
Change in deferred outflows of resources - OPEB		(16,582)		
Change in net pension liability		(1,437,252)		
Change in deferred inflows of resources - pensions		757,560		
Change in deferred inflows of resources - OPEB		(2,087,693)		
Contributed assets-Deeds of Dedication		9,298,530		
Change in inventory		57,616		
Retirement of long-term debt		9,101,909		
Amortization of bond premium		664,456		
Depreciation		(9,299,597)		
Amortization of SBITA assets		<u>(12,654)</u>		
Change in net position - GAAP basis		<u>\$ 28,722,191</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, 2023

	Project Budget	Actual			Variance
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted					
intergovernmental revenue	\$ 2,852,818	\$ -	\$ -	\$ -	\$ (2,852,818)
Investment earnings	171,815	173,935	315,353	489,288	317,473
Investment earnings - debt proceeds	66,955	423,878	35,543	459,421	392,466
Assessments	557,053	557,052	-	557,052	(1)
Assessment penalties and interest	99,017	102,512	-	102,512	3,495
West Bruns. Regional WWTP Southport Contribution	3,061,900	-	-	-	(3,061,900)
Total revenues	<u>6,809,558</u>	<u>1,257,377</u>	<u>350,896</u>	<u>1,608,273</u>	<u>(5,201,285)</u>
Expenditures:					
West WW Treatment Facility	3,105,470	1,778,622	117,723	1,896,345	1,209,125
NE WW Treatment Plant	46,258,117	43,793,777	301,600	44,095,377	2,162,740
NE WW Treatment Plant East Transmission Main	3,399,636	3,354,561	45,075	3,399,636	-
NE WW Treatment Plant West Transmission Main	2,633,009	2,632,902	106	2,633,008	1
Ocean Ridge Reclaimed Water Mai	125,800	105,400	-	105,400	20,400
Sea Trail WW Treatment Plant	922,000	104,690	805,485	910,175	11,825
Navassa WW System Rehabilitatio	2,852,818	207,902	287,918	495,820	2,356,998
OIB WW Treatment Plant Rehabilitation (ARPA)	5,314,733	-	78,875	78,875	5,235,858
Total expenditures	<u>64,611,583</u>	<u>51,977,854</u>	<u>1,636,782</u>	<u>53,614,636</u>	<u>10,996,947</u>
Revenues over (under) expenditures	(57,802,025)	(50,720,477)	(1,285,886)	(52,006,363)	5,795,662
Other Financing Sources (Uses):					
Long term debt issued	45,023,570	44,980,000	-	44,980,000	(43,570)
Bond premium	7,243,807	7,243,806	-	7,243,806	(1)
Transfer from wastewater fund	17,439,245	12,734,789	4,704,460	17,439,249	4
Transfers from special revenue fund	4,942,733	-	4,942,733	4,942,733	-
Transfer to wastewater fund	(9,535,327)	(9,043,274)	(410,500)	(9,453,774)	81,553
Reserve for future projects	(11,492,599)	-	-	-	11,492,599
Appropriated fund balance	4,180,596	-	-	-	(4,180,596)
Total other financing sources (uses)	<u>57,802,025</u>	<u>55,915,321</u>	<u>9,236,693</u>	<u>65,152,014</u>	<u>7,349,989</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 5,194,844</u>	<u>\$ 7,950,807</u>	<u>\$ 13,145,651</u>	<u>\$ 13,145,651</u>



CUSTODIAL FUNDS

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, 2023

	Municipal Collections Fund	Smithville Township Collections Fund	Inmate Fund	Total
Assets:				
Cash and cash equivalents	\$ 2,345,881	\$ 1,096,620	\$ 24,459	\$ 3,466,960
Interest receivable for other governments	-	4,248	-	4,248
Receivable for other governments, net	736,000	22,330	15,883	774,213
Total assets	<u>3,081,881</u>	<u>1,123,198</u>	<u>40,342</u>	<u>4,245,421</u>
Liabilities:				
Accounts payable and accrued liabilities	489,681	-	7,399	\$ 497,080
Due to other governments	2,345,881	1,013,711	-	3,359,592
Total liabilities	<u>2,835,562</u>	<u>1,013,711</u>	<u>7,399</u>	<u>3,856,672</u>
Net position:				
Restricted for:				
Individuals, organization, and other governments	246,319	109,487	32,943	388,749
Total net position	<u>\$ 246,319</u>	<u>\$ 109,487</u>	<u>\$ 32,943</u>	<u>\$ 388,749</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Municipal Collections Fund	Smithville Township Collections Fund	Inmate Fund	Total
Additions:				
Collections for other governments	\$ 61,975,205	\$ 3,643,773	\$ -	\$ 65,618,978
Collections on behalf of inmates	-	-	635,870	635,870
Total additions	<u>61,975,205</u>	<u>3,643,773</u>	<u>635,870</u>	<u>66,254,848</u>
Deductions:				
Distributions to other governments	62,088,620	3,580,877	-	65,669,497
Payments on behalf of inmates	-	-	632,156	632,156
Total deductions	<u>62,088,620</u>	<u>3,580,877</u>	<u>632,156</u>	<u>66,301,653</u>
Net increase (decrease) in fiduciary net position	<u>(113,415)</u>	<u>62,896</u>	<u>3,714</u>	<u>(46,805)</u>
Net position, beginning of year	<u>359,734</u>	<u>46,591</u>	<u>29,229</u>	<u>435,554</u>
Net position, end of year	<u>\$ 246,319</u>	<u>\$ 109,487</u>	<u>\$ 32,943</u>	<u>\$ 388,749</u>





SUPPLEMENTAL FINANCIAL DATA

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, 2023

Fiscal Year	Uncollected Balance June 30, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2023	\$ -	\$ 160,119,043	\$ 158,997,481	\$ 1,121,562
2022	1,397,456	-	1,095,772	301,684
2021	359,403	-	230,784	128,619
2020	161,232	-	80,956	80,276
2019	114,356	-	49,469	64,887
2018	91,418	-	26,836	64,582
2017	80,157	-	22,179	57,978
2016	91,237	-	20,959	70,278
2015	92,555	-	27,441	65,114
2014	127,514	-	72,070	55,444
2013	87,246	-	87,246	-
	<u>\$ 2,602,574</u>	<u>\$ 160,119,043</u>	<u>\$ 160,711,193</u>	2,010,424
Less: Allowance for uncollected taxes receivable General Fund				<u>986,256</u>
Ad valorem taxes receivable (net)				<u>\$ 1,024,168</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 161,239,315
Reconciling Items:				
Interest collected and penalties				(605,913)
Releases on prior year tax				8,482
Write-offs				131,386
Reimbursement of prior year's taxes collected				958
Collection of taxes previously written off				<u>(63,035)</u>
Total collections and credits				<u>\$ 160,711,193</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2023

	County-Wide		Property Excluding Registered Vehicles	Registered Motor Vehicles
	Property Valuation	Rate		
Original levy:				
Property taxed at current year's rate	\$ 32,895,675,196	0.4850	\$ 159,544,025	\$ 147,975,235
Penalties	-		21,908	21,908
Total	<u>32,895,675,196</u>		<u>159,565,933</u>	<u>147,997,143</u>
Discoveries:				
Current and prior years' taxes	89,175,558		578,091	577,465
Penalties	-		44,187	44,187
Total	<u>89,175,558</u>		<u>622,278</u>	<u>621,652</u>
Abatements	<u>(14,261,520)</u>		<u>(69,168)</u>	<u>-</u>
Total property valuation	<u>\$ 32,970,589,234</u>			
Net levy			160,119,043	148,549,627
Less uncollected taxes at June 30, 2023			<u>1,121,562</u>	<u>1,121,562</u>
Current year's taxes collected			<u>\$ 158,997,481</u>	<u>\$ 147,428,065</u>
Current levy collection percentage			<u>99.30%</u>	<u>99.24%</u>
Prior year levy collection percentage			<u>99.09%</u>	<u>100.00%</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

FINANCIAL DATA SCHEDULE - BALANCE SHEET
JUNE 30, 2023

Line Item #	Account Description	Housing Choice Vouchers 14.871	HCV CARES Act Funding 14.HCC	Total
	Assets:			
	Current assets:			
	Cash:			
111	Cash - unrestricted	\$ 6,754	\$ -	\$ 6,754
113	Cash - other restricted	19,651	-	19,651
115	Cash - restricted for payment of current liabilities	7,633	-	7,633
100	Total cash	<u>34,038</u>	<u>-</u>	<u>34,038</u>
150	Total current assets	<u>34,038</u>	<u>-</u>	<u>34,038</u>
190	Total assets	<u>\$ 34,038</u>	<u>\$ -</u>	<u>\$ 34,038</u>
	Liabilities and Net Position			
	Liabilities:			
	Current liabilities:			
321	Accrued wage/payroll taxes payable	\$ 3,592	\$ -	\$ 3,592
345	Other current liabilities	4,041	-	4,041
	Total current liabilities	<u>7,633</u>	<u>-</u>	<u>7,633</u>
300	Total liabilities	<u>7,633</u>	<u>-</u>	<u>7,633</u>
	Net position:			
511.4	Restricted net position	19,651	-	19,651
512.4	Unrestricted net position	6,754	-	6,754
513	Total net position	<u>26,405</u>	<u>-</u>	<u>26,405</u>
600	Total liabilities and net position	<u>\$ 34,038</u>	<u>\$ -</u>	<u>\$ 34,038</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

Line Item #	Account Description	Housing Choice Vouchers 14.871	HCV CARES Act Funding 14.HCC	Total
Revenue:				
70600	HUD PHA operating grants	\$ 2,233,320	\$ (5,333)	\$ 2,227,987
71100	Investment income - unrestricted	1,430	-	1,430
71400	Fraud recovery	3,314	-	3,314
70000	Total revenue	<u>2,238,064</u>	<u>(5,333)</u>	<u>2,232,731</u>
Expenses:				
Administrative:				
91100	Administrative salaries	200,044	-	200,044
91400	Advertising and marketing	113	-	113
91500	Employee benefit contributions - administrative	85,616	-	85,616
91600	Office expenses	26,935	-	26,935
91800	Travel	1,601	-	1,601
91000	Total operating - administrative	<u>314,309</u>	<u>-</u>	<u>314,309</u>
General expenses:				
96200	Other general expenses	1,957	-	1,957
96900	Total operating expenses	<u>316,266</u>	<u>-</u>	<u>316,266</u>
97000	Excess of operating revenue over operating expenses	<u>1,921,798</u>	<u>(5,333)</u>	<u>1,916,465</u>
97300	Housing assistance payments	<u>1,995,611</u>	<u>-</u>	<u>1,995,611</u>
90000	Total expenses	<u>2,311,877</u>	<u>-</u>	<u>2,311,877</u>
10000	Excess(deficiency) of revenue over(under) expenses	<u>\$ (73,813)</u>	<u>\$ (5,333)</u>	<u>\$ (79,146)</u>
MEMO Account Information:				
11030	Beginning equity	100,218	5,333	105,551
11170	Administrative fee equity	6,754	-	6,754
40049	Housing assistance payments equity	<u>19,651</u>	<u>-</u>	<u>19,651</u>
11190	Unit months available	5,772	-	5,772
11210	Number of unit months leased	3,799	-	3,799





NON-MAJOR COMPONENT UNIT FINANCIAL DATA

BRUNSWICK COUNTY BOARD OF ALCOHOLIC CONTROL

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

BRUNSWICK COUNTY AIRPORT COMMISSION

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

BRUNSWICK COUNTY TOURISM DEVELOPMENT AUTHORITY

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON-MAJOR COMPONENT UNITS
JUNE 30, 2023

	Brunswick County Board of Alcoholic Control	Brunswick County Airport Commission	Brunswick County Tourism Development Authority	Totals
Assets:				
Current Assets:				
Cash, cash equivalents and investments	\$ 1,656,074	\$ 1,085,395	\$ 2,002,215	\$ 4,743,684
Restricted cash and investments	-	19,925	-	19,925
Receivables, net	160	5,033	718,305	723,498
Lease receivable	-	30,175	-	30,175
Inventory	638,833	59,740	-	698,573
Prepaid items	20,241	36,061	6,094	62,396
Total current assets	<u>2,315,308</u>	<u>1,236,329</u>	<u>2,726,614</u>	<u>6,278,251</u>
Non-Current Assets:				
Lease receivable, non-current	-	888,652	-	888,652
Capital assets, net	3,519,475	30,709,546	-	34,229,021
Right to use assets, net of amortization	-	15,519	83,952	99,471
Total non-current assets	<u>3,519,475</u>	<u>31,613,717</u>	<u>83,952</u>	<u>35,217,144</u>
Total assets	<u>5,834,783</u>	<u>32,850,046</u>	<u>2,810,566</u>	<u>41,495,395</u>
Deferred Outflows of Resources:				
Pension deferrals	159,346	135,087	81,203	375,636
OPEB deferrals	20,922	-	-	20,922
Total deferred outflows	<u>180,268</u>	<u>135,087</u>	<u>81,203</u>	<u>396,558</u>
Liabilities:				
Current Liabilities:				
Debt obligation - current portion	\$ 57,004	\$ 11,669	\$ 29,566	\$ 98,239
Accounts payable and accrued expenses	440,024	162,627	58,555	661,206
Liabilities to be paid from restricted assets	-	19,925	-	19,925
Total current liabilities	<u>497,028</u>	<u>194,221</u>	<u>88,121</u>	<u>779,370</u>
Noncurrent Liabilities:				
Net pension liability	235,812	129,753	82,929	448,494
Total OPEB liability	94,118	-	-	94,118
Compensated absences	-	-	15,622	15,622
Debt obligation - long-term portion	1,117,593	3,973	57,724	1,179,290
Total noncurrent liabilities	<u>1,447,523</u>	<u>133,726</u>	<u>156,275</u>	<u>1,737,524</u>
Total liabilities	<u>1,944,551</u>	<u>327,947</u>	<u>244,396</u>	<u>2,516,894</u>
Deferred Inflows of Resources:				
Lease deferrals	-	931,198	-	931,198
Pension deferrals	4,362	548	512	5,422
OPEB deferral	158,648	-	-	158,648
Total deferred inflows	<u>163,010</u>	<u>931,746</u>	<u>512</u>	<u>1,095,268</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON-MAJOR COMPONENT UNITS
JUNE 30, 2023

	Brunswick County Board of Alcoholic Control	Brunswick County Airport Commission	Brunswick County Tourism Development Authority	Totals
Net position:				
Net investment in capital assets	2,344,878	30,709,423	-	33,054,301
Restricted:				
Stabilization by State Statute	-	-	718,305	718,305
For Tourism Promotion	-	-	1,928,556	1,928,556
For Working Capital	164,702	-	-	164,702
Unrestricted	1,397,910	1,016,017	-	2,413,927
Total net position	<u>\$ 3,907,490</u>	<u>\$ 31,725,440</u>	<u>\$ 2,646,861</u>	<u>\$ 38,279,791</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, 2023

	Brunswick County Board of Alcoholic Control	Brunswick County Airport Commission	Brunswick County Tourism Development Authority	Totals
Revenues:				
Sales and services	\$ 6,020,839	\$ 2,397,110	\$ 1,125	\$ 8,419,074
Room occupancy taxes	-	-	3,240,810	3,240,810
Unrestricted intergovernmental	-	133,000	-	133,000
Other revenue	1,895	96,222	-	98,117
Investment earnings	14,750	17,633	3,422	35,805
Total revenues	<u>6,037,484</u>	<u>2,643,965</u>	<u>3,245,357</u>	<u>11,926,806</u>
Expenses				
Operating expenses	<u>5,636,507</u>	<u>2,950,084</u>	<u>3,594,240</u>	<u>12,180,831</u>
Capital contributions	<u>-</u>	<u>1,354,249</u>	<u>-</u>	<u>1,354,249</u>
Change in net position	400,977	1,048,130	(348,883)	1,100,224
Net position, beginning of year	<u>3,506,513</u>	<u>30,212,496</u>	<u>2,995,744</u>	<u>36,714,753</u>
Prior period adjustment	<u>-</u>	<u>464,814</u>	<u>-</u>	<u>464,814</u>
Net position, as restated	<u>3,506,513</u>	<u>30,677,310</u>	<u>2,995,744</u>	<u>37,179,567</u>
Net position, end of year	<u>\$ 3,907,490</u>	<u>\$ 31,725,440</u>	<u>\$ 2,646,861</u>	<u>\$ 38,279,791</u>



STATISTICAL SECTION

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

FINANCIAL TRENDS

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

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

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 85,033,340	\$ 94,573,843	\$ 98,533,551	\$ 103,666,583
Restricted	13,683,095	13,757,595	11,393,121	14,833,062
Unrestricted	(7,117,818)	(11,489,319)	4,291,984	7,002,602
Total governmental activities net position	<u>\$ 91,598,617</u>	<u>\$ 96,842,119</u>	<u>\$ 114,218,656</u>	<u>\$ 125,502,247</u>
Business-type activities				
Net investment in capital assets	\$ 220,347,412	\$ 229,251,045	\$ 237,499,403	\$ 249,222,001
Unrestricted	57,003,023	55,051,652	56,333,023	54,639,409
Total business-type activities net position	<u>\$ 277,350,435</u>	<u>\$ 284,302,697</u>	<u>\$ 293,832,426</u>	<u>\$ 303,861,410</u>
Primary Government				
Net investment in capital assets	\$ 305,380,752	\$ 323,824,888	\$ 336,032,954	\$ 352,888,584
Restricted	13,683,095	13,757,595	11,393,121	14,833,062
Unrestricted	49,885,205	43,562,333	60,625,007	61,642,011
Total primary government net position	<u>\$ 368,949,052</u>	<u>\$ 381,144,816</u>	<u>\$ 408,051,082</u>	<u>\$ 429,363,657</u>

Table 1

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 110,230,469	\$ 115,617,349	\$ 120,163,924	\$ 126,785,111	\$ 127,746,956	\$ 134,129,701
15,635,110	18,668,825	21,291,880	22,879,562	23,171,792	21,660,621
(55,398,142)	(83,341,628)	(79,120,681)	(90,325,264)	(58,291,400)	(38,626,331)
<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>	<u>\$ 117,163,991</u>
\$ 256,733,898	\$ 274,843,506	\$ 284,015,403	\$ 302,098,004	\$ 315,518,906	\$ 347,728,658
47,853,948	44,114,541	53,574,925	44,083,378	69,420,085	97,592,447
<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>	<u>\$ 445,321,105</u>
\$ 366,964,367	\$ 390,460,855	\$ 404,179,327	\$ 428,883,115	\$ 443,265,862	\$ 481,858,359
15,635,110	18,668,825	21,291,880	22,879,562	23,171,792	21,660,621
(7,544,194)	(39,227,087)	(25,545,756)	(46,241,886)	11,128,685	58,966,116
<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>	<u>\$ 562,485,096</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

Changes in Net Position
(accrual basis of accounting)
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$ 12,254,383	\$ 11,457,688	\$ 12,394,690	\$ 12,963,358
Public safety	39,375,729	38,962,019	38,664,204	42,827,646
Central services	14,123,067	15,525,612	13,337,319	15,867,210
Human services	28,293,768	28,935,510	27,603,012	29,451,140
Transportation	2,006,314	471,838	1,359,490	809,229
Environmental protection	16,242,909	14,029,464	14,346,834	14,832,478
Cultural and recreation	4,084,737	3,937,844	4,019,127	4,461,038
Economic and physical development	7,270,311	9,799,191	7,367,883	8,653,116
Education	44,441,846	44,955,498	43,174,118	45,425,138
Interest on long-term debt	4,510,795	3,487,733	3,293,032	2,939,230
Total governmental activities	<u>172,603,859</u>	<u>171,562,397</u>	<u>165,559,709</u>	<u>178,229,583</u>
Business-type activities:				
Water	18,819,605	17,679,797	19,859,927	21,929,069
Wastewater	19,863,644	19,163,000	21,036,877	21,851,601
Total business-type activities	<u>38,683,249</u>	<u>36,842,797</u>	<u>40,896,804</u>	<u>43,780,670</u>
Total primary government expenses	<u>\$ 211,287,108</u>	<u>\$ 208,405,194</u>	<u>\$ 206,456,513</u>	<u>\$ 222,010,253</u>
Program Revenues				
Governmental activities				
Charges for services:				
General government	\$ 1,912,777	\$ 1,532,631	\$ 1,456,894	\$ 1,666,619
Public safety	9,155,944	9,956,633	10,157,712	9,792,703
Human services	2,386,613	2,467,380	735,106	2,898,025
Environmental protection	2,655,010	2,869,355	3,672,124	3,751,566
Cultural and recreation	230,952	279,147	292,772	264,574
Economic and physical development	1,066,665	1,036,255	1,045,124	890,920
Operating grants and contributions:				
General government	775,551	2,383,738	3,224,530	4,124,111
Public safety	2,403,013	4,522,352	1,589,862	1,683,576
Central services	225,469	221,081	140,213	198,863
Human services	15,115,863	16,639,756	15,605,953	16,460,187
Transportation	217,571	169,157	186,354	225,953
Environmental protection	17,721	7,212	14,696	15,281
Cultural and recreation	131,243	131,776	149,460	149,232
Economic and physical development	2,365,158	2,212,062	2,691,449	2,397,652

Table 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 13,687,487	\$ 13,314,538	\$ 15,306,541	\$ 17,647,297	\$ 18,295,685	\$ 18,260,463
44,821,539	49,929,898	53,594,015	57,293,377	63,909,721	68,124,323
17,317,898	24,293,860	19,216,028	18,939,131	15,992,165	20,943,532
25,306,675	25,630,231	27,802,694	30,604,477	33,681,908	32,005,512
2,332,476	3,575,858	3,502,110	986,003	3,866,053	991,949
15,746,784	17,556,933	17,969,669	20,046,140	19,692,763	22,522,844
4,595,063	4,595,624	6,618,268	6,627,479	7,370,332	7,721,848
7,764,610	8,117,571	6,531,495	8,907,797	8,940,721	9,179,681
51,382,418	78,603,400	76,387,466	87,560,695	70,314,822	70,341,102
2,557,786	4,115,665	3,620,295	4,531,542	4,006,029	5,257,936
<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>	<u>255,349,190</u>
23,586,326	25,246,278	25,771,987	30,706,103	30,374,476	35,663,951
<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>26,660,869</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>62,324,820</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>	<u>\$ 317,674,010</u>
\$ 1,800,557	\$ 1,684,852	\$ 2,001,158	\$ 2,749,023	\$ 2,326,109	\$ 2,131,648
10,853,112	11,891,138	13,115,402	14,574,006	16,904,098	18,034,195
3,041,993	868,799	1,009,260	1,427,926	1,584,329	1,222,699
3,725,329	5,914,747	4,665,644	5,575,575	6,596,328	6,898,872
290,068	258,926	158,049	89,183	256,710	300,293
1,027,381	892,741	957,525	909,296	1,086,368	1,002,825
4,208,974	7,924,185	17,735,961	7,920,581	6,612,172	8,077,143
1,380,991	1,892,746	4,254,740	1,248,559	10,909,421	1,219,189
201,391	273,089	139,499	117,501	138,393	82,087
11,763,894	11,840,342	10,930,652	15,327,774	19,978,207	21,091,504
230,887	230,880	270,488	-	245,881	164,544
15,250	8,236	16,007	115,261	395,184	43,540
154,674	150,238	148,239	248,009	148,878	249,390
2,255,420	2,109,795	2,378,582	1,593,605	950,264	1,158,321

Continued on next page

COUNTY OF BRUNSWICK, NORTH CAROLINA

Changes in Net Position
(accrual basis of accounting)
 Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Capital grants and contributions:				
Public safety	-	28,309	189,187	-
Transportation	1,870,448	619,861	1,454,556	365,097
Cultural and recreation	-	-	-	-
Education	1,440,936	1,043,025	-	-
Total governmental activities program revenues	<u>41,970,934</u>	<u>46,119,730</u>	<u>42,605,992</u>	<u>44,884,359</u>
Business-type activities:				
Charges for services:				
Water	20,418,106	21,246,815	22,526,148	23,676,875
Wastewater	23,488,533	21,887,017	24,758,778	25,297,775
Capital grants and contributions:				
Water	512,097	888,007	1,495,593	1,740,949
Wastewater	691,966	554,683	1,552,767	2,961,366
Total business-type activities program revenues	<u>45,110,702</u>	<u>44,576,522</u>	<u>50,333,286</u>	<u>53,676,965</u>
Total primary government program revenues	<u>\$ 87,081,636</u>	<u>\$ 90,696,252</u>	<u>\$ 92,939,278</u>	<u>\$ 98,561,324</u>
Net (expense)/revenue				
Governmental activities	\$(130,632,925)	\$(125,442,667)	\$(122,953,717)	\$(133,345,224)
Business-type activities	<u>6,427,453</u>	<u>7,733,725</u>	<u>9,436,482</u>	<u>9,896,295</u>
Total primary government net (expense)/revenue	<u><u>\$(124,205,472)</u></u>	<u><u>\$(117,708,942)</u></u>	<u><u>\$(113,517,235)</u></u>	<u><u>\$(123,448,929)</u></u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Ad Valorem taxes	\$ 112,080,219	\$ 111,847,084	\$ 114,258,168	\$ 118,423,006
Local option taxes	17,832,031	19,698,311	20,944,326	22,464,392
Other taxes	3,766,292	4,088,743	4,956,253	5,087,399
Investment earnings	140,616	120,072	159,867	265,529
Disposal of capital assets	-	-	11,640	-
Transfers	-	-	-	-
Total governmental activities	<u>133,819,158</u>	<u>135,754,210</u>	<u>140,330,254</u>	<u>146,240,326</u>
Business-type activities:				
Investment earnings	72,390	53,888	93,247	132,689
Transfers	-	-	-	-
Total business-type activities	<u>72,390</u>	<u>53,888</u>	<u>93,247</u>	<u>132,689</u>
Total primary government	<u><u>\$ 133,891,548</u></u>	<u><u>\$ 135,808,098</u></u>	<u><u>\$ 140,423,501</u></u>	<u><u>\$ 146,373,015</u></u>
Change in Net Position				
Governmental activities	\$ 3,186,233	\$ 10,311,543	\$ 17,376,537	\$ 12,895,102
Business-type activities	<u>6,499,843</u>	<u>7,787,613</u>	<u>9,529,729</u>	<u>10,028,984</u>
Total primary government	<u><u>\$ 9,686,076</u></u>	<u><u>\$ 18,099,156</u></u>	<u><u>\$ 26,906,266</u></u>	<u><u>\$ 22,924,086</u></u>

Table 2 (Continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
-	-	-	-	-	-
2,799,107	2,585,911	3,835,237	882,575	3,425,624	640,000
-	-	1,641,088	1,641,088	-	-
-	-	-	-	-	-
<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>	<u>62,316,250</u>
25,024,243	25,732,032	30,480,611	30,457,948	40,946,532	51,580,618
29,197,534	29,365,427	31,450,189	37,449,751	41,564,641	39,972,644
1,740,949	2,212,677	935,236	2,918,743	4,283,818	9,965,579
<u>1,134,455</u>	<u>2,356,731</u>	<u>2,186,128</u>	<u>3,959,187</u>	<u>5,841,282</u>	<u>9,298,530</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>110,817,371</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>	<u>\$ 173,133,621</u>
\$ (141,763,708)	\$ (181,206,953)	\$ (167,291,050)	\$ (198,723,976)	\$ (174,512,233)	\$ (193,032,940)
<u>11,483,095</u>	<u>13,270,345</u>	<u>16,959,191</u>	<u>8,527,505</u>	<u>38,459,490</u>	<u>48,492,551</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>	<u>\$ (144,540,389)</u>
\$ 124,140,830	\$ 127,900,138	\$ 142,610,199	\$ 149,471,104	\$ 154,660,159	\$ 160,995,382
23,986,670	26,288,973	28,320,802	35,085,909	40,769,837	44,858,366
6,006,050	5,774,132	6,350,878	10,521,195	12,265,423	11,133,334
702,812	2,186,800	1,738,549	131,756	231,741	7,455,513
-	-	-	-	-	-
-	(465,981)	(338,801)	-	(126,988)	(6,873,012)
<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>	<u>217,569,583</u>
326,059	633,875	1,334,289	63,549	171,131	5,016,551
-	465,981	338,801	-	126,988	6,873,012
<u>326,059</u>	<u>1,099,856</u>	<u>1,673,090</u>	<u>63,549</u>	<u>298,119</u>	<u>11,889,563</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>	<u>\$ 229,459,146</u>
\$ 13,072,654	\$ (19,522,891)	\$ 11,390,577	\$ (3,514,012)	\$ 33,287,939	\$ 24,536,643
<u>11,809,154</u>	<u>14,370,201</u>	<u>18,632,281</u>	<u>8,591,054</u>	<u>38,757,609</u>	<u>60,382,114</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>	<u>\$ 84,918,757</u>



Governmental Activities Tax Revenues By Source
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Video Programming Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Total</u>
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
2023	161,239,315	44,858,366	361,664	308,389	206,767,734

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Non-spendable	\$ -	\$ -	\$ 64,000	\$ 64,000
Restricted	11,500,851	11,840,454	9,707,172	12,327,583
Assigned	1,080,269	1,900,526	1,444,986	1,704,369
Committed	214,566	214,566	214,566	214,566
Unassigned	53,503,393	54,420,202	60,934,148	59,299,170
Total General fund	<u>\$ 66,299,079</u>	<u>\$ 68,375,748</u>	<u>\$ 72,364,872</u>	<u>\$ 73,609,688</u>
All Other Governmental Funds				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted in Special Revenue Funds	2,182,244	1,917,141	1,685,949	2,005,166
Restricted in Capital Project Funds	297,795	10,987,621	1,921,723	168,580
Committed in Capital Project Funds	25,778,509	22,349,948	29,611,963	35,836,600
Assigned in Special Revenue Funds	-	16,339	-	-
Unassigned in Special Revenue Funds	(48,106)	-	(81,924)	(118,432)
Total all other governmental funds	<u>\$ 28,210,442</u>	<u>\$ 35,271,049</u>	<u>\$ 33,137,711</u>	<u>\$ 37,891,914</u>

Table 4

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 64,000	\$ 64,000	\$ 64,000	\$ 64,000	\$ 64,000	\$ 694,358
13,205,849	16,283,789	18,223,266	19,425,458	19,975,097	18,875,201
2,522,556	2,176,237	2,346,999	3,349,236	16,046,124	26,191,557
214,566	214,566	214,566	214,566	214,566	214,566
<u>59,897,574</u>	<u>62,014,132</u>	<u>76,178,168</u>	<u>98,141,209</u>	<u>103,370,576</u>	<u>104,463,914</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>	<u>\$ 150,439,596</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54
1,960,642	1,946,000	2,618,954	2,944,022	2,691,517	2,319,866
50,249,024	31,212,566	8,467,379	30,445,864	13,599,138	58,086,761
42,347,852	32,958,725	43,840,005	44,139,925	74,967,222	98,785,098
-	-	-	-	-	-
<u>(49,255)</u>	<u>(46,533)</u>	<u>(328,037)</u>	<u>(132,860)</u>	<u>(63,035)</u>	<u>(6,854,920)</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>	<u>\$ 152,336,859</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Ad Valorem taxes	\$ 112,999,386	\$ 113,180,642	\$ 116,180,734	\$ 119,820,026
Local option sales taxes	17,832,031	19,698,311	20,944,326	22,464,392
Other taxes and licenses	3,766,292	4,088,743	4,956,253	5,087,399
Unrestricted intergovernmental	1,229,149	2,944,878	2,409,442	3,498,931
Restricted intergovernmental	23,434,166	25,211,479	23,264,655	22,515,122
Permits and fees	3,440,498	3,758,831	4,005,174	4,250,117
Sales and services	10,129,821	9,953,877	10,380,809	10,723,116
Investment earnings	134,017	115,374	154,756	255,505
Other revenue	1,876,791	2,684,426	2,677,309	2,112,102
Total revenues	<u>174,842,151</u>	<u>181,636,561</u>	<u>184,973,458</u>	<u>190,726,710</u>
Expenditures				
General government	9,947,052	10,462,255	11,094,536	11,338,308
Public safety	36,154,948	39,131,213	36,077,101	38,267,043
Central services	11,846,684	12,534,486	14,019,519	14,771,649
Human services	27,045,142	28,229,950	26,531,689	27,729,000
Transportation	371,421	327,320	340,204	379,803
Environmental protection	13,687,085	13,839,188	14,162,219	14,671,053
Culture and recreation	3,841,553	7,456,999	3,842,141	4,792,096
Economic and physical development	6,098,694	6,349,571	5,978,964	5,577,280
Education	37,920,810	37,784,270	38,148,499	40,022,567
Non-County Capital Projects	5,858,111	29,024	2,443,977	2,838,329
Capital Outlay and CIP	4,742,686	14,446,478	15,610,192	10,021,208
Debt Service:				
Principal retirement	9,215,000	10,440,000	11,470,000	11,295,000
Interest and fiscal charges	3,762,911	3,489,128	3,410,271	3,024,355
Total expenditures	<u>170,492,097</u>	<u>184,519,882</u>	<u>183,129,312</u>	<u>184,727,691</u>
Revenues over (under) expenditures	<u>4,350,054</u>	<u>(2,883,321)</u>	<u>1,844,146</u>	<u>5,999,019</u>
Other Financing Sources (Uses)				
Lease liabilities issued	-	-	-	-
SBITA liabilities issued	-	-	-	-
Issuance of long-term debt	-	15,135,000	-	-
Premium on Bonds Issued	-	1,555,597	-	-
Payment to escrow agent-refunded debt	-	(4,670,000)	-	-
Sale of capital assets	-	-	11,640	-
Transfer from other funds	11,176,286	8,350,111	14,404,200	16,883,690
Transfer to other funds	(11,176,286)	(8,350,111)	(14,404,200)	(16,883,690)
Total other financing sources (uses)	<u>-</u>	<u>12,020,597</u>	<u>11,640</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,350,054</u>	<u>\$ 9,137,276</u>	<u>\$ 1,855,786</u>	<u>\$ 5,999,019</u>
Debt service as a percentage of noncapital expenditure	7.8%	8.2%	8.9%	8.2%

Table 5

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 124,318,739	\$ 128,233,886	\$ 142,572,371	\$ 150,243,480	\$ 154,831,528	\$ 161,239,315
23,986,670	26,288,973	28,320,802	35,085,909	40,769,837	44,858,366
6,006,050	5,774,132	6,350,878	10,521,195	12,265,423	11,133,334
3,767,405	4,769,103	5,431,459	7,078,071	6,886,403	8,266,572
19,901,118	21,995,524	32,231,680	24,658,314	36,895,050	25,399,936
4,865,937	4,908,774	5,306,314	7,061,171	8,219,230	7,651,923
11,045,810	13,353,198	13,230,183	14,771,765	16,944,676	18,234,920
670,553	2,132,981	1,715,833	131,756	231,741	7,455,513
2,056,327	2,582,637	2,554,942	4,167,343	2,987,789	2,779,147
<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>	<u>287,019,026</u>
12,139,032	12,175,158	13,524,217	15,592,028	16,425,130	16,332,544
41,289,717	47,358,290	44,988,092	46,647,714	54,161,251	59,832,933
14,455,791	24,723,421	17,184,713	17,033,291	14,572,003	19,316,021
23,850,729	24,485,819	25,528,144	27,821,773	31,396,356	30,482,786
385,617	447,953	441,020	138,500	406,881	325,544
15,975,013	17,421,701	17,546,077	19,339,779	19,931,643	21,405,251
4,299,750	4,608,817	4,000,827	3,794,200	4,725,278	5,241,234
5,943,733	6,191,937	6,204,188	8,539,906	8,595,031	8,811,096
42,342,658	45,217,658	48,228,674	52,012,772	53,468,602	57,159,529
5,342,674	30,906,415	29,972,597	35,276,278	19,330,096	13,019,415
11,185,550	9,804,969	8,175,317	13,078,450	9,174,283	17,467,785
11,383,292	11,233,460	13,623,305	12,305,000	11,321,729	9,827,474
2,569,088	2,224,964	4,975,026	3,240,524	5,057,723	4,483,450
<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>263,705,062</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>	<u>23,313,964</u>
-	-	-	-	775,921	523,952
-	-	-	-	-	3,261,915
50,460,057	-	-	41,795,000	11,215,000	45,815,000
2,995,184	-	-	5,754,033	-	5,869,431
-	-	-	-	(10,935,000)	-
-	-	-	-	-	-
17,208,599	11,581,050	22,380,941	19,177,214	44,637,933	35,739,626
<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>(42,612,638)</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>48,597,286</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>	<u>\$ 71,911,250</u>
7.8%	5.9%	8.2%	6.4%	6.8%	5.8%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Property
	Residential Property	Commercial Property	Motor Vehicles	Other	
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
2023	23,022,810	5,400,412	2,400,809	2,797,181	636,361

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

<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
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%
32,984,851	0.004850	43,874,503	75.18%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
County:				
Brunswick County-wide rate	\$ 0.4425	\$ 0.4425	\$ 0.4850	\$ 0.4850
Municipality Rates:				
Village of Bald Head Island	0.5910	0.5900	0.6663	0.6663
Village of Bald Head Island MSD Zone A (4)	0.6708	0.6708	0.7471	0.7471
Village of Bald Head Island MSD Zone B (4)	0.6406	0.6406	0.7169	0.7169
Town of Belville	0.0683	0.0683	0.0683	0.0900
City of Boiling Spring Lakes	0.1400	0.1700	0.2100	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	0.2200	0.2200
Town of Holden Beach	0.1270	0.1270	0.1500	0.2200
Town of Leland	0.1515	0.1515	0.1515	0.1833
Town of Navassa	0.2000	0.2000	0.2000	0.2000
City of Northwest	0.2200	0.2200	0.2400	0.2400
Town of Oak Island	0.2750	0.2750	0.2750	0.2900
Town of Ocean Isle Beach	0.1550	0.1550	0.1875	0.1875
Town of Sandy Creek	0.3000	0.3000	0.3000	0.2500
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	0.1600	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 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, 2023.
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

	2018	2019	2020	2021	2022	2023
\$	0.4850	\$ 0.4850	\$ 0.4850	\$ 0.4850	\$ 0.4850	\$ 0.4850
	0.6663	0.6863	0.6863	0.6863	0.6863	0.7213
	0.7471	0.7771	0.7771	0.7771	0.7771	0.8121
	0.7169	0.7419	0.7419	0.7419	0.7419	0.7769
	0.0900	0.0900	0.0900	0.0900	0.0900	0.1200
	0.2100	0.2300	0.2300	0.2300	0.2820	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
	0.2400	0.2400	0.2400	0.2400	0.2700	0.2800
	0.2200	0.2200	0.2000	0.2000	0.2000	0.2000
	0.2100	0.2100	0.2100	0.2100	0.2500	0.2500
	0.2000	0.2000	0.2000	0.2300	0.2300	0.2300
	0.2400	0.2400	0.2400	0.2400	0.2400	0.2700
	0.3100	0.3100	0.2800	0.2800	0.2800	0.2800
	0.1875	0.1875	0.1639	0.1639	0.1639	0.1639
	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
	0.3500	0.3450	0.3525	0.3525	0.3525	0.3525
	0.0500	0.0500	0.0600	0.0600	0.0600	0.0600
	0.2956	0.2956	0.2956	0.2956	0.2956	0.3956
	0.1600	0.1500	0.1600	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 2023			Fiscal Year 2014		
		2022 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2013 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Brunswick Electrick Membership Corporation	Utility	\$ 1,681,645,155	1	5.11%	\$ 876,925,784	1	3.48%
Archer Daniels Midland Company	Industry	219,357,113	2	0.67%	169,316,583	3	0.67%
Red Mountain Timber Co LLC	Timber	121,492,371	3	0.37%	120,110,674	5	0.48%
Funston Land and Timber LLC	Timber	59,335,876	4	0.18%	70,774,132	8	0.28%
Bald Head Island Ltd	Developer	58,088,866	5	0.18%	76,867,019	7	0.30%
Pacon Manufacturing	Manufacturing	55,428,660	6	0.17%	99,730,838	6	0.40%
Wal-Mart Real Estate Business Trust	Retail	40,136,495	7	0.12%	n/a	n/a	n/a
D R Horton, Inc.	Construction	39,401,237	8	0.12%	41,076,857	10	0.16%
Piedmont Natural Gas Co. Inc.	Utility	37,649,485	9	0.11%	n/a	n/a	n/a
N.C. Eastern Municipal Power Ag.	Utility	36,659,175	10	0.11%	n/a	n/a	n/a
DAK Americas	Industry	n/a	n/a	n/a	184,248,689	2	0.73%
Andrew Bolnick Trustee	Developer	n/a	n/a	n/a	155,887,277	4	0.62%
		n/a	n/a	n/a	<u>51,183,297</u>	9	0.20%
Totals		<u>\$ 2,349,194,433</u>		7.14%	<u>\$ 1,846,121,150</u>		7.32%

Source: Brunswick County Tax Department

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

Fiscal Year Ended June 30	Total Net Tax Levy	Collection Within Fiscal Year of Levy	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Tax Levy
2014	112,022,102	106,499,446	95.07%	5,457,542	111,956,988	99.9%	55,444	0.0%
2015	111,987,421	107,298,668	95.81%	4,618,475	111,917,143	99.9%	65,114	0.1%
2016	113,979,053	110,454,040	96.91%	3,467,035	113,921,075	99.9%	70,278	0.1%
2017	117,803,110	115,101,632	97.71%	2,636,896	117,738,528	99.9%	57,978	0.0%
2018	121,658,790	119,535,583	98.25%	2,058,320	121,593,903	99.9%	64,582	0.1%
2019	125,942,283	123,941,110	98.41%	1,920,897	125,862,007	99.9%	64,887	0.1%
2020	141,152,012	138,971,877	98.46%	2,051,516	141,023,393	99.9%	80,276	0.1%
2021	147,236,527	145,779,689	99.01%	1,155,154	146,934,843	99.8%	128,619	0.1%
2022	153,438,978	152,041,522	99.09%	275,894	152,317,416	99.3%	301,684	0.2%
2023	160,119,043	158,997,481	99.30%	-	158,997,481	99.3%	1,121,562	0.7%

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities					
	General Obligation Bonded	Limited Obligation Bonded	Unamortized Bond Premiums	Installment Loans	Leases	SBITAs
2014	57,895,000	33,120,000	-	425,000	-	-
2015	50,615,000	40,500,000	1,504,922	350,000	-	-
2016	42,815,000	36,900,000	1,403,572	280,000	-	-
2017	35,140,000	33,350,000	1,302,222	210,000	-	-
2018	77,480,000	29,825,000	4,121,175	471,765	-	-
2019	69,965,000	26,340,000	3,870,066	238,305	-	-
2020	60,020,000	22,900,000	3,634,670	-	-	-
2021	92,075,000	20,335,000	9,025,170	-	-	-
2022	83,665,000	17,980,000	8,517,785	-	499,192	-
2023	123,765,000	15,215,000	13,733,098	-	630,761	2,259,204

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

- (1) State Data Center; projection as of June 30, 2023; annual estimates previous nine
- (2) Bureau of Economic Analysis; amounts are for prior calendar year

Table 10

General Obligation Bonded	Revenue Bonds	Business-Type Activities				Total Primary Government	(2) Ratio Debt to Personal Income	(1) Per Capita
		Unamortized Bond Premiums	SRF Debt & Installment Loans	Leases	SBITAs			
3,605,000	93,122,808	-	48,586,282	-	-	236,754,090	5.4%	2,050
3,445,000	98,667,778	8,315,899	43,819,260	-	-	247,217,859	5.1%	2,088
3,280,000	93,560,754	7,777,411	40,052,114	-	-	226,068,851	4.3%	1,861
3,110,000	88,114,991	7,238,924	34,957,210	-	-	203,423,347	3.6%	1,628
2,935,000	82,500,667	6,700,436	29,726,839	-	-	233,760,882	3.8%	1,809
2,755,000	76,741,654	6,161,948	24,430,504	-	-	210,502,477	3.3%	1,575
2,570,000	295,155,000	30,113,577	19,458,815	-	-	433,852,062	6.2%	3,155
2,380,000	287,300,000	28,744,914	14,198,968	-	-	454,059,052	5.7%	3,234
2,180,000	278,600,000	27,376,252	10,315,398	1,750,585	-	430,884,212	n/a	3,002
1,975,000	267,625,000	26,007,592	7,459,761	1,727,203	73,472	460,471,091	n/a	3,136

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

Fiscal Year Ended June 30	Assessed Value (000 omitted)	General Obligation Bonded Debt	Ratio General Obligation Bonded Debt to Assessed Value	(1) Population	General Obligation Bonded Debt per Capita
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	80,415,000	0.3%	129,199	622.41
2019	25,949,786	72,720,000	0.3%	133,610	544.27
2020	29,077,328	62,590,000	0.2%	137,530	455.10
2021	30,326,015	94,455,000	0.3%	140,411	672.70
2022	31,520,343	85,845,000	0.3%	143,549	598.02
2023	32,970,589	125,740,000	0.4%	146,824	856.40

Notes:

(1) State Data Center; projection as of June 30, 2023; annual estimates previous nine years

Direct and Underlying Governmental Activities Debt
June 30, 2023

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct:			
Brunswick County	\$ 152,713,098	100%	\$ 152,713,098
Underlying Debt:			
Village of Bald Head Island	10,131,846	100%	10,131,846
Town of Belville	606,944	100%	606,944
City of Boiling Spring Lakes	459,999	100%	459,999
Town of Caswell Beach	177,967	100%	177,967
Town of Holden Beach	12,921,932	100%	12,921,932
Town of Leland	13,818,408	100%	13,818,408
Town of Oak Island	10,054,010	100%	10,054,010
Town of Ocean Isle Beach	5,945,000	100%	5,945,000
Town of Saint James	1,352,190	100%	1,352,190
Town of Shallotte	400,000	100%	400,000
City of Southport	1,324,400	100%	1,324,400
Southeast Brunswick Sanitary District	670,000	100%	670,000
Smithville Township	<u>935,000</u>	100%	<u>935,000</u>
Total Underlying Debt	<u>58,797,696</u>		<u>58,797,696</u>
Total Direct and Underlying Debt	<u>\$ 211,510,794</u>		<u>\$ 211,510,794</u>

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

Legal Debt Margin Information

Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Debt limit	\$ 2,020,742,425	\$ 2,026,097,249	\$ 1,875,272,335	\$ 1,940,294,365
Total net debt applicable to limit	<u>95,045,000</u>	<u>94,910,000</u>	<u>83,275,000</u>	<u>71,810,000</u>
Legal margin	<u>\$ 1,925,697,425</u>	<u>\$ 1,931,187,249</u>	<u>\$ 1,791,997,335</u>	<u>\$ 1,868,484,365</u>
Total net debt applicable to the limit as a percentage of debt limit	4.7%	4.7%	4.4%	3.7%

Table 13

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 2,004,486,530	\$ 2,075,982,868	\$ 2,326,186,232	\$ 2,426,081,202	\$ 2,521,627,477	\$ 2,637,647,139
<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>140,955,000</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>	<u>\$ 2,496,692,139</u>
5.5%	4.8%	3.7%	4.7%	4.1%	5.3%

Calculation of Legal Debt Margin for Fiscal Year 2023:

Assessed value of taxable property	\$ 32,970,589,234
	<u> x 0.08</u>
Debt limit- 8 percent of assessed value	2,637,647,139
Gross debt:	
Total bonded debt	393,365,000
Total limited obligation bonds	15,215,000
Total installment purchases	<u>7,459,761</u>
Gross debt	416,039,761
Less: Water and wastewater revenue bonds & installment purchases	<u>275,084,761</u>
Total amount of debt applicable to debt limit (net debt)	<u>140,955,000</u>
Legal debt margin	<u>\$ 2,496,692,139</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
	2014	43,879,271	20,009,476	23,869,795	9,278,001	6,059,305
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
2023	96,854,275	34,429,442	62,424,833	14,035,636	10,767,972	24,803,608

Required Coverage:

Fiscal Year Ended June 30	Net Available Revenue	20% Unrestricted Net Position	Total Debt Service	Parity Debt Service	20% Parity Debt Service
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
2023	62,424,833	16,934,642	24,803,608	22,177,958	4,435,592

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			Net Coverage
Principal	Interest	Total	
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
11,662,250	10,515,708	22,177,958	2.52

Coverage	
100% Parity	120% Parity
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
2.52	2.71

Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	(1) Population	(2) Personal Income (in thousands)	(2) Per Capita Income	(1) Median Age	(3) School Enrollment	(4) Unemployment Rate
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	7,983,893	55,361	55.5	11,963	6.1%
2022	143,549	not available	not available	56.3	12,484	5.1%
2023	146,824	not available	not available	56.6	12,844	4.2%

Notes:

- (1) State Data Center; projection as of June 30, 2023; 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 2023			Fiscal Year 2014		
		Employees	Rank	% Total County Employment	Employees	Rank	% Total County Employment
Brunswick County Board of Education	Education	2,036	1	3.48%	1,947	1	3.71%
County of Brunswick	Local Government	1,255	2	2.15%	1,035	2	1.97%
Wal-Mart Associates Inc.	Retail Chain	873	3	1.49%	932	3	1.78%
Food Lion LLC	Grocery Chain	695	5	1.19%	520	5	0.99%
Novant Health	Medical Care Facility	653	6	1.12%	700	6	1.33%
Duke Energy	Utility	650	4	1.11%	850	4	1.62%
Victaulic	Manufacturing	503	8	0.86%	n/a	n/a	n/a
Lowe's Food	Grocery Chain	472	7	0.81%	409	8	n/a
Brunswick Community College	Education	370	9	0.63%	481	7	0.92%
Lowe's Home Centers	Retail Chain	320	10	0.55%	n/a	n/a	n/a
McAnderson's Inc.	Restaurant Chain	n/a	n/a	n/a	350	9	0.67%
Liberty Healthcare Group	Trade/Transportation	n/a	n/a	n/a	273	10	0.52%
Totals		<u>7,827</u>		13.40%	<u>7,497</u>		14.29%

Source: NC Employment Security Commission; total county employment



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

	<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>	<u>2023</u>
Function:										
General government	95	95	95	97	98	100	101	104	105	108
Public safety	362	361	367	379	397	436	451	470	493	508
Central services	79	84	85	86	87	91	91	92	94	99
Human services	220	213	218	217	218	222	223	230	236	263
Environmental protection	7	7	7	7	7	7	8	8	9	9
Cultural and recreation	39	39	39	43	43	45	45	45	46	47
Economic and physical development	27	27	22	22	25	25	27	27	27	28
Utilities	<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>	<u>177</u>
Total	<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>	<u>1,239</u>

Source: County Finance Department

Note: This schedule represents the number of approved permanent FTE's as of June 30, 2023.

COUNTY OF BRUNSWICK, NORTH CAROLINA

Operating Indicators by Function/Program

Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
General Government				
Number of registered voters	85,047	84,823	91,413	95,047
Number of marriage licenses issued	903	946	916	872
Number of tax bills issued excluding motor vehicles	152,075	153,744	155,864	154,982
Law enforcement:				
Civil papers issued	7,646	8,380	11,301	11,823
Offenses reported	5,122	4,686	5,390	5,414
Uniform mileage	1,818,162	1,948,884	2,133,688	22,248,160
Emergency Services:				
Fire Protection:				
Number of calls answered	15,107	15,131	15,428	18,508
Number of inspections conducted	1,336	1,715	1,643	1,512
Emergency Medical Services:				
Number of calls answered	19,520	20,361	17,338	17,889
Number of transports	12,952	14,093	10,689	11,047
Code enforcement/building permits:				
Number of zoning and solid waste violations	440	583	613	319
Number of building permits:				
Single-family	1,967	1,918	2,077	2,336
Commercial	226	208	318	321
Culture and Recreation:				
Number of athletic fields rented	63	134	63	75
Youth recreation:				
Certified coaches	238	275	525	248
Sports teams	119	126	182	195
Participants	6,922	3,730	3,938	3,145
Adult recreation:				
Sports teams	48	50	36	46
Participants	3,136	2,700	720	1,748
Fitness program participants	1,536	n/a	n/a	n/a
Library system total circulation	539,487	544,822	542,239	545,216
Solid waste:				
Waste received (tons per 1,000 population)	898	899	966	966
Ratio of recyclable to total waste received	21.7%	22.1%	24.3%	22.0%
Public Utilities:				
Water customers	36,028	37,112	38,760	40,101
Water average daily treatment (in gallons)	13,628,000	13,558,885	14,138,190	15,024,000
Wastewater customers	13,841	14,514	15,847	16,579
Wastewater average daily treatment (in gallons)	5,202,500	5,764,442	5,995,560	5,645,539
Education:				
Number of teachers	795	791	784	803
Number of students	12,416	12,240	12,290	12,401
Number of charter students	769	880	1,002	1,093

Sources: Various government departments.

Table 18

Fiscal Year					
2018	2019	2020	2021	2022	2023
99,099	100,613	108,464	115,644	123,459	127,130
918	759	737	885	994	1,062
161,248	158,454	159,583	163,413	164,179	166,059
12,522	11,864	10,159	10,948	11,383	12,263
4,812	5,653	5,739	6,473	6,828	7,221
2,380,425	2,366,513	2,476,215	2,647,354	2,809,139	2,889,753
19,029	25,073	23,266	18,631	22,304	23,051
2,211	2,590	3,416	6,922	9,778	11,171
18,242	19,866	23,348	23,915	24,664	25,812
11,069	10,999	11,695	12,492	12,838	1,446
421	482	515	507	706	614
2,584	2,512	2,516	3,739	4,135	3,979
450	251	202	177	215	260
83	68	19	n/a	57	82
198	267	120	128	402	439
177	165	101	64	187	241
3,029	3,120	1,404	680	2,067	2,667
40	43	20	7	9	10
1,520	1,830	400	140	180	200
n/a	n/a	n/a	n/a	n/a	n/a
544,130	551,271	423,790	445,365	422,991	333,939
957	1,233	1,022	1,099	1,199	1,274
20.4%	18.4%	24.0%	21.3%	19.5%	18.9%
41,557	42,934	44,583	47,127	50,095	55,037
15,277,210	15,860,783	16,417,474	16,969,860	17,489,000	18,090,000
17,719	18,816	19,825	21,474	23,624	25,765
6,162,226	7,062,559	6,819,022	7,673,922	7,327,762	7,698,212
824	816	793	808	823	849
12,425	12,363	12,444	12,212	12,524	12,844
1,199	1,274	1,303	1,486	1,499	1,575

COUNTY OF BRUNSWICK, NORTH CAROLINA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
Law enforcement:				
Sheriff stations	15	13	10	5
Deputy patrol units	50	50	50	57
Detention center capacity	440	440	440	440
Emergency services:				
Rescue stations	9	9	9	9
EMS vehicles	16	21	21	21
Culture and recreational:				
Community centers	7	5	5	5
Parks	13	13	13	13
Libraries (branches)	5	5	5	5
Public Utilities:				
Miles of water mains	999	1,013	1,029	1,044
Maximum daily water capacity (in gallons)	30,000,000	30,000,000	30,000,000	30,000,000
Miles of wastewater mains	547	550	569	581
Maximum daily wastewater capacity (in gallons)	10,955,000	10,855,555	10,855,555	10,855,555
(1) Education:				
Number of schools	19	19	19	19
Number of charter schools	1	2	2	2
Community colleges	1	1	1	1

Sources: Various government departments.

Table 19

Fiscal Year						
2018	2019	2020	2021	2022	2023	
5	5	5	5	5	5	5
57	60	60	60	60	60	60
440	440	440	440	440	440	440
9	9	8	8	8	8	8
22	25	25	27	27	27	38
4	4	4	4	4	4	4
13	13	13	13	13	13	13
5	5	5	5	5	5	5
1,053	1,066	1,097	1,113	1,128	1,221	
30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
593	599	623	645	660	685	
10,855,555	10,855,555	10,855,555	10,855,000	10,855,000	13,355,000	
19	19	19	20	20	20	20
2	2	2	2	2	2	2
1	1	1	1	1	1	1





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**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 Auditors' Report

To the Board of County Commissioners
Brunswick County, 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, 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, 2023, and the related notes to the financial statements, which collectively comprises Brunswick County's basic financial statements, and have issued our report thereon dated October 23, 2023. Our report includes a reference to other auditors who audited the financial statements of the Brunswick County ABC Board, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Brunswick County ABC Board, the Brunswick County Airport Commission, and the Brunswick County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

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 the 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 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 material weaknesses. However, material weaknesses may exist that have not been identified.

Members

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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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 23, 2023



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Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County Commissioners
Brunswick County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Brunswick County, North Carolina, compliance with the types of compliance requirements described 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 the Brunswick County's major federal programs for the year ended June 30, 2023. Brunswick County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Brunswick County complied, in all material respects, with the types of 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, 2023.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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 provides a reasonable 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 federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance 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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance 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*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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, 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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-001, 2023-002, 2023-003, 2023-004] to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Brunswick County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Brunswick County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Brunswick County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Brunswick County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 23, 2023



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**Report On Compliance With Requirements Applicable To Each Major State
Program And Internal Control Over Compliance In Accordance With
OMB Uniform Guidance and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of County Commissioners
Brunswick County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Brunswick County, North Carolina, compliance with the types of compliance requirements described 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, 2023. Brunswick County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Brunswick County complied, in all material respects, with the types of 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, 2023.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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 provides 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 State programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance 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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance 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*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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, 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

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

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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.

Government Auditing Standards requires the auditor to perform limited procedures on Brunswick County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Brunswick County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Brunswick County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Brunswick County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 23, 2023

Brunswick County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I. 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? ___yes _X_no
- Significant Deficiency(s) identified ___yes _X_none reported

Noncompliance material to financial statements noted ___yes _X_no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? ___yes _X_no
- Significant Deficiency(s) identified _X_yes ___none reported

Noncompliance material to federal awards ___yes _X_no

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)? _X_yes ___no

Identification of major federal programs:

<u>Assistance Listing No.</u>	<u>Program Name</u>
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
21.027	Coronavirus State and Local Fiscal Recovery Fund
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? ___yes _X_no

Brunswick County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section III. Federal Award Findings and Questioned Costs (continued)

Context:	We examined 60 cases from of a total of 1,034,423 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See Corrective Action Plan in the following section.

Finding: 2023-002 Inaccurate Resource Entry
SIGNIFICANT DEFICENCY
ELIGIBILITY

Criteria:	Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.
Condition:	There was 1 error discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 1,034,423 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Brunswick County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section III. Federal Award Findings and Questioned Costs (continued)

Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. See Corrective Action Plan in the following section.

Finding: 2023-003 Inadequate Request For Information
SIGNIFICANT DEFICIENCY
ELIGIBILITY

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.
Condition:	There were 6 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 1,034,423 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Brunswick County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section III. Federal Award Findings and Questioned Costs (continued)

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources and income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

Finding: 2023-004 Non-cooperation with Child Support Procedures
SIGNIFICANT DEFICIENCY
ELIGIBILITY

Criteria: The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determining Medicaid eligibility.

Condition: There were 1 errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 cases from of a total of 1,034,423 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.

Cause: Error in reading the ACTS report and/or ineffective case review process.

Recommendation: Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determining eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

Brunswick County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section IV. State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA #: 93.778

SIGNIFICANT DEFICENCY: Findings 2023-001, 2023-002, 2023-003 and 2023-004 also apply to State requirements and State Awards.



BRUNSWICK COUNTY

**Corrective Action Plan
For the Year Ended June 30, 2023**

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Question Costs

Finding 2023-001

ELIGIBILITY - INACCURATE INFORMATION ENTRY

Name of contact person: Catherine Lytch, DSS Director
Corrective Action: The department will conduct refresher training on reading and reviewing electronic sources. Additionally, the department will conduct targeted case reads for the next three months to ensure the agency is following policy.
Proposed Completion Date: 1/31/2024

Finding 2023-002

ELIGIBILITY - INACCURATE RESOURCE ENTRY

Name of contact person: Catherine Lytch, DSS Director
Corrective Action: The department supervisors will remind staff to double-check casework to ensure dates and amounts are entered correctly prior to processing the case during monthly conferences, team meetings, and trainings.
Proposed Completion Date: 1/31/2024

Finding 2023-003

ELIGIBILITY - INADEQUATE REQUEST FOR INFORMATION

Name of contact person: Catherine Lytch, DSS Director
Corrective Action: The department will conduct refresher training on running and reviewing electronic sources and checking all resources. Additionally, the department will conduct targeted case reads for the next three months to ensure the agency is following policy.
Proposed Completion Date: 1/31/2024

Finding 2023-004

ELIGIBILITY - NON-COOPERATION WITH CHILD SUPPORT PROCEDURES

Name of contact person: Catherine Lytch, DSS Director
Corrective Action: The department incorrectly interpreted the policy which required the department to send a post-eligibility 5097 form, at the time of the determination, counties could not terminate an individual's Medicaid for non-cooperation with child support. However, under new guidance published in Admin Letter 13-23 on August 18, 2023, due to the unwinding period the request for absent parent information is no longer required, therefore this will no longer be an issue going forward.
Proposed Completion Date: DHHS updated policy in Admin Letter 13-23 on August 18, 2023, this will no longer be an issue going forward.

Section IV - State Award Findings and Question Costs

Corrective Actions for Findings 2023-001, 2023-002, 2023-003, and 2023-004 also apply to State requirements and State Awards.

**Brunswick County, North Carolina
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023**

None reported

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assisted Listing No.	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
Federal Awards:					
<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 Matcing Grant for the Supplemental Supplemental Nutrition Assistance Program E&T	10.561	NONE			
Nutrition Assistance Program - Administration	10.561	205NC406S2514	923,801	-	-
Nutrition Assistance Program - FNS ARPA Funds	10.561		166,753	-	-
State Administrative Matcing Grant for the Supplemental Nutrition Assistance Program Fraud - Administration	10.561	205NC406S2514	9,458	-	-
Total SNAP Cluster:			1,100,012	-	-
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 GA, 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	647,697	-	-
Total U.S. Department of Agriculture			1,747,709	-	-
<u>U.S. Department of Interior</u>					
Payment in Lieu of Taxes (PILT)	15.226		106,337	-	-
Total U.S. Department of Interior			106,337	-	-
<u>U.S. Department of Health and Human Services</u>					
<u>Administrtion 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	2002NCRMA	1,135	-	-
Total Refugee and Entrant Assistance Cluster			1,135	-	-
<u>Temporary Assistance for Needy Families (TANF)</u>					
Division of Public Health					
Temporary Assistance for Needy Families (TANF)	93.558	G2102NCTANF, G2202NCTANF	10,687	-	-
Division of Social Services					
Temporary Assistance for Needy Families - Work First Administration	93.558	G2101NCTANF, G2201NCTANF	110,122	-	-
Temporary Assistance for Needy Families - Work First Service	93.558	G2101NCTANF, G2201NCTANF	513,170	-	-
Total TANF			633,979	-	-
Division of Social Services					
Child Support Enforcement - IV-D Administration	93.563	2002NCCES	1,057,694	-	-
Child Support Enforcement - IV-D Offset Fees - Federal	93.563	2002NCCES	1,113	-	-
Child Support Enforcement - IV-D Offset Fees - ESC	93.563	2002NCCES	5	-	-
Total Child Support Enforcement			1,058,812	-	-
Low Income Home Energy Assistance	93.568	G22B1NCLIEA, G23B1NCLIEA	297,515	-	-
Low Income Home Energy Assistance - Administration	93.568	G21B1NCLIEA, G22B1NCLIEA	90,046	-	-
Low Income Home Energy Assistance - Crisis Intervention Payments	93.568	G22B1NCLIEA, G23B1NCLIEA	146,652	-	-
Low Income Home Energy Assistance - ARPA	93.568	2101NCE5C6	5,412	-	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assisted Listing No.	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
Federal Awards:					
Division of Social Services (continued)					
LHWAP Admin	93.568		18,056	-	-
LHWAP ARPA Admin	93.568	2101NCLWC6	29,425	-	-
LHWAP ARPA	93.568	2101NCLWC6	23,495	-	-
LHWAP CAA	93.568	2101NCLWC5	73,086	-	-
Total Low-Income Home Energy Assistance			683,686	-	-
Special children Adoption Fund Cluster (Note 3)					
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G2101NCCWSS, G2201NCCWSS	27,024	-	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2101NCFPSS, 2201NCFPSS	41,863	-	-
Total Special Children Adoption Fund Cluster			68,888	-	-
Division of Social Services-cont.					
Social Services Block Grant - Other Services and Training	93.667	G2201NCSOSR, G2301NCSOSR	204,755	-	-
Social Services Block Grant -In-Home Services	93.667	G2101NCSOSR, G2201NCSOSR	2,289	-	-
Social Services Block Grant - In-Home Services	93.667	G2101NCSOSR, G2201NCSOSR	3,884	-	-
Social Services - APS Essential Services/APS ARPA	93.667		3,942	-	-
Social Services Block Grant - Adult Day Care over 60	93.667	G2101NCSOSR, G2201NCSOSR	13,071	10,500	-
Total Social Services Block Grant			227,941	10,500	-
Foster Care and Adoption Cluster: (Note 3)					
Adoption Assistance - Administration					
Adoption Assistance - IV-E Adoption/Off Training	93.659	2002NCADPT	11,734	-	-
Adoption Assistance - IV-E Optional Adoption Training	93.659	2002NCADPT	248	-	-
Adoption Assistance - IV-E Adoption		2002NCADPT	117	-	-
Total Adoption Assistance			12,099	-	-
IV-E Administration Foster Care					
Foster Care Title IV-E - Child Protective Services	93.658	2002NCADPT	128,782	37,184	-
Foster Care Title IV-E - Child Protective Services	93.658	2002NCADPT	177,232	52,371	-
Foster Care Title IV-E - Foster Care	93.658	2002NCADPT	17	-	-
Foster Care Title IV-E - Foster Care Training	93.658	2002NCADPT	5,067	-	-
Foster Care Title IV-E - Foster Care/Off Training	93.658	2002NCADPT	485,657	-	-
Direct Benefit Payments					
Foster Care Title IV-E - IV-E Administration County Paid to CCI	93.658	2002NCADPT	144,752	72,376	-
Foster Care Title IV-E - IV-E Foster Care	93.658	2002NCADPT	204,178	41,889	-
Foster Care Title IV-E - IV-E Foster Care & Extended Max	93.658	2002NCADPT	23,087	5,959	-
IV-E Max Level III	93.658	2002NCADPT	1,221	-	-
Total Foster Care			1,169,993	209,778	-
Total IV-E Foster Care and Adoption Cluster			1,182,092	209,778	-
Direct Benefit Payments					
John H Chafee Foster Care Program for Successful Transition to Adulthood					
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2002NCCILP	50,673	-	-
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G2101NC1420, G2201NC1420	15,421	3,855	-
			66,094	3,855	-
Subsidized Child Care Cluster (Note 3)					
Child Care Development Fund Cluster					
Division of Social Services					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration	93.596	2002NCCDDF	193,838	-	-
Division of Child Development					
Total Child Care Development Fund Cluster/ Subsidized Childcare Cluster			193,838	-	-
Centers for Medicare and Medicaid Services					
Passed-through the N.C. Department of Health and Human Services					
Division of Medical Assistance					
Medicaid Cluster:					
Administration:					
Medical Assistance Program - Adult Care Home Case	93.778	XIX-MAP 22	27,362	11,781	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assisted Listing No.	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
Federal Awards:					
Division of Medical Assistance (continued)					
Medical Assistance Program - Medical Assistance Claim	93.778	XIX-MAP 22	60,814	-	-
Medical Assistance Program - Medical Assistance Administration	93.778	XIX-MAP 22	2,736,756	458,259	-
Medical Assistance Program - Medical Transportation	93.778	XIX-MAP 22	212,364	-	-
Medical Assistance Program - State County Special Assistance	93.778	XIX-MAP 22	10,133	1,443	-
Total Medicaid Cluster			3,047,429	471,482	-
Children's Health Insurance Program-N.C. Health Choice	93.767	CHIP 22	74,466	6,309	-
<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	39,296	-	-
Project Grants and Cooperative Agreements for Tuberculosis					
Control Programs	93.116	1460 UK77 NF 1460 2720 NF	3,769	-	-
Immunization Cooperative Agreements	93.268	1331 631C EJ	17,314	-	-
Passed-through the NC Cooperative Agreement for Emergency					
Response: Public Health					
Covid-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1175 883A P5 - 543 ELC Enhancing Detection Activities	126,437	-	-
Covid-19 - Immunization Cooperative Agreement	93.268	1331 6315 LD	63,140	-	-
Preventative Health and Health Services Block Grant	93.991	1261 5503 PH	30,607	-	-
Cancer Prevention & Control Programs for State, Territorial and Tribal Organizations	93.898	1320 3100 D7	38,000	-	-
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	55,652	-	-
Total Passed-through N.C. Department of Health and Human Services			7,654,589	715,578	-
<u>Substance Abuse and Mental Health Services Administration</u>					
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI081046-04, 05	382,159	-	-
Total U.S. Department of Health and Human Services			8,036,749	715,578	-
<u>U.S. Department of Environmental Protection Agency</u>					
Drinking Water State Revolving Fund	66.468	H-SRF-F-21-2017/WIF2017	211,330	-	-
Total U.S. Department of Environmental Protection Agency			211,330	-	-
<u>U.S. Department of Housing and Urban Development</u>					
<u>Housing Voucher Cluster</u>					
Administration					
Section 8 Housing Choice Voucher Program	14.871		316,266	-	-
Direct Benefits					
Section 8 Housing Choice Voucher Program	14.871		1,995,610	-	-
Total Housing Voucher Cluster			2,311,876	-	-
Total U.S. Department of Housing and Urban Development			2,311,876	-	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assisted Listing No.	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
Federal Awards:					
<u>U.S. Department of Justice</u>					
State Criminal Alien Assistance Program	16.606	15PBJA-20-RR-00506-SCAA	15,573	-	-
State Criminal Alien Assistance Program	16.606	15PBJA-21-RR-04803-SCAA	34,885	-	-
Total State Criminal Alien Assistance Program			50,458	-	-
<u>Office of Justice Programs</u>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-00278-JAGX	17,378	-	-
Total U.S. Department of Justice			67,836	-	-
<u>U.S. Department of Treasury</u>					
Coronavirus State and Local Fiscal Recovery Fund Passed-through the office of State Budget and Management NC Pandemic Recovery Coronavirus State and Local Fiscal Recovery Fund	21.027	OMB No. 1505-0271	5,675,947	-	-
	21.027	2000057929	89,046	-	-
Total Coronavirus State and Local Fiscal Recovery Fund			5,764,993	-	-
Local Assistance and Tribal Consistency Fund (LATCF)	21.032	OMB 1505-0276	50,000	-	-
Total U.S. Department of Treasury			5,814,993	-	-
<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 Diaster)	97.036	FEMA-4487-DR-NC	12,258	-	-
Disaster Grants-Public Assistance(Presidentially Declared Diaster)	97.036	FEMA-4465-DR-NC	68,213	21,317	-
Total U.S. Department of Homeland Security			80,471	21,317	-
<u>U.S. Department of Transportation</u>					
Passed-through N.C. Department of Transportation					
<u>Highway Safety Cluster</u>					
GHSP-National Highway Traffic Safety Administration (LEL FY22)	20.600	PT-22-06-35/GHSP2022	6,707	-	-
GHSP-National Highway Traffic Safety Administration (LEL FY23)	20.600	PT-23-06-03/GHSP LEL FY23	18,301	-	-
GHSP-Traffic Unit	20.600	PT-23-06-35/GHSP2023- Traffic Unit	204,960	-	-
Total Highway Safety Cluster			229,969	-	-
Passed-through N.C. Department of Transportation					
COVID-19 Airport Improvement Program - Infrastructure Investment & Jobs Act Prog.	20.106	36237.45.19.1	13,469	-	-
COVID-19 Airport Improvement Program - Infrastructure Investment & Jobs Act Prog.	20.106	36237.45.19.2	276,254	-	-
Total Airport Improvement Program			289,723	-	-
Total U.S. Department of Transportation			519,692	-	-
<u>U.S. Department of Defense-Army Corps of Engineers</u>					
Navagation Projects - Mosquito Control Project (AIWW Contract)	12.107	W912PM-21-P-0038	82,087	-	-
Total U.S. Department of Defense			82,087	-	-
Total Federal Assistance			18,979,080	736,895	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assisted Listing No.</u>	<u>State Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
State Grants:					
<u>N.C. Department of Administration</u>					
Veterans Service		NCDMVA2022	-	2,083	-
Total N.C. Department of Administration			-	2,083	-
<u>N.C. Department of Agriculture</u>					
Division of Soil & Water Conservation StreamFlow Rehabilitation Program (StRAP)		22-080-4012	-	8,343	-
Total N.C. Department of Agriculture			-	8,343	-
<u>N.C. Department of Health and Human Services</u>					
Division of Social Services					
Administration					
St. Child Welfare/CPS/CS LD			-	123,849	-
AFDC Incent/Prog-Integrit			-	454	-
Direct Benefit Payments					
FC At Risk Maximazation			-	1,060	-
SFHF Maximization			-	125,099	-
Extended FC/Max Non IV-E			-	108,801	-
State Foster Home			-	112,284	-
Division of Public Health					
Food and Lodging Fees		1153 4752 SZ	-	21,411	-
CHA/CHIP Peer Review		1161 4110 00	-	90,261	-
Healthy Community Activities		1261 5503 00	-	3,747	-
Public Health Pest Management		1153 4801 00	-	18,500	-
General Communicable Disease Control		1175 4510 00	-	13,292	-
Breast and Cervical Cancer Programs		1320 5599 00	-	27,050	-
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 BN, 1311 4541 RR, 1311 4601 BN, 1311 4601 RR	-	1,058	-
Tuberculosis		1460 4551 00	-	4,595	-
Communicable Disease Pandemic Recovery		25F1 249N TT, AA546	-	141,586	-
School Nurse Funding Initiative		1332 5358 00	-	150,000	-
Total N.C. Department of Health and Human Services			-	1,019,064	-
<u>N.C. Department of Environmental Quality</u>					
Soil and Water Technical Assistance		18-024-4070	-	22,391	-
Soil and Water - State Aid		21-035-4066/02-2023	-	3,600	-
Clean Water State Revolving Fund		SRP-W-0186	-	287,918	-
Total N.C. Department of Environmental Quality			-	313,909	-
<u>N.C. Department of Public Safety</u>					
Juvenile Crime Prevention Council Programs			-	226,749	112,588
NC Department of Public Safety (SO Assistance)		BRUNSWICKCO 2021-2023	-	84,270	-
Total N.C. Department of Public Safety			-	311,019	112,588
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund (Lottery)			-	1,060,863	-
Total N.C. Department of Public Instruction			-	1,060,863	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assisted Listing No.	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
State Grants:					
<u>N.C. Office of State Budget & Management</u>					
NC Grants in Aid - Register of Deeds Grant Program		Contract 2007RD2	-	2,166	-
Total N.C. Office of State Budget & Management			-	2,166	-
<u>NC State Bureau of Investigation</u>					
Internet Crimes Against Children (ICAC)		Session Law 2021-180	-	72,312	-
Total N.C. State Bureau of Investigation			-	72,312	-
<u>N.C. Department of Transportation</u>					
State Aid to Airports Update ALP and Exhibit A	DOT-8	36244.58.8.2	-	15,511	-
State Aid to Airports - Corporate Hanger	DOT-8	36244.58.12.2	-	10,659	-
State Aid to Airports - West Apron Expansion	DOT-8	36244.58.13.1	-	274,818	-
State Aid to Airports - FY23 SCIF	DOT-8	32644.58.15.1	-	44,919	-
Rural Operating Assistance Program Cluster					
ROAP Elderly and Disabled Transportation Assistance Program	DOT-CL	36220.10.9.1	-	112,502	-
ROAP Employment Transportation Assistance Program	DOT-CL	36236.11.8.1	-	4,236	-
ROAP Rural General Public Program (RGP)	DOT-CL	36228.22.9.1	-	47,806	-
Total Rural Operating Assistance Program Cluster			-	164,544	-
Total N.C. Department of Transportation			-	510,451	-
<u>N.C. Department of Cultural and Natural Resources</u>					
Division of State Library					
Aid to Public Libraries		FY 2023	-	160,344	-
Total N.C. Department of Cultural and Natural Resources			-	160,344	-
Other Financial Assistance:					
<u>N.C. Attorney General</u>					
NC Department of Justice					
Opioid Settlement Fund (Note 4)			-	11,916	-
Total Other Financial Assistance			-	11,916	-
Total State Assistance			-	3,472,469	112,588
Total Assistance			18,979,080	4,209,364	112,588

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

- 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, 2023. 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.
- 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.
- The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care, Foster Care and Adoption, Refugee and Entrant Cluster, Special Children Adoption Fund Cluster.
- Opioid Settlement Fund
The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assisted Listing No.	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
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Notes to the Schedule of Expenditures of Federal and State Financial Awards:

5. Benefit Payments Issued by the State

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

<u>Program Title</u>	<u>CFDA No.</u>	Federal	State
Supplemental Nutrition Assistance Program	10.551	43,390,226	-
Special Supplemental Nutrition Program for Women Infant and Children	10.557	2,436,603	-
TANF PEAFF	93.558	80,065	-
Temporary Assistance for Needy Families	93.558	316,379	-
Adoption Assistance	93.659	819,102	175,485
Children's Health Insurance Program	93.767	902,491	181,312
Medical Assistance Program	93.778	158,869,086	61,017,156
Child Welfare Services Adoption	N/A	-	123,517
SC/SA Domiciliary Care	N/A	-	246,162



BRUNSWICK COUNTY FINANCE DEPARTMENT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

2023



910.253.2000



brunswickcountync.gov



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