



**Brunswick  
County**

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR  
ENDED JUNE 30, 2024**

910.253.2070



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**COUNTY OF BRUNSWICK  
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2024**

Prepared by Brunswick County Finance

**COUNTY OF BRUNSWICK, NORTH CAROLINA  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2024**

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## BRUNSWICK COUNTY

October 21, 2024

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, 2024.

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 internal controls framework 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, 2024, 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. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that Brunswick County's financial statements for the fiscal year ended June 30, 2024, 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.

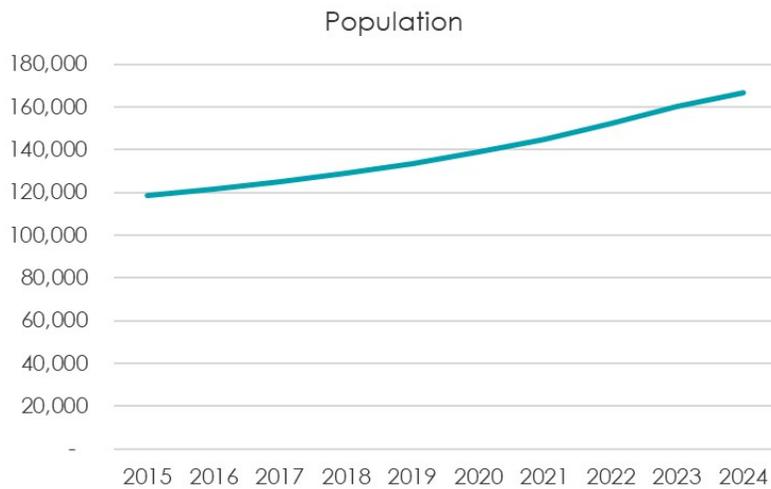
The independent audit of Brunswick County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the 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 contained in the compliance section of the report.

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 sand and sand loam soil composition. Forming a natural boundary on the southeast, the Atlantic Ocean gives the County approximately 47 miles of beachfront. It has an estimated population of 166,866, an increase of approximately 41% since 2015. 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, mainly 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. Commissioners run from and represent districts but are 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 board's major duties include adopting the annual budget, setting the annual property tax rate, and appointing 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 county's operation, 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.

Like most counties in the State, Brunswick County 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, including 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) and 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, neither has financial transactions or account balances and is therefore not reported in the financial statements.

## FINANCIAL INFORMATION

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

**Annual Budget.** The annual budget is the foundation for Brunswick County's financial planning and control. Each year, all County departments must submit requests for appropriation to the County Manager, who then compiles a proposed budget and presents it to the Board of Commissioners for



Emergency Management  
ReadyBrunswick Preparedness  
Expo

review. The Board must hold public hearings on the proposed budget and adopt a final budget by July 1 of the fiscal year, or the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The annual ordinance includes appropriations for the General, the Special Revenue (excluding the grant projects), and the Enterprise funds. Note 1 to the financial statements provides additional information on budgetary data. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 22 as part of the basic financial statements for the governmental funds. This comparison is presented in this report's non-major governmental fund subsection, which starts on page 132, for annually budgeted special revenue funds. 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).



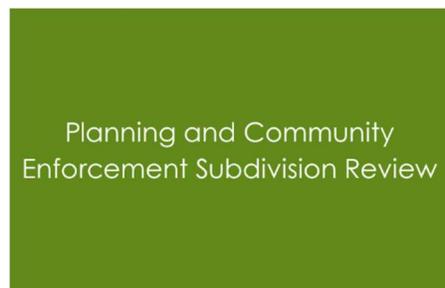
In addition, Brunswick County was given the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the Fiscal Year 2023-2024. This is the eighteenth consecutive year the County has received this award. This program was established to encourage and assist state and local governments in preparing 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 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

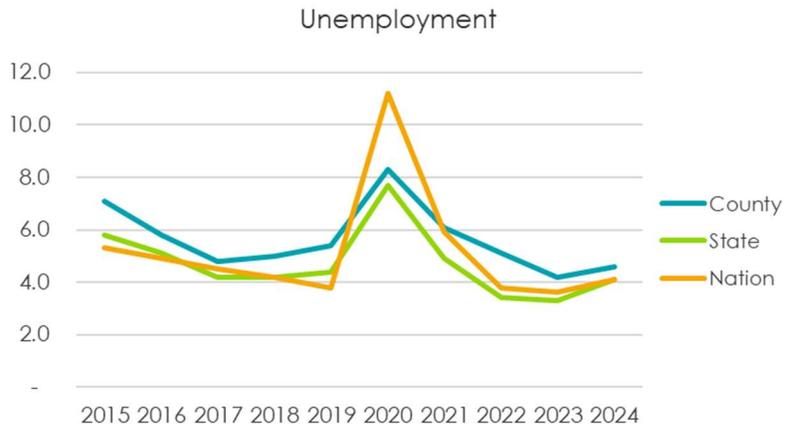
The information presented in the financial statements is perhaps best understood when considered from the broader perspective of Brunswick County's specific environment.

**Local economy.** In recent years, Brunswick County has experienced significant growth in its permanent population. The County’s population growth in 2024 is 4.3%, ranked first in the state and 19<sup>th</sup> in the country. The permanent population grew at an average rate of approximately 3.9 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 2024 were 4.6 and 4.1 percent, respectively. The State’s seasonally adjusted unemployment rate in June 2024 is 3.6. Total employment in June 2024 increased to 59,355 jobs, representing 926 or a 1.6% increase from the previous year.



Brunswick County continues to see strong, consistent economic growth and development. From 2023 to 2024, Brunswick County’s business investment increased by \$218,934,986, representing a 9.5 percent increase. One new industry announced its decision to locate in Brunswick County in FY 2023. In October 2023, Epsilon Advance Materials announced plans to construct and operate a graphite anode manufacturing facility to support the domestic EV (Electric Vehicle) sector growing in the US. Epsilon will invest \$650 million over five years as the first manufacturer to locate in the Mid-Atlantic Industrial Rail Park. Epsilon will create 500 new jobs with average wages of \$51,430, which exceeds the 2023 Average Private Sector Wage for Brunswick County of \$46,464.

Brunswick County continues marketing two large industrial parks. The International Logistics Park of North Carolina (ILPNC) and the Mid Atlantic Industrial Rail Park (MAIRP) are 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 water, wastewater, and fiber optics services. The MAIRP 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 2023, the Brunswick County Board of Commissioners agreed to purchase 567.32 acres at the Mid-Atlantic Industrial Rail Park for economic development purposes. Approximately 155 acres will be utilized by Epsilon Advanced Materials, and Brunswick County will have control over the remaining 412 for future industrial projects. With the announcement of Epsilon Advanced Materials, GoldenLEAF Foundation has committed \$3 million to assist with the construction of a one million-gallon water storage tank on-site, including the extension of a 16” main water line under US Highways 74/76. An application has also been submitted to NCEDA for potential funding to help close the gap for this upgrade. The State of North Carolina has also committed \$1 million from the State’s CDBG allocation to assist with the internal



Epsilon Advanced Materials, Inc.  
Facility Announcement

extension of water and wastewater to serve Epsilon and future users in the park. Plans are underway for the NC Department of Transportation to construct, own, and maintain an access road to serve Epsilon, including access improvements along US Highways 74/76. Preliminary plans are underway to extend rail service into the Mid-Atlantic Industrial Rail Park.

Brunswick County submitted buildings and sites to 130 potential new companies during FY 2024, an increase of 44% from the previous year. There are currently 98 new companies reviewing Brunswick County, and 14 have visited a site. These active projects that have visited Brunswick County represent \$2.4 billion in new investment and 2,280 jobs. Brunswick County has also experienced an increase in the labor force from 60,615 in June 2023 to 62,177 in June 2024, representing an approximate increase of 2.6 percent.

The County's diversified economy is based primarily on tourism, manufacturing, retail, and construction. Our existing industries continue to expand, adding many new jobs to the County. Tourism contributions include permanent and secondary housing development, increased retail sales, employment opportunities, and 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 16% of employment. In comparison, accommodation and food services account for 15%, health care and social assistance for 13%, construction for 8%, government for 7%, educational services for 7%, administrative and waste services for 5%, manufacturing for 4%, arts and entertainment for 4%, professional for 4%, transportation for 3%, utilities for 3%, and real estate for 3%. Various other employment sectors make up the remaining 8%.

Novant Health Brunswick Medical Center is one of two hospitals in Brunswick County. It was a replacement hospital with 200,000 square feet and all private rooms costing more than \$100 million. The hospital 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, five operating rooms, 1 GI endoscopy room, a pharmacy, a lab, and an emergency room.

Brunswick Community College serves the County with various 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 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 various business support resources and services.

Cape Fear Regional Jetport, or *Howie Franklin Field*, is located in Oak Island, NC, drawing 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 most extensive flight school on the coast, helicopter flight school, bait and tackle shop, an avionics shop, and an aircraft charter shop 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, most of which have residential/commercial development associated with them are located within the County.

**Beaches:** The county stretches from historic Wilmington to Myrtle Beach, South Carolina. It comprises 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 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 ten 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 community's informational, cultural, recreational, and lifelong learning interests. Five library branches across Brunswick County offer 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, e-books, public meeting rooms, and copy/fax services.

**Museums:** The county is home to many landmarks and museums that provide outstanding educational opportunities for residents and visitors alike. Locations include one of North Carolina's state historic 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, Old



Baldy on Bald Head Island, and the last lighthouse to be built in North Carolina, the Oak Island Lighthouse. There are many other museums, landmarks, and historical sites throughout the county that are of 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 county's growing needs. Projects are funded based on need, meeting financial targets for fund balance and debt service, and maintaining attractive bond ratings.

**General Government.** The County's operating general fund budget for the fiscal year ending June 30, 2025, totals \$296,217,525 with no increase in the property tax rate of 0.3420 per \$100 of assessed value, based on a total valuation of \$51.11 billion. The estimated value of one cent is \$5.05 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 of \$51.5 million in July 2022.

The Five-Year Capital Improvement Plan for the general government in FY 2025 totals \$88.5 million. This is made up of an environmental protection project for \$11.3 million for the closure of the construction and demolition landfill, which is expected to reach its ultimate capacity within the next few years, \$70.2 million for County Complex Buildings and Renovations, and \$7.0 million for design and construction of an Animal Protective Services Adoption Center. The planned funding source is \$51.5 million in capital and other reserves and \$37.0 million of debt proceeds.

**Water.** The number of customers connected to the County's water system continues increasing to 58,647, or 6.6%, as of June 30, 2024. This amount does not include acquiring the City of Southport's water system, effective June 30, 2024. Due to the growth and increased 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 \$3.4 million. This transmission improvement project from the Northwest Water Treatment Plant to the Bell Swamp ground storage tank is funded with \$3.4 of reserves funds to be reimbursed by debt proceeds when issued. The water fund capital improvement plan includes two projects associated with the MidAtlantic Industrial Rail Park planned for design and construction in FY 2025 at a total estimated cost of \$9.0 million to be funded with \$3.0 million of grant funds and \$6.0 million of pay-go funds. Finally, the

Brunswick County Sheriff's Office  
Animal Protective Services  
Volunteers



water fund capital improvement plan includes a project funded with \$1.0 million in pay-go funds for a neighborhood system improvement project.

Increased water demands of our retail, wholesale, and industrial customers require expanding the Northwest Water Treatment Plant capacity and transmission from 24 MGD to 45 MGD, providing 36 MGD advanced treatment low-pressure reverse osmosis process water, which costs \$156.8 million. Revenue bonds were issued in June 2020 to construct water projects costing \$183.4 million. Construction is still underway, with debt service payments in 2024 of \$8.4 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 12.1% as of the end of the fiscal year 2024 to 28,891 customers. This amount does not include acquiring the City of Southport’s wastewater system, effective June 30, 2024.

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, the Town of Oak Island, and the Town of Shallotte for a portion of the 6.5 MGD treatment capacity. The treatment capacity of the Shallotte WWTP is being 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 2025. The project is funded by county debt proceeds issued in October 2023 and a State Revolving Fund Loan initially awarded to the City of Southport. The county is designing the West Brunswick Biosolids Processing Facility to centralize the processing facility and address increases in biosolids generated. 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.

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 county's northern section, the county has begun designing to expand the Northeast Brunswick Regional Wastewater System capacity by an additional 3.75 MGD. Increasing its capacity to 8.725 MGD.

Other projects include a MidAtlantic Industrial Rail Park project planned for design and construction in FY 2025 at a total estimated cost of \$3.0 million, grant-funded projects associated with the merger with the City of Southport at \$26.7 million, and planning and design associated with a future expansion of the West Brunswick Regional Water Reclamation System.



## 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 ending June 30, 2023. This is the twenty-second (22<sup>nd</sup>) consecutive year 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 must also satisfy 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 members of the finance staff for their dedication and ongoing efforts in the preparation of the 2024 annual report:

Eileen Callori  
Jackson Jordan  
Melissa Modafferi

Tiffany Casteen  
Christina Kennedy  
Bill Noland  
Kathryn Regan

Yvette Glenn  
Karen McCall  
Denise O'Donnell-Jones  
Cathy Roeder

Carrie Hurst  
Tammy Miller  
Ventzie Penev

We commend each county department for their cooperation and assistance in carrying out the activities and services included 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**  
Finance Director

Finance Earns GFOA  
Certificate of Achievement and  
Budget Award





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, 2023

*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  
Bryan W. Batton  
Daralyn Spivey  
Aaron Smith

County Manager  
County Attorney  
Clerk to the Board  
Finance Director

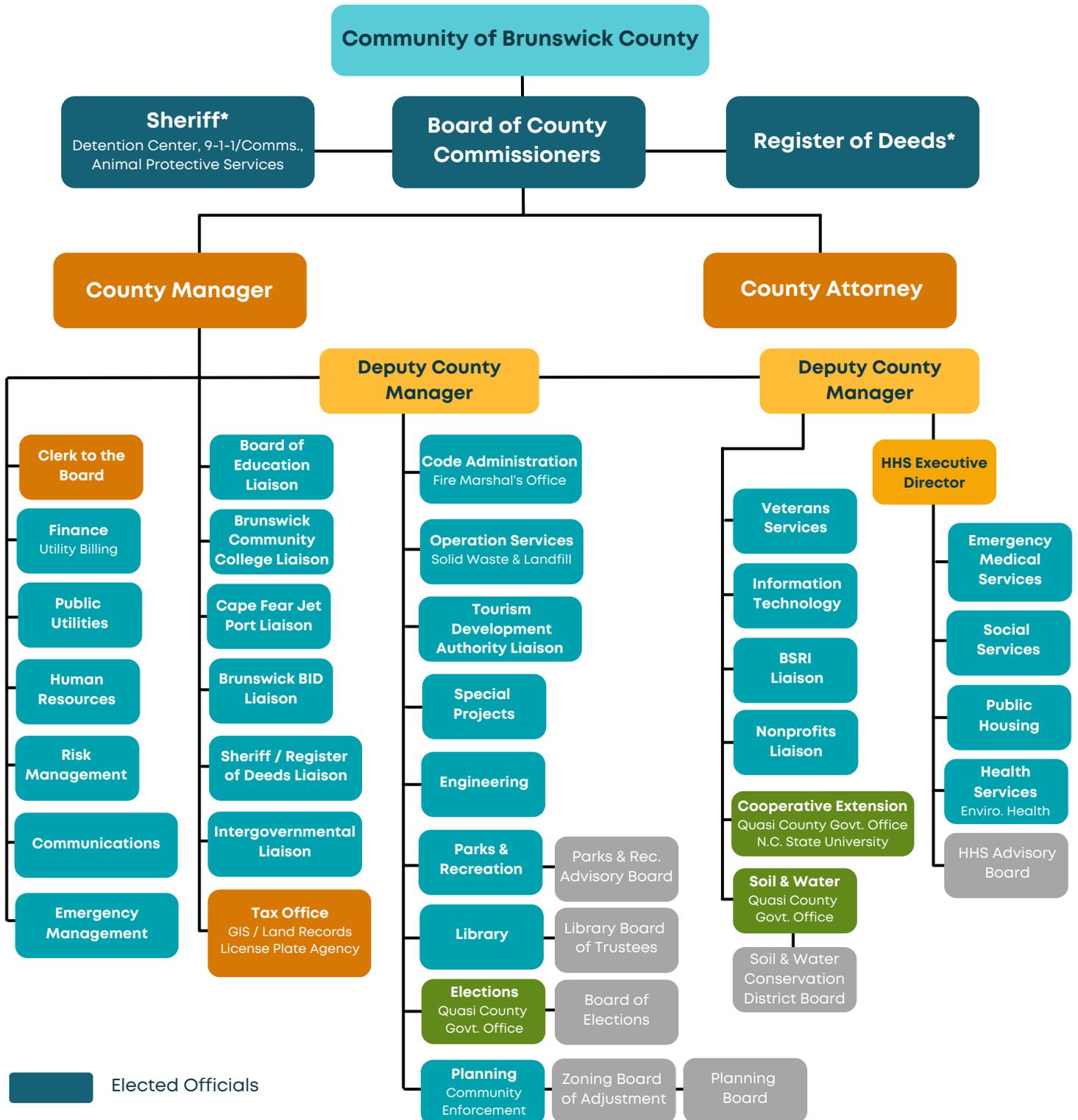
## OTHER ELECTED OFFICIALS

Brenda M. Clemmons  
Brian M. Chism

Register of Deeds  
Sheriff



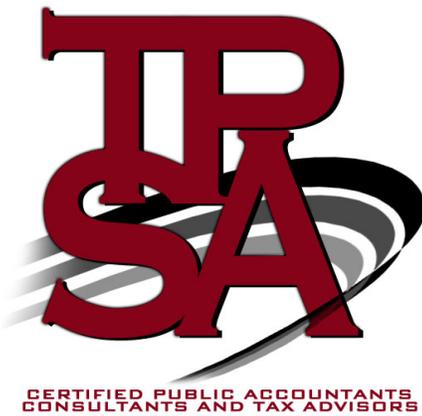
# BRUNSWICK COUNTY ORGANIZATIONAL CHART



- Elected Officials
- Appointed by Board of County Commissioners
- Consultative supervision by County Manager's Office

\*County Manager has Budgetary Authority





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**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, 2024, 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, 2024, 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 15.99 percent, 11.54 percent, and 52.27 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units, as of June 30, 2024, 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's Private Companies Practice Section**

## ***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 responsible 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 21, 2024 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 21, 2024



## 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, 2024. 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

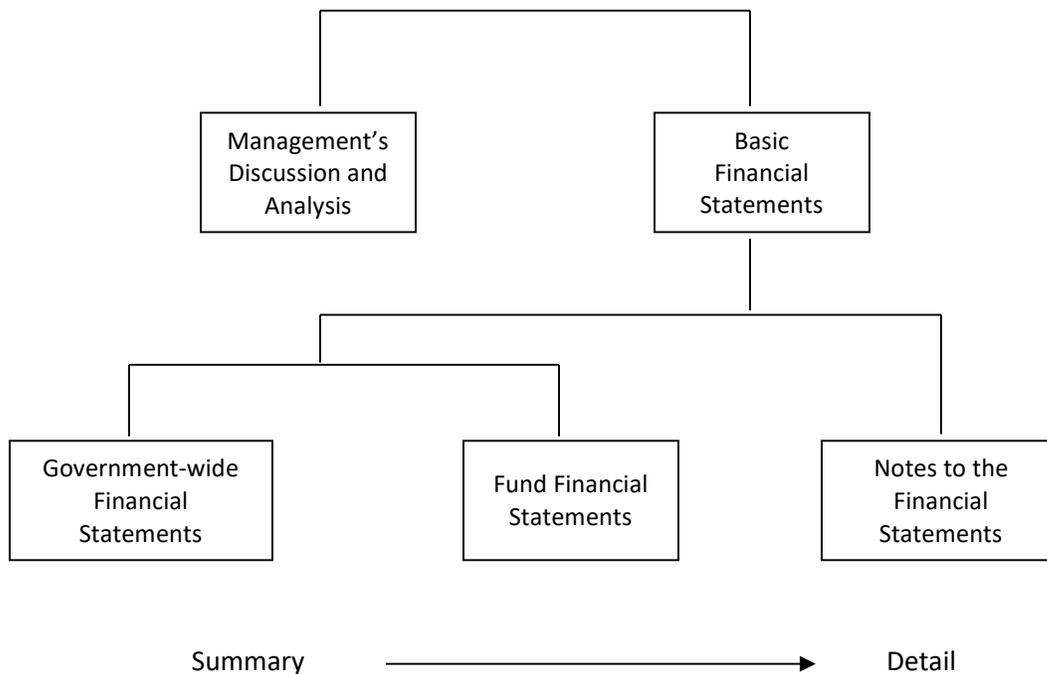
- The assets and deferred outflows of resources of Brunswick County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$123.1 million (*net position*). The County's net position is impacted considerably by the general obligation 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, and general obligation 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 \$128.7 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 71 on page 73 further explains the effect of education debt on net position.
- The county's net position of governmental activities decreased by \$11.9 million from the restated Fiscal Year 2023 net position of \$135.0 million. Note 17 Change in Accounting Principle on page 100 explains the restatement resulting from the recognition of revenue from the Opioid Settlement in the prior period. This increase is mainly due to education capital project expenditures and a one-time investment in land for economic development, not included in capital assets. This is partially offset by management's focus on monitoring spending and increased revenue collections in the General Fund, such as an increase in Ad Valorem tax collections of \$13.4 million and Local Option Sales Tax of \$2.9 million due to growth in the County and an increase of \$3.8 in investment earnings.
- As of the close of the 2024 fiscal year, the County's general fund reported amounts restricted for Stabilization by State statute of \$16.3 million. Additionally, \$1.3 million was restricted for the Interlocal Agreement with Holden Beach, \$1.5 million was restricted for health and wellness programs, and \$0.6 million was restricted for seized funds held by the Sheriff. The unrestricted fund balance totals \$131.5 million, of which \$0.2 million is committed for revaluation purposes, \$0.1 million is nonspendable for prepaid and leases, \$8.1 million is assigned as designated for future projects, and just over \$10.7 million is assigned for carryover expenditures into the next fiscal year leaving \$112.4 million available for spending.
- Moody's Investor Services ratings are Aaa for general obligation bonds, Aa1 for limited obligation bonds, and Aa2 for revenue bonds. S & P Global Services ratings are AAA for general obligation bonds, AA+ for limited obligation bonds, and the rating for revenue bonds remains AA. The County bond ratings with Fitch are AA+ for general obligation bonds, AA for limited obligation bonds, and AA- for revenue bonds.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

### 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 details 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 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 to customers.

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

The government-wide financial statements can be found on pages 15-17 of this report.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts 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 County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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

**Fiduciary Funds** – Custodial funds are used to report fiduciary activities for assets held by the County on behalf of others that meet certain criteria. The County has three custodial funds.

**Notes to the Basic Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-101 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 102-117 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 334,648,184	\$ 328,976,365	\$ 229,376,051	\$ 196,920,254	\$ 564,024,235	\$ 525,896,619
Capital asset (net)	<u>158,917,737</u>	<u>153,080,503</u>	<u>681,812,750</u>	<u>597,843,712</u>	<u>840,730,487</u>	<u>750,924,215</u>
Total assets	<u>493,565,921</u>	<u>482,056,868</u>	<u>911,188,801</u>	<u>794,763,966</u>	<u>1,404,754,722</u>	<u>1,276,820,834</u>
Deferred Outflows of						
Resources	<u>53,285,126</u>	<u>54,964,633</u>	<u>7,087,648</u>	<u>7,342,009</u>	<u>60,372,774</u>	<u>62,306,642</u>
Noncurrent liabilities	336,353,997	333,476,555	324,895,709	315,249,638	661,249,706	648,726,193
Other liabilities	<u>50,388,704</u>	<u>41,343,621</u>	<u>38,389,936</u>	<u>32,638,084</u>	<u>88,778,640</u>	<u>73,981,705</u>
Total Liabilities	<u>386,742,701</u>	<u>374,820,176</u>	<u>363,285,645</u>	<u>347,887,722</u>	<u>750,028,346</u>	<u>722,707,898</u>
Deferred Inflows of						
Resources	<u>36,979,070</u>	<u>45,037,334</u>	<u>7,644,546</u>	<u>8,897,148</u>	<u>44,623,616</u>	<u>53,934,482</u>
Net position:						
Net investment in						
capital assets	143,461,084	134,129,701	425,495,806	347,728,658	568,956,890	481,858,359
Restricted	27,682,997	21,660,621	-	-	27,682,997	21,660,621
Unrestricted	<u>(48,014,805)</u>	<u>(38,626,331)</u>	<u>121,850,452</u>	<u>97,592,447</u>	<u>73,835,647</u>	<u>58,966,116</u>
Total net position	<u>\$ 123,129,276</u>	<u>\$ 117,163,991</u>	<u>\$ 547,346,258</u>	<u>\$ 445,321,105</u>	<u>\$ 670,475,534</u>	<u>\$ 562,485,096</u>

The assets and deferred outflows of resources of Brunswick County governmental activities exceeded its liabilities and deferred inflows of resources by \$123.1 million as of June 30, 2024. Total assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$670.5 million.

Total current and other assets increased by \$38.1 million from the prior year. A significant contributing factor to the increase was the change in accounting principle creating a long-term receivable related to the National Opioid Settlement Fund and the issuance of revenue bonds for the expansion of the West Wastewater System, offset by reductions in debt proceeds restricted for ongoing projects related to the November 2016 \$152 million school bond referendum.

Other liabilities increased by \$14.8 million from the previous year. This increase is primarily the result of advance payments from grantors related to Airport capital projects and increases in payables associated with construction costs.

Long-term liabilities, which include bonds, leases, IT subscriptions, compensated absences, post-employment benefits, and landfill closure and post-closure obligations of the primary government, increased by \$12.5 million. The leading causes of the increase were the issuance of revenue bonds of \$21.8 million and an increase of \$11.3 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 \$569.0 million, restricted for stabilization by State statute of \$16.4 million, restricted for other purposes of \$11.3 million, and unrestricted net position of \$73.8 million.

The net investment in capital assets is defined as the County’s investments in County-owned capital assets (e.g., land, buildings, machinery, and equipment), less 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)	
	Governmental	Enterprise
Total capital assets	\$ 158.9	\$ 681.8
Less long-term debt	(138.6)	(296.7)
Less current maturities of long-term debt	(14.6)	(15.7)
Landfill closure included in long-term debt	8.8	-
Current portion of compensated absences	0.3	-
Education general obligation debt payable	128.7	-
Restricted cash from unexpended debt proceeds	-	56.1
Total net investment in capital assets	<u>\$ 143.5</u>	<u>\$ 425.5</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, 2024, the unrestricted resources were \$(48.0) million for governmental activities and \$121.9 million for business-type activities. 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	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Changes for services	\$ 34,512,177	\$ 29,590,532	\$ 103,947,729	\$ 91,553,262	\$ 138,459,906	\$ 121,143,794
Operating grants and contributions	29,901,063	32,085,718	-	-	29,901,063	32,085,718
Capital grants and contributions	4,611,511	640,000	56,895,111	19,264,109	61,506,622	19,904,109
General revenues:						
Ad valorem taxes	174,348,859	160,995,382	-	-	174,348,859	160,995,382
Local option sales taxes	47,800,383	44,858,366	-	-	47,800,383	44,858,366
Other taxes	11,840,196	11,133,334	-	-	11,840,196	11,133,334
Sale of real property	-	-	-	-	-	-
Investment earnings	<u>11,284,059</u>	<u>7,455,513</u>	<u>7,062,170</u>	<u>5,016,551</u>	<u>18,346,229</u>	<u>12,472,064</u>
Total revenues	<u>314,298,248</u>	<u>286,758,845</u>	<u>167,905,010</u>	<u>115,833,922</u>	<u>482,203,258</u>	<u>402,592,767</u>

**Figure 3 continues on the following page**

**Figure 3 (continued)**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Expenses:						
General government	20,384,692	18,260,463	-	-	20,384,692	18,260,463
Public safety	71,775,691	68,124,323	-	-	71,775,691	68,124,323
Central services	23,488,148	20,943,532	-	-	23,488,148	20,943,532
Human services	31,477,908	32,005,512	-	-	31,477,908	32,005,512
Transportation	750,683	991,949	-	-	750,683	991,949
Environmental protection	25,606,324	22,522,844	-	-	25,606,324	22,522,844
Cultural and recreation	13,402,147	7,721,848	-	-	13,402,147	7,721,848
Economic and physical development	29,900,624	9,179,681	-	-	29,900,624	9,179,681
Education	104,347,082	70,341,102	-	-	104,347,082	70,341,102
Interest on long-term debt	5,042,280	5,257,936	-	-	5,042,280	5,257,936
Water and wastewater	-	-	65,879,857	62,324,820	65,879,857	62,324,820
Total expenses	<u>326,175,579</u>	<u>255,349,190</u>	<u>65,879,857</u>	<u>62,324,820</u>	<u>392,055,436</u>	<u>317,674,010</u>
Increase (decrease) in net position before transfers	<u>(11,877,331)</u>	<u>31,409,655</u>	<u>102,025,153</u>	<u>53,509,102</u>	<u>90,147,822</u>	<u>84,918,757</u>
Transfers	-	(6,873,012)	-	6,873,012	-	-
Increase (decrease) in net position	<u>(11,877,331)</u>	<u>24,536,643</u>	<u>102,025,153</u>	<u>60,382,114</u>	<u>90,147,822</u>	<u>84,918,757</u>
Net position, July 1	<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>
Net position, restated	<u>135,006,607</u>	<u>92,627,348</u>	<u>445,321,105</u>	<u>384,938,991</u>	<u>580,327,712</u>	<u>477,566,339</u>
Net position, June 30	<u>\$ 123,129,276</u>	<u>\$ 117,163,991</u>	<u>\$ 547,346,258</u>	<u>\$ 445,321,105</u>	<u>\$ 670,475,534</u>	<u>\$ 562,485,096</u>

**Governmental activities.** Governmental activities accounted for \$123.1 million, 18.4 percent of the total net position. Governmental revenues increased mainly due to increases in ad valorem tax collections, local option sales taxes, and grants. Tax revenues for the year increased primarily due to increased property tax revenue, which grew because of a 1.5% rate increase above revenue neutral on all classes of property, as well as an average increase of approximately 54.0% in the taxable property values, driven by increased local real estate market values identified in the revaluation. Operating grants funded \$29.9 million of the county’s governmental activities. Governmental expenses increased by \$70.8 million due to operational increases in general government, public safety, central services, education project expenses, and a one-time investment in land for economic development purposes. The governmental net position decreased by \$11.9 million due to the previously described revenues and expenditures changes, 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 \$102.0 million. Business-type revenues increased mainly due to customer growth, including the prior year’s merger with the Town of Shallotte’s water system, resulting in increases in user charges, as well as continued diligence in water and sewer revenue collection. Business-type expenses increased primarily due to operational increases and the first year of interest payments for the Northwest Plant expansion and Reverse Osmosis Treatment. This increase is also the result of 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 helpful in assessing the County's financing requirements. In particular, the fund balance available for appropriation may serve as a valuable 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 \$285.4 million, which is a decrease of \$19.1 million compared to the prior year. Approximately \$58.7 million of the total fund balance is restricted by state stabilization or other restrictions, and approximately \$226.7 million is unrestricted. Of the unrestricted fund balance at June 30, 2024, \$0.2 million was committed for a legally budgeted tax revaluation, \$97.9 million, or approximately 43.2 percent, was committed for education and county capital projects, \$0.1 million was nonspendable for prepaid expenditures and lease receivables, \$8.1 million was assigned as designated for future projects and \$10.7 million was assigned for subsequent year expenditures leaving \$109.7 million of unassigned fund balance. The unassigned fund balance at approximately 38.5 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 \$112.4 million, while the total fund balance for the general fund increased from \$150.4 million to \$151.1 million, mainly due to increased ad valorem tax collections, local option sales taxes and other revenues tied to economic growth in the County. Amounts in the General Fund balance assigned for subsequent year's expenditures totaled \$10.7 million, and assigned for future projects totaled \$8.1 million. The restricted general fund balance was \$16.3 million for stabilization by state statute and \$3.4 million for other restrictions related to health and wellness, public safety, 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. The unassigned general fund balance represents 39.2% of total general fund expenditures before transfers for capital projects, while the total general fund balance represents 52.7% of that same amount.

The County Capital Project Fund balance decreased by \$0.6 million due to planned capital project expenditures offset slightly by transfers from the General Fund. The Education Capital Project Fund balance decreased by \$27.0 million, mainly due to the planned capital project expenditures associated with the \$152 million bond referendum debt and the use of capital reserves. The Non-Major Governmental Funds balance increased by \$7.8 million due to American Rescue Plan Act funds earned and the receipt of National Opioid Settlement funds. A prior period adjustment in the National Opioid Settlement Fund resulted in the reporting of a \$1,752,494 increase to the beginning fund balance. See note 17 Change in Accounting Principle for further discussion of this prior period adjustment. In addition, the change in accounting principle caused the Opioid Settlement Special Revenue Fund to report an excess of revenues over expenditures of \$5,512,349 for the fiscal year, which caused an increase in fund balance of 208.9%.

**Enterprise Funds.** The Water Fund's net position increased by \$35.6 million to \$250.7 million. The Wastewater Fund's net position increased by \$66.4 million to \$296.6 million. The increases in the net

position of the enterprise funds are from growth in the customer base, a prior merger with the Town of Shallotte’s water system, 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 \$13.5 million. Most of the increase was comprised of a \$2.7 million increase in ad valorem taxes, \$0.6 million in local option sales taxes, a \$4.3 million increase in intergovernmental revenues, and \$2.7 million for other taxes and licenses. Total actual revenues exceeded amended budgeted amounts by \$17.8 million. Total actual expenditures were \$27.6 million less than amended budgeted amounts, most of which relate to expenditures lower than budgeted in public safety, central services, and human services.

**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 the Water and Wastewater Funds at the end of the year totaled \$121.9 million. The primary factor affecting this was a net increase of \$84.0 million in the County’s capital assets, which included capital contributions of \$56.9 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, 2024, amounts to \$840.7 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, systems, improvements, machinery, and equipment.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 17,198,908	\$ 16,873,908	\$ 5,759,296	\$ 2,927,412	\$ 22,958,204	\$ 19,801,320
Construction in progress	4,675,948	655,994	156,521,048	140,555,926	161,196,996	141,211,920
RTU SBITA implementation in progress	-	52,160	-	-	-	52,160
Operating plants, buildings & improvements	117,417,203	120,172,543	120,225,594	126,707,766	237,642,797	246,880,309
Equipment and vehicles	17,435,552	12,427,393	32,925,474	23,842,802	50,361,026	36,270,195
Distribution and collection systems	-	-	364,255,024	302,030,032	364,255,024	302,030,032
RTU leased operating plants & buildings	212,199	289,959	2,075,287	1,695,411	2,287,486	1,985,370
RTU leased equipment	234,603	333,765	30,258	29,107	264,861	362,872
RTU SBITA	1,743,324	2,274,781	20,769	55,256	1,764,093	2,330,037
Total capital assets, net	<u>\$158,917,737</u>	<u>\$153,080,503</u>	<u>\$681,812,750</u>	<u>\$597,843,712</u>	<u>\$840,730,487</u>	<u>\$750,924,215</u>

Significant capital asset transactions for governmental activities during the fiscal year include construction in progress for the Ash Waccamaw Multiuse Building, public safety equipment and vehicles, and the acquisition of a building for use as an additional county office and storage.

Significant capital asset transactions for Business-type activities during the fiscal year include the construction in progress for the Northwest water plant expansion with low-pressure reverse osmosis treatment, water mains projects, the expansion of the West Brunswick wastewater system, transmission expansion, and other water and sewer main construction projects.

Additional information on Brunswick County’s capital assets including the County’s intangible right to use assets (RTUs) and subscription based information technology arrangements (SBITAs) can be found in Note 4 on pages 52-54 of this report. Leases and SBITAs are also discussed in the related 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 \$118.3 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	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$116,505,000	\$123,765,000	\$ 1,760,000	\$ 1,975,000	\$118,265,000	\$125,740,000
Limited obligation bonds	12,515,000	15,215,000	-	-	12,515,000	15,215,000
Bond premiums	12,932,242	13,733,098	25,158,173	26,007,592	38,090,415	39,740,690
Installment purchases & revolving loans	-	-	5,215,940	7,459,761	5,215,940	7,459,761
Revenue bonds	-	-	278,075,000	267,625,000	278,075,000	267,625,000
Leases	458,301	630,761	2,188,736	1,727,203	2,647,037	2,357,964
SBITA	1,749,160	2,259,204	53,140	73,472	1,802,300	2,332,676
Other	<u>207,136,999</u>	<u>193,078,078</u>	<u>28,205,396</u>	<u>25,968,485</u>	<u>235,342,395</u>	<u>219,046,563</u>
Total long-term debt	<u>\$351,296,702</u>	<u>\$348,681,141</u>	<u>\$340,656,385</u>	<u>\$330,836,513</u>	<u>\$691,953,087</u>	<u>\$679,517,654</u>

The Municipal Finance Law of North Carolina determines this legal debt limit, which limits the amount of net bonded debt a County may have outstanding to 8 percent of the appraised value subject to taxation. The legal debt limit is \$4.01 billion. The legal debt margin on June 30, 2024, was \$3.93 billion.

The ratio of debt service expenditures to total governmental expenditures is 4.9%, and to total general fund expenditures is 5.8%. The County's general obligation debt per capita is \$709 as of June 30, 2024. The County’s governmental activities’ gross debt per capita is \$773. It is made up of \$698 per capita of general obligation debt and \$75 per capita in outstanding limited obligation bonds for construction and renovation of various county and education buildings.

The County’s debt had a net increase of \$2.6 million in governmental and \$9.8 million in enterprise funds, for a total increase of \$12.4 million during the current fiscal year. The key factor in this increase was the addition of the series 2023 revenue bonds issued in the enterprise fund. Additional information on Brunswick County’s long-term debt can be found in Note 7 on pages 56-73 of this report.

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

The unemployment rate for Brunswick County is currently 5.0 percent and was 4.6 percent at June 30, 2024, compared to the state's seasonally adjusted unemployment rate of 3.8 percent currently and 3.6 percent at June 30, 2024. Inflationary trends in the region are similar to national indices. Population estimation of 166,866 has grown 41.0 percent in the last 10 years. All of these factors were considered in preparing Brunswick County's budget for the fiscal year 2024-2025.

Over the past ten years, Brunswick County has experienced significant development and population growth. This growth was due to tourism and people relocating to the County.

## **BUDGET HIGHLIGHTS FOR THE FISCAL YEAR 2024-2025**

**Governmental activities.** The county maintained a tax rate of \$0.3420. The last revaluation was for the 2023 levy. Budgeted operating expenditures in the General Fund are expected to increase 8.5 percent to \$286.8 million.

Budgeted expenditures for education are expected to increase by 2.6 percent or approximately \$2.0 million. Education funding includes a current expense appropriation to the Brunswick County School System, representing 36.5 percent of the Ad Valorem tax base, excluding any amount needed for annual general government debt service. The School System funds most 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 2025 budget includes a fund balance appropriation in the general fund of \$6.7 million net of the \$1.3 million in escrow funds held for the Holden Beach sound nourishment project. The fiscal year 2024 included a fund balance appropriation in the general fund of \$4.9 million, net of the Holden Beach sound nourishment project. This is an increase over the prior year's appropriation of \$1.8 million. The County appropriates fund balance each year to assist in meeting the capital outlay needs but strives 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 30.6 percent due to the current fiscal year-end merger with the City of Southport, commercial and residential growth in new services, and to cover increased costs associated with personnel, operation, capital outlay, and debt service. The planned funding of capital projects is also a significant factor in this increase.

## **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 Finance Director, 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, 2024

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units Total
<b>Assets:</b>				
Cash and cash equivalents/investments	\$ 261,974,324	\$ 142,756,773	\$ 404,731,097	\$ 5,047,477
Receivables, net	5,603,649	15,803,833	21,407,482	1,750,597
Other governmental agencies	12,929,312	2,124,054	15,053,366	-
Inventories	-	3,702,489	3,702,489	895,027
Prepaid items	64,000	-	64,000	39,779
Restricted assets:				
Restricted cash and investments	40,322,743	64,988,902	105,311,645	22,310
Restricted opioid receivables, net	13,458,994	-	13,458,994	-
Restricted net pension asset	295,162	-	295,162	-
Capital assets:				
Non-depreciable capital assets	21,874,856	162,280,344	184,155,200	-
Depreciable capital assets, net	134,852,755	517,406,092	652,258,847	33,796,717
Right to use leased asset, net of amortization	446,802	2,105,545	2,552,347	59,309
Right to use SBITA asset, net of amortization	1,743,324	20,769	1,764,093	-
Total capital assets	158,917,737	681,812,750	840,730,487	33,856,026
Total assets	493,565,921	911,188,801	1,404,754,722	41,611,216
<b>Deferred Outflows of Resources:</b>	53,285,126	7,087,648	60,372,774	387,274
<b>Liabilities:</b>				
Accounts payable and other liabilities	\$ 11,806,203	\$ 14,654,218	\$ 26,460,421	\$ 1,164,469
Advance from grantor	21,707,679	1,945,485	23,653,164	-
Accrued interest payable	1,932,117	3,103,869	5,035,986	-
Liabilities to be paid from restricted assets	-	2,925,688	2,925,688	22,310
Long-term liabilities:				
Due within one year	14,942,705	15,760,676	30,703,381	98,573
Due beyond one year	143,843,443	297,564,444	441,407,887	1,237,838
Total pension liability - LEOSSA	8,998,240	-	8,998,240	-
Total pension liability - DOSSA	172,589	-	172,589	-
Net pension liability - LGERS	53,674,304	6,544,190	60,218,494	368,840
Total OPEB liability	129,665,421	20,787,075	150,452,496	112,851
Total liabilities	386,742,701	363,285,645	750,028,346	3,004,881
<b>Deferred Inflows of Resources:</b>	36,979,070	7,644,546	44,623,616	1,155,627
<b>Net Position:</b>				
Net investment in capital assets	143,461,084	425,495,806	568,956,890	32,393,394
Restricted for:				
Stabilization by State Statute	16,366,999	-	16,366,999	745,766
General Government Interlocal Agreement	1,291,560	-	1,291,560	-
Human Services	6,987,274	-	6,987,274	-
Public Safety	1,324,788	-	1,324,788	-
Register of Deeds Automation	1,255,986	-	1,255,986	-
Register of Deeds Pension Plan	456,390	-	456,390	-
Tourism Promotion	-	-	-	1,574,933
Working Capital	-	-	-	186,482
Unrestricted	(48,014,805)	121,850,452	73,835,647	2,937,407
Total net position	\$ 123,129,276	\$ 547,346,258	\$ 670,475,534	\$ 37,837,982

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, 2024

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Government Activities:</b>				
General government	\$ 20,384,692	\$ 2,274,781	\$ 8,383,859	\$ 4,054,238
Public safety	71,775,691	21,563,413	1,502,352	238,722
Central services	23,488,148	-	100,485	-
Human services	31,477,908	1,165,757	18,064,509	-
Transportation	750,683	-	130,581	318,551
Environmental protection	25,606,324	8,053,520	14,614	-
Cultural and recreation	13,402,147	325,873	244,870	-
Economic and physical development	29,900,624	1,128,833	1,459,793	-
Education	104,347,082	-	-	-
Interest on long-term debt	5,042,280	-	-	-
Total governmental activities	<u>326,175,579</u>	<u>34,512,177</u>	<u>29,901,063</u>	<u>4,611,511</u>
<b>Business-type Activities:</b>				
Water	38,221,617	49,490,152	-	19,061,933
Wastewater	<u>27,658,240</u>	<u>54,457,577</u>	<u>-</u>	<u>37,833,178</u>
Total business-type activities	<u>65,879,857</u>	<u>103,947,729</u>	<u>-</u>	<u>56,895,111</u>
Total primary government	<u>\$ 392,055,436</u>	<u>\$ 138,459,906</u>	<u>\$ 29,901,063</u>	<u>\$ 61,506,622</u>
Discretely presented component units	<u>\$ 12,430,933</u>	<u>\$ 8,801,783</u>	<u>\$ -</u>	<u>\$ 292,059</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, 2024

Function/Programs	Net (Expense) Revenue and Changes in Net Position			Component Units
	Primary Government		Total	
	Governmental Activities	Business-type Activities		Total
<b>Primary Government:</b>				
<b>Government Activities:</b>				
General government	\$ (5,671,814)	\$ -	\$ (5,671,814)	
Public safety	(48,471,204)	-	(48,471,204)	
Central services	(23,387,663)	-	(23,387,663)	
Human services	(12,247,642)	-	(12,247,642)	
Transportation	(301,551)	-	(301,551)	
Environmental protection	(17,538,190)	-	(17,538,190)	
Cultural and recreation	(12,831,404)	-	(12,831,404)	
Economic and physical development	(27,311,998)	-	(27,311,998)	
Education	(104,347,082)	-	(104,347,082)	
Interest on long-term debt	(5,042,280)	-	(5,042,280)	
Total governmental activities	<u>(257,150,828)</u>	<u>-</u>	<u>(257,150,828)</u>	
<b>Business-type Activities:</b>				
Water	-	30,330,468	30,330,468	
Wastewater	-	64,632,515	64,632,515	
Total business-type activities	<u>-</u>	<u>94,962,983</u>	<u>94,962,983</u>	
Total primary government	<u>(257,150,828)</u>	<u>94,962,983</u>	<u>(162,187,845)</u>	
Discretely presented component units				<u>\$ (3,337,091)</u>
<b>General Revenues:</b>				
Ad valorem taxes	174,348,859	-	174,348,859	-
Local option sales taxes	47,800,383	-	47,800,383	-
Deed stamp excise and other taxes	11,840,196	-	11,840,196	3,299,153
Investment earnings	11,284,059	7,062,170	18,346,229	110,777
Total general revenues	<u>245,273,497</u>	<u>7,062,170</u>	<u>252,335,667</u>	<u>3,409,930</u>
Change in net position	<u>(11,877,331)</u>	<u>102,025,153</u>	<u>90,147,822</u>	<u>72,839</u>
<b>Net position, beginning of year</b>	<u>117,163,991</u>	<u>445,321,105</u>	<u>562,485,096</u>	<u>38,279,791</u>
<b>Restatement</b>	<u>17,842,616</u>	<u>-</u>	<u>17,842,616</u>	<u>(514,648)</u>
<b>Net position, beginning, as restated</b>	<u>135,006,607</u>	<u>445,321,105</u>	<u>580,327,712</u>	<u>37,765,143</u>
<b>Net position, end of year</b>	<u>\$ 123,129,276</u>	<u>\$ 547,346,258</u>	<u>\$ 670,475,534</u>	<u>\$ 37,837,982</u>

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	Major Funds				
	General	County Capital Project	Education Capital Project	Non Major Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents/investments	\$ 144,172,390	\$81,571,418	\$34,188,681	\$ 2,041,835	\$ 261,974,324
Restricted cash and investments	1,533,273	-	31,409,333	7,380,137	40,322,743
Interest receivable	73,830	33,226	14,665	3,397	125,118
Taxes receivable - net	1,170,272	-	-	-	1,170,272
Receivables - net	4,266,876	-	-	-	4,266,876
Restricted opioid receivables, net	-	-	-	13,458,994	13,458,994
Other governmental agencies	12,394,327	52,903	389,724	92,358	12,929,312
Due from other funds	8,148	-	1,907,940	-	1,916,088
Lease receivable	41,383	-	-	-	41,383
Prepaid expenditures	64,000	-	-	-	64,000
Total assets	<u>\$ 163,724,499</u>	<u>\$81,657,547</u>	<u>\$67,910,343</u>	<u>\$22,976,721</u>	<u>\$ 336,269,110</u>
<b>Liabilities:</b>					
Accounts payable and other liabilities	\$ 8,744,206	\$ 1,025,885	\$ 1,972,222	\$ 63,890	\$ 11,806,203
Due to other funds	1,907,940	8,148	-	-	1,916,088
Advance from grantor	-	17,228,010	-	4,479,669	21,707,679
Total liabilities	<u>10,652,146</u>	<u>18,262,043</u>	<u>1,972,222</u>	<u>4,543,559</u>	<u>35,429,970</u>
<b>Deferred Inflows of Resources:</b>	<u>1,987,346</u>	<u>-</u>	<u>-</u>	<u>13,458,994</u>	<u>15,446,340</u>
<b>Fund Balances:</b>					
Nonspendable	105,383	-	-	-	105,383
Restricted:					
Restricted - Stabilization by State Statute	16,271,244	-	-	95,755	16,366,999
Restricted - other	3,356,600	-	31,409,333	7,530,155	42,296,088
Committed	214,566	63,395,504	34,528,788	-	98,138,858
Assigned	18,748,692	-	-	-	18,748,692
Unassigned	112,388,522	-	-	(2,651,742)	109,736,780
Total fund balances	<u>151,085,007</u>	<u>63,395,504</u>	<u>65,938,121</u>	<u>4,974,168</u>	<u>285,392,800</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 163,724,499</u>	<u>\$81,657,547</u>	<u>\$67,910,343</u>	<u>\$22,976,721</u>	<u>\$ 336,269,110</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, 2024

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)	\$ 285,392,800
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	156,727,611
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	446,802
SBITA assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,743,324
Net pension asset	295,162
LGERS and ROD deferrals are deferred outflows of resources on the Statement of Net Position	32,239,653
LEOSSA deferrals are deferred outflows of resources on the Statement of Net Position	2,108,935
DOSSA deferrals are deferred outflows of resources on the Statement of Net Position	7,451
OPEB deferrals are deferred outflows of resources on the Statement of Net Position	18,929,087
Accrual of interest payable for debt does not require the use of current financial resources and, therefore, is not reported in the funds	(1,932,117)
Net pension liability - LGERS	(53,674,304)
Total pension liability - LEOSSA	(8,998,240)
Total pension liability - DOSSA	(172,589)
Total OPEB liability	(129,665,421)
Other assets are not available to pay for current period expenditures and, therefore, are deferred inflows	15,060,142
LGERS and ROD pension related deferrals	(35,295)
LEOSSA pension related deferrals	(1,413,075)
DOSSA pension related deferrals	(21,976)
OPEB related deferrals	(35,122,526)
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(158,786,148)</u>
Net position reported as governmental activities	<u>\$ 123,129,276</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, 2024

	Major Funds				Total Governmental Funds
	General	County Capital Project	Education Capital Project	Non Major Governmental Funds	
<b>Revenues:</b>					
Ad valorem taxes	\$ 174,202,755	\$ -	\$ -	\$ -	\$ 174,202,755
Local option sales taxes	47,800,383	-	-	-	47,800,383
Other taxes and licenses	11,840,196	-	-	-	11,840,196
Unrestricted intergovernmental revenues	7,994,559	-	-	-	7,994,559
Restricted intergovernmental revenues	19,438,159	318,551	-	6,350,665	26,107,375
Permits and fees	10,244,437	-	-	175,967	10,420,404
Sales and services	20,365,567	-	-	-	20,365,567
Opioid settlement funds	-	-	-	3,735,932	3,735,932
Investment earnings	5,838,755	2,606,586	2,556,856	281,862	11,284,059
Other	3,018,141	-	-	-	3,018,141
<b>Total revenues</b>	<b>300,742,952</b>	<b>2,925,137</b>	<b>2,556,856</b>	<b>10,544,426</b>	<b>316,769,371</b>
<b>Expenditures:</b>					
General government	18,135,219	26,472	-	495,335	18,657,026
Public safety	68,409,253	9,368	-	1,419,549	69,838,170
Central services	24,235,135	-	-	-	24,235,135
Human services	36,210,376	-	-	381,815	36,592,191
Transportation	291,581	459,102	-	-	750,683
Environmental protection	24,627,728	452,725	-	-	25,080,453
Culture and recreation	6,675,739	4,378,111	-	55,339	11,109,189
Economic and physical development	30,148,064	-	-	-	30,148,064
Education	61,388,985	-	42,276,272	-	103,665,257
<b>Debt Service:</b>					
Principal retirement	11,392,941	-	-	40,581	11,433,522
Interest and fiscal charges	5,190,376	-	-	2,390	5,192,766
<b>Total expenditures</b>	<b>286,705,397</b>	<b>5,325,778</b>	<b>42,276,272</b>	<b>2,395,009</b>	<b>336,702,456</b>
<b>Revenues over (under) expenditures</b>	<b>14,037,555</b>	<b>(2,400,641)</b>	<b>(39,719,416)</b>	<b>8,149,417</b>	<b>(19,933,085)</b>
<b>Other Financing Sources (Uses):</b>					
Lease liabilities issued	171,875	-	-	-	171,875
SBITA liabilities issued	625,061	-	-	-	625,061
Transfers from other funds	487,279	1,816,686	12,765,137	94,536	15,163,638
Transfers to other funds	(14,676,359)	-	-	(487,279)	(15,163,638)
<b>Total other financing sources (uses)</b>	<b>(13,392,144)</b>	<b>1,816,686</b>	<b>12,765,137</b>	<b>(392,743)</b>	<b>796,936</b>
<b>Net change in fund balance</b>	<b>645,411</b>	<b>(583,955)</b>	<b>(26,954,279)</b>	<b>7,756,674</b>	<b>(19,136,149)</b>
<b>Fund balance, beginning of year</b>	<b>150,439,596</b>	<b>63,979,459</b>	<b>92,892,400</b>	<b>(4,535,000)</b>	<b>302,776,455</b>
<b>Restatement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,752,494</b>	<b>1,752,494</b>
<b>Fund balance, beginning, as restated</b>	<b>150,439,596</b>	<b>63,979,459</b>	<b>92,892,400</b>	<b>(2,782,506)</b>	<b>304,528,949</b>
<b>Fund balance, end of year</b>	<b>\$ 151,085,007</b>	<b>\$ 63,395,504</b>	<b>\$ 65,938,121</b>	<b>\$ 4,974,168</b>	<b>\$ 285,392,800</b>

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, 2024

Net change in fund balances - total governmental funds (Exhibit D1)	\$ (19,136,149)
<p>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:</p>	
Property taxes	146,104
Emergency services revenues	25,093
National Opioid Settlement revenues receivable	(2,631,128)
Public Health revenues	(11,192)
Expenses related to other post-employment benefits, compensated absences, law enforcement officers separation allowance, and pension expense that do not require current financial resources are not reported as expenditures in the governmental fund statement.	(20,952,204)
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.	18,459,955
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.	9,313,678
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the statement of net position	142,313
Contributions and pension administration costs for OPEB are deferred outflows of resources on the statement of net position	4,096,453
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.	(167,302)
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.	(90)
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.	(12,449,411)
Amortization of bond premium.	800,856
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.	11,433,522
Change in closure/post closure liability estimate. Expenses are reported as incurred in the funds.	(301,379)
Change in interest payable for governmental activity long-term debt. Interest expense is recorded as incurred in the fund statements.	150,486
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>(796,936)</u>
Change in net position of governmental activities per Exhibit B	<u>\$ (11,877,331)</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, 2024

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Ad valorem taxes	\$ 166,709,460	\$ 169,429,283	\$ 174,202,755	\$ 4,773,472
Local option sales taxes	45,087,120	45,662,215	47,800,383	2,138,168
Other taxes and licenses	8,300,000	11,000,000	11,840,196	840,196
Unrestricted intergovernmental revenues	2,680,050	3,365,348	7,994,559	4,629,211
Restricted intergovernmental revenues	18,977,418	22,601,512	19,438,159	(3,163,353)
Permits and fees	6,818,310	7,988,993	10,244,437	2,255,444
Sales and services	16,991,043	18,099,108	20,365,567	2,266,459
Investment earnings	2,644,355	2,866,624	5,838,755	2,972,131
Other	1,288,871	1,970,214	3,018,141	1,047,927
Total revenues	<u>269,496,627</u>	<u>282,983,297</u>	<u>300,742,952</u>	<u>17,759,655</u>
<b>Expenditures:</b>				
General government	18,219,349	20,315,403	18,135,219	2,180,184
Central services	24,406,003	29,738,936	24,235,135	5,503,801
Public safety	68,444,798	76,262,603	68,409,253	7,853,350
Transportation	161,000	291,581	291,581	-
Environmental protection	23,757,200	25,260,215	24,627,728	632,487
Economic and physical development	9,994,213	32,653,093	30,148,064	2,505,029
Human services	36,492,121	42,162,035	36,210,376	5,951,659
Education	61,388,647	61,447,797	61,388,985	58,812
Culture and recreation	6,487,519	9,571,856	6,675,739	2,896,117
<b>Debt Service:</b>				
Principal retirement	9,960,001	11,392,949	11,392,941	8
Interest and fiscal charges	5,133,266	5,195,040	5,190,376	4,664
Total expenditures	<u>264,444,117</u>	<u>314,291,508</u>	<u>286,705,397</u>	<u>27,586,111</u>
Revenues over (under) expenditures	<u>5,052,510</u>	<u>(31,308,211)</u>	<u>14,037,555</u>	<u>45,345,766</u>
<b>Other Financing Sources (Uses):</b>				
Lease liabilities issued	-	186,879	171,875	(15,004)
SBITA liabilities issued	-	730,483	625,061	(105,422)
Transfers from other funds	-	437,279	487,279	50,000
Transfers to other funds	(11,286,608)	(14,676,361)	(14,676,359)	2
Appropriated fund balance	6,234,098	44,629,931	-	(44,629,931)
Total other financing sources (uses)	<u>(5,052,510)</u>	<u>31,308,211</u>	<u>(13,392,144)</u>	<u>(44,700,355)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	645,411	<u>\$ 645,411</u>
<b>Fund balance, beginning of year</b>			<u>150,439,596</u>	
<b>Fund balance, end of year</b>			<u>\$ 151,085,007</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, 2024

	Business-type Activities		
	Major Enterprise Funds		
	Water	Wastewater	Total
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash and cash equivalents/investments	\$ 76,865,061	\$ 65,891,712	\$ 142,756,773
Restricted cash and investments	44,390,507	20,598,395	64,988,902
Interest receivable	36,125	26,904	63,029
Receivables and special assessments, net	7,029,130	6,860,426	13,889,556
Current portion of lease receivable	209,148	-	209,148
Other governmental agencies	801,537	1,322,517	2,124,054
Inventories	3,351,620	350,869	3,702,489
Total current assets	<u>132,683,128</u>	<u>95,050,823</u>	<u>227,733,951</u>
<b>Non-Current Assets:</b>			
Lease receivable	1,642,100	-	1,642,100
Non-depreciable capital assets	139,201,007	23,079,337	162,280,344
Depreciable capital assets, net	211,756,701	305,649,391	517,406,092
Right to use lease assets, net of amortization	2,105,545	-	2,105,545
Right to use SBITA assets, net of amortization	19,609	1,160	20,769
Total non-current assets	<u>354,724,962</u>	<u>328,729,888</u>	<u>683,454,850</u>
Total assets	<u>487,408,090</u>	<u>423,780,711</u>	<u>911,188,801</u>
<b>Deferred Outflows of Resources:</b>	<u>4,552,415</u>	<u>2,535,233</u>	<u>7,087,648</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued liabilities	8,433,482	6,220,736	14,654,218
Accrued interest payable	1,670,210	1,433,659	3,103,869
Current portion of debt	6,246,795	9,513,881	15,760,676
<b>Payable From Restricted Assets:</b>			
Customer Deposits	2,925,688	-	2,925,688
Advance from grantor	1,945,485	-	1,945,485
Total current liabilities	<u>21,221,660</u>	<u>17,168,276</u>	<u>38,389,936</u>
<b>Noncurrent Liabilities:</b>			
Net pension liability	4,226,867	2,317,323	6,544,190
Compensated absences	570,143	271,988	842,131
Total other post employment liability	13,326,903	7,460,172	20,787,075
Long-term debt	196,415,092	100,307,221	296,722,313
Total noncurrent liabilities	<u>214,539,005</u>	<u>110,356,704</u>	<u>324,895,709</u>
Total liabilities	<u>235,760,665</u>	<u>127,524,980</u>	<u>363,285,645</u>
<b>Deferred Inflows of Resources:</b>	<u>5,501,496</u>	<u>2,143,050</u>	<u>7,644,546</u>
<b>Net Position:</b>			
Net investment in capital assets	190,124,111	235,371,695	425,495,806
Unrestricted	60,574,233	61,276,219	121,850,452
Total net position	<u>\$ 250,698,344</u>	<u>\$ 296,647,914</u>	<u>\$ 547,346,258</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, 2024

	Business-type Activities		
	Major Enterprise Funds		
	Water	Wastewater	Total
<b>Operating Revenues:</b>			
User charges	\$ 47,688,525	\$ 48,664,065	\$ 96,352,590
Intergovernmental revenue	574	594,077	594,651
Other	1,801,053	5,199,435	7,000,488
Total operating revenues	<u>49,490,152</u>	<u>54,457,577</u>	<u>103,947,729</u>
<b>Operating Expenses:</b>			
Salaries and employee benefits	12,180,710	5,685,945	17,866,655
Operating expenses	8,614,813	6,055,595	14,670,408
Repairs and maintenance	2,722,439	2,103,321	4,825,760
Depreciation and amortization	7,879,869	9,783,522	17,663,391
Total operating expenses	<u>31,397,831</u>	<u>23,628,383</u>	<u>55,026,214</u>
Operating income (loss)	<u>18,092,321</u>	<u>30,829,194</u>	<u>48,921,515</u>
<b>Non-operating Revenues (Expenses):</b>			
Investment earnings	3,973,412	3,088,758	7,062,170
Interest expense	(6,823,786)	(4,029,857)	(10,853,643)
Total nonoperating revenues (expenses)	<u>(2,850,374)</u>	<u>(941,099)</u>	<u>(3,791,473)</u>
Income before capital contributions	15,241,947	29,888,095	45,130,042
Transfers in (out)	1,300,000	(1,300,000)	-
Capital Contributions	3,832,174	11,717,147	15,549,321
Dedicated service lines	15,229,759	26,116,031	41,345,790
Total transfers and capital contributions	<u>20,361,933</u>	<u>36,533,178</u>	<u>56,895,111</u>
Increase (decrease) in net position	35,603,880	66,421,273	102,025,153
<b>Net position, beginning of year</b>	<u>215,094,464</u>	<u>230,226,641</u>	<u>445,321,105</u>
<b>Net position, end of year</b>	<u>\$ 250,698,344</u>	<u>\$ 296,647,914</u>	<u>\$ 547,346,258</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, 2024

	Business-type Activities		
	Major Enterprise Funds		
	Water	Wastewater	Total
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers	\$ 47,603,269	\$ 50,476,636	\$ 98,079,905
Payments to suppliers for goods and services	(12,948,071)	(4,130,234)	(17,078,305)
Payments to or on behalf of employees	(10,580,089)	(5,830,420)	(16,410,509)
Net cash provided by (used in) operating activities	<u>24,075,109</u>	<u>40,515,982</u>	<u>64,591,091</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Transfers in (out)	1,300,000	(1,300,000)	-
Intergovernmental revenues	37,418	-	37,418
Net cash provided (used) by noncapital financing activities	<u>1,337,418</u>	<u>(1,300,000)</u>	<u>37,418</u>
<b>Net Cash From Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(22,505,850)	(23,260,948)	(45,766,798)
Subscription asset implementation fee paid	(1,500)	-	(1,500)
Interest paid	(6,886,206)	(3,444,697)	(10,330,903)
Proceeds from issuance of long-term debt	-	21,835,000	21,835,000
Premium	-	682,529	682,529
Principal payments on long-term debt	(5,191,639)	(8,753,735)	(13,945,374)
Net cash provided (used) in capital and related financing activities	<u>(34,585,195)</u>	<u>(12,941,851)</u>	<u>(47,527,046)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest on investments	<u>4,043,436</u>	<u>3,135,658</u>	<u>7,179,094</u>
Net increase (decrease) in cash and cash equivalents	(5,129,232)	29,409,789	24,280,557
Cash and cash equivalents, beginning of year	<u>126,384,800</u>	<u>57,080,318</u>	<u>183,465,118</u>
Cash and cash equivalents, end of year	<u>\$ 121,255,568</u>	<u>\$ 86,490,107</u>	<u>\$ 207,745,675</u>
<b>Reconciliation of Operating Income (Loss) to</b>			
<b>Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 18,092,321	\$ 30,829,194	\$ 48,921,515
<b>Adjustment to reconcile operating income (loss)</b>			
<b>to net cash provided (used) by operating activities:</b>			
Depreciation and amortization	7,879,869	9,783,522	17,663,391
Loss on disposal of capital assets	41,786	-	41,786
<b>Changes in Assets and Liabilities:</b>			
(Increase) decrease in accounts receivable	(2,199,764)	(3,980,941)	(6,180,705)
(Increase) decrease in sales tax refund receivable	162,956	(970,139)	(807,183)
(Increase) decrease in inventories	(1,428,635)	(85,066)	(1,513,701)

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, 2024

	Business-type Activities		
	Major Enterprise Funds		
	Water	Wastewater	Total
<b>Changes in Assets and Liabilities (continued):</b>			
(Increase) decrease in prepaids	4,489	2,973	7,462
(Increase) decrease in lease receivables	201,960	-	201,960
Increase (decrease) in accounts payable/accrued expenses	(338,468)	5,089,943	4,751,475
(Increase) decrease in deferred outflows of resources for pensions	(232,017)	(128,009)	(360,026)
(Increase) decrease in pension liability	720,750	397,655	1,118,405
(Increase) decrease in deferred inflows of resources for pensions	(18,690)	(10,312)	(29,002)
(Increase) decrease in deferred outflows of resources - OPEB	289,262	325,125	614,387
(Increase) decrease in net OPEB liability	1,243,109	(186,579)	1,056,530
(Increase) decrease in deferred inflows of resources - OPEB	(454,740)	(551,384)	(1,006,124)
(Increase) decrease in deferred inflows of resources - leases	(217,476)	-	(217,476)
Increase (decrease) in customer deposits	328,397	-	328,397
Net cash provided by (used in) operating activities	<u>\$ 24,075,109</u>	<u>\$ 40,515,982</u>	<u>\$ 64,591,091</u>
<b>Supplemental Disclosures of Noncash Transactions</b>			
Dedicated service lines	\$ 15,229,759	\$ 26,116,031	\$ 41,345,790
Capital contributions	3,832,174	11,717,147	15,549,321
Right to use leased asset, in exchange for lease liability	521,028	-	521,028

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, 2024

	<u>Custodial Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 262,921
Interest receivable for other governments	1,041
Receivable for other governments, net	<u>868,137</u>
Total assets	<u>1,132,099</u>
<b>Liabilities:</b>	
Accounts payable and accrued liabilities	574,821
Due to other governments	<u>226,658</u>
Total liabilities	<u>801,479</u>
<b>Net position:</b>	
Restricted for:	
Indiviudals, organization, and other governments	<u>330,620</u>
Total net position	<u>\$ 330,620</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, 2024

	<u>Custodial Funds</u>
<b>Additions:</b>	
Collections for other governments	\$ 80,756,794
Collections on behalf of inmates	<u>439,795</u>
Total additions	<u>81,196,589</u>
<b>Deductions:</b>	
Distributions to other governments	80,805,797
Payments on behalf of inmates	<u>448,921</u>
Total deductions	<u>81,254,718</u>
Net increase (decrease) in fiduciary net position	<u>(58,129)</u>
Net position, beginning of year	<u>388,749</u>
Net position, end of year	<u>\$ 330,620</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, 2024**

**Notes to Financial Statements - Contents**

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# COUNTY OF BRUNSWICK, NORTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

### 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 166,886, 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 the members of the Brunswick County Board of Alcoholic Control ("ABC Board") governing board. In addition, the ABC Board is required by State statute to distribute its surpluses to the county's General Fund. The ABC Board has a June 30 year-end and is presented as a proprietary fund.

Complete Brunswick County ABC Board financial statements 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 Brunswick County Tourism Development Authority financial statements may be obtained at their administrative offices at 712 Village Rd SW, Shallotte, North Carolina 28470.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

The County participates in the Brunswick County Airport Commission (“Airport”) with the municipalities adjoining the airport. The County appoints four members of the seven-member board. Appropriations to the Airport totaled \$111,000 for the fiscal year ended June 30, 2024. The Airport, which has a June 30 year-end, is presented as a business-type fund.

Complete Brunswick County Airport Commission financial statements 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, 2024, there were no appropriations made by 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 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 Brunswick County Leasing Corporation’s (“Corporation”) governing board members are appointed by the County and include 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 statements 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, it is not presented in the government-wide financial statements.

#### **C. Summary of Significant Account Policies**

##### **Basis of Reporting**

The accounting policies of Brunswick County and its component units, as reflected in the financial statements for the year ended June 30, 2024, conform to generally accepted accounting principles applicable to governments.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### Basis of Presentation – Government-wide and Fund Financial Statements

**Government-wide Statements** - The statement of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include all the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities except for interfund services provided and used, which are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically 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, (b) grants and contributions that are restricted to meeting the operational requirements of a particular program, or (c) capital grants and contributions that 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. Fund financial statements emphasize 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 County's general operating fund. It accounts 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.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

**Education Capital Project Fund** – This fund accounts for the additions and improvements to Brunswick County Public Schools and Brunswick Community College, financed by general fund transfers, bond proceeds, and financing agreements.

**County Capital Project Fund** – This fund accounts for the additions and improvements of major County facilities, financed by general fund transfers, bond proceeds, and financing agreements.

The County reports the following major enterprise funds:

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

**Wastewater Fund** – This fund accounts for the County’s wastewater operations and includes activity from the Wastewater Capital Project Fund. The Wastewater Capital Project Fund accounts for additions and improvements to major wastewater facilities, 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 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 the County collects 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,

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

and expenses are recorded when liabilities are incurred, regardless of when the related cash flows occur. 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 when all eligibility requirements are satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods connected to 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 an 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 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 current

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

year's operations. 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 apply to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013, and for limited registration plates are shown as receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues, sales, and services are not susceptible to accrual because, generally, they are not measurable until received in cash. All taxes, including those dedicated to 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 first to 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 and ARPA 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, 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 the 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, the appropriated fund balance increased in the General Fund by \$38,395,833. This was largely the result of prior year commitments rolled into the current fiscal year, ARP enabled county-funded projects, the purchase of land to be used in economic development, and the funding of 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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)(8)] authorizes the County and each of its discretely presented component units to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high-quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust ("NCCMT"), an SEC-registered (2a-7) government money market mutual fund.

The investments of the County and its discretely presented component units that have a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices.

The North Carolina Capital Management Trust (NCCMT) Government Portfolio is an SEC-registered money market mutual fund certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. It is a 2a7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAM by S&P and AAA-mf by Moody's Investor Services and 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 the 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. It is to be used for the sole purpose of making an appropriation and any actual payment for the Holden Beach Special Obligation Bonds. The U.S. Department of Housing and Urban Development restricts Housing Assistance Payments Net Restricted Assets held by the County. 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. The amount of unspent resources obtained from the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. In addition to the restricted cash shown below, opioid receivables, net, of \$13,458,994 related to the settlement, are also reported as restricted assets. 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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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
	Reserve for Debt Service		1,318,707
Education Capital Project Fund	Unexpended Debt Proceeds		31,409,333
Special Revenue Funds	American Rescue Plan Proceeds		1,869,800
	Opioid Settlement Proceeds		5,510,337
	Total Governmental Activities	\$	40,322,743
Business-Type Activities			
Water Fund	Unexpended Debt Proceeds	\$	39,678,404
	Reserve for Debt Service		1,786,415
	Customer Deposits		2,925,688
Sewer Fund	Unexpended Debt Proceeds		16,455,641
	Reserve for Debt Service		4,142,754
	Total Business-type Activities	\$	64,988,902
Total Restricted Cash		\$	105,311,645

**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 written off in prior years. While this is the first year that the County reports a receivable for the amount to be received related to the Opioid Settlement, the County has estimated an allowance for uncollectible accounts even in the absence of historical data to serve as the basis of the calculation. The County believes this is prudent given the term over which these amounts are to be paid and the possibility that corporations party to the settlement may experience bankruptcy or going concern issues. Considering the factors of each settlement, the initial allowance estimate has been established as 30% of the outstanding receivable balance.

**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.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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

Amounts reported at June 30, 2024 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 County, ABC Board, and Airport Commission inventories are valued at cost (first-in, first-out), approximating the market. The inventory of the County's Enterprise Funds and those of the ABC Board and Airport Commission consists of materials and supplies held for consumption. The inventory cost carried in the County's Enterprise Funds and that of the ABC Board and the Airport Commission is recorded as an expense as it is consumed.

**Prepaid Items**

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

**Capital Assets**

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

Capital assets of the County are recorded at the 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 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 their estimated useful lives. The county reports these assets net of accumulated depreciation in its basic financial statements.

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 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 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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 \$1,760,000 water general obligation debt outstanding.

#### **Compensated Absences**

The vacation policy of the County provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. In the event of termination, an employee shall be paid for the annual leave balance to the date of separation. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. Compensated absences are reported in governmental funds only if matured.

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

#### **Opioid Settlement Funds**

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion 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.

The County received \$3,735,932 as part of this settlement in Fiscal Year 2024. 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, 2024, the County has authorized the use of Option A for opioid settlement funds. High-Impact Opioid Abatement Strategies approved include Collaborative Strategic Planning, Recovery Support Services, Recovery Housing Support, and Early Intervention.

The significance of this issue resulted in guidance being provided to state and local governments to help ensure that there was consistency in the accounting and financial reporting of these funds. The guidance provided that because of the restrictions on the use of the funds, revenue should not be recognized until the funds were expended. Because the county only expended \$11,916 in Fiscal Year 2023, the remaining total of \$1,752,464 received remained on hand at June 30, 2023. In such

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

cases, the guidance specified that the cash on hand should be reported as an asset offset by an amount for unearned revenues, which is a liability. The result was that amounts were only presented on the balance sheet of governmental funds and the statement of net position for governmental activities.

As the litigation progressed and more settlements were finalized, the appropriate accounting and financial reporting conclusion also evolved. While there are cases where the appropriate guidance to apply is for government-mandated or voluntary non-exchange transactions, there are other cases where it is appropriate to apply the guidance for exchange and exchange-like transactions.

Essentially, the guidance for nonexchange transactions bases revenue recognition on the unit fulfilling all of the eligibility requirements for the nonexchange transaction. In some cases, the incurrence of expenditures is one of the eligibility requirements. The initial guidance viewed all of the opioid settlements' activity as nonexchange transactions that include the incurrence of qualifying expenditure amounts among their eligibility requirements. Accordingly, the nonexchange transaction guidance was applied to all of the opioid settlements' activity.

A similarity was recognized with the Tobacco Settlement that occurred in the early 2000's. The GASB issued a technical bulletin in 2004 to provide recognition guidance for those revenues. The technical bulletin stated that "tobacco settlement revenues are exchange transactions, based on the notion that the payments are made to the settling states in exchange for their agreement to release the tobacco companies from present and future litigation."

Accordingly, going forward it is no longer appropriate to use a single approach to the accounting and financial reporting of the opioid settlement activity. Instead, it will be necessary to determine whether to apply the guidance for exchange and exchange-like transactions or to apply the guidance for government-mandated or voluntary nonexchange transactions.

In cases where the unit is a party to the litigation and the opioid settlement, the guidance for exchange and exchange-like transactions is appropriate. In a more traditional exchange/exchange-like transaction, the recognition takes place at the point where one party incurs an obligation to pay the other party for goods or services they were provided. In the opioid settlement activity, the time the settlement is finalized is the point at which the company incurs a liability to pay the unit, and the unit has an enforceable claim to receive amounts from the company.

Thus far, the amounts the County has received or will receive qualify as an exchange or exchange-like transaction. Accordingly, it was necessary to record prior period adjustments for the activity that occurred in the prior fiscal year. See note 17, Change in Accounting Principle, for additional information about those adjustments.

In Fiscal Year 2024 the County applied the exchange and exchange-like transactions guidance to these transactions. Accordingly, the cash received during the year of \$3,735,932 was recognized in the Opioid Settlement Special Revenue Fund.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

A reduction in revenue was recognized for Governmental Activities. This amount was calculated as follows:

<b>Accrual Basis of Accounting:</b>		<u>Governmental Activities</u>
County's share of North Carolina's unpaid aggregate settlements through Fiscal Year 2024	\$ 19,110,394	
Less allowance for uncollectible accounts	<u>(5,651,400)</u>	
Opioid Settlement receivable at June 30, 2024		<u>13,458,994</u>
County's share of North Carolina's unpaid aggregate settlements through Fiscal Year 2023	\$ 22,846,326	
Less allowance for uncollectible accounts	<u>(6,756,204)</u>	
Opioid Settlement receivable at June 30, 2023		<u>16,090,122</u>
Reduction to accrual basis revenue recognized in Fiscal Year 2024		<u>(2,631,128)</u>
Modified accrual revenue recognized in Fiscal Year 2024		<u>3,735,932</u>
Accrual basis revenue recognized in Fiscal Year 2024		<u>\$ 1,104,804</u>

**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, \$85,733 for direct administrative costs, \$8,723,615 for restoring pre-pandemic employment above the pre-pandemic baseline, \$1,400,000 for a lead and copper program, \$2,742,733 for the Ocean Isle Beach wastewater treatment plant centralization and rehabilitation project, \$43,944 for the southeast area improvements project, \$93,215 for automated external defibrillators (AEDs), \$55,339 for library public access computers, \$900,000 for EMS ambulances, \$500,000 for Shallotte water meter replacements, and \$700,000 for the Town of Navassa's water system rehabilitation.

ARPA funds reimbursed the appropriate General and Enterprise funds totaling \$2,888,837 were used for premium pay, the Trailwood Drive force main project, direct administrative costs, and the lead and copper program. ARPA expenditures to date also include the Ocean Isle Beach wastewater treatment plant centralization and rehabilitation project, the southeast area improvements project, AEDs in county buildings, library public access computers, and EMS ambulances totaling 3,882,731. Revenue Replacement funds of \$10,000,000 and restoring pre-pandemic employment above the pre-pandemic baseline funds of \$9,223,614 were transferred to the General Fund. Additional

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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General Fund projects include the obligation of \$652,500 for the purchase of ambulances, \$1,093,427 for the lead and copper program, \$1,533,742 for the Ocean Isle Beach Wastewater Treatment Plant centralization and rehabilitation project, \$500,000 for Shallotte water meter replacements, and \$700,000 for the Town of Navassa’s water system rehabilitation. 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 \$64,000 and \$41,383, respectively, for a total of \$105,383. 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)].*	\$ 16,271,244	\$ 95,755	\$ 16,366,999

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

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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	\$ 1,291,560	\$ -	\$ -	\$ 1,291,560
Restricted for Human Services Health Program-portion of fund balance that is restricted by revenue source for health expenditures.	1,410,277	-	-	1,410,277
Restricted for Health Services-portion of fund balance that can only be used to benefit beneficiaries under the Social Services Representative Payee Program.	66,660	-	-	66,660
Restricted for Health Services-portion of fund balance that is restricted by revenue source for opioid abatement and remediation activities	-	-	5,510,337	5,510,337
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.	-	-	763,832	763,832
Restricted for Register of Deeds-portion of fund balance that is restricted by revenue source for technology for the Register of Deeds office.	-	-	1,255,986	1,255,986
Restricted for Education-portion of fund balance that is restricted for debt service issued for Public School Capital needs.	27,147	-	-	27,147
Restricted for Education-portion of fund balance that is restricted by revenue source or unspent debt proceeds for Public School Capital needs.**	-	31,409,333	-	31,409,333
<b>Total restricted fund balance</b>	<u>\$ 3,356,600</u>	<u>\$ 31,409,333</u>	<u>\$ 7,530,155</u>	<u>\$ 42,296,088</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).

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

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**NOTES TO FINANCIAL STATEMENTS  
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similar action is taken to remove or revise the limitation. The 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)	\$ -	\$ 46,781,777	\$ -	\$ 46,781,777
Committed for General Government-portion of fund balance that is restricted for a legally budgeted Tax Revaluation	214,566	-	-	214,566
Committed for Public Safety-portion of fund balance that can only be used for public safety	-	40,632	-	40,632
Committed for Central Services-portion of fund balance that can only be used for central services	-	201,388	-	201,388
Committed for Environmental Protection-portion of fund balance that can only be used for environmental protection (Landfill Closure and Transfer Station)	-	11,498,034	-	11,498,034
Committed for Economic Development-portion of fund balance that can only be used for economic development	-	2,250,000	-	2,250,000
Committed for Culture & Recreation-portion of fund balance that can only be used for culture and recreation (Park Renovations)	-	2,377,798	-	2,377,798
Committed for Transportation-portion of fund balance that can only be used for transportation	-	245,875	-	245,875
Committed for Education-portion of fund balance that can only be used for education	-	-	34,528,788	34,528,788
Total committed fund balance	<u>\$ 214,566</u>	<u>\$ 63,395,504</u>	<u>\$ 34,528,788</u>	<u>\$ 98,138,858</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 an Assigned Fund Balance of \$10,672,793 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 \$8,075,899 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**

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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	\$ 112,388,522	\$ (2,651,742)	\$ 109,736,780

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

	<u>General Fund</u>
Total fund balance	\$151,085,007
Less:	
Nonspendable	(105,383)
Stabilization by State Statute	(16,271,244)
Restricted	(3,356,600)
Committed	(214,566)
Assigned	<u>(18,748,692)</u>
Fund balance remaining	<u>\$112,388,522</u>

Brunswick County has a revenue spending policy that guides programs with multiple revenue sources. The Finance Director 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 Director has the authority to deviate from this policy if it’s in the County’s best interest. 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 the State administers: 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.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

**Inter-fund Transfers**

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

**Other Resources**

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

**Use of Estimates**

Preparing 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, 2024, include the following:

	Reported at <u>Fair Value</u>
Cash on Hand	\$ 20,167
Deposits - NOW, SuperNOW, MMDA and Certificates of Deposit	335,053,717
Investments:	
US Treasury	15,389,811
North Carolina Capital Management Trust	<u>159,841,968</u>
Total	<u>\$ 510,305,663</u>

**A. Deposits**

All of the county's deposits are either insured or collateralized 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 entity's 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

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**NOTES TO FINANCIAL STATEMENTS  
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report to the State Treasurer the adequacy of their pooled collateral, which covers uninsured deposits. The State Treasurer does not confirm this information with the County, its component units, or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County and its component units under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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

At June 30, 2024, the deposits of the County had a reported value of \$335,053,717 and bank balances of \$334,443,229. Of the bank balances, \$11,004,100 was covered by federal depository insurance, and \$323,439,129 was covered by collateral held under the Pooling Method. Cash on hand at June 30, 2024, was \$20,167.

**B. Investments**

As of June 30, 2024, 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>More Than 12 Months</u>
US Treasury	Fair Value-Level 1	\$ 15,389,811	\$ 2,713,382	\$3,859,276	\$8,817,153
NC Capital Management Trust:					
Government Portfolio	Fair Value-Level 1	<u>159,841,968</u>	<u>159,841,968</u>	-	-
Total		<u>\$175,231,779</u>	<u>\$162,555,350</u>	<u>\$3,859,276</u>	<u>\$8,817,153</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 AAAmf 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.

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*Credit Risk.* The County’s investment policy limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County’s investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor’s and AAA-mf by Moody’s Investor Service as of June 30, 2024.

*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, 2024, were as follows:

Governmental activities	National Opioid						
	Accounts	Taxes	Interest	Lease	Settlement	Other	Total
Receivables	\$ 3,358,964	\$ 2,075,120	\$ 125,118	\$ 41,383	\$ 19,110,394	\$ 2,165,011	\$ 26,875,990
Allowance for doubtful accounts	<u>(1,257,099)</u>	<u>(904,848)</u>	-	-	<u>(5,651,400)</u>	-	<u>(7,813,347)</u>
Total governmental activities	<u>\$ 2,101,865</u>	<u>\$ 1,170,272</u>	<u>\$ 125,118</u>	<u>\$ 41,383</u>	<u>\$ 13,458,994</u>	<u>\$ 2,165,011</u>	<u>\$ 19,062,643</u>
Business-type activities							
	Customer Billings	Deposits	Interest	Lease	Special Assessments	Other	Total
Receivables:							
Water	\$ 5,976,098	\$ 16,412	\$ 36,125	\$ 1,851,248	\$ -	\$ 1,140,620	\$ 9,020,503
Wastewater	<u>3,590,538</u>	<u>9,244</u>	<u>26,904</u>	<u>-</u>	<u>205,992</u>	<u>3,196,903</u>	<u>7,029,581</u>
Total receivables	9,566,636	25,656	63,029	1,851,248	205,992	4,337,523	16,050,084
Allowance for doubtful accounts:							
Water	(104,000)	-	-	-	-	-	(104,000)
Wastewater	<u>(82,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,251)</u>	<u>-</u>	<u>(142,251)</u>
Total allowance	(186,000)	-	-	-	(60,251)	-	(246,251)
Total business-type activities	<u>\$ 9,380,636</u>	<u>\$ 25,656</u>	<u>\$ 63,029</u>	<u>\$ 1,851,248</u>	<u>\$ 145,741</u>	<u>\$ 4,337,523</u>	<u>\$ 15,803,833</u>

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Custodial Funds

	Taxes	Interest	Other	Total
Receivables	\$ 1,357,928	\$ 1,041	13,089	\$ 1,372,058
Allowance for doubtful accounts	(502,880)	-	-	(502,880)
Total custodial funds	\$ 855,048	\$ 1,041	\$ 13,089	\$ 869,178

**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 06/30/2024, the value of the lease receivable is \$33,370. 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 06/30/2024 was \$32,426, and the County recognized lease revenue of \$24,890 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 06/30/2024, the value of the lease receivable is \$62,201. 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 06/30/2024 was \$61,070, and the County recognized lease revenue of \$2,655 during the fiscal year. The lessee has five 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 06/30/2024, the value of the lease receivable is \$230,814. 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 06/30/2024 was \$208,137, and the County recognized lease revenue of \$48,973 during the fiscal year. The lessee has one extension option, 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 06/30/2024, the value of the lease receivable is \$508,000. 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 06/30/2024 was \$473,234, and the County recognized lease revenue of \$45,430 during the fiscal year. The lessee has two 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 06/30/2024, the value of the lease receivable is \$669,492. 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 06/30/2024 was \$625,600, and the County recognized lease revenue of \$34,437 during the fiscal year. The lessee has four extension options, each for 60 months.

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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 06/30/2024, the value of the lease receivable is \$141,398. 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 06/30/2024 was \$133,772, and the County recognized lease revenue of \$12,395 during the fiscal year. The lessee has two 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 06/30/2024, the value of the lease receivable is \$205,973. 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 06/30/2024 was \$192,055, and the County recognized lease revenue of \$48,696 during the fiscal year. The lessee has one 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 06/30/2024, the value of the lease receivable is \$41,383. 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 06/30/2024 was \$41,061, and the County recognized lease revenue of \$13,151 during the fiscal year.

In fiscal year 2024, the County recognized \$230,627 of lease revenue and \$10,895 of interest revenue under the leases.

The long-term lease receivable amounts as of June 30, 2024, including interest, are as follows:

	Governmental		Enterprise	
	Principal	Interest	Principal	Interest
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	1,160	2	208,532	7,281
2029	-	-	95,307	6,294
2030-2034	-	-	531,619	23,002
2035-2039	-	-	236,432	10,540
2040-2044	-	-	160,709	2,414
2045-2049	-	-	9,144	45
Totals	<u>\$ 41,383</u>	<u>\$ 1,569</u>	<u>\$ 1,851,248</u>	<u>\$ 77,912</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Opioid Settlement Receivable**

The County has recorded a receivable of \$19,110,394 to reflect the remaining future payments expected as part of the settlement. This receivable has been offset by an allowance for uncollectible amounts estimated at \$5,651,400. Since the fund statements are recorded on the modified accrual basis of accounting, these future estimated receipts are offset as a deferred inflow on the financial statements.

**Due From Other Governments**

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

	Governmental Activities	Business-Type Activities	Total
Local option sales tax	\$ 8,376,384	\$ -	\$ 8,376,384
Medicaid hold harmless	1,045,461	-	1,045,461
Sales tax refunds	1,348,852	1,467,308	2,816,160
North Carolina Vehicle Tax System	773,664	-	773,664
Due from federal government for grant assistance	366,449	594,685	961,134
Due from State of North Carolina for grant assistance	977,000	-	977,000
Emergency telephone system	41,502	-	41,502
Lower Cape Fear Water & Sewer Authority reimbursement	-	62,061	62,061
<b>Total</b>	<u>\$ 12,929,312</u>	<u>\$ 2,124,054</u>	<u>\$ 15,053,366</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.

Year Levied	Tax	Interest	Total
2021	\$ 1,945,890	\$ 462,149	\$ 2,408,039
2022	1,958,332	288,854	2,247,186
2023	2,062,045	118,568	2,180,613
2024	2,112,537	-	2,112,537
<b>Total</b>	<u>\$ 8,078,804</u>	<u>\$ 869,571</u>	<u>\$ 8,948,375</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**4. Capital Assets**

Governmental capital assets at June 30, 2024, are summarized as follows:

	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/ Reclasses</u>	<u>June 30, 2024</u>
Non-Depreciable Assets:					
Land	\$ 16,873,908	\$ -	\$ -	\$ 325,000	\$ 17,198,908
Construction in progress	655,994	7,499,064	-	(3,479,110)	4,675,948
Right to use SBITA implementation in progress	52,160	-	-	(52,160)	-
Total non-depreciable assets	<u>17,582,062</u>	<u>7,499,064</u>	<u>-</u>	<u>(3,206,270)</u>	<u>21,874,856</u>
Depreciable and Right to Use Assets					
Buildings and improvements	206,995,082	632,860	147,008	3,154,110	210,635,044
Equipment and vehicles	58,265,188	9,485,062	5,726,912	254,346	62,277,684
Right to use buildings	412,189	41,426	50,564	-	403,051
Right to use equipment	721,218	130,449	412,409	-	439,258
Right to use SBITA	3,331,348	671,094	46,824	52,160	4,007,778
Total depreciable assets	<u>269,725,025</u>	<u>10,960,891</u>	<u>6,383,717</u>	<u>3,460,616</u>	<u>277,762,815</u>
Less accumulated depreciation and amortization					
Buildings and improvements	86,822,539	6,433,892	38,590	-	93,217,841
Equipment and vehicles	45,837,795	4,418,019	5,668,028	254,346	44,842,132
Right to use buildings	122,230	119,185	50,563	-	190,852
Right to use equipment	387,453	223,604	406,402	-	204,655
Right to use SBITA	1,056,567	1,254,711	46,824	-	2,264,454
Total accumulated depreciation	<u>134,226,584</u>	<u>12,449,411</u>	<u>6,210,407</u>	<u>254,346</u>	<u>140,719,934</u>
Total depreciable assets, net	<u>135,498,441</u>	<u>(1,488,520)</u>	<u>173,310</u>	<u>3,206,270</u>	<u>137,042,881</u>
Total Capital Assets	<u>\$ 153,080,503</u>	<u>\$ 6,010,544</u>	<u>\$ 173,310</u>	<u>\$ -</u>	<u>\$ 158,917,737</u>

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

Function	Depreciation Expense	Amortization Expense-Leases	Amortization Expense-SBITA	Total
General government	\$ 1,103,489	\$ 43,838	\$ 359,125	\$ 1,506,452
Public safety	4,519,538	95,635	267,980	4,883,153
Central services	629,499	71,213	571,066	1,271,778
Human services	245,480	106,770	-	352,250
Environmental protection	515,622	-	-	515,622
Economic and physical development	101,280	12,052	44,979	158,311
Cultural and recreation	2,254,322	13,281	11,561	2,279,164
Education	1,482,681	-	-	1,482,681
Total	<u>\$ 10,851,911</u>	<u>\$ 342,789</u>	<u>\$ 1,254,711</u>	<u>\$ 12,449,411</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Enterprise fund capital assets at June 30, 2024, are summarized as follows:

Water Fund:				Transfers/ Reclasses	
	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>		<u>June 30, 2024</u>
<b>Non-Depreciable Assets:</b>					
Land	\$ 760,138	\$ -	\$ -	\$ -	\$ 760,138
Construction in progress	137,069,310	17,212,456	-	(15,840,897)	138,440,869
Total non-depreciable assets	<u>137,829,448</u>	<u>17,212,456</u>	<u>-</u>	<u>(15,840,897)</u>	<u>139,201,007</u>
<b>Depreciable and Right to Use Assets</b>					
Operating plants,					
buildings, and improvements	58,108,771	157,725	-	-	58,266,496
Distribution system	201,427,804	19,061,934	-	15,840,897	236,330,635
Equipment and vehicles	28,708,150	5,135,668	702,061	(89,028)	33,052,729
Right to use building	-	508,169	-	-	508,169
Right to use equipment	37,054	12,859	-	-	49,913
Right to use operating plant	1,767,210	-	-	-	1,767,210
Right to use SBITA	79,404	23,226	-	-	102,630
Total depreciable assets	<u>290,128,393</u>	<u>24,899,581</u>	<u>702,061</u>	<u>15,751,869</u>	<u>330,077,782</u>
Less accumulated depreciation and amortization					
Operating plants,					
buildings, and improvements	30,148,710	1,963,381	-	-	32,112,091
Distribution system	60,644,586	4,394,403	-	-	65,038,989
Equipment and vehicles	17,450,152	2,041,230	660,275	(89,028)	18,742,079
Right to use building	-	92,394	-	-	92,394
Right to use equipment	7,947	11,708	-	-	19,655
Right to use operating plant	71,799	35,899	-	-	107,698
Right to use SBITA	37,962	45,059	-	-	83,021
Total accumulated depreciation	<u>108,361,156</u>	<u>8,584,074</u>	<u>660,275</u>	<u>(89,028)</u>	<u>116,195,927</u>
Total depreciable assets, net	<u>181,767,237</u>	<u>16,315,507</u>	<u>41,786</u>	<u>15,840,897</u>	<u>213,881,855</u>
Total Capital Assets	<u>\$ 319,596,685</u>	<u>\$ 33,527,963</u>	<u>\$ 41,786</u>	<u>\$ -</u>	<u>\$ 353,082,862</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

Wastewater Fund:				Transfers/ Reclasses	
	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>		<u>June 30, 2024</u>
Non-Depreciable Assets:					
Land	\$ 2,167,274	\$ 2,831,884	\$ -	\$ -	\$ 4,999,158
Construction in progress	<u>3,486,616</u>	<u>15,493,675</u>	<u>-</u>	<u>(900,112)</u>	<u>18,080,179</u>
Total non-depreciable assets	<u>5,653,890</u>	<u>18,325,559</u>	<u>-</u>	<u>(900,112)</u>	<u>23,079,337</u>
Depreciable and Right to Use Assets					
Operating plants, buildings, and improvements	161,179,658	52,018	-	-	161,231,676
Collection system	192,291,537	35,034,386	-	900,112	228,226,035
Equipment and vehicles	19,262,045	7,682,163	55,801	(165,318)	26,723,089
Right to use SBITA	<u>26,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,468</u>
Total depreciable assets	<u>372,759,708</u>	<u>42,768,567</u>	<u>55,801</u>	<u>734,794</u>	<u>416,207,268</u>
Less accumulated depreciation and amortization					
Operating plants, buildings, and improvements	62,431,953	4,728,534	-	-	67,160,487
Distribution system	31,044,723	4,217,934	-	-	35,262,657
Equipment and vehicles	6,677,241	1,652,143	55,801	(165,318)	8,108,265
Right to use SBITA	<u>12,654</u>	<u>12,654</u>	<u>-</u>	<u>-</u>	<u>25,308</u>
Total accumulated depreciation	<u>100,166,571</u>	<u>10,611,265</u>	<u>55,801</u>	<u>(165,318)</u>	<u>110,556,717</u>
Total depreciable assets, net	<u>272,593,137</u>	<u>32,157,302</u>	<u>-</u>	<u>900,112</u>	<u>305,650,551</u>
Total Capital Assets	<u>\$ 278,247,027</u>	<u>\$ 50,482,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,729,888</u>

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

**Accounts Payable Disaggregate Information**

Type of Payable	Governmental Activities	Business-Type Activities	Total
Trade payables	\$ 4,416,607	\$ 3,811,160	\$ 8,227,767
Construction costs payable	2,998,107	10,371,900	13,370,007
Accrued salaries and fringe benefits	2,877,551	469,991	3,347,542
Advances from grantors	21,707,679	1,945,485	23,653,164
Future claims for workers' compensation	36,720	-	36,720
Other payables	<u>1,477,218</u>	<u>1,167</u>	<u>1,478,385</u>
Total	<u>\$ 33,513,882</u>	<u>\$ 16,599,703</u>	<u>\$ 50,113,585</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Inter-fund Receivables / Payables**

The County's Interfund balances as of June 30, 2024, are \$1,916,088. \$1,907,940 represents amounts due to the Education Capital Project Fund from the General Fund for local option sales tax receivable at fiscal year-end. \$8,148 represents amounts advanced by the General Fund to the County Capital Projects fund for grant project expenditures made in advance of grantor reimbursements and for local option sales tax receivable at fiscal year-end.

**Inter-fund Transfers**

The County's General Fund made transfers during the fiscal year 2024 to fund county and education capital improvements, to reimburse ineligible expenditures in the Emergency Telephone System Fund, and to provide a match for grant project expenditures in the Grants Fund. The Special Revenue Funds made transfers to fund reimbursement of American Rescue Plan Act eligible expenditures in the General Fund.

	County Capital Project Fund	Education Capital Project Fund	Non Major Governmental Fund	Total Governmental Funds
To:	<u>General Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
From:				
General Fund	\$ -	\$ 1,816,686	\$ 12,765,137	\$ 94,536
Non Major Governmental Fund	<u>487,279</u>	<u>-</u>	<u>-</u>	<u>487,279</u>
Totals	<u>\$ 487,279</u>	<u>\$ 1,816,686</u>	<u>\$ 12,765,137</u>	<u>\$ 94,536</u>

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

The balance in deferred outflows and inflows of resources at June 30, 2024, is composed of the following elements:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		
LGERS/ROD	\$ 6,710,123	\$ 157,523
LEOSSA	786,573	49,690
DOSSA	2,126	-
OPEB	197,778	12,207,388
Pensions - net difference between projected and actual investment earnings	16,267,032	-
Pensions - Change in proportion and difference between employer contributions and proportionate share of contributions	293,268	165,420
Change in assumptions		
LGERS/ROD	2,558,939	-
LEOSSA	1,180,049	1,363,385
DOSSA	5,325	21,976
OPEB	17,030,107	28,545,742

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

	Deferred Outflows of Resources	Deferred Inflows of Resources
County contributions subsequent to the measurement date	10,463,357	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	142,313	-
Benefit payments/administration costs paid subsequent to the measurement date (OPEB)	4,735,784	
Prepaid Taxes, not yet earned (General Fund)	-	345,137
Leases (General Fund)	-	41,061
Leases (Water Fund)	-	1,726,294
Total reported in the government wide statements	<u>\$ 60,372,774</u>	<u>\$ 44,623,616</u>
Prepaid Taxes, not yet earned (General Fund)	-	345,137
Leases (General Fund)	-	41,061
Taxes Receivable (General Fund)	-	1,170,272
Unavailable Revenues (National Opioid Settlement Fund)	-	13,458,994
EMS Receivable (General Fund)	-	417,747
Health Department Receivable (General Fund)	-	13,129
Total reported in the fund statements	<u>\$ -</u>	<u>\$ 15,446,340</u>

**7. Long-Term Obligations**

**A. General Obligation Bonds**

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. 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.

The County's General Obligation Bonds consisted of the following at June 30, 2024:

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	\$ -	\$ 1,760,000
2018	2.85% - 5.00%	Annual	\$2,455,000 - \$2,500,000	37,455,000	-
2020	2.00% - 5.00%	Annual	\$2,085,000 - \$2,090,000	35,525,000	-
2022	4.00% - 5.00%	Annual	\$2,290,000 - \$2,295,000	43,525,000	-
Total General Obligation Bonds				<u>\$ 116,505,000</u>	<u>\$ 1,760,000</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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, 2024, for which the County held no collateral, totaled \$116,505,000 and was comprised of the following issues: series 2018 \$37,455,000, 2020 \$35,525,000, and 2022 \$43,525,000, which are all three phases of the approved \$152 million bond referendum. The 2018, 2020, and 2022 school series have related premiums of \$2,021,749, 4,747,077, and \$5,429,224, respectively.

**B. Revenue Bonds**

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

The County’s Revenue Bonds consisted of the following at June 30, 2024:

Original Issue		Payment Information		Outstanding Balance
Date	Rate	Period	Amount	Business-Type Activities
2015	2.00% - 5.00%	Annual	\$735,000 - \$4,575,000	\$ 36,620,000
2019	3.00% - 5.00%	Annual	\$375,000 - \$4,735,000	73,705,000
2020	2.00% - 5.00%	Annual	\$3,045,000 - \$8,115,000	145,915,000
2023	4.50% - 5.00%	Annual	\$1,520,763 - \$1,525,700	21,835,000
Total Revenue Bonds				<u>\$ 278,075,000</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, \$152.0 million in water revenue bonds in 2020, and \$21.8 million in wastewater revenue bonds in 2023. 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, and the wastewater expansion at Mulberry Branch. 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 \$403,278,071. Principal and interest paid for the current year and total operating revenues were \$21,808,830 and \$103,906,408, 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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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, 2024.

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, 2024, the County’s compliance with the Rate Covenant is shown below:

Operating revenues and investment earnings	\$ 111,009,899
Add: 20% surplus account (expendable net positon)	<u>20,859,068</u>
Total	<u>\$ 131,868,967</u>

Operating expense excluding OPEB (net of depreciation)	36,698,030
120% of Principal and Interest Requirements on the Bonds	26,170,591
100% of Principal and Interest Requirements on Subordinate Indebtedness, General Obligation Indebtedness and Other Indebtedness	<u>2,335,509</u>
Total	<u>\$ 65,204,130</u>

131,868,967 > 65,204,130

Operating revenues and investment earnings	<u>\$ 111,009,899</u>
Total	<u>\$ 111,009,899</u>

Operating expense excluding OPEB (net of depreciation)	36,698,030
120% of Principal and Interest Requirements on the Bonds	26,170,591
100% of Principal and Interest Requirements on Subordinate Indebtedness, General Obligation Indebtedness and Other Indebtedness	<u>2,335,509</u>
Total	<u>\$ 65,204,130</u>

111,009,899 > 65,204,130

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

The County's debt service coverage calculation for the year ended June 30, 2024, is as follows:

Operating revenues and investment earnings	\$ 111,009,899
Operating expense excluding OPEB (net of depreciation)	<u>36,698,030</u>
Net revenue available for debt service	74,311,869
Add: 20% surplus account (expendable net positon)	<u>20,859,068</u>
Adjusted net revenues	<u><u>\$ 95,170,937</u></u>
Senior debt service	\$ 21,808,826
Subordinate debt service	<u>2,335,509</u>
Total debt service	24,144,335
Add: 20% senior debt service	<u>4,361,765</u>
Adjusted debt service	<u><u>\$ 28,506,100</u></u>
Coverage Test 1	
Net revenues/total debt service	<u><u>3.08</u></u>
Coverage Test 2	
Adjusted net revenues/adjusted debt service	<u><u>3.34</u></u>

**C. Limited Obligation Bonds**

The County's Limited Obligation Bonds consisted of the following at June 30, 2024:

Issued	Payment Information			Balance	
	Period	Amount	Rate	Governmental Activities	Purpose and Collateral
2015	Annual	\$520,000- \$1,485,000	2.00% - 5.00%	\$ 5,785,000	School Projects; Refund 2005B Schools
2022	Annual	\$65,000- \$2,240,000	1.12%	<u>6,730,000</u>	School Projects; Refund 2012 Schools
				<u><u>\$ 12,515,000</u></u>	

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

The County's Installment Purchase notes payable consisted of the following at June 30, 2024:

Issued	Rate	Payment Information		Outstanding Balance	
		Period	Amount	Business-Type Activities	Collateral
2010	0.00%	Annual	\$100,000	<u><u>\$ 700,000</u></u>	Wastewater System

The County's outstanding note from direct placement related to enterprise activities of \$700,000 (Sunset Beach Collection System) is secured with collateral of the system. The note contains

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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 State Revolving Fund Loans payable consisted of the following at June 30, 2024:

Issued	Rate	Payment Information		Outstanding Balance		Collateral
		Period	Amount	Business-Type Activities		
2005	2.21%	Annual	\$806,645 - \$1,220,552	\$	2,414,771	Wastewater System
2006	2.21%	Annual	\$511,525 - \$790,275		1,000,000	Wastewater System
2011	0.00%	Annual	\$75,000		525,000	Wastewater System
2013	2.50%	Annual	\$29,386		293,858	Wastewater System
2019	0.00%	Annual	\$47,052		282,311	Wastewater System
				\$	<u>4,515,940</u>	

The County's outstanding note from direct borrowings related to enterprise activities of \$2,414,771 (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 \$1,000,000 (WBRWRF) is secured with collateral of the system. The note contains provisions that an event of default could require the County to prepay the note in whole and have further commitment of funds withdrawn.

The County's outstanding note from direct borrowings related to enterprise activities of \$525,000 (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 \$293,858 (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 \$282,311 (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.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### 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.

##### **Governmental Activities**

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 06/30/2024, the value of the lease liability is \$6,900. 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 06/30/2024 is \$27,498, with accumulated amortization of \$27,271.

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 06/30/2024, the value of the lease liability is \$0. 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 06/30/2024 is \$6,686, with accumulated amortization of \$6,643.

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 06/30/2024, the value of the lease liability is \$0. 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 06/30/2024 is \$11,851, with accumulated amortization of \$11,531.

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 06/30/2024, the value of the lease liability is \$279. 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 06/30/2024 is \$3,595, with accumulated amortization of \$3,318.

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 06/30/2024, the value of the lease liability is \$0. 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 06/30/2024 is \$5,555, with accumulated amortization of \$5,484.

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 06/30/2024, the value of the lease liability is \$190. 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 06/30/2024 is \$3,569, with accumulated amortization of \$3,340.

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 06/30/2024, the value of the lease liability is \$225. The County is required to make monthly fixed payments of \$75. The lease has an

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

interest rate of 0.7270%. The value of the right-to-use asset as of 06/30/2024 is \$2,892, with accumulated amortization of \$2,669.

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 06/30/2024, the value of the lease liability is \$509. 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 06/30/2024 is \$6,553, with accumulated amortization of \$5,977.

On 07/01/2021, the County entered into a 43-month lease as Lessee for the use of a copier. An initial lease liability was recorded in the amount of \$7,113. As of 06/30/2024, the value of the lease liability is \$1,173. 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 06/30/2024 is \$7,113, with accumulated amortization of \$5,955.

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 06/30/2024, the value of the lease liability is \$3,746. 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 06/30/2024 is \$10,016, with accumulated amortization of \$6,356.

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 06/30/2024, the value of the lease liability is \$1,332. 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 06/30/2024 is \$7,229, with accumulated amortization of \$5,853.

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 06/30/2024, the value of the lease liability is \$3,306. The County is required to make monthly fixed payments of \$332. The lease has an interest rate of 0.8930%. The value of the right-to-use asset as of 06/30/2024 is \$15,019, with accumulated amortization of \$11,754.

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 06/30/2024, the value of the lease liability is \$1,863. 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 06/30/2024 is \$7,361, with accumulated amortization of \$5,449.

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 06/30/2024, the value of the lease liability is \$9,028. The County is required to make monthly fixed payments of \$351. The lease has an interest rate of 1.0190%. The value of the right-to-use asset as of 06/30/2024 is \$20,555, with accumulated amortization of \$11,648.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 06/30/2024, the value of the lease liability is \$2,327. 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 06/30/2024 is \$7,363, with accumulated amortization of \$5,062.

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 06/30/2024, the value of the lease liability is \$2,877. 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 06/30/2024 is \$5,973, with accumulated amortization of \$3,186.

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 06/30/2024, the value of the lease liability is \$2,202. 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 06/30/2024 is \$5,332, with accumulated amortization of \$3,166.

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 06/30/2024, the value of the lease liability is \$147,434. 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 06/30/2024 is \$240,153, with accumulated amortization of \$96,061.

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 06/30/2024, the value of the lease liability is \$6,994. 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 06/30/2024 is \$13,678, with accumulated amortization of \$6,839.

On 07/01/2022, the County entered into a 36-month lease as Lessee for the use of warehouse space. An initial lease liability was recorded in the amount of \$121,473. As of 06/30/2024, the value of the lease liability is \$41,431. 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 06/30/2024 is \$121,473, with accumulated amortization of \$80,982.

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 06/30/2024, the value of the lease liability is \$4,743. 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 06/30/2024 is \$7,726, with accumulated amortization of \$3,090.

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 06/30/2024, the value of the lease liability is \$3,693. The County is required to make monthly fixed payments of \$265. The lease has an

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

interest rate of 0.8930%. The value of the right-to-use asset as of 06/30/2024 is \$9,941, with accumulated amortization of \$6,279.

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 06/30/2024, the value of the lease liability is \$15,129. 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 06/30/2024 is \$27,919, with accumulated amortization of \$13,203.

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 06/30/2024, the value of the lease liability is \$7,743. 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 06/30/2024 is \$11,983, with accumulated amortization of \$4,394.

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 06/30/2024, the value of the lease liability is \$26,412. 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 06/30/2024 is \$44,037, with accumulated amortization of \$15,070.

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 06/30/2024, the value of the lease liability is \$4,545. The County is required to make monthly fixed payments of \$167. The lease has an interest rate of 2.5320%. The value of the right-to-use asset as of 06/30/2024 is \$7,648, with accumulated amortization of \$3,187.

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 06/30/2024, the value of the lease liability is \$3,150. 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 06/30/2024 is \$6,538, with accumulated amortization of \$3,537.

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 06/30/2024, the value of the lease liability is \$6,435. 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 06/30/2024 is \$10,449, with accumulated amortization of \$4,194.

On 12/01/2022, 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 \$9,603. As of 06/30/2024, the value of the lease liability is \$4,618. 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 06/30/2024 is \$9,603, with accumulated amortization of \$5,068.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 06/30/2024, the value of the lease liability is \$11,100. 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 06/30/2024 is \$15,068, with accumulated amortization of \$4,081.

On 07/01/2023, 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 \$41,425. As of 06/30/2024, the value of the lease liability is \$27,947. The County is required to make monthly fixed payments of \$1,200. The lease has an interest rate of 2.9010%. The value of the right-to-use asset as of 06/30/2024 is \$41,425, with accumulated amortization of \$13,809.

On 08/01/2023, 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 \$13,306. As of 06/30/2024, the value of the lease liability is \$10,976. The County is required to make monthly fixed payments of \$237. The lease has an interest rate of 2.7360%. The value of the right-to-use asset as of 06/30/2024 is \$13,306, with accumulated amortization of \$2,440.

On 08/01/2023, 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 \$23,735. As of 06/30/2024, the value of the lease liability is \$19,578. The County is required to make monthly fixed payments of \$423. The lease has an interest rate of 2.7360%. The value of the right-to-use asset as of 06/30/2024 is \$23,735, with accumulated amortization of \$4,351.

On 09/01/2023, 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 \$11,226. As of 06/30/2024, the value of the lease liability is \$9,438. The County is required to make monthly fixed payments of \$200. The lease has an interest rate of 2.7360%. The value of the right-to-use asset as of 06/30/2024 is \$11,226, with accumulated amortization of \$1,870.

On 11/01/2023, 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 \$31,049. As of 06/30/2024, the value of the lease liability is \$26,097. The County is required to make monthly fixed payments of \$693. The lease has an interest rate of 3.5290%. The value of the right-to-use asset as of 06/30/2024 is \$31,049, with accumulated amortization of \$5,175.

On 02/29/2024, the County entered into a 60-month lease as Lessee for the use of a postage machine. An initial lease liability was recorded in the amount of \$51,133. As of 06/30/2024, the value of the lease liability is \$48,574. The County is required to make quarterly fixed payments of \$2,849. The lease has an interest rate of 2.3123%. The value of the right-to-use asset as of 06/30/2024 is \$51,133, with accumulated amortization of \$3,494.

#### **Business-Type Activities**

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 06/30/2024, the value of the lease liability is \$4,635. The County is required to make annual fixed payments of \$2,328. The lease

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

has an interest rate of 0.3160%. The value of the right-to-use asset as of 06/30/2024 is \$11,569, with accumulated amortization of \$6,942.

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 06/30/2024, the value of the lease liability is \$1,646,885. 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 06/30/2024 is \$1,736,362, with accumulated amortization of \$99,695.

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 06/30/2024, the value of the lease liability is \$18,525. 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 06/30/2024 is \$19,279, with accumulated amortization of \$1,061.

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 06/30/2024, the value of the lease liability is \$3,392. 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 06/30/2024 is \$8,171, with accumulated amortization of \$4,845.

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 06/30/2024, the value of the lease liability is \$4,540. 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 06/30/2024 is \$8,925, with accumulated amortization of \$4,462.

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 06/30/2024, the value of the lease liability is \$7,925. 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 06/30/2024 is \$10,017, with accumulated amortization of \$2,092.

On 09/01/2023, the County entered into a 55-month lease as Lessee for the use of building space. An initial lease liability was recorded in the amount of \$508,169. As of 06/30/2024, the value of the lease liability is \$488,383. The County is required to make monthly fixed payments of \$3,000. The lease has an interest rate of 2.7360%. The value of the right-to-use asset as of 06/30/2024 is \$508,169, with accumulated amortization of \$92,394. The county has the option to purchase the Building for \$400,000.

On 01/15/2024, 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 \$12,859. As of 06/30/2024, the value of the lease liability is \$10,758. The County is required to make monthly fixed payments of \$370. The lease has an interest rate of 2.4260%. The value of the right-to-use asset as of 06/30/2024 is \$12,859, with accumulated amortization of \$1,977.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### F. Subscription-Based Information Technology Arrangements

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.

##### Governmental Activities

On 07/01/2022, the County entered into a 36-month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of \$44,819. As of 06/30/2024, the value of the subscription liability is \$16,208. 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 06/30/2024 is \$44,819, with accumulated amortization of \$29,880.

On 07/01/2022, the County entered into a 35-month subscription for the use of Microsoft Enterprise. An initial subscription liability was recorded in the amount of \$1,237,785. As of 06/30/2024, the value of the subscription liability is \$412,539. The County is required to make 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 06/30/2024 is \$1,237,785, with accumulated amortization of \$848,767.

On 07/01/2022, the County entered into a 43-month subscription for the use of CentralSquare CAD. An initial subscription liability was recorded in the amount of \$302,450. As of 06/30/2024, the value of the subscription liability is \$153,054. 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 06/30/2024 is \$302,450, with accumulated amortization of \$167,502.

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 06/30/2024, the value of the subscription liability is \$49,923. 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 06/30/2024 is \$148,111, with accumulated amortization of \$87,410.

On 07/01/2022, the County entered into a 25-month subscription for the use of ESRI Mapping. An initial subscription liability was recorded in the amount of \$294,090. As of 06/30/2024, the value of the subscription liability is \$107,955. 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 06/30/2024 is \$294,090, with accumulated amortization of \$281,201.

On 07/01/2022, the County entered into a 24-month subscription for the use of PaymentWorks. An initial subscription liability was recorded in the amount of \$89,145. As of 06/30/2024, the value of the subscription liability is \$0. 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 06/30/2024 is \$89,145, with accumulated amortization of \$88,652.

On 07/01/2022, the County entered into a 25-month subscription for the use of PowerDMS. An initial subscription liability was recorded in the amount of \$32,719. As of 06/30/2024, the value of the subscription liability is \$10,906. The County is required to make annual fixed payments of

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$11,112. The subscription has an interest rate of 1.8940%. The value of the right-to-use asset as of 06/30/2024 is \$32,719, with accumulated amortization of \$31,410. The County has two extension options, each for 12 months.

On 07/01/2022, the County entered into a 52-month subscription for the use of Priority Dispatch System. An initial subscription liability was recorded in the amount of \$60,057. As of 06/30/2024, the value of the subscription liability is \$30,239. 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 06/30/2024 is \$60,057, with accumulated amortization of \$27,666.

On 07/01/2022, the County entered into a 48-month subscription for the use of RecordingPRO. An initial subscription liability was recorded in the amount of \$426,153. As of 06/30/2024, the value of the subscription liability is \$217,190. 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 06/30/2024 is \$426,153, with accumulated amortization of \$213,076.

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 06/30/2024, the value of the subscription liability is \$117,396. 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 06/30/2024 is \$232,024, with accumulated amortization of \$110,415.

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 06/30/2024, the value of the subscription liability is \$38,524. The County is required to make annual fixed payments of \$19,896. The subscription has an interest rate of 2.1860%. The value of the right-to-use asset as of 06/30/2024 is \$76,407, with accumulated amortization of \$50,282.

On 07/01/2022, the County entered into a 36-month subscription for the use of Corvid SentinelOne Cybersecurity. An initial subscription liability was recorded in the amount of \$87,562. As of 06/30/2024, the value of the subscription liability is \$29,694. 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 06/30/2024 is \$87,562, with accumulated amortization of \$58,375. The County has two extension options, each for 12 months.

On 07/01/2022, the County entered into a 56-month subscription for the use of OverDrive Digital Library Content. An initial subscription liability was recorded in the amount of \$30,519. As of 06/30/2024, the value of the subscription liability is \$15,490. 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 06/30/2024 is \$30,519, with accumulated amortization of \$12,979. The County has one extension option for 24 months.

On 09/06/2022, the County entered into a 24-month subscription for the use of CivicEngage. An initial subscription liability was recorded in the amount of \$22,616. As of 06/30/2024, the value of the subscription liability is \$0. 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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

06/30/2024 is \$58,148, with accumulated amortization of \$52,898. The County has one extension option for 12 months.

On 09/06/2022, the County entered into a 24-month subscription for the use of CivicGov. An initial subscription liability was recorded in the amount of \$79,058. As of 06/30/2024, the value of the subscription liability is \$0. 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 06/30/2024 is \$98,158, with accumulated amortization of \$89,297. The County has one extension option for 12 months.

On 10/18/2022, the County entered into a 23-month subscription for the use of CivicEngage. An initial subscription liability was recorded in the amount of \$2,172. As of 06/30/2024, the value of the subscription liability is \$0. 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 06/30/2024 is \$8,262, with accumulated amortization of \$7,372. The County has one extension option for 12 months.

On 02/01/2023, the County entered into a 36-month subscription for the use of Microsoft Enterprise. An initial subscription liability was recorded in the amount of \$16,682. As of 06/30/2024, the value of the subscription liability is \$5,559. 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 06/30/2024 is \$16,682, with accumulated amortization of \$7,878.

On 03/15/2023, the County entered into a 27-month subscription for the use of Microsoft Enterprise. An initial subscription liability was recorded in the amount of \$176,871. As of 06/30/2024, the value of the subscription liability is \$79,133. 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 06/30/2024 is \$176,871, with accumulated amortization of \$103,545.

On 07/01/2023, the County entered into a 35-month subscription for the use of Clearview AI. An initial subscription liability was recorded in the amount of \$52,748. As of 06/30/2024, the value of the subscription liability is \$34,753. The County is required to make annual fixed payments of \$17,995. The subscription has an interest rate of 2.3630%. The value of the right-to-use asset as of 06/30/2024 is \$52,748, with accumulated amortization of \$17,814.

On 07/01/2023, the County entered into a 36-month subscription for the use of Velocity EHS Chemical Management HQ. An initial subscription liability was recorded in the amount of \$41,023. As of 06/30/2024, the value of the subscription liability is \$27,624. The County is required to make annual fixed payments of \$13,399. The subscription has an interest rate of 2.9010%. The value of the right-to-use asset as of 06/30/2024 is \$41,023, with accumulated amortization of \$13,674.

On 09/01/2023, the County entered into a 36-month subscription for the use of LibraryAware. An initial subscription liability was recorded in the amount of \$18,258. As of 06/30/2024, the value of the subscription liability is \$12,178. The County is required to make annual fixed payments of \$6,080. The subscription has an interest rate of 2.9010%. The value of the right-to-use asset as of 06/30/2024 is \$18,258, with accumulated amortization of \$5,072.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

On 11/13/2023, the County entered into a 55-month subscription for the use of UKG Dimensions. An initial subscription liability was recorded in the amount of \$405,608. As of 06/30/2024, the value of the subscription liability is \$355,774. The County is required to make monthly fixed payments of \$7,967. The subscription has an interest rate of 2.5820%. The value of the right-to-use asset as of 06/30/2024 is \$494,399, with accumulated amortization of \$68,317.

On 01/01/2024, the County entered into a 31-month subscription for the use of WebEOC. An initial subscription liability was recorded in the amount of \$84,410. As of 06/30/2024, the value of the subscription liability is \$73,885. The County is required to make annual fixed payments of \$37,990. The subscription has an interest rate of 2.4260%. The value of the right-to-use asset as of 06/30/2024 is \$87,260, with accumulated amortization of \$16,361.

**Business-Type Activities**

On 08/01/2023, the County entered into a 36-month subscription for the use of BOSS811. An initial subscription liability was recorded in the amount of \$21,726. As of 06/30/2024, the value of the subscription liability is \$14,276. The County is required to make annual fixed payments of \$7,450. The subscription has an interest rate of 2.9010%. The value of the right-to-use asset as of 06/30/2024 is \$23,226, with accumulated amortization of \$7,097. The County has two extension options, each for 12 months.

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

The following is a summary of changes in governmental long-term debt for the year ended June 30, 2024, for the County:

Governmental Activities	June 30, 2023	Additions	Retirements	June 30, 2024	Current Maturities
General obligation bonds	\$123,765,000	\$ -	\$ 7,260,000	\$116,505,000	\$ 6,885,000
Limited obligation bonds	15,215,000	-	2,700,000	12,515,000	2,270,000
Bond premiums	13,733,098	-	800,856	12,932,242	800,855
Leases	630,761	171,875	344,335	458,301	193,309
SBITAS	2,259,204	625,061	1,135,105	1,749,160	1,116,585
Compensated absences	5,298,014	6,461,872	5,903,115	5,856,771	275,000
Net pension liability (LGMERS)	44,746,816	8,927,488	-	53,674,304	-
Total pension liability (LEOSSA)	7,821,779	1,176,461	-	8,998,240	351,463
Total pension liability (DOSSA)	140,998	31,591	-	172,589	-
Total OPEB liability	126,602,176	3,063,245	-	129,665,421	2,928,796
Landfill closure & post-closure	8,468,295	301,379	-	8,769,674	121,697
<b>Total</b>	<b>\$348,681,141</b>	<b>\$ 20,758,972</b>	<b>\$ 18,143,411</b>	<b>\$351,296,702</b>	<b>\$ 14,942,705</b>

Note: The general fund is typically used to liquidate other long-term liabilities, including OPEB liability, landfill closure, and post-closure liability, as well as the compensated absences and pension liabilities recorded in the governmental funds. The total of other debt not issued for capital is \$207,136,999, which is comprised of compensated absences of \$5,856,771, pension benefit obligation of \$62,845,133, other post-employment benefits of \$129,665,421 and landfill closure and post-closure of \$8,769,674.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

The following is a summary of changes in business-type long-term debt for the year ended June 30, 2024, for the County:

Business-Type Activities	June 30, 2023	Additions	Retirements	June 30, 2024	Current Maturities
Direct placement and direct borrowing revenue bonds	\$267,625,000	\$ 21,835,000	\$ 11,385,000	\$278,075,000	\$ 11,580,000
Bond premiums	26,007,592	682,529	1,531,948	25,158,173	1,545,598
General obligation bonds	1,975,000	-	215,000	1,760,000	225,000
Direct placement installment purchase	1,123,930	-	423,930	700,000	100,000
Direct borrowing state revolving fund loans	6,335,831	-	1,819,891	4,515,940	1,845,657
Leases	1,727,203	521,028	59,495	2,188,736	65,204
SBITAS	73,472	21,726	42,058	53,140	45,900
Compensated absences	812,155	1,093,340	1,031,364	874,131	32,000
Net pension liability (LGERS)	5,425,785	1,118,405	-	6,544,190	-
Total OPEB liability	19,730,545	1,056,530	-	20,787,075	321,317
<b>Total</b>	<b>\$330,836,513</b>	<b>\$ 26,328,558</b>	<b>\$ 16,508,686</b>	<b>\$340,656,385</b>	<b>\$ 15,760,676</b>

Note: The total of other debt not issued for capital is \$28,205,396, which is comprised of compensated absences of \$874,131, pension benefit obligation of \$6,544,190, and other post-employment benefits of \$20,787,075.

**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, 2024, including interest, are as follows:

Governmental Activities

	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
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	6,880,000	3,103,710	530,000	146,113
2030-2034	34,400,000	11,419,475	2,630,000	363,500
2035-2039	34,355,000	5,072,245	520,000	16,900
2040-2044	13,335,000	816,250	-	-
<b>Totals</b>	<b>\$116,505,000</b>	<b>\$ 35,962,945</b>	<b>\$ 12,515,000</b>	<b>\$ 1,560,885</b>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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	Leases		Subscriptions	
	Principal	Interest	Principal	Interest
2025	\$ 193,309	\$ 9,401	\$ 1,116,585	\$ 35,741
2026	133,873	5,328	453,983	12,848
2027	100,003	2,292	92,077	3,527
2028	24,411	493	86,515	1,121
2029	6,705	52	-	-
Totals	<u>\$ 458,301</u>	<u>\$ 17,566</u>	<u>\$ 1,749,160</u>	<u>\$ 53,237</u>

Business-Type Activities

	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 225,000	\$ 71,850	\$ 11,580,000	\$ 10,898,701
2026	230,000	62,750	12,330,000	10,095,027
2027	240,000	53,450	12,895,000	9,528,590
2028	250,000	43,700	13,090,000	8,932,416
2029	260,000	33,500	13,080,000	8,405,118
2030-2034	555,000	34,600	52,435,000	33,665,231
2035-2039	-	-	55,555,000	23,193,750
2040-2044	-	-	47,255,000	13,834,963
2045-2049	-	-	50,330,000	6,363,525
2050-2054	-	-	9,525,000	285,750
Totals	<u>\$ 1,760,000</u>	<u>\$ 299,850</u>	<u>\$ 278,075,000</u>	<u>\$ 125,203,071</u>

	State Revolving Loans		Installment Purchases	
	Principal	Interest	Principal	Interest
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	151,438	4,408	100,000	-
2030-2034	343,980	11,020	200,000	-
Totals	<u>\$ 4,515,940</u>	<u>\$ 153,640</u>	<u>\$ 700,000</u>	<u>\$ -</u>

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

	Leases		Subscriptions	
	Principal	Interest	Principal	Interest
2025	\$ 65,204	\$ 31,507	\$ 45,900	\$ 1,150
2026	62,180	30,334	7,240	210
2027	55,153	29,232	-	-
2028	446,442	26,409	-	-
2029	27,124	16,789	-	-
2030-2034	140,035	79,527	-	-
2035-2039	147,696	71,865	-	-
2040-2044	155,784	63,778	-	-
2045-2049	164,323	55,239	-	-
2050-2054	173,338	46,223	-	-
2055-2059	182,859	36,702	-	-
2060-2064	192,915	26,647	-	-
2065-2069	203,537	16,025	-	-
2070-2074	171,505	4,802	-	-
2075-2079	641	17	-	-
Totals	<u>\$ 2,188,736</u>	<u>\$ 535,096</u>	<u>\$ 53,140</u>	<u>\$ 1,360</u>

**I. Net Investment in Capital Assets**

The total Net Investment in Capital Assets at June 30, 2024, is composed of the following elements:

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Total capital assets (net of depreciation)	\$ 158,917,737	\$ 681,812,750	\$ 840,730,487
Total debt, gross	144,159,703	312,450,989	456,610,692
Less:			
Advances from grantors	-	1,945,485	-
Education debt for which the County does not hold title	128,703,050	-	128,703,050
Unexpended proceeds*	-	56,134,045	56,134,045
Total capital debt	<u>15,456,653</u>	<u>256,316,944</u>	<u>271,773,597</u>
Net Investment in Capital Assets	<u>\$ 143,461,084</u>	<u>\$ 425,495,806</u>	<u>\$ 568,956,890</u>

\*Unexpended debt proceeds related to education debt in the amount of \$31,409,333 are not included in the calculation of governmental Net Investment in Capital Assets.

**J. Other Debt Disclosures**

At June 30, 2024, the County had a legal debt margin of \$3.93 billion.

**Advance Refunding**

On November 7, 2019, the County issued \$13,670,000 series 2019B enterprise revenue advance refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of providing general resources for all future debt service

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 the same as the life of the new issue. The advance refunding was undertaken to reduce total debt service payments over the next five years by \$433,933 in a net economic gain of \$366,232.

#### **Debt Related to Capital Activities**

Of the total Governmental Activities debt listed, only \$12,515,000 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, 2024, 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 administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (Annual Report) for the State of North Carolina. The State's Annual Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### **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, 60 with 25 years of creditable service, or 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, 2024, was 14.10% of compensation for law enforcement officers, 12.85% for general employees, and 12.85% 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 \$10,441,853 for the year ended June 30, 2024.

#### **Refunds of Contributions**

County employees who have terminated service as a contributing member of LGERS may apply 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.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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

At June 30, 2024, the County reported a liability of \$60,218,494 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, 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, 2024, the County's proportion was .909% (measured as of June 30, 2023), which was an increase of .020% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$17,078,043. On June 30, 2024, 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	\$ 6,710,123	\$ 144,456
Change of assumptions	2,558,939	-
Net difference between projected and actual investment earnings	16,117,106	-
Change in proportion and difference between employer contributions and proportionate share of contributions	283,751	158,768
County contributions subsequent to the measurement date	<u>10,441,853</u>	-
	<u>\$ 36,111,772</u>	<u>\$ 303,224</u>

\$10,441,853 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, 2025. 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:	
2025	\$ 9,201,269
2026	4,682,656
2027	10,801,253
2028	681,517
2029	-
Thereafter	-

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### Actuarial Assumptions

The total pension liability in the December 31, 2022 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, 2022 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 allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic Fixed Income	7.0%	5.3%
Inflation Sensitive	6.0%	4.3%
Total	100.0%	

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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, 2023 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:

	1% Decrease <u>(5.50%)</u>	Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
County's proportionate share of the net pension liability (asset)	\$ 104,326,181	\$ 60,218,494	\$ 23,904,920

**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-

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Report for the State of North Carolina. The State's Annual Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided**

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

**Contributions**

Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$21,504 for the year ended June 30, 2024.

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

At June 30, 2024, the County reported an asset of \$295,162 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, 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, 2023, the County's proportion was 2.456%, which was a decrease of 0.052% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$52,316. At June 30, 2024, 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
	<u>          </u>	<u>          </u>
Difference between expected and actual experience	\$ -	\$ 13,067
Changes of assumptions	-	-
Net difference between projected and actual investment earnings	149,926	-
Change in proportion and difference between employer contributions and proportionate share of contributions	9,517	6,652
County contributions subsequent to the measurement date	21,504	-
	<u>\$ 180,947</u>	<u>\$ 19,719</u>

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**NOTES TO FINANCIAL STATEMENTS  
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\$21,504 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, 2025.

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:

2025	\$ 40,603
2026	46,142
2027	43,524
2028	9,455
2029	-
Thereafter	-

**Actuarial Assumptions**

The total pension liability in the December 31, 2022 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, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

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

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.

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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:

	1% Decrease <u>(2.00%)</u>	Discount Rate <u>(3.00%)</u>	1% Increase <u>(4.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ (201,482)	\$ (295,162)	\$ (374,153)

**Pension plan fiduciary net position**

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

**C. Law Enforcement Officers' Special Separation Allowance**

**Plan Description**

The County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. 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.

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

Inactive members currently receiving benefits	16
Active members	<u>186</u>
Total	<u><u>202</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 7.75 percent, including inflation and productivity factor
Discount Rate	4.00 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, 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 Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by one 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

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**NOTES TO FINANCIAL STATEMENTS  
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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 \$253,987 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, 2024, the County reported a total pension liability of \$8,998,240. The total pension liability was measured as of December 31, 2023, based on a December 31, 2022 actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2023, utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$1,069,822.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 786,573	\$ 49,690
Changes of assumptions	1,180,049	1,363,385
County benefit payments and plan administrative expense made subsequent to the measurement date	<u>142,313</u>	<u>-</u>
	<u>\$ 2,108,935</u>	<u>\$ 1,413,075</u>

The County paid \$142,313 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, 2025. 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:	
2025	\$ 314,170
2026	266,015
2027	73,954
2028	(129,330)
2029	(27,456)
Thereafter	56,194

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**NOTES TO FINANCIAL STATEMENTS  
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Sensitivity of the County’s total pension liability to changes in the discount rate. The following presents the County’s total pension liability calculated using the discount rate of 4.00 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 (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease <u>(3.00%)</u>	Discount Rate (4.00%)	1% Increase <u>(5.00%)</u>
Total pension liability	\$ 9,909,122	\$ 8,998,240	\$ 8,177,950

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

	<u>2024</u>
Beginning balance	\$ 7,821,779
Service Cost	406,465
Interest on the total pension liability	331,645
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	447,194
Changes of assumptions or other inputs	245,144
Benefit payments	(253,987)
Other changes	-
Ending balance of the total pension liability	<u>\$ 8,998,240</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 4.31 percent at December 31, 2022 (measurement date) to 4.00 percent at December 31, 2023 (measurement date).

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

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

**D. Detention Officers' Special Separation Allowance**

**Plan Description**

The County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn detention officers under the age of 62 who have completed at least 30 years of creditable service or have attained 60 years of age and have completed 25 or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be

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**NOTES TO FINANCIAL STATEMENTS  
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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>60</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	4.00 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, 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

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**NOTES TO FINANCIAL STATEMENTS  
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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, 2024, the County reported a total pension liability of \$172,589. The total pension liability was measured as of December 31, 2023, 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, 2024, the County recognized pension expense of \$19,634.

	Deferred	
	Outflows of	Deferred Inflows
	Resources	of Resources
	<u>          </u>	<u>          </u>
Differences between expected and actual experience	\$ 2,126	\$ -
Changes of assumptions	5,325	21,976
	<u>\$ 7,451</u>	<u>\$ 21,976</u>

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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, 2025. 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:	
2025	\$ (9,947)
2026	(5,973)
2027	1,395
2028	-
2029	-
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 4.00 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 (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 198,209	\$ 172,589	\$ 150,112

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

	2024
Beginning balance	\$ 140,998
Service Cost	18,224
Interest on the total pension liability	6,077
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	7,290
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 172,589</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 4.31 percent at December 31, 2022 (measurement date) to 4.00 percent at December 31, 2023 (measurement date).

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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 \$718,387 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, 2024, were \$4,311,962 which consisted of \$3,264,582 from the County and \$1,047,380 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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that December 31, 2022. The total pension liability for LEOSSA was measured as of December 31, 2023, with an actuarial valuation date of December 31, 2022. The total pension liability for DOSSA was measured as of December 31, 2023, with an actuarial valuation date of December 31, 2022.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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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)	\$ 60,218,494	\$ (295,162)	\$ -	\$ -	\$ 59,923,332
Proportion of the net pension liability (asset)	0.90922%	2.45620%	n/a	n/a	n/a
Total pension liability	-	-	8,998,240	172,589	9,170,829
Pension Expense	17,078,043	52,316	1,069,822	19,634	18,219,815

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>DOSSA</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>					
Differences between expected and actual experience	\$ 6,710,123	\$ -	\$ 786,573	\$ 2,126	\$ 7,498,822
Changes of Assumptions	2,558,939	-	1,180,049	5,325	3,744,313
Net difference between projected and actual earnings on plan investments	16,117,106	149,926	-	-	16,267,032
Changes in proportion and differences between contributions and proportionate share of contributions	283,751	9,517	-	-	293,268
County contributions (LGERS, ROD)/benefit payments and administrative costs (LEOSSA, DOSSA) subsequent to the measurement date	10,441,853	21,504	142,313	-	10,605,670

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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	LGERS	ROD	LEOSSA	DOSSA	Total
<b>Deferred Inflows of Resources</b>					
Differences between expected and actual experience	\$ 144,456	\$ 13,067	\$ 49,690	\$ -	\$ 207,213
Changes of assumptions	-	-	1,363,385	21,976	1,385,361
Changes in proportion and differences between contributions and proportionate share of contributions	158,768	6,652	-	-	165,420

**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, 2024, the County made contributions to the State for death benefits of \$45,276. 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 system through disability retirement with five years of service. The HCB Plan is available to

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
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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.

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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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

	<u>Employees</u>
Inactive employees or beneficiaries currently receiving benefits	411
Active employees	<u>1,072</u>
Total	<u><u>1,483</u></u>

**Total OPEB Liability**

The County's total OPEB liability of \$150,452,496 was measured as of June 30, 2023, 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	3.54 percent
Measurement date	3.65 percent
Healthcare cost trend rates	
Pre-Medicare	7.00 percent for 2021 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.

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Changes to the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Beginning balance	\$ 146,332,721
Service cost	5,626,130
Interest	5,302,517
Changes of benefit terms	-
Differences between expected and actual experience	159,373
Changes in assumptions or other inputs	(2,589,718)
Benefit payments	<u>(4,378,527)</u>
Ending balance	<u>\$ 150,452,496</u>

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022, valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate (3.65 percent):

	Current Discount		
	<u>1% Decrease (2.65%)</u>	<u>Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Total OPEB liability	\$176,709,851	\$ 150,452,496	\$129,686,321

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$126,259,178	\$ 150,452,496	\$181,831,612

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$5,486,131. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 197,778	\$ 12,207,388
Changes of assumptions	17,030,107	28,545,742
Benefit payments and administrative costs made subsequent to the measurement date	4,735,784	-
	<u>\$ 21,963,669</u>	<u>\$ 40,753,130</u>

\$4,735,784 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, 2025. 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:	
2025	\$ (4,735,933)
2026	(2,726,679)
2027	(2,696,144)
2028	(6,544,949)
2029	(6,516,863)
Thereafter	(304,677)

**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, 2024

#### 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, 2024, the volume utilized has not exceeded the permitted capacity.

Using the results of the annual survey it is estimated that approximately 50,001 cubic yards of useable airspace remain in the C&D debris landfill. The tonnage of C&D debris received at the landfill during FY 2023-2024 increased approximately 25% from FY 2022-2023. The tonnage of C&D debris disposed in the landfill during FY 2023-2024 decreased approximately 80% from FY 2022-2023. 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 52% more C&D debris during FY 2023-2024 than in FY 2022-2023. 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 2024-2025 based on a tonnage equal to that received in FY 2023-2024, 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, 2024, which is 81% of the total airspace and 92% of the useable airspace. It is estimated that closure of the C&D debris landfill will occur sometime during FY 2024-2025. 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, 2024, the combined closure and post-closure care costs for the C&D debris landfills is expected to total \$8,769,674 based on an escalation factor of 3.6%. Of that amount, \$8,769,674 has been accrued at June 30, 2024 and is included in the Long-Term Debt reported on the statement of net position.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has elected to establish a reserve fund to accumulate resources for the payment of closure and post-closure care costs. A reserve for landfill closure and post-closure care costs is included in the County Capital Project Fund in the amount of \$8,764,674. 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 the 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. There is a limit of up to \$2 million 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 participating 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

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

coverage, has a \$2 million dollar Employer's Liability limit, and is contracted with a third-party administrator, Sedgwick Claims Management Services, to manage cost containment.

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

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

The Director of Fiscal Operations, Tax Administrator, Sheriff, and Register of Deeds are each individually bonded for \$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 who 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, 2024, the amount of general obligation bonds issued for this purpose that was still outstanding was \$0. The County made total debt service

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

payments related to the bonds of \$348,428 during the fiscal year. Of that total, \$338,279 was for principal, and \$10,149 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 \$5,165,700 to the Community College for operating and capital purposes and \$291,189 to the Foundation Grant for tuition during the fiscal year ended June 30, 2024.

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, 2024. 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 \$187,832 for operating purposes during the year ended June 30, 2024. 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 \$30,475 to the Council during the fiscal year ended June 30, 2024.

##### **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 million gallons per day (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. Under construction is a parallel raw water main project that will increase capacity to no less than 96 MGD. The County appoints four 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, 2024, was \$2,092,732. In addition, the Authority made payments to the County during the fiscal year totaling \$323,262 pursuant to a maintenance contract.

## COUNTY OF BRUNSWICK, NORTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### **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'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, the Town of Oak Island, the 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 County is expanding the West Brunswick Regional Wastewater System by 0.75 MGD 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 county's customers' retail revenue. 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

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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 the revenues and expenditures of the County.

**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, 2024, 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, 2024. 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	\$ 917,347
Ash/Waccamaw Multi-Use Building	824,713
Southport Mulberry Branch Water Reclamation Facility	<u>2,824,561</u>
Total	<u>\$ 4,566,621</u>

**17. Change in Accounting Principle**

In the prior fiscal year, the County received money from the Opioid Settlement. At that time, the appropriate accounting and financial reporting guidance was thought to be that for government-mandated and voluntary non-exchange transactions, as such revenue recognition could only occur when all eligibility requirements were met. The incurrence of qualifying expenditures was among the eligibility requirements. The County incurred \$11,916 of qualifying expenditures during the fiscal year ended June 30, 2023. Accordingly, \$11,916 of revenue was recognized. See note 3, Opioid Settlement Funds, for further discussion of this nationwide settlement.

During fiscal year 2024, the conclusion for the appropriate accounting and financial reporting guidance evolved. Instead of a single approach being applicable to the activity, there was realization that the

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

approach needed to be more nuanced. Based on the facts and circumstances of the different distribution methods of the funds, it was determined that the appropriate guidance is either that for exchange and exchange-like transactions or that for government-mandated or voluntary nonexchange transactions.

After reviewing the method through which the County received the resources, it was determined that the activity should have followed the guidance for exchange and exchange-like transactions. As a result, it was necessary for the County to record prior period adjustments in June 30, 2024 for a change in accounting principles.

As an exchange/exchange-like transaction the County should have recognized revenue when they obtained a legal claim to the resources. For the opioid settlement the County obtains a claim to the resources on an accrual basis as settlements are finalized. On the modified accrual basis of accounting the resources must also be measurable and available for revenue recognition to occur.

In the prior year, the County received a cash payment of \$1,764,410, or \$1,752,494, not including the \$11,916 already recognized. This amount qualified for revenue recognition on both an accrual and modified accrual basis of accounting. It was also necessary to determine if any additional revenue should have been recognized on an accrual basis during the fiscal year ended June 30, 2023. Given that settlements had reached \$26 billion in fiscal year 2023, it was necessary to determine the portion of that amount related to the County and recognize an additional prior period adjustment for that amount.

Following are the prior period adjustments for this change in accounting principle:

<b>Accrual Basis of Accounting:</b>	Governmental Activities	
Net position, beginning, as previously reported	\$117,163,991	
Prior period adjustment - Change in accounting principle:		
Revenue for cash received	\$1,752,494	
County's share of North Carolina's unpaid aggregate settlements through fiscal year 2023, net of allowance for uncollectible accounts of \$5,651,400.	<u>\$16,090,122</u>	
Net position, beginning, as restated	<u>\$135,006,607</u>	
 <b>Modified Accrual Basis of Accounting:</b>	<b>Opioid Settlement</b>	<b>Total</b>
	<b>Non-Major Special</b>	<b>Governmental</b>
	<b>Revenue Fund</b>	<b>Funds</b>
Fund balances, beginning, as previously reported	\$ (4,535,000)	\$ 302,776,455
Prior period adjustment - Change in accounting principle:		
Revenue for cash received that was measurable and available	1,752,494	1,752,494
Fund balances, beginning as restated	\$ (2,782,506)	\$ 304,528,949



# REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Schedule of Changes in the Total Other Post Employment Benefits Liability and Related Ratios
- Notes to the Required Schedules for the Other Post Employment Benefits
- Schedule of Proportionate Share of Net Pension Liability (Asset) for the Local Governmental Employees' Retirement System
- Schedule of County Contributions for the Local Governmental Employees' 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 SEVEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability					
Service cost	\$ 5,626,130	\$ 8,308,037	\$ 8,583,500	\$ 6,200,725	\$ 5,614,327
Interest	5,302,517	4,170,807	4,057,967	5,018,945	4,745,212
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	159,373	(14,831,778)	109,415	(572,436)	(226,626)
Changes of assumptions	(2,589,718)	(34,325,577)	896,783	31,089,634	8,347,568
Benefit payments	<u>(4,378,527)</u>	<u>(3,528,435)</u>	<u>(4,262,559)</u>	<u>(3,529,654)</u>	<u>(3,007,333)</u>
Net change in total OPEB liability	4,119,775	(40,206,946)	9,385,106	38,207,214	15,473,148
Total OPEB liability - beginning	<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>
Total OPEB liability - ending	<u>\$ 150,452,496</u>	<u>\$ 146,332,721</u>	<u>\$ 186,539,667</u>	<u>\$ 177,154,561</u>	<u>\$ 138,947,347</u>
Covered employee payroll	61,551,536	61,551,536	51,030,251	51,030,251	45,375,656
Total OPEB liability as a percentage of covered employee payroll	244.43%	237.74%	365.55%	347.16%	306.22%

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>
2024	3.65%
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 SEVEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 6,394,492	\$ 7,138,096
Interest	4,517,716	3,955,778
Changes in benefit terms	-	-
Differences between expected and actual experience	(7,241,517)	(23,620)
Changes of assumptions	(5,504,850)	(12,728,581)
Benefit payments	<u>(3,159,928)</u>	<u>(2,570,121)</u>
Net change in total OPEB liability	(4,994,087)	(4,228,448)
Total OPEB liability - beginning	<u>128,468,286</u>	<u>132,696,734</u>
Total OPEB liability - ending	<u>\$ 123,474,199</u>	<u>\$ 128,468,286</u>
Covered employee payroll	45,375,656	42,403,530
Total OPEB liability as a percentage of covered employee payroll	272.12%	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\*

	2024	2023	2022	2021	2020
County of Brunswick's proportion of the net pension liability (asset) (%)	0.90922%	0.88936%	0.87932%	0.87116%	0.89226%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ 60,218,494	\$ 50,172,601	\$ 13,485,215	\$ 31,130,257	\$ 24,366,924
County of Brunswick's covered payroll	\$ 72,762,621	\$ 68,125,174	\$ 59,531,252	\$ 57,671,640	\$ 56,484,415
County of Brunswick's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	82.76%	73.65%	22.65%	53.98%	43.14%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%

\* 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\*

	2019	2018	2017	2016	2015
County of Brunswick's proportion of the net pension liability (asset) (%)	0.82382%	0.82747%	0.60212%	0.80306%	0.81261%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ 19,543,826	\$ 12,641,447	\$ 17,390,621	\$ 3,691,281	\$ (4,792,336)
County of Brunswick's covered payroll	\$ 50,538,682	\$ 48,814,016	\$ 46,196,679	\$ 46,166,707	\$ 44,833,198
County of Brunswick's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	38.67%	25.90%	37.64%	8.00%	( 10.69%)
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 10,441,853	\$ 8,909,113	\$ 7,811,891	\$ 6,103,000	\$ 5,250,112
Contributions in relation to the contractually required contribution	<u>10,441,853</u>	<u>8,909,113</u>	<u>7,811,891</u>	<u>6,103,000</u>	<u>5,250,112</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County of Brunswick's covered payroll	\$ 80,140,866	\$ 72,762,621	\$ 68,125,174	\$ 59,531,252	\$ 57,671,640
Contributions as a percentage of covered payroll	13.03%	12.24%	11.47%	10.25%	9.10%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 4,473,650	\$ 3,875,769	\$ 3,630,728	\$ 3,147,279	\$ 3,283,782
Contributions in relation to the contractually required contribution	<u>4,473,650</u>	<u>3,875,769</u>	<u>3,630,728</u>	<u>3,147,279</u>	<u>3,283,782</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County of Brunswick's covered payroll	\$ 56,484,415	\$ 50,538,682	\$ 48,814,016	\$ 46,196,679	\$ 46,166,707
Contributions as a percentage of covered payroll	7.92%	7.67%	7.44%	6.81%	7.11%

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\*

	2024	2023	2022	2021	2020
County of Brunswick's proportion of the net pension liability (asset) (%)	2.45620%	2.40451%	2.54360%	2.28053%	1.93967%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ (295,162)	\$ (318,358)	\$ (488,701)	\$ (522,652)	\$ (382,930)
Plan fiduciary net position as a percentage of the total pension liability	135.74%	139.04%	156.53%	173.62%	164.11%

\* 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\*

	2019	2018	2017	2016	2015
County of Brunswick's proportion of the net pension liability (asset) (%)	2.51207%	2.18960%	1.93860%	2.10041%	2.09977%
County of Brunswick's proportion of the net pension liability (asset) (\$)	\$ (416,074)	\$ (373,743)	\$ (362,452)	\$ (486,760)	\$ (475,927)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 21,504	\$ 21,920	\$ 27,565	\$ 30,527	\$ 21,836
Contributions in relation to the contractually required contribution	<u>21,504</u>	<u>21,920</u>	<u>27,565</u>	<u>30,527</u>	<u>21,836</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County of Brunswick's covered payroll	\$ 124,547	\$ 119,524	\$ 115,874	\$ 103,447	\$ 100,079
Contributions as a percentage of covered payroll	17.27%	18.34%	23.79%	29.51%	21.82%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 18,436	\$ 19,867	\$ 19,024	\$ 17,468	\$ 16,807
Contributions in relation to the contractually required contribution	<u>18,436</u>	<u>19,867</u>	<u>19,024</u>	<u>17,468</u>	<u>16,807</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County of Brunswick's covered payroll	\$ 96,448	\$ 91,812	\$ 88,835	\$ 85,010	\$ 83,940
Contributions as a percentage of covered payroll	19.11%	21.64%	21.41%	20.55%	20.02%

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning Balance	\$ 7,821,779	\$ 8,871,510	\$ 8,339,592	\$ 5,793,388	\$ 4,716,034
Service Cost	406,465	538,720	537,017	330,014	329,165
Interest on the total pension liability	331,645	197,112	159,051	185,870	169,223
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	447,194	153,922	312,819	(126,134)	497,284
Changes of assumptions or other inputs	245,144	(1,717,556)	(279,730)	2,340,181	215,772
Benefit payments	(253,987)	(221,929)	(197,239)	(183,727)	(134,090)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 8,998,240</u>	<u>\$ 7,821,779</u>	<u>\$ 8,871,510</u>	<u>\$ 8,339,592</u>	<u>\$ 5,793,388</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 EIGHT FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 4,424,953	\$ 3,807,449	\$ 3,583,212
Service Cost	309,697	245,841	265,075
Interest on the total pension liability	138,041	145,866	126,977
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	188,974	(56,959)	-
Changes of assumptions or other inputs	(232,522)	339,847	(114,970)
Benefit payments	(113,109)	(57,091)	(52,845)
Other changes	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance of the total pension liability	<u>\$ 4,716,034</u>	<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 EIGHT FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 8,998,240	\$ 7,821,779	\$ 8,871,510	\$ 8,339,592	\$ 5,793,388
Covered-employee payroll	13,721,712	12,684,602	11,957,518	11,215,298	11,968,501
Total pension liability as a percentage of covered employee payroll	65.58%	61.66%	74.19%	74.36%	48.41%

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 EIGHT FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 4,716,034	\$ 4,424,953	\$ 3,807,449
Covered-employee payroll	10,139,455	9,559,174	9,791,266
Total pension liability as a percentage of covered employee payroll	46.51%	46.29%	38.89%

## COUNTY OF BRUNSWICK, NORTH CAROLINA

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning Balance	\$ 140,998	\$ 159,102	\$ 143,652	\$ -
Service Cost	18,224	19,791	20,494	114,024
Interest on the total pension liability	6,077	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	7,290	(46,087)	(7,816)	26,399
Benefit payments	-	-	-	-
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 172,589</u>	<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 FOUR FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 172,589	\$ 140,998	\$ 159,102	\$ 143,652
Covered-employee payroll	3,057,637	3,057,637	2,470,944	2,470,944
Total pension liability as a percentage of covered employee payroll	5.64%	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

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## **GENERAL FUND**

This fund is the principal fund of the County and is used to account for the receipt and expenditure of resources that are traditionally associated with local government and 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, 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, 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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Current year taxes		\$ 172,508,552		\$ 159,127,120
Prior year taxes		1,164,681		1,506,282
Penalties and interest		<u>529,522</u>		<u>605,913</u>
	<u>\$ 169,429,283</u>	<u>174,202,755</u>	<u>\$ 4,773,472</u>	<u>161,239,315</u>
<b>Local Option Sales Taxes:</b>				
Article 39 and 44 (1%)		20,739,920		19,597,988
Article 40 (1/2%)		13,149,372		12,251,335
Article 42 (1/2%)		<u>13,911,091</u>		<u>13,009,043</u>
	<u>45,662,215</u>	<u>47,800,383</u>	<u>2,138,168</u>	<u>44,858,366</u>
<b>Other Taxes and Licenses:</b>				
Scrap tire disposal fee		292,755		270,859
Deed stamp excise tax		7,982,218		7,377,077
Solid waste tax		75,088		73,314
White goods disposal tax		88,869		71,044
1% Occupancy Tax		<u>3,401,266</u>		<u>3,341,040</u>
	<u>11,000,000</u>	<u>11,840,196</u>	<u>840,196</u>	<u>11,133,334</u>
<b>Unrestricted Intergovernmental:</b>				
Medicaid hold harmless		7,162,667		7,371,573
Beer and wine tax		348,043		308,389
Jail fees		<u>483,849</u>		<u>586,610</u>
	<u>3,365,348</u>	<u>7,994,559</u>	<u>4,629,211</u>	<u>8,266,572</u>
<b>Restricted Intergovernmental:</b>				
State and federal grant		19,004,253		17,523,156
State aid to libraries		189,531		160,344
CARES Act		-		(5,333)
State cost reimbursement		34,060		34,931
Court facility fees		166,374		158,985
Payments in lieu of taxes		5,108		106,337
ABC education requirement		-		6,087
ABC law enforcement services		16,634		17,870
State drug tax		<u>22,199</u>		<u>23,661</u>
	<u>22,601,512</u>	<u>19,438,159</u>	<u>(3,163,353)</u>	<u>18,026,038</u>
<b>Permits and Fees:</b>				
Building inspections and permits		7,498,085		5,118,361
Recording fees		858,368		873,190
Fire inspection fees		496,984		220,793
Concealed handgun permit		267,966		260,665

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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Permit and Fees (continued):</b>				
Other permit and fees		1,123,034		999,511
	<u>7,988,993</u>	<u>10,244,437</u>	<u>2,255,444</u>	<u>7,472,520</u>
<b>Sales and Services:</b>				
Solid waste fees		5,833,252		4,562,979
School resource officer reimbursement		2,191,206		1,897,886
EMS Charges		7,456,875		6,907,143
Public health user fees		1,132,182		1,181,419
Sheriff animal protective services fees		120,647		122,417
Social services fees		33,575		41,280
Public housing fees		5,799		3,314
Tax collection fees		498,240		383,074
Other sales and services		2,220,268		2,335,893
Register of deeds		421,889		435,678
Marriage licenses		60,239		61,161
Recreation services		325,873		300,293
Rents		65,522		2,383
	<u>18,099,108</u>	<u>20,365,567</u>	<u>2,266,459</u>	<u>18,234,920</u>
<b>Investment earnings</b>	<u>2,866,624</u>	<u>5,838,755</u>	<u>2,972,131</u>	<u>3,680,431</u>
<b>Other:</b>				
ABC bottles taxes		95,924		87,469
County Board of Alcohol Control		30,000		30,000
Contributions		116,111		134,515
Other revenues		2,761,825		2,514,381
Lease and lease interest		14,281		12,782
	<u>1,970,214</u>	<u>3,018,141</u>	<u>1,047,927</u>	<u>2,779,147</u>
<b>Total revenues</b>	<u>282,983,297</u>	<u>300,742,952</u>	<u>17,759,655</u>	<u>275,690,643</u>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Body:</b>				
Salaries		248,260		233,405
Fringe benefits		80,040		67,790
Operating costs		48,074		43,259
Capital outlay		-		7,726
	<u>409,283</u>	<u>376,374</u>	<u>32,909</u>	<u>352,180</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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>County Administration:</b>				
Salaries		977,712		575,516
Fringe benefits		322,307		182,219
Operating costs		61,593		38,824
Capital outlay		-		7,648
	<u>1,371,983</u>	<u>1,361,612</u>	<u>10,371</u>	<u>804,207</u>
<b>Human Resources:</b>				
Salaries		474,161		412,095
Fringe benefits		178,144		149,304
Operating costs		8,277		6,274
	<u>664,241</u>	<u>660,582</u>	<u>3,659</u>	<u>567,673</u>
<b>Communications:</b>				
Salaries		151,594		143,741
Fringe benefits		58,095		53,936
Operating costs		24,507		44,291
	<u>287,834</u>	<u>234,196</u>	<u>53,638</u>	<u>241,968</u>
<b>Finance:</b>				
Salaries		1,118,199		1,037,443
Fringe benefits		416,976		376,821
Operating costs		400,738		470,127
Capital outlay		493,372		186,124
	<u>2,772,531</u>	<u>2,429,285</u>	<u>343,246</u>	<u>2,070,515</u>
<b>Tax Administration:</b>				
Salaries		2,973,730		2,768,119
Fringe benefits		1,214,769		1,098,640
Operating costs		937,854		1,230,158
Capital outlay		150,524		168,410
	<u>5,774,373</u>	<u>5,276,877</u>	<u>497,496</u>	<u>5,265,327</u>
<b>County Attorney:</b>				
Salaries		451,701		472,118
Fringe benefits		147,832		148,466
Operating costs		152,209		55,431
Capital outlay		-		6,539
	<u>803,887</u>	<u>751,742</u>	<u>52,145</u>	<u>682,554</u>
<b>Court Facilities:</b>				
Operating costs		219,830		211,743
Capital outlay		12,719		-
	<u>624,231</u>	<u>232,549</u>	<u>391,682</u>	<u>211,743</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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Board of Elections:</b>				
Salaries		917,886		674,558
Fringe benefits		174,321		156,250
Operating costs		351,549		191,511
Capital outlay		-		42,224
	<u>1,549,076</u>	<u>1,443,756</u>	<u>105,320</u>	<u>1,064,543</u>
<b>Register of Deeds:</b>				
Salaries		809,881		707,681
Fringe benefits		370,865		312,439
Operating costs		4,187,500		3,899,584
Capital outlay		-		426,153
	<u>5,657,964</u>	<u>5,368,246</u>	<u>289,718</u>	<u>5,345,857</u>
<b>Contingency:</b>				
Operating costs	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Total general government	<u>20,315,403</u>	<u>18,135,219</u>	<u>2,180,184</u>	<u>16,606,567</u>
<b>Central Services:</b>				
<b>Information Technology:</b>				
Salaries		1,699,553		1,450,729
Fringe benefits		617,578		509,190
Operating costs		1,283,963		1,148,968
Capital outlay		906,921		1,702,027
	<u>5,498,892</u>	<u>4,508,015</u>	<u>990,877</u>	<u>4,810,914</u>
<b>Fleet Services:</b>				
Salaries		824,243		764,727
Fringe benefits		343,464		311,500
Operating costs		341,493		421,428
Capital outlay		1,019,690		277,800
	<u>2,829,885</u>	<u>2,528,890</u>	<u>300,995</u>	<u>1,775,455</u>
<b>Engineering:</b>				
Salaries		696,032		552,262
Fringe benefits		249,503		191,310
Operating costs		33,524		26,098
Capital outlay		103,061		-
	<u>1,208,620</u>	<u>1,082,120</u>	<u>126,500</u>	<u>769,670</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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Operation Services:</b>				
Salaries		2,824,837		2,600,709
Fringe benefits		1,253,505		1,122,734
Operating costs		4,055,891		3,597,373
Capital outlay		445,237		484,152
	<u>11,840,321</u>	<u>8,579,470</u>	<u>3,260,851</u>	<u>7,804,968</u>
<b>Non-departmental:</b>				
Fringe benefits		6,723,470		6,483,445
Operating costs		772,147		130,259
Capital outlay		41,023		-
	<u>8,361,218</u>	<u>7,536,640</u>	<u>824,578</u>	<u>6,613,704</u>
Total central services	<u>29,738,936</u>	<u>24,235,135</u>	<u>5,503,801</u>	<u>21,774,711</u>
<b>Public Safety:</b>				
<b>District Attorney:</b>				
Operating costs		8,634		10,889
	<u>13,000</u>	<u>8,634</u>	<u>4,366</u>	<u>10,889</u>
<b>Sheriff:</b>				
Salaries		14,313,730		13,350,400
Fringe benefits		5,368,853		5,103,061
Operating costs		3,680,773		3,688,040
Capital outlay		2,404,121		1,630,512
	<u>27,909,200</u>	<u>25,767,477</u>	<u>2,141,723</u>	<u>23,772,013</u>
<b>Detention Center:</b>				
Salaries		6,711,757		6,275,298
Fringe benefits		2,626,596		2,401,643
Operating costs		3,236,792		3,585,879
Capital outlay		263,528		405,030
	<u>14,043,484</u>	<u>12,838,673</u>	<u>1,204,811</u>	<u>12,667,850</u>
<b>Emergency Medical:</b>				
Salaries		8,068,671		7,147,723
Fringe benefits		2,950,270		2,597,145
Operating costs		2,768,528		2,410,679
Capital outlay		2,158,770		807,023
	<u>18,776,089</u>	<u>15,946,239</u>	<u>2,829,850</u>	<u>12,962,570</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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Emergency Management:</b>				
Salaries		467,328		402,090
Fringe benefits		171,111		141,009
Operating costs		613,272		497,502
Capital outlay		501,682		278,459
	<u>1,920,385</u>	<u>1,753,393</u>	<u>166,992</u>	<u>1,319,060</u>
<b>Other Agencies:</b>				
Fire districts		-		1,055,000
Rescue Squads		410,840		331,800
	<u>413,800</u>	<u>410,840</u>	<u>2,960</u>	<u>1,386,800</u>
<b>Building Inspections and Central Permitting</b>				
Salaries		3,360,913		2,800,750
Fringe benefits		1,240,815		1,009,751
Operating costs		313,241		283,404
Capital outlay		355,219		85,671
	<u>5,319,637</u>	<u>5,270,188</u>	<u>49,449</u>	<u>4,179,576</u>
<b>Fire Inspections</b>				
Salaries		704,647		480,928
Fringe benefits		231,723		145,710
Operating costs		109,533		68,753
Capital outlay		252,223		98,540
	<u>1,394,059</u>	<u>1,298,126</u>	<u>95,933</u>	<u>793,931</u>
<b>Central Communications:</b>				
Salaries		2,192,976		2,081,297
Fringe benefits		841,957		784,904
Operating costs		408,483		1,521,319
Capital outlay		260,692		3,086,302
	<u>4,864,275</u>	<u>3,704,108</u>	<u>1,160,167</u>	<u>7,473,822</u>
<b>Animal Protective Services:</b>				
Salaries		690,876		616,171
Fringe benefits		283,786		245,986
Operating costs		326,335		306,003
Capital outlay		110,578		52,318
	<u>1,608,674</u>	<u>1,411,575</u>	<u>197,099</u>	<u>1,220,478</u>
Total public safety	<u>76,262,603</u>	<u>68,409,253</u>	<u>7,853,350</u>	<u>65,786,989</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Transportation:</b>				
Cape Fear Regional Jetport		111,000		111,000
Odell Williamson Municipal Airport		50,000		50,000
Brunswick Transit System		130,581		164,544
Total transportation	<u>291,581</u>	<u>291,581</u>	-	<u>325,544</u>
<b>Environmental Protection:</b>				
<b>Solid Waste:</b>				
Salaries		472,218		462,339
Fringe benefits		198,384		190,576
Operating costs		23,300,736		20,564,944
Capital outlay		339,416		1,152,009
	<u>24,935,740</u>	<u>24,310,754</u>	624,986	<u>22,369,868</u>
<b>Other:</b>				
Forestry services	<u>324,475</u>	<u>316,974</u>	7,501	<u>187,392</u>
Total environmental protection	<u>25,260,215</u>	<u>24,627,728</u>	632,487	<u>22,557,260</u>
<b>Economic Development:</b>				
<b>Planning and Community Enforcement:</b>				
Salaries		932,286		831,828
Fringe benefits		352,462		311,726
Operating costs		223,101		209,730
Capital outlay		41,280		111,836
	<u>1,773,674</u>	<u>1,549,129</u>	224,545	<u>1,465,120</u>
<b>Cooperative Extension:</b>				
Salaries		391,085		362,939
Fringe benefits		178,172		154,848
Operating costs		161,710		150,045
Capital outlay		-		23,882
	<u>947,686</u>	<u>730,967</u>	216,719	<u>691,714</u>
<b>Soil and Water Conservation:</b>				
Salaries		184,498		173,155
Fringe benefits		75,600		69,827
Operating costs		349,723		22,417
	<u>664,746</u>	<u>609,821</u>	54,925	<u>265,399</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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Public Housing Section 8:</b>				
Salaries		211,871		200,043
Fringe benefits		92,084		85,616
Operating costs		2,345,516		2,011,253
Capital outlay		29,566		46,841
	<u>2,719,874</u>	<u>2,679,037</u>	<u>40,837</u>	<u>2,343,753</u>
<b>1% Occupancy Tax:</b>				
Operating costs	<u>3,600,000</u>	<u>3,401,266</u>	<u>198,734</u>	<u>3,341,040</u>
<b>Other Economic Development:</b>				
Contracted services		127,025		105,379
Incentives		350,000		100,000
Boiling Sprink Lakes		750,000		-
Lockwood Folly & Shallotte Dredging		33,438		106,250
Brunswick Business and Industry Development		575,000		575,000
Land held for Economic Development		19,342,381		-
	<u>22,947,113</u>	<u>21,177,844</u>	<u>1,769,269</u>	<u>886,629</u>
Total economic development	<u>32,653,093</u>	<u>30,148,064</u>	<u>2,505,029</u>	<u>8,993,655</u>
<b>Human Services:</b>				
<b>Health:</b>				
<b>Administration:</b>				
Salaries		2,861,719		2,798,410
Fringe benefits		1,528,368		1,381,773
Operating costs		878,519		198,380
Capital outlay		64,305		-
	<u>5,711,782</u>	<u>5,332,911</u>	<u>378,871</u>	<u>4,378,563</u>
<b>Communicable Diseases:</b>				
Operating costs	<u>856,494</u>	<u>653,521</u>	<u>202,973</u>	<u>486,917</u>
<b>Adult Health Maintenance:</b>				
Operating costs		526,320		223,402
	<u>928,253</u>	<u>526,320</u>	<u>401,933</u>	<u>223,402</u>
<b>Senior Health:</b>				
Salaries		12,750		59,925
Fringe benefits		5,602		23,994
Operating costs		17,500		1,730
	<u>93,936</u>	<u>35,852</u>	<u>58,084</u>	<u>85,649</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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Maternal and Child Health:</b>				
Salaries		496,537		490,202
Fringe benefits		213,740		206,235
Operating costs		561,924		536,079
	<u>1,419,756</u>	<u>1,272,201</u>	<u>147,555</u>	<u>1,232,516</u>
<b>Environmental Health:</b>				
Salaries		1,649,464		1,513,824
Fringe benefits		633,330		567,450
Operating costs		318,168		427,624
Capital outlay		267,758		-
	<u>3,743,405</u>	<u>2,868,720</u>	<u>874,685</u>	<u>2,508,898</u>
Total health	<u>12,753,626</u>	<u>10,689,525</u>	<u>2,064,101</u>	<u>8,915,945</u>
<b>Veterans' Services:</b>				
Salaries		294,302		218,771
Fringe benefits		119,924		85,319
Operating costs		23,115		52,564
Total veterans' services	<u>444,462</u>	<u>437,341</u>	<u>7,121</u>	<u>356,654</u>
<b>Social Services:</b>				
<b>Administration:</b>				
Salaries		9,867,563		8,969,122
Fringe benefits		4,690,942		4,130,468
Operating costs		2,536,859		2,902,400
Capital outlay		2,139,395		393,239
	<u>22,871,846</u>	<u>19,234,759</u>	<u>3,637,087</u>	<u>16,395,229</u>
<b>Other Operating Costs:</b>				
Medical assistance		4,433		1,707
Aid to the blind		3,702		3,758
Adoption assistance		278,518		201,324
Foster care		662,337		650,917
State foster home		922,625		592,945
Special assistance		360,950		277,033
Day care		11,317		5,356
Special child adoption assistance		16,389		15,538
	<u>2,441,008</u>	<u>2,260,271</u>	<u>180,737</u>	<u>1,748,578</u>
Total social services	<u>25,312,854</u>	<u>21,495,030</u>	<u>3,817,824</u>	<u>18,143,807</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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Other Human Services:</b>				
Trillium Health Resources		187,832		250,443
Brunswick Senior Resources, Inc.		3,302,182		3,017,136
Other human services		98,466		121,820
	<u>3,651,093</u>	<u>3,588,480</u>	<u>62,613</u>	<u>3,389,399</u>
Total human services	<u>42,162,035</u>	<u>36,210,376</u>	<u>5,951,659</u>	<u>30,805,805</u>
<b>Education:</b>				
Public schools		54,431,037		50,272,806
Public schools - capital outlay		1,141,910		1,054,674
Public schools - fines and forfeitures		359,149		496,613
Community college		5,235,589		4,674,986
Community college - capital outlay		221,300		660,450
Total education	<u>61,447,797</u>	<u>61,388,985</u>	<u>58,812</u>	<u>57,159,529</u>
<b>Culture and Recreation:</b>				
<b>Parks and Recreation:</b>				
<b>Administration:</b>				
Salaries		913,640		776,926
Fringe benefits		287,064		247,137
Operating costs		875,951		721,363
Capital outlay		122,334		91,308
	<u>4,528,272</u>	<u>2,198,989</u>	<u>2,329,283</u>	<u>1,836,734</u>
<b>Maintenance:</b>				
Salaries		1,045,304		888,169
Fringe benefits		415,054		365,137
Operating costs		696,009		652,290
Capital outlay		337,190		106,224
	<u>2,580,377</u>	<u>2,493,557</u>	<u>86,820</u>	<u>2,011,820</u>
Total Parks and Recreation	<u>7,108,649</u>	<u>4,692,546</u>	<u>2,416,103</u>	<u>3,848,554</u>
<b>Brunswick County Library:</b>				
Salaries		1,110,657		829,930
Fringe benefits		473,091		356,184
Operating costs		374,482		404,097
Capital outlay		24,963		74,556
	<u>2,463,207</u>	<u>1,983,193</u>	<u>480,014</u>	<u>1,664,767</u>
Total culture and recreation	<u>9,571,856</u>	<u>6,675,739</u>	<u>2,896,117</u>	<u>5,513,321</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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Debt Service:</b>				
Principal retirement	11,392,949	11,392,941	8	9,786,756
Interest and fees	<u>5,195,040</u>	<u>5,190,376</u>	<u>4,664</u>	<u>4,482,197</u>
Total debt service	<u>16,587,989</u>	<u>16,583,317</u>	<u>4,672</u>	<u>14,268,953</u>
Total expenditures	<u>314,291,508</u>	<u>286,705,397</u>	<u>27,586,111</u>	<u>243,792,334</u>
<b>Revenues over (under) expenditures</b>	<u>(31,308,211)</u>	<u>14,037,555</u>	<u>45,345,766</u>	<u>31,898,309</u>
<b>Other Financing Sources (Uses):</b>				
Lease liabilities issued	186,879	171,875	(15,004)	523,952
SBITA liabilities issued	<u>730,483</u>	<u>625,061</u>	<u>(105,422)</u>	<u>3,105,910</u>
	<u>917,362</u>	<u>796,936</u>	<u>(120,426)</u>	<u>3,629,862</u>
<b>Transfers From Other Funds:</b>				
Transfer from American Rescue Plan Act fund	437,279	487,279	50,000	5,450,000
Transfer from emergency telephone system fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,344</u>
	<u>437,279</u>	<u>487,279</u>	<u>50,000</u>	<u>5,490,344</u>
<b>Transfers To Other Funds:</b>				
Transfer to county capital project fund	(1,816,686)	(1,816,686)	-	(17,909,354)
Transfer to grant project funds	(81,490)	(81,490)	-	(58,477)
Transfer to emergency telephone system fund	(13,047)	(13,046)	1	(18,107)
Transfer to school capital project funds	<u>(12,765,138)</u>	<u>(12,765,137)</u>	<u>1</u>	<u>(12,263,344)</u>
	<u>(14,676,361)</u>	<u>(14,676,359)</u>	<u>2</u>	<u>(30,249,282)</u>
<b>Budgetary Financing Sources (Uses):</b>				
Appropriated fund balance	<u>44,629,931</u>	<u>-</u>	<u>(44,629,931)</u>	<u>-</u>
Total other financing sources (uses)	<u>31,308,211</u>	<u>(13,392,144)</u>	<u>(44,700,355)</u>	<u>(21,129,076)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>645,411</u>	<u>\$ 645,411</u>	<u>10,769,233</u>
<b>Fund balance, beginning of year</b>		<u>150,439,596</u>		<u>139,670,363</u>
<b>Fund balance, end of year</b>		<u>\$ 151,085,007</u>		<u>\$ 150,439,596</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, 2024

	Project Budget	Prior Years	Actual Current Year	Total to Date	Variance
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
NC Department of Transportation	\$ 44,012,818	\$ 25,881,721	\$ 318,551	\$ 26,200,272	\$ (17,812,546)
NC Capital and Infrastructure Fund	300,000	300,000	-	300,000	-
CARES Act	151,000	151,000	-	151,000	-
	<u>44,463,818</u>	<u>26,332,721</u>	<u>318,551</u>	<u>26,651,272</u>	<u>(17,812,546)</u>
<b>Investment earnings</b>	<u>841,170</u>	<u>2,381,954</u>	<u>2,606,586</u>	<u>4,988,540</u>	<u>4,147,370</u>
<b>Other:</b>					
Performance bonds	290,876	290,876	-	290,876	-
Other revenues	349,240	349,240	-	349,240	-
	<u>640,116</u>	<u>640,116</u>	<u>-</u>	<u>640,116</u>	<u>-</u>
<b>Total revenues</b>	<u>45,945,104</u>	<u>29,354,791</u>	<u>2,925,137</u>	<u>32,279,928</u>	<u>(13,665,176)</u>
<b>Expenditures:</b>					
<b>Capital Improvements:</b>					
<b>General Government:</b>					
Courthouse Addition Renovation	15,340,270	15,313,798	26,472	15,340,270	-
Future capital projects	40,000,000	-	-	-	40,000,000
	<u>55,340,270</u>	<u>15,313,798</u>	<u>26,472</u>	<u>15,340,270</u>	<u>40,000,000</u>
<b>Central Services:</b>					
Future capital projects	201,388	-	-	-	-
<b>Public Safety:</b>					
Animal Adoption Center	10,000	-	9,368	9,368	632
Future capital projects	40,000	-	-	-	-
	<u>50,000</u>	<u>-</u>	<u>9,368</u>	<u>9,368</u>	<u>632</u>
<b>Environmental protection:</b>					
Landfill Transfer Station	6,333,734	5,712,628	452,725	6,165,353	168,381
Future capital projects	11,329,653	-	-	-	11,329,653
	<u>17,663,387</u>	<u>5,712,628</u>	<u>452,725</u>	<u>6,165,353</u>	<u>11,498,034</u>
<b>Economic Development:</b>					
Springlake at Maritime Shores	274,585	-	-	-	274,585
Future capital projects	2,250,000	-	-	-	2,250,000
	<u>2,524,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,524,585</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, 2024

	Project Budget	Actual			Variance
		Prior Years	Current Year	Total to Date	
<b>Cultural and recreation:</b>					
Smithville Park improvements	6,106,888	6,103,208	3,679	6,106,887	1
Waccamaw Multiuse Building	6,126,700	261,848	4,359,082	4,620,930	1,505,770
Smithville Park improvements - Phase III	70,974	30,300	15,350	45,650	25,324
Future capital projects	2,059,026	-	-	-	2,059,026
	<u>14,363,588</u>	<u>6,395,356</u>	<u>4,378,111</u>	<u>10,773,467</u>	<u>3,590,121</u>
<b>Transportation:</b>					
Airport improvements	45,313,620	27,119,750	459,102	27,578,852	17,734,768
<b>Other:</b>					
Future capital projects	1,491,984	-	-	-	1,491,984
Total expenditures	<u>136,948,822</u>	<u>54,541,532</u>	<u>5,325,778</u>	<u>59,867,310</u>	<u>76,840,124</u>
Revenues over (under) expenditures	(91,003,718)	(25,186,741)	(2,400,641)	(27,587,382)	63,416,336
<b>Other Financing Sources (Uses):</b>					
Appropriated fund balance	4,805,618	-	-	-	(4,805,618)
Transfer from general fund	90,491,984	88,635,602	1,816,686	90,452,288	(39,696)
Transfer to general fund	(4,293,884)	(4,293,884)	-	(4,293,884)	-
Total other financing sources (uses)	<u>91,003,718</u>	<u>84,341,718</u>	<u>1,816,686</u>	<u>86,158,404</u>	<u>(4,845,314)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 59,154,977</u>	<u>(583,955)</u>	<u>\$ 58,571,022</u>	<u>\$ 58,571,022</u>
Fund balance, beginning of year			<u>63,979,459</u>		
Fund balance, end of year			<u>\$ 63,395,504</u>		

## COUNTY OF BRUNSWICK, NORTH CAROLINA

## SCHEDULE OF REVENUES AND EXPENDITURES

## AND CHANGES IN FUND BALANCE

## BUDGET TO ACTUAL - EDUCATION CAPITAL PROJECTS FUND

## FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Budget	Actual			Variance
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
NC Public Education Lottery Restricted	\$ 7,082,039	\$ 7,082,039	\$ -	\$ 7,082,039	\$ -
intergovernmental revenue	-	10,758	-	10,758	10,758
Investment earnings	-	1,052,705	1,244,786	2,297,491	2,297,491
Investment earnings - debt proceeds	5,439,257	2,905,008	1,312,070	4,217,078	(1,222,179)
Total revenues	<u>12,521,296</u>	<u>11,050,510</u>	<u>2,556,856</u>	<u>13,607,366</u>	<u>1,086,070</u>
<b>Expenditures:</b>					
Brunswick County Schools	<u>279,891,300</u>	<u>172,762,977</u>	<u>42,276,272</u>	<u>215,039,249</u>	<u>64,852,051</u>
<b>Revenues over (under) expenditures</b>	(267,370,004)	(161,712,467)	(39,719,416)	(201,431,883)	65,938,121
<b>Other Financing Sources (Uses):</b>					
Transfer from general fund	108,947,956	96,182,817	12,765,137	108,947,954	(2)
Transfer to general fund	(314,013)	(314,013)	-	(314,013)	-
Premium on bonds issued	14,618,648	14,618,648	-	14,618,648	-
Debt financing issued	137,565,000	137,565,000	-	137,565,000	-
Appropriated fund balance	<u>6,552,413</u>	-	-	-	<u>(6,552,413)</u>
Total other financing sources (uses)	<u>267,370,004</u>	<u>248,052,452</u>	<u>12,765,137</u>	<u>260,817,589</u>	<u>(6,552,415)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 86,339,985</u>	(26,954,279)	<u>\$ 59,385,706</u>	<u>\$ 59,385,706</u>
<b>Fund balance, beginning of year</b>			<u>92,892,400</u>		
<b>Fund balance, end of year</b>			<u>\$ 65,938,121</u>		



# NON-MAJOR GOVERNMENTAL FUNDS

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## **EMERGENCY TELEPHONE SYSTEM FUND**

This fund accounts for the 911 revenues received by the State 911 Board to enhance the State's 911 system.

## **GRANT PROJECT FUND**

This fund accounts for Grant funds received for certain governmental 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, 2024

	Emergency Telephone System Fund	Grant Project	ROD- Technology Enhancement Fund	American Rescue Plan Act Fund	National Opioid Settlement Fund	Total
<b>Assets:</b>						
Cash and cash equivalents	\$ 768,345	\$ 13,326	\$ 1,260,164	\$ -	\$ -	\$ 2,041,835
Restricted cash and cash equivalents/investments	-	-	-	1,869,800	5,510,337	7,380,137
Interest receivable	302	-	528	555	2,012	3,397
Receivables, net	-	-	-	-	-	-
Restricted opioid receivables, net	-	-	-	-	13,458,994	13,458,994
Other governmental agencies	41,502	50,856	-	-	-	92,358
Total assets	<u>\$ 810,149</u>	<u>\$ 64,182</u>	<u>\$ 1,260,692</u>	<u>\$ 1,870,355</u>	<u>\$18,971,343</u>	<u>\$22,976,721</u>
<b>Liabilities:</b>						
Accounts payable and other liabilities	4,513	18,299	4,178	36,900	-	63,890
Unearned revenue	-	-	-	4,479,669	-	4,479,669
Total liabilities	<u>4,513</u>	<u>18,299</u>	<u>4,178</u>	<u>4,516,569</u>	<u>-</u>	<u>4,543,559</u>
<b>Deferred Inflows of Resources:</b>						
Grant receivable	-	-	-	-	13,458,994	13,458,994
<b>Fund Balance:</b>						
Stabilization by State Statute	41,804	50,856	528	555	2,012	95,755
Restricted - other	763,832	-	1,255,986	-	5,510,337	7,530,155
Unassigned	-	(4,973)	-	(2,646,769)	-	(2,651,742)
Total fund balances	<u>805,636</u>	<u>45,883</u>	<u>1,256,514</u>	<u>(2,646,214)</u>	<u>5,512,349</u>	<u>4,974,168</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 810,149</u>	<u>\$ 64,182</u>	<u>\$ 1,260,692</u>	<u>\$ 1,870,355</u>	<u>\$18,971,343</u>	<u>\$22,976,721</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, 2024

	Emergency Telephone System Fund	Grant Project	ROD- Technology Enhancement Fund	American Rescue Plan Act Fund	National Opioid Settlement Fund	Total
<b>Revenues:</b>						
Restricted intergovernmental	\$ 736,749	\$ 564,629	\$ -	\$ 5,049,287	\$ -	\$ 6,350,665
Permits and fees	-	-	175,967	-	-	175,967
Opioid settlement funds	-	-	-	-	3,735,932	3,735,932
Investment earnings	25,207	-	43,790	87,526	125,339	281,862
Total revenues	<u>761,956</u>	<u>564,629</u>	<u>219,757</u>	<u>5,136,813</u>	<u>3,861,271</u>	<u>10,544,426</u>
<b>Expenditures:</b>						
General government	-	351,316	137,358	6,661	-	495,335
Public safety	950,822	221,227	-	247,500	-	1,419,549
Human Services	-	-	-	248,270	133,545	381,815
Cultural and recreation	-	-	-	55,339	-	55,339
<b>Debt Service:</b>						
Principal retirement	40,581	-	-	-	-	40,581
Interest and fiscal charges	2,390	-	-	-	-	2,390
Total expenditures	<u>993,793</u>	<u>572,543</u>	<u>137,358</u>	<u>557,770</u>	<u>133,545</u>	<u>2,395,009</u>
<b>Revenues over (under) expenditures</b>	(231,837)	(7,914)	82,399	4,579,043	3,727,726	8,149,417
<b>Other Financing Sources:</b>						
Transfers from general fund	13,046	81,490	-	-	-	94,536
Transfers to general fund	-	(50,000)	-	(437,279)	-	(487,279)
Transfer to water fund	-	-	-	(2,486,335)	-	(2,486,335)
Transfers to wastewater fund	-	-	-	(900,000)	-	(900,000)
Transfers to water capital project fund	-	-	-	1,186,335	-	1,186,335
Transfers to wastewater capital project fu	-	-	-	2,200,000	-	2,200,000
Total other financing sources (uses)	<u>13,046</u>	<u>31,490</u>	<u>-</u>	<u>(437,279)</u>	<u>-</u>	<u>(392,743)</u>
<b>Net change in fund balances</b>	(218,791)	23,576	82,399	4,141,764	3,727,726	7,756,674
<b>Fund balance, beginning of year</b>	<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>
<b>Restatement</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,752,494</u>	<u>1,752,494</u>
<b>Fund balance, beginning, as restated</b>	<u>1,024,427</u>	<u>22,307</u>	<u>1,174,115</u>	<u>(6,787,978)</u>	<u>1,784,623</u>	<u>(2,782,506)</u>
<b>Fund balance, end of year</b>	<u>\$ 805,636</u>	<u>\$ 45,883</u>	<u>\$ 1,256,514</u>	<u>\$ (2,646,214)</u>	<u>\$ 5,512,349</u>	<u>\$ 4,974,168</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, 2024  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Revenues:</b>				
<b>Restricted Intergovernmental:</b>				
NC 911 Board	\$ 564,674	\$ 498,027	\$ (66,647)	\$ 406,750
NC 911 Board - 2023 PSAP Grant	238,722	238,722	-	-
	<u>803,396</u>	<u>736,749</u>	<u>(66,647)</u>	<u>406,750</u>
<b>Investment earnings</b>	<u>-</u>	<u>25,207</u>	<u>25,207</u>	<u>27,360</u>
Total revenues	<u>803,396</u>	<u>761,956</u>	<u>(41,440)</u>	<u>434,110</u>
<b>Expenditures:</b>				
<b>Public Safety:</b>				
Telephone and furniture	431,091	337,851	93,240	128,211
Computer software	144,837	44,040	100,797	54,639
Computer hardware	808,619	91,096	717,523	80,352
Staff training	10,649	11,066	(417)	8,872
Implemental functions	4,452	4,452	-	26,669
Capital Outlay	462,317	462,317	-	716,123
<b>Debt Service:</b>				
Principal retirement	40,581	40,581	-	40,718
Interest and fees	2,391	2,390	1	1,253
Total expenditures	<u>1,904,937</u>	<u>993,793</u>	<u>911,144</u>	<u>1,056,837</u>
<b>Revenues over (under) expenditures</b>	<u>(1,101,541)</u>	<u>(231,837)</u>	<u>869,704</u>	<u>(622,727)</u>
<b>Other Financing Sources (Uses):</b>				
SBITA liabilities issued	5,000	-	(5,000)	156,005
Transfers from general fund	13,047	13,046	(1)	18,107
Transfers to general fund	-	-	-	(40,344)
Appropriated fund balance	1,083,494	-	(1,083,494)	-
Total other financing sources (uses)	<u>1,101,541</u>	<u>13,046</u>	<u>(1,088,495)</u>	<u>133,768</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(218,791)</u>	<u>\$ (218,791)</u>	<u>(488,959)</u>
<b>Fund balance, beginning of year</b>		<u>1,024,427</u>		<u>1,513,386</u>
<b>Fund balance, end of year</b>		<u>\$ 805,636</u>		<u>\$ 1,024,427</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, 2024

	Project Authorization	Actual			Variance
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
SAMHSA FY 19-24	\$ 2,000,000	\$ 1,757,356	\$ 82,653	\$ 1,840,009	\$ (159,991)
SAMHSA FY 24-28	400,000	-	268,664	268,664	(131,336)
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	100,000	-
NC Dept. of Agriculture Watershed Grant	147,344	98,294	-	98,294	(49,050)
GHSP-Traffic Unit	<u>521,512</u>	<u>204,960</u>	<u>163,312</u>	<u>368,272</u>	<u>(153,240)</u>
Total revenues	<u>6,245,826</u>	<u>3,393,896</u>	<u>564,629</u>	<u>3,958,525</u>	<u>(2,287,301)</u>
<b>Expenditures:</b>					
<b>General Government:</b>					
SAMHSA FY 19-24	2,000,000	1,757,356	82,652	1,840,008	159,992
SAMHSA FY 24-28	400,000	-	268,664	268,664	131,336
HMPG-5 Residential Properties	<u>1,380,527</u>	<u>259,531</u>	<u>-</u>	<u>259,531</u>	<u>1,120,996</u>
<b>Economic Development:</b>					
Pacon Manufacturing Incentive and Reuse	<u>1,300,000</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>300,000</u>
<b>Environmental Protection:</b>					
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	<u>43,606</u>	<u>30,945</u>	<u>-</u>	<u>30,945</u>	<u>12,661</u>
<b>Public Safety:</b>					
GHSP-Traffic Unit	<u>661,479</u>	<u>241,130</u>	<u>221,227</u>	<u>462,357</u>	<u>199,122</u>
Total expenditures	<u>6,585,793</u>	<u>3,680,066</u>	<u>572,543</u>	<u>4,252,609</u>	<u>2,333,184</u>
<b>Revenues over (under) expenditures</b>	(339,967)	(286,170)	(7,914)	(294,084)	45,883

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, 2024

	Project Authorization	Actual			Variance
		Prior Years	Current Year	Total to Date	
<b>Other Financing Sources (Uses):</b>					
Transfers from general fund	439,967	358,477	81,490	439,967	-
Transfers to general fund	<u>(100,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(100,000)</u>	-
Total other financing sources (uses)	<u>339,967</u>	<u>308,477</u>	<u>31,490</u>	<u>339,967</u>	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 22,307</u>	23,576	<u>\$ 45,883</u>	<u>\$ 45,883</u>
<b>Fund balance, beginning of year</b>			<u>22,307</u>		
<b>Fund balance, end of year</b>			<u>\$ 45,883</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, 2024  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 2,166
Permits and fees	171,000	175,967	4,967	179,403
Investment earnings	10,000	43,790	33,790	26,699
Total revenues	<u>181,000</u>	<u>219,757</u>	<u>38,757</u>	<u>208,268</u>
<b>Expenditures:</b>				
General government	<u>231,977</u>	<u>137,358</u>	<u>94,619</u>	<u>149,249</u>
Total expenditures	<u>231,977</u>	<u>137,358</u>	<u>94,619</u>	<u>149,249</u>
<b>Revenues over (under) expenditures</b>	(50,977)	82,399	133,376	59,019
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>50,977</u>	-	<u>(50,977)</u>	-
<b>Net change in fund balance</b>	<u>\$ -</u>	82,399	<u>\$ 82,399</u>	59,019
<b>Fund balance, beginning of year</b>		<u>1,174,115</u>		<u>1,115,096</u>
<b>Fund balance, end of year</b>		<u>\$ 1,256,514</u>		<u>\$ 1,174,115</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES  
AND CHANGES IN FUND BALANCEBUDGET TO ACTUAL - AMERICAN RESCUE PLAN ACT FUND  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Actual			Variance
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 27,741,111	\$ 18,212,155	\$ 5,049,287	\$ 23,261,442	\$ (4,479,669)
Investment earnings	-	-	87,526	87,526	87,526
Total revenues	<u>27,741,111</u>	<u>18,212,155</u>	<u>5,136,813</u>	<u>23,348,968</u>	<u>(4,392,143)</u>
<b>Expenditures:</b>					
<b>General Government:</b>					
Direct administrative costs	85,733	79,071	6,661	85,732	1
<b>Public Safety:</b>					
AEDs	93,215	93,215	-	93,215	-
Ambulances	900,000	-	247,500	247,500	652,500
<b>Human Services:</b>					
Premium pay	2,369,543	2,369,543	-	2,369,543	-
Lead and Copper program	1,400,000	58,304	248,270	306,574	1,093,426
<b>Cultural and recreation:</b>					
Public access computers	<u>55,340</u>	<u>-</u>	<u>55,339</u>	<u>55,339</u>	<u>1</u>
Total expenditures	<u>4,903,831</u>	<u>2,600,133</u>	<u>557,770</u>	<u>3,157,903</u>	<u>1,745,928</u>
Revenues over (under) expenditures	22,837,280	15,612,022	4,579,043	20,191,065	(2,646,215)
<b>Other Financing Sources (Uses):</b>					
Transfers to general fund	(15,837,279)	(15,400,000)	(437,279)	(15,837,279)	-
Transfers to water fund	(2,486,335)	-	(2,486,335)	(2,486,335)	-
Transfers to wastewater fund	(1,026,989)	(126,988)	(900,000)	(1,026,988)	1
Transfers to water capital project fund	(743,944)	(1,930,279)	1,186,335	(743,944)	-
Transfers to wastewater capital project fund	<u>(2,742,733)</u>	<u>(4,942,733)</u>	<u>2,200,000</u>	<u>(2,742,733)</u>	<u>-</u>
Total other financing sources (uses)	<u>(22,837,280)</u>	<u>(22,400,000)</u>	<u>(437,279)</u>	<u>(22,837,279)</u>	<u>1</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (6,787,978)</u>	4,141,764	<u>\$ (2,646,214)</u>	<u>\$ (2,646,214)</u>
Fund balance, beginning of year			<u>(6,787,978)</u>		
Fund balance, end of year			<u>\$ (2,646,214)</u>		

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND  
ACTUAL AND CHANGES IN FUND BALANCE -  
NATIONAL OPIOID SETTLEMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Revenues:</b>				
Opioid settlement funds	\$ 339,510	\$ 3,735,932	\$ 3,396,422	\$ 11,916
Investment earnings	-	125,339	125,339	32,129
Total revenues	<u>339,510</u>	<u>3,861,271</u>	<u>3,521,761</u>	<u>44,045</u>
<b>Expenditures:</b>				
<b>Human Services:</b>				
Social services clinician	59,050	27,565	31,485	11,916
The Healing Place	240,900	78,474	162,426	-
Health Educator	39,560	27,506	12,054	-
Total expenditures	<u>339,510</u>	<u>133,545</u>	<u>205,965</u>	<u>11,916</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>3,727,726</u>	<u>\$ 3,727,726</u>	<u>32,129</u>
Fund balance, beginning of year		<u>32,129</u>		<u>-</u>
Restatement		<u>1,752,494</u>		<u>-</u>
Fund balance, beginning, as restated		<u>1,784,623</u>		<u>-</u>
Fund balance, end of year		<u>\$ 5,512,349</u>		<u>\$ 32,129</u>



# ENTERPRISE FUNDS

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

## **MAJOR ENTERPRISE FUNDS:**

### **WATER FUND**

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

### **WATER CAPITAL PROJECTS FUND**

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

### **WASTEWATER FUND**

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

### **WASTEWATER CAPITAL PROJECTS FUND**

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



## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WATER FUND (NON-GAAP)  
JUNE 30, 2024

	Water Fund	Water Capital Projects	Total
<b>Current Assets:</b>			
Cash, cash equivalents and investments	\$ 56,394,563	\$ 20,470,498	\$ 76,865,061
Restricted cash	4,712,103	39,678,404	44,390,507
Interest receivable	28,942	7,183	36,125
Receivables and special assessments, net	7,029,130	-	7,029,130
Current portion of lease receivable	209,148	-	209,148
Due from other governmental agencies	497,429	304,108	801,537
Due from other funds	11,057	-	11,057
Inventories	3,351,620	-	3,351,620
Total current assets	<u>72,233,992</u>	<u>60,460,193</u>	<u>132,694,185</u>
<b>Current Liabilities:</b>			
Accounts payable and other liabilities	2,482,313	5,951,169	8,433,482
Customer deposits	2,925,688	-	2,925,688
Advance from grantor	-	1,945,485	1,945,485
Interest payable	1,670,210	-	1,670,210
Current portion of debt	6,246,795	-	6,246,795
Due to other funds	-	11,057	11,057
Total current liabilities	<u>13,325,006</u>	<u>7,907,711</u>	<u>21,232,717</u>
<b>Expendable net position</b>	<b>58,908,986</b>	<b>52,552,482</b>	<b>111,461,468</b>
<b>Noncurrent Items:</b>			
Lease receivable	1,642,100	-	1,642,100
Non-depreciable capital assets	139,201,007	-	139,201,007
Depreciable capital assets, net	211,756,701	-	211,756,701
Right to use leased assets, net of amortization	2,105,545	-	2,105,545
Right to use SBITA assets, net of amortization	19,609	-	19,609
Deferred outflow	4,552,415	-	4,552,415
Net pension liability	(4,226,867)	-	(4,226,867)
Compensated absences	(570,143)	-	(570,143)
Total other post-employment liability	(13,326,903)	-	(13,326,903)
Non-current portion of debt	(196,415,092)	-	(196,415,092)
Deferred inflow	(5,501,496)	-	(5,501,496)
Total net position	<u>\$ 198,145,862</u>	<u>\$ 52,552,482</u>	<u>\$ 250,698,344</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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Revenues:</b>				
User charges	\$ 43,434,706	\$ 47,688,525	\$ 4,253,819	\$ 48,243,167
Restricted intergovernmental revenue	-	574	574	7,320
Investment earnings	2,013,370	2,240,609	227,239	1,256,221
Other	1,031,414	1,801,053	769,639	3,243,073
Total revenues	<u>46,479,490</u>	<u>51,730,761</u>	<u>5,251,271</u>	<u>52,749,781</u>
<b>Expenditures:</b>				
Salaries	7,480,360	7,115,032	365,328	6,138,733
Fringe benefits	3,659,829	3,465,057	194,772	2,914,869
Operating expenditures	11,188,406	10,001,662	1,186,744	9,692,448
Repairs and maintenance	3,494,184	2,722,439	771,745	2,303,831
Capital outlay	9,882,437	5,837,648	4,044,789	2,738,125
<b>Debt Service:</b>				
Principal	5,191,641	5,191,639	2	5,001,599
Interest	6,886,206	6,886,206	-	7,028,033
Total expenditures	<u>47,783,063</u>	<u>41,219,683</u>	<u>6,563,380</u>	<u>35,817,638</u>
<b>Revenues over (under) expenditures</b>	(1,303,573)	10,511,078	11,814,651	16,932,143
<b>Other Financing Sources (Uses):</b>				
Lease liabilities issued	521,030	521,028	(2)	28,883
SBITA liabilities issued	23,226	21,726	(1,500)	79,404
Transfer to water capital project fund	(6,324,421)	(6,324,421)	-	(7,500,000)
Transfer from special revenue fund	2,486,335	2,486,335	-	-
Appropriated net position	4,597,403	-	(4,597,403)	-
Total other financing sources (uses)	<u>1,303,573</u>	<u>(3,295,332)</u>	<u>(4,598,905)</u>	<u>(7,391,713)</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	7,215,746	<u>\$ 7,215,746</u>	<u>\$ 9,540,430</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, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Reconciliation From Budgetary Basis</b>				
<b>To Full Accrual Basis:</b>				
<b>Capital Project Related Items:</b>				
Revenues from water capital projects		1,732,803		
Transfer from water fund to water capital project fund		6,324,421		
Transfer from special revenue fund to water capital project fund		(1,186,335)		
Capital project expenditures		(17,212,456)		
<b>Other Reconciling Items:</b>				
Lease liabilities issued		(521,028)		
SBITA liabilities issued		(21,726)		
CIP additions from capital projects		17,212,456		
Capitalized capital outlay and CIP adjustment		5,293,394		
Capitalized lease capital outlay		521,028		
Capitalized SBITA capital outlay		23,226		
Change in interest accrued		62,420		
Change in vacation accrual		(52,947)		
Change in net OPEB liability		(1,243,109)		
Change in deferred outflows of resources - pensions		232,017		
Change in deferred outflows of resources - OPEB		(289,262)		
Change in net pension liability		(720,750)		
Change in deferred inflows of resources - pensions		18,690		
Change in deferred inflows of resources - OPEB		454,740		
Change in inventory		1,428,635		
Retirement of long-term debt		5,191,639		
Amortization of bond premium		704,205		
Loss on disposal of capital assets		(41,786)		
Capital contributions		3,832,174		
Contributed capital assets-Deeds of Dedication		15,229,759		
Depreciation		(8,399,014)		
Amortization of right to use assets		(140,001)		
Amortization of SBITA assets		(45,059)		
Change in net position - GAAP basis		<u>\$ 35,603,880</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, 2024

	Project Budget	Actual			Variance
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted					
Intergovernmental revenue	\$ 6,315,188	\$ 45,737	\$ -	\$ 45,737	\$ (6,269,451)
Investment earnings	120,276	502,098	580,386	1,082,484	962,208
Investment earnings-debt proceed:	-	2,414,262	1,152,417	3,566,679	3,566,679
Assessments	39,495	39,495	-	39,495	-
Assessments penalties and interest	13,229	13,229	-	13,229	-
Other	3,000,000	-	-	-	-
Total revenues	<u>9,488,188</u>	<u>3,014,821</u>	<u>1,732,803</u>	<u>4,747,624</u>	<u>(1,740,564)</u>
<b>Expenditures:</b>					
Southeast Water Tank (ARPA)	3,972,050	137,608	2,622	140,230	3,831,820
FY16 Water Mains Top 7/Apollo	9,063,285	1,763,623	6,903,182	8,666,805	396,480
Shallotte Transmission Main	6,123,000	5,767,233	269,420	6,036,653	86,347
Northwest Water Plant					
Treatment Expansion	168,321,390	128,425,038	9,296,452	137,721,490	30,599,900
74/76 Mintz Dr. to Old Maco	105,000	100,494	-	100,494	4,506
74/76 Industrial Park Water Main	1,304,098	1,304,097	-	1,304,097	1
Navassa Water System					
Rehabilitation	3,063,347	249,725	75,291	325,016	2,738,331
Utility Operations Center	1,565,100	919,171	645,929	1,565,100	-
NWWTP Bell Swamp					
Transmission Improvements	2,631,250	-	-	-	2,631,250
74-76 Industrial Park Tank	<u>3,212,979</u>	<u>134,079</u>	<u>19,560</u>	<u>153,639</u>	<u>3,059,340</u>
Total expenditures	<u>199,361,499</u>	<u>138,801,068</u>	<u>17,212,456</u>	<u>156,013,524</u>	<u>43,347,975</u>
<b>Revenues over (under) expenditures</b>	(189,873,311)	(135,786,247)	(15,479,653)	(151,265,900)	38,607,411

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, 2024

	Project Budget	Actual			Variance
		Prior Years	Current Year	Total to Date	
<b>Other Financing Sources (Uses):</b>					
Long term debt issued	155,402,385	154,876,135	-	154,876,135	(526,250)
Bond Premium	15,280,190	15,280,190	-	15,280,190	-
Transfers from water fund	32,116,391	25,791,982	6,324,421	32,116,403	12
Transfers from special revenue fund	743,944	1,930,279	(1,186,335)	743,944	-
Transfers to water fund	(985,770)	(985,770)	-	(985,770)	-
Reserve for future projects	(14,467,326)	-	-	-	14,467,326
Appropriated fund balance	1,783,497	-	-	-	(1,783,497)
Total other financing sources (uses)	<u>189,873,311</u>	<u>196,892,816</u>	<u>5,138,086</u>	<u>202,030,902</u>	<u>12,157,591</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>					
	<u>\$ -</u>	<u>\$ 61,106,569</u>	<u>\$ (10,341,567)</u>	<u>\$ 50,765,002</u>	<u>\$ 50,765,002</u>



## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - WASTEWATER FUND (NON-GAAP)  
JUNE 30, 2024

	Wastewater Fund	Wastewater Capital Projects	Total
<b>Current Assets:</b>			
Cash and cash equivalents/investments	\$ 36,020,301	\$ 29,871,411	\$ 65,891,712
Restricted cash	4,142,754	16,455,641	20,598,395
Interest receivable	19,961	6,943	26,904
Receivables and special assessments, net	6,860,426	-	6,860,426
Due from other governmental agencies	576,629	745,888	1,322,517
Due from other funds	2,844,293	-	2,844,293
Inventories	350,869	-	350,869
Total current assets	<u>50,815,233</u>	<u>47,079,883</u>	<u>97,895,116</u>
<b>Current Liabilities:</b>			
Accounts payable and other liabilities	1,800,005	4,420,731	6,220,736
Interest payable	1,433,659	-	1,433,659
Current portion of debt	9,513,881	-	9,513,881
Due to other funds	-	2,844,293	2,844,293
Total current liabilities	<u>12,747,545</u>	<u>7,265,024</u>	<u>20,012,569</u>
<b>Expendable net position</b>	<b>38,067,688</b>	<b>39,814,859</b>	<b>77,882,547</b>
<b>Noncurrent Items:</b>			
Non-depreciable capital assets	23,079,337	-	23,079,337
Depreciable capital assets, net	305,649,391	-	305,649,391
Right to use SBITA assets, net of amortization	1,160	-	1,160
Deferred outflow	2,535,233	-	2,535,233
Net pension liability	(2,317,323)	-	(2,317,323)
Compensated absences	(271,988)	-	(271,988)
Total other post-employment liability	(7,460,172)	-	(7,460,172)
Non-current portion of debt	(100,307,221)	-	(100,307,221)
Deferred inflow	(2,143,050)	-	(2,143,050)
Total net position	<u>\$ 256,833,055</u>	<u>\$ 39,814,859</u>	<u>\$ 296,647,914</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -  
WASTEWATER SYSTEM OPERATING FUND (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Revenues:</b>				
User charges	\$ 45,008,447	\$ 48,664,065	\$ 3,655,618	\$ 39,721,210
Investment earnings	485,000	1,643,174	1,158,174	818,257
Restricted intergovernmental revenues	-	-	-	5,331
Other	<u>277,085</u>	<u>3,738,743</u>	<u>3,461,658</u>	<u>246,103</u>
Total revenues	<u>45,770,532</u>	<u>54,045,982</u>	<u>8,275,450</u>	<u>40,790,901</u>
<b>Expenditures:</b>				
Salaries	4,179,006	3,954,689	224,317	3,884,654
Fringe benefits	2,058,416	1,875,731	182,685	1,787,351
Operating expenditures	6,519,624	6,140,661	378,963	5,371,795
Repairs and maintenance	3,057,175	2,103,321	953,854	1,778,044
Capital outlay	10,124,561	7,767,273	2,357,288	6,027,645
<b>Debt Service:</b>				
Principal	8,753,737	8,753,735	2	9,101,909
Interest	<u>3,444,701</u>	<u>3,444,697</u>	<u>4</u>	<u>3,758,646</u>
Total expenditures	<u>38,137,220</u>	<u>34,040,107</u>	<u>4,097,113</u>	<u>31,710,044</u>
<b>Revenues over (under) expenditures</b>	7,633,312	20,005,875	12,372,563	9,080,857
<b>Other Financing Sources (Uses):</b>				
SBITA liabilities issued	-	-	-	26,468
Transfer to wastewater capital project fund	(15,977,827)	(15,602,223)	375,604	(4,704,460)
Transfer from wastewater capital project fund	1,702,000	1,783,553	81,553	410,500
Transfer from special revenue fund	900,000	900,000	-	-
Appropriated net position	<u>5,742,515</u>	<u>-</u>	<u>(5,742,515)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,633,312)</u>	<u>(12,918,670)</u>	<u>(5,285,358)</u>	<u>(4,267,492)</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>7,087,205</u>	<u>\$ 7,087,205</u>	<u>\$ 4,813,365</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -  
WASTEWATER SYSTEM OPERATING FUND (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2024  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2023</u>
<b>Reconciliation From Budgetary Basis</b>				
<b>To Full Accrual Basis:</b>				
<b>Capital Project Activities:</b>				
Revenues from wastewater capital projects		3,500,353		
Proceeds from issuance of long-term debt		21,835,000		
Bond premium		682,529		
Transfer from wastewater fund to wastewater capital projects		15,602,223		
Transfer from special revenue fund to water capital project fund		(2,200,000)		
Transfer from wastewater capital projects to wastewater fund		(1,783,553)		
Capital project expenditures		(15,493,675)		
<b>Other Reconciling Items:</b>				
Proceeds from issuance of long-term debt		(21,835,000)		
Premiums from issuance of long term debt		(682,529)		
CIP additions from capital projects		15,493,675		
Capitalized capital outlay and CIP adjustment		7,767,273		
Change in interest accrued		(585,160)		
Change in vacation accrual		(9,029)		
Change in net OPEB liability		186,579		
Change in deferred outflows of resources - pensions		128,009		
Change in deferred outflows of resources - OPEB		(325,125)		
Change in net pension liability		(397,655)		
Change in deferred inflows of resources - pensions		10,312		
Change in deferred inflows of resources - OPEB		551,384		
Capital contributions		11,717,147		
Contributed assets-Deeds of Dedication		26,116,031		
Change in inventory		85,066		
Retirement of long-term debt		8,753,735		
Amortization of bond premium		827,743		
Depreciation		(10,598,611)		
Amortization of SBITA assets		<u>(12,654)</u>		
Change in net position - GAAP basis		<u>\$ 66,421,273</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, 2024

	Project Budget	Actual			Variance
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted					
Intergovernmental revenue	\$ 19,455,597	\$ -	\$ 594,077	\$ 594,077	\$ (18,861,520)
Investment earnings	233,523	489,288	681,734	1,171,022	937,499
Investment earnings - debt proceeds	474,581	392,468	763,850	1,156,318	681,737
Assessments	557,053	557,052	-	557,052	(1)
Assessment penalties and interest	99,017	102,512	-	102,512	3,495
Other	4,049,030	-	1,460,692	1,460,692	(2,588,338)
<b>Total revenues</b>	<b>24,868,801</b>	<b>1,541,320</b>	<b>3,500,353</b>	<b>5,041,673</b>	<b>(19,827,128)</b>
<b>Expenditures:</b>					
West WW Treatment Facility	51,704,883	1,896,345	10,997,240	12,893,585	38,811,298
NE WW Treatment Plant	44,099,338	44,095,377	3,961	44,099,338	-
Ocean Ridge					
Reclaimed Water Main	125,800	105,400	-	105,400	20,400
Sea Trail WW Treatment Plant	896,153	910,175	(14,023)	896,152	1
Navassa WW System Rehabilitation	2,852,818	495,820	24,853	520,673	2,332,145
OIB WW Treatment Plant Rehabilitation (ARPA)	3,114,733	78,875	1,183,061	1,261,936	1,852,797
Biosolids Processing Facility	2,633,360	-	581	581	2,632,779
NEB WW Treatment Plant 2023	4,445,000	-	1,817,522	1,817,522	2,627,478
Bolivia By-Pass Force Main	3,999,999	-	357,395	357,395	3,642,604
Whiteville Road Force Main	1,052,500	-	-	-	1,052,500
NE WW Treatment Plant Transmission Main South	344,790	-	36,326	36,326	308,464
NE WW Treatment Plant Transmission Main North	1,691,010	-	248,649	248,649	1,442,361
Longwood Road Force Main Sewer	14,956,200	-	195,000	195,000	14,761,200
Southport Merger - Pump Station Rehab	222,611	-	222,611	222,611	-
Sewer Replacement	49,031	-	49,031	49,031	-
Find and Fix	371,468	-	371,468	371,468	-
<b>Total expenditures</b>	<b>132,559,694</b>	<b>47,581,992</b>	<b>15,493,675</b>	<b>63,075,667</b>	<b>69,484,027</b>
<b>Revenues over (under) expenditures</b>	<b>(107,690,893)</b>	<b>(46,040,672)</b>	<b>(11,993,322)</b>	<b>(58,033,994)</b>	<b>49,656,899</b>

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, 2024

	Project Budget	Actual			Variance
		Prior Years	Current Year	Total to Date	
<b>Other Financing Sources (Uses):</b>					
Long term debt issued	97,421,300	39,918,146	21,835,000	61,753,146	(35,668,154)
Bond premium	7,022,500	6,339,971	682,529	7,022,500	-
Transfer from wastewater fund	33,041,468	17,439,249	15,602,223	33,041,472	4
Transfers from					
special revenue fund	2,742,733	4,942,733	(2,200,000)	2,742,733	-
Transfer to wastewater fund	(11,237,327)	(9,453,774)	(1,783,553)	(11,237,327)	-
Reserve for future projects	(25,480,377)	-	-	-	25,480,377
Appropriated fund balance	4,180,596	-	-	-	(4,180,596)
Total other financing sources (uses)	<u>107,690,893</u>	<u>59,186,325</u>	<u>34,136,199</u>	<u>93,322,524</u>	<u>(14,368,369)</u>
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ 13,145,653</u>	<u>\$ 22,142,877</u>	<u>\$ 35,288,530</u>	<u>\$ 35,288,530</u>





# CUSTODIAL FUNDS

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

## **MUNICIPAL COLLECTIONS FUND**

This fund accounts for the proceeds of 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 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, 2024

	Municipal Collections Fund	Smithville Township Collections Fund	Inmate Fund	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 81,040	\$ 145,618	\$ 36,263	\$ 262,921
Interest receivable for other governments	-	1,041	-	1,041
Receivable for other governments, net	826,083	28,965	13,089	868,137
Total assets	<u>907,123</u>	<u>175,624</u>	<u>49,352</u>	<u>1,132,099</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	549,286	-	25,535	\$ 574,821
Due to other governments	81,040	145,618	-	226,658
Total liabilities	<u>630,326</u>	<u>145,618</u>	<u>25,535</u>	<u>801,479</u>
<b>Net position:</b>				
Restricted for:				
Indiviudals, organization, and other governments	276,797	30,006	23,817	330,620
Total net position	<u>\$ 276,797</u>	<u>\$ 30,006</u>	<u>\$ 23,817</u>	<u>\$ 330,620</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Municipal Collections Fund	Smithville Township Collections Fund	Inmate Fund	Total
<b>Additions:</b>				
Collections for other governments	\$ 75,210,571	\$ 5,546,223	\$ -	\$ 80,756,794
Collections on behalf of inmates	-	-	439,795	439,795
Total additions	<u>75,210,571</u>	<u>5,546,223</u>	<u>439,795</u>	<u>81,196,589</u>
<b>Deductions:</b>				
Distributions to other governments	75,180,093	5,625,704	-	80,805,797
Payments on behalf of inmates	-	-	448,921	448,921
Total deductions	<u>75,180,093</u>	<u>5,625,704</u>	<u>448,921</u>	<u>81,254,718</u>
Net increase (decrease) in fiduciary net position	<u>30,478</u>	<u>(79,481)</u>	<u>(9,126)</u>	<u>(58,129)</u>
Net position, beginning of year	<u>246,319</u>	<u>109,487</u>	<u>32,943</u>	<u>388,749</u>
Net position, end of year	<u>\$ 276,797</u>	<u>\$ 30,006</u>	<u>\$ 23,817</u>	<u>\$ 330,620</u>





# SUPPLEMENTAL FINANCIAL DATA

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

## **GENERAL FUND**

Schedule of Ad Valorem Taxes Receivable

## **COUNTY-WIDE LEVY**

Analysis of Current Tax Levy

## **BALANCE SHEET**

Financial Data Schedule

## **REVENUES AND EXPENSES**

Financial Data Schedule

## COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND  
JUNE 30, 2024

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections and Credits	Uncollected Balance June 30, 2024
2024	\$ -	\$ 173,814,290	\$ 172,464,863	\$ 1,349,427
2023	1,121,562	-	858,466	263,096
2022	301,684	-	195,070	106,614
2021	128,619	-	60,903	67,716
2020	80,276	-	32,451	47,825
2019	64,887	-	21,528	43,359
2018	64,582	-	17,896	46,686
2017	57,978	-	14,028	43,950
2016	70,278	-	13,062	57,216
2015	65,114	-	15,883	49,231
2014	55,444	-	55,444	-
	<u>\$ 2,010,424</u>	<u>\$ 173,814,290</u>	<u>\$ 173,749,594</u>	2,075,120
Less: Allowance for uncollected taxes receivable General Fund				<u>904,848</u>
Ad valorem taxes receivable (net)				<u>\$ 1,170,272</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 174,202,755
<b>Reconciling Items:</b>				
Interest collected and penalties				(529,522)
Releases on prior year tax				8,582
Write-offs				60,478
Reimbursement of prior year's taxes collected				8,526
Collection of taxes previously written off				<u>(1,225)</u>
Total collections and credits				<u>\$ 173,749,594</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2024

	County-Wide		Property Excluding Registered Vehicles	Registered Motor Vehicles
	Property Valuation	Rate		
Original levy:				
Property taxed at current year's rate	\$ 50,684,323,304	0.3420	\$ 173,340,386	\$ 163,574,551
Penalties	-		48,688	48,688
Total	<u>50,684,323,304</u>		<u>173,389,074</u>	<u>163,623,239</u>
Discoveries:				
Current and prior years' taxes	95,614,436		476,586	476,360
Penalties	-		17,767	17,767
Total	<u>95,614,436</u>		<u>494,353</u>	<u>494,127</u>
Abatements	<u>(20,215,573)</u>		<u>(69,137)</u>	<u>-</u>
Total property valuation	<u>\$ 50,759,722,167</u>			
Net levy			173,814,290	164,048,229
Less uncollected taxes at June 30, 2024			<u>1,349,427</u>	<u>1,349,427</u>
Current year's taxes collected			<u>\$ 172,464,863</u>	<u>\$ 162,698,802</u>
Current levy collection percentage			<u>99.22%</u>	<u>99.18%</u>
Prior year levy collection percentage			<u>99.30%</u>	<u>100.00%</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

FINANCIAL DATA SCHEDULE - BALANCE SHEET  
JUNE 30, 2024

Line Item #	Account Description	Housing Choice Vouchers <u>14.871</u>
	<b>Assets:</b>	
	Current assets:	
	Cash:	
115	Cash - restricted for payment of current liabilities	\$ 30,359
100	Total cash	<u>30,359</u>
121	Accounts Receivable - PHA Projects	41,420
125	Accounts Receivable - Miscellaneous	<u>3</u>
120	Total Receivables	<u>41,423</u>
150	Total current assets	<u>71,782</u>
190	Total assets	<u>\$ 71,782</u>
	<b>Liabilities and Net Position</b>	
	Liabilities:	
	Current liabilities:	
312	Accounts payable < 90 days	\$ 603
321	Accrued wage/payroll taxes payable	5,257
345	Other current liabilities	<u>24,499</u>
	Total current liabilities	<u>30,359</u>
300	Total liabilities	<u>30,359</u>
	<b>Net position:</b>	
512.4	Unrestricted net position	<u>41,423</u>
513	Total net position	<u>41,423</u>
600	Total liabilities and net position	<u>\$ 71,782</u>

## COUNTY OF BRUNSWICK, NORTH CAROLINA

FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

Line Item #	Account Description	Housing Choice Vouchers <u>14.871</u>
	<b>Revenue:</b>	
70600	HUD PHA operating grants	\$ 2,572,511
71100	Investment income - unrestricted	435
71400	Fraud recovery	<u>5,799</u>
70000	Total revenue	<u>2,578,745</u>
	<b>Expenses:</b>	
	Administrative:	
91100	Administrative salaries	211,871
91400	Advertising and marketing	299
91500	Employee benefit contributions - administrative	92,084
91600	Office expenses	<u>42,277</u>
91000	Total operating - administrative	<u>346,531</u>
	General expenses:	
96200	Other general expenses	<u>1,966</u>
96900	Total operating expenses	<u>348,497</u>
97000	Excess of operating revenue over operating expenses	<u>2,230,248</u>
97300	Housing assistance payments	<u>2,330,140</u>
90000	Total expenses	<u>2,678,637</u>
10030	Operating Transfers from/to Primary Government	<u>114,911</u>
10100	Total Other financing Sources (Uses)	<u>114,911</u>
10000	Excess(deficiency) of revenue over(under) expenses	<u>\$ 15,019</u>
	MEMO Account Information:	
11030	Beginning equity	26,405
11170	Administrative fee equity	<u>41,423</u>
11190	Unit months available	5,856
11210	Number of unit months leased	3,721





# NON-MAJOR COMPONENT UNIT FINANCIAL DATA

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## **BRUNSWICK COUNTY BOARD OF ALCOHOLIC CONTROL**

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

## **BRUNSWICK COUNTY TOURISM DEVELOPMENT AUTHORITY**

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON-MAJOR COMPONENT UNITS  
JUNE 30, 2024

	Brunswick County Board of Alcoholic Control	Brunswick County Airport Commission	Brunswick County Tourism Development Authority	Totals
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash, cash equivalents and investments	\$ 1,955,773	\$ 1,388,228	\$ 1,703,476	\$ 5,047,477
Restricted cash and investments	-	22,310	-	22,310
Receivables, net	92	4,435	745,766	750,293
Lease receivable	-	8,239	-	8,239
Inventory	812,151	82,876	-	895,027
Prepaid items	29,987	5,719	4,073	39,779
Total current assets	<u>2,798,003</u>	<u>1,511,807</u>	<u>2,453,315</u>	<u>6,763,125</u>
<b>Non-Current Assets:</b>				
Lease receivable, non-current	-	992,065	-	992,065
Capital assets, net	3,748,108	30,048,609	-	33,796,717
Right to use assets, net of amortization	-	3,880	55,429	59,309
Total non-current assets	<u>3,748,108</u>	<u>31,044,554</u>	<u>55,429</u>	<u>34,848,091</u>
Total assets	<u><u>6,546,111</u></u>	<u><u>32,556,361</u></u>	<u><u>2,508,744</u></u>	<u><u>41,611,216</u></u>
<b>Deferred Outflows of Resources:</b>				
Pension deferrals	160,631	128,768	87,216	376,615
OPEB deferrals	10,659	-	-	10,659
Total deferred outflows	<u>171,290</u>	<u>128,768</u>	<u>87,216</u>	<u>387,274</u>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Debt obligation - current portion	\$ 64,538	\$ 3,973	\$ 30,062	\$ 98,573
Accounts payable and accrued expenses	724,944	346,780	92,745	1,164,469
Liabilities to be paid from restricted assets	-	22,310	-	22,310
Total current liabilities	<u>789,482</u>	<u>373,063</u>	<u>122,807</u>	<u>1,285,352</u>
<b>Noncurrent Liabilities:</b>				
Net pension liability	262,738	-	106,102	368,840
Total OPEB liability	112,851	-	-	112,851
Compensated absences	-	-	17,133	17,133
Debt obligation - long-term portion	1,053,848	137,893	28,964	1,220,705
Total noncurrent liabilities	<u>1,429,437</u>	<u>137,893</u>	<u>152,199</u>	<u>1,719,529</u>
Total liabilities	<u><u>2,218,919</u></u>	<u><u>510,956</u></u>	<u><u>275,006</u></u>	<u><u>3,004,881</u></u>
<b>Deferred Inflows of Resources:</b>				
Lease deferrals	-	1,021,210	-	1,021,210
Pension deferrals	3,709	331	255	4,295
OPEB deferral	130,122	-	-	130,122
Total deferred inflows	<u>133,831</u>	<u>1,021,541</u>	<u>255</u>	<u>1,155,627</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

COMBINING BALANCE SHEET - NON-MAJOR COMPONENT UNITS  
JUNE 30, 2024

	Brunswick County Board of Alcoholic Control	Brunswick County Airport Commission	Brunswick County Tourism Development Authority	Totals
<b>Net position:</b>				
Net investment in capital assets	2,344,878	30,048,516	-	32,393,394
Restricted for:				
Stabilization by State Statute	-	-	745,766	745,766
For Tourism Promotion	-	-	1,574,933	1,574,933
For Working Capital	186,482	-	-	186,482
Unrestricted	1,833,291	1,104,116	-	2,937,407
Total net position	<u>\$ 4,364,651</u>	<u>\$ 31,152,632</u>	<u>\$ 2,320,699</u>	<u>\$ 37,837,982</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, 2024

	Brunswick County Board of Alcoholic Control	Brunswick County Airport Commission	Brunswick County Tourism Development Authority	Totals
<b>Revenues:</b>				
Sales and services	\$ 6,324,648	\$ 2,187,379	\$ 7,158	\$ 8,519,185
Room occupancy taxes	-	-	3,299,153	3,299,153
Unrestricted intergovernmental	-	133,000	-	133,000
Other revenue	130	149,468	-	149,598
Investment earnings	58,544	49,285	2,948	110,777
Total revenues	<u>6,383,322</u>	<u>2,519,132</u>	<u>3,309,259</u>	<u>12,211,713</u>
<b>Expenses</b>				
Operating expenses	<u>5,926,161</u>	<u>2,869,351</u>	<u>3,635,421</u>	<u>12,430,933</u>
Capital contributions	<u>-</u>	<u>292,059</u>	<u>-</u>	<u>292,059</u>
Change in net position	457,161	(58,160)	(326,162)	72,839
Net position, beginning of year	<u>3,907,490</u>	<u>31,725,440</u>	<u>2,646,861</u>	<u>38,279,791</u>
Prior period adjustment	<u>-</u>	<u>(514,648)</u>	<u>-</u>	<u>(514,648)</u>
Net position, as restated	<u>3,907,490</u>	<u>31,210,792</u>	<u>2,646,861</u>	<u>37,765,143</u>
Net position, end of year	<u>\$ 4,364,651</u>	<u>\$ 31,152,632</u>	<u>\$ 2,320,699</u>	<u>\$ 37,837,982</u>



# STATISTICAL SECTION

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

## FINANCIAL TRENDS

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

## REVENUE CAPACITY

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

## DEBT CAPACITY

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

## DEMOGRAPHIC AND ECONOMIC INFORMATION

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

## OPERATING INFORMATION

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

Net Position by Component  
(accrual basis of accounting)

Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 94,573,843	\$ 98,533,551	\$ 103,666,583	\$ 110,230,469
Restricted	13,757,595	11,393,121	14,833,062	15,635,110
Unrestricted	(11,489,319)	4,291,984	7,002,602	(55,398,142)
Total governmental activities net position	<u>\$ 96,842,119</u>	<u>\$ 114,218,656</u>	<u>\$ 125,502,247</u>	<u>\$ 70,467,437</u>
Business-type activities				
Net investment in capital assets	\$ 229,251,045	\$ 237,499,403	\$ 249,222,001	\$ 256,733,898
Unrestricted	55,051,652	56,333,023	54,639,409	47,853,948
Total business-type activities net position	<u>\$ 284,302,697</u>	<u>\$ 293,832,426</u>	<u>\$ 303,861,410</u>	<u>\$ 304,587,846</u>
Primary Government				
Net investment in capital assets	\$ 323,824,888	\$ 336,032,954	\$ 352,888,584	\$ 366,964,367
Restricted	13,757,595	11,393,121	14,833,062	15,635,110
Unrestricted	43,562,333	60,625,007	61,642,011	(7,544,194)
Total primary government net position	<u>\$ 381,144,816</u>	<u>\$ 408,051,082</u>	<u>\$ 429,363,657</u>	<u>\$ 375,055,283</u>

Table 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 115,617,349	\$ 120,163,924	\$ 126,785,111	\$ 127,746,956	\$ 134,129,701	\$ 143,461,084
18,668,825	21,291,880	22,879,562	23,171,792	21,660,621	27,682,997
<u>(83,341,628)</u>	<u>(79,120,681)</u>	<u>(90,325,264)</u>	<u>(58,291,400)</u>	<u>(38,626,331)</u>	<u>(48,014,805)</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>	<u>\$ 123,129,276</u>
\$ 274,843,506	\$ 284,015,403	\$ 302,098,004	\$ 315,518,906	\$ 347,728,658	\$ 425,495,806
44,114,541	53,574,925	44,083,378	69,420,085	97,592,447	121,850,452
<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>	<u>\$ 547,346,258</u>
\$ 390,460,855	\$ 404,179,327	\$ 428,883,115	\$ 443,265,862	\$ 481,858,359	\$ 568,956,890
18,668,825	21,291,880	22,879,562	23,171,792	21,660,621	27,682,997
<u>(39,227,087)</u>	<u>(25,545,756)</u>	<u>(46,241,886)</u>	<u>11,128,685</u>	<u>58,966,116</u>	<u>73,835,647</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>	<u>\$ 670,475,534</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

Changes in Net Position  
(accrual basis of accounting)

Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
<b>Expenses</b>				
Governmental activities:				
General government	\$ 11,457,688	\$ 12,394,690	\$ 12,963,358	\$ 13,687,487
Public safety	38,962,019	38,664,204	42,827,646	44,821,539
Central services	15,525,612	13,337,319	15,867,210	17,317,898
Human services	28,935,510	27,603,012	29,451,140	25,306,675
Transportation	471,838	1,359,490	809,229	2,332,476
Environmental protection	14,029,464	14,346,834	14,832,478	15,746,784
Cultural and recreation	3,937,844	4,019,127	4,461,038	4,595,063
Economic and physical development	9,799,191	7,367,883	8,653,116	7,764,610
Education	44,955,498	43,174,118	45,425,138	51,382,418
Interest on long-term debt	3,487,733	3,293,032	2,939,230	2,557,786
Total governmental activities	<u>171,562,397</u>	<u>165,559,709</u>	<u>178,229,583</u>	<u>185,512,736</u>
Business-type activities:				
Water	17,679,797	19,859,927	21,929,069	23,586,326
Wastewater	19,163,000	21,036,877	21,851,601	22,027,760
Total business-type activities	<u>36,842,797</u>	<u>40,896,804</u>	<u>43,780,670</u>	<u>45,614,086</u>
Total primary government expenses	<u>\$ 208,405,194</u>	<u>\$ 206,456,513</u>	<u>\$ 222,010,253</u>	<u>\$ 231,126,822</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services:				
General government	\$ 1,532,631	\$ 1,456,894	\$ 1,666,619	\$ 1,800,557
Public safety	9,956,633	10,157,712	9,792,703	10,853,112
Human services	2,467,380	735,106	2,898,025	3,041,993
Environmental protection	2,869,355	3,672,124	3,751,566	3,725,329
Cultural and recreation	279,147	292,772	264,574	290,068
Economic and physical development	1,036,255	1,045,124	890,920	1,027,381
Operating grants and contributions:				
General government	2,383,738	3,224,530	4,124,111	4,208,974
Public safety	4,522,352	1,589,862	1,683,576	1,380,991
Central services	221,081	140,213	198,863	201,391
Human services	16,639,756	15,605,953	16,460,187	11,763,894
Transportation	169,157	186,354	225,953	230,887
Environmental protection	7,212	14,696	15,281	15,250
Cultural and recreation	131,776	149,460	149,232	154,674
Economic and physical development	2,212,062	2,691,449	2,397,652	2,255,420

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 13,314,538	\$ 15,306,541	\$ 17,647,297	\$ 18,295,685	\$ 18,260,463	\$ 20,384,692
49,929,898	53,594,015	57,293,377	63,909,721	68,124,323	71,775,691
24,293,860	19,216,028	18,939,131	15,992,165	20,943,532	23,488,148
25,630,231	27,802,694	30,604,477	33,681,908	32,005,512	31,477,908
3,575,858	3,502,110	986,003	3,866,053	991,949	750,683
17,556,933	17,969,669	20,046,140	19,692,763	22,522,844	25,606,324
4,595,624	6,618,268	6,627,479	7,370,332	7,721,848	13,402,147
8,117,571	6,531,495	8,907,797	8,940,721	9,179,681	29,900,624
78,603,400	76,387,466	87,560,695	70,314,822	70,341,102	104,347,082
4,115,665	3,620,295	4,531,542	4,006,029	5,257,936	5,042,280
<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>	<u>326,175,579</u>
25,246,278	25,771,987	30,706,103	30,374,476	35,663,951	38,221,617
<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>27,658,240</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>65,879,857</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>	<u>\$ 392,055,436</u>
\$ 1,684,852	\$ 2,001,158	\$ 2,749,023	\$ 2,326,109	\$ 2,131,648	\$ 2,274,781
11,891,138	13,115,402	14,574,006	16,904,098	18,034,195	21,563,413
868,799	1,009,260	1,427,926	1,584,329	1,222,699	1,165,757
5,914,747	4,665,644	5,575,575	6,596,328	6,898,872	8,053,520
258,926	158,049	89,183	256,710	300,293	325,873
892,741	957,525	909,296	1,086,368	1,002,825	1,128,833
7,924,185	17,735,961	7,920,581	6,612,172	8,077,143	8,383,859
1,892,746	4,254,740	1,248,559	10,909,421	1,219,189	1,502,352
273,089	139,499	117,501	138,393	82,087	100,485
11,840,342	10,930,652	15,327,774	19,978,207	21,091,504	18,064,509
230,880	270,488	-	245,881	164,544	130,581
8,236	16,007	115,261	395,184	43,540	14,614
150,238	148,239	248,009	148,878	249,390	244,870
2,109,795	2,378,582	1,593,605	950,264	1,158,321	1,459,793

Continued on next page

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Capital grants and contributions:				
General government	-	-	-	-
Public safety	28,309	189,187	-	-
Transportation	619,861	1,454,556	365,097	2,799,107
Cultural and recreation	-	-	-	-
Education	1,043,025	-	-	-
Total governmental activities program revenues	<u>46,119,730</u>	<u>42,605,992</u>	<u>44,884,359</u>	<u>43,749,028</u>
Business-type activities:				
Charges for services:				
Water	21,246,815	22,526,148	23,676,875	25,024,243
Wastewater	21,887,017	24,758,778	25,297,775	29,197,534
Capital grants and contributions:				
Water	888,007	1,495,593	1,740,949	1,740,949
Wastewater	554,683	1,552,767	2,961,366	1,134,455
Total business-type activities program revenues	<u>44,576,522</u>	<u>50,333,286</u>	<u>53,676,965</u>	<u>57,097,181</u>
Total primary government program revenues	<u>\$ 90,696,252</u>	<u>\$ 92,939,278</u>	<u>\$ 98,561,324</u>	<u>\$ 100,846,209</u>
Net (expense)/revenue				
Governmental activities	\$ (125,442,667)	\$ (122,953,717)	\$ (133,345,224)	\$ (141,763,708)
Business-type activities	<u>7,733,725</u>	<u>9,436,482</u>	<u>9,896,295</u>	<u>11,483,095</u>
Total primary government net (expense)/revenue	<u>\$ (117,708,942)</u>	<u>\$ (113,517,235)</u>	<u>\$ (123,448,929)</u>	<u>\$ (130,280,613)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Ad Valorem taxes	\$ 111,847,084	\$ 114,258,168	\$ 118,423,006	\$ 124,140,830
Local option taxes	19,698,311	20,944,326	22,464,392	23,986,670
Other taxes	4,088,743	4,956,253	5,087,399	6,006,050
Investment earnings	120,072	159,867	265,529	702,812
Disposal of capital assets	-	11,640	-	-
Transfers	-	-	-	-
Total governmental activities	<u>135,754,210</u>	<u>140,330,254</u>	<u>146,240,326</u>	<u>154,836,362</u>
Business-type activities:				
Investment earnings	53,888	93,247	132,689	326,059
Transfers	-	-	-	-
Total business-type activities	<u>53,888</u>	<u>93,247</u>	<u>132,689</u>	<u>326,059</u>
Total primary government	<u>\$ 135,808,098</u>	<u>\$ 140,423,501</u>	<u>\$ 146,373,015</u>	<u>\$ 155,162,421</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 10,311,543	\$ 17,376,537	\$ 12,895,102	\$ 13,072,654
Business-type activities	<u>7,787,613</u>	<u>9,529,729</u>	<u>10,028,984</u>	<u>11,809,154</u>
Total primary government	<u>\$ 18,099,156</u>	<u>\$ 26,906,266</u>	<u>\$ 22,924,086</u>	<u>\$ 24,881,808</u>

Table 2 (Continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
-	-	-	-	-	4,054,238
-	-	-	-	-	238,722
2,585,911	3,835,237	882,575	3,425,624	640,000	318,551
-	1,641,088	1,641,088	-	-	-
-	-	-	-	-	-
<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>	<u>69,024,751</u>
25,732,032	30,480,611	30,457,948	40,946,532	51,580,618	49,490,152
29,365,427	31,450,189	37,449,751	41,564,641	39,972,644	54,457,577
2,212,677	935,236	2,918,743	4,283,818	9,965,579	19,061,933
<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>37,833,178</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>160,842,840</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>	<u>\$ 229,867,591</u>
\$ (181,206,953)	\$ (167,291,050)	\$ (198,723,976)	\$ (174,512,233)	\$ (193,032,940)	\$ (257,150,828)
<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>94,962,983</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>	<u>\$ (162,187,845)</u>
\$ 127,900,138	\$ 142,610,199	\$ 149,471,104	\$ 154,660,159	\$ 160,995,382	\$ 174,348,859
26,288,973	28,320,802	35,085,909	40,769,837	44,858,366	47,800,383
5,774,132	6,350,878	10,521,195	12,265,423	11,133,334	11,840,196
2,186,800	1,738,549	131,756	231,741	7,455,513	11,284,059
-	-	-	-	-	-
<u>(465,981)</u>	<u>(338,801)</u>	<u>-</u>	<u>(126,988)</u>	<u>(6,873,012)</u>	<u>-</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>	<u>245,273,497</u>
633,875	1,334,289	63,549	171,131	5,016,551	7,062,170
<u>465,981</u>	<u>338,801</u>	<u>-</u>	<u>126,988</u>	<u>6,873,012</u>	<u>-</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>7,062,170</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>	<u>\$ 252,335,667</u>
\$ (19,522,891)	\$ 11,390,577	\$ (3,514,012)	\$ 33,287,939	\$ 24,536,643	\$ (11,877,331)
<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>102,025,153</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>	<u>\$ 90,147,822</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>
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
2024	174,202,755	47,800,383	342,803	348,043	222,693,984

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
<b>General Fund</b>				
Non-spendable	\$ -	\$ 64,000	\$ 64,000	\$ 64,000
Restricted	11,840,454	9,707,172	12,327,583	13,205,849
Assigned	1,900,526	1,444,986	1,704,369	2,522,556
Committed	214,566	214,566	214,566	214,566
Unassigned	54,420,202	60,934,148	59,299,170	59,897,574
Total General fund	<u>\$ 68,375,748</u>	<u>\$ 72,364,872</u>	<u>\$ 73,609,688</u>	<u>\$ 75,904,545</u>
<b>All Other Governmental Funds</b>				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted in Special Revenue Funds	1,917,141	1,685,949	2,005,166	1,960,642
Restricted in Capital Project Funds	10,987,621	1,921,723	168,580	50,249,024
Committed in Capital Project Funds	22,349,948	29,611,963	35,836,600	42,347,852
Assigned in Special Revenue Funds	16,339	-	-	-
Unassigned in Special Revenue Funds	-	(81,924)	(118,432)	(49,255)
Total all other governmental funds	<u>\$ 35,271,049</u>	<u>\$ 33,137,711</u>	<u>\$ 37,891,914</u>	<u>\$ 94,508,263</u>

Table 4

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 64,000	\$ 64,000	\$ 64,000	\$ 64,000	\$ 694,358	\$ 105,383
16,283,789	18,223,266	19,425,458	19,975,097	18,875,201	19,627,844
2,176,237	2,346,999	3,349,236	16,046,124	26,191,557	18,748,692
214,566	214,566	214,566	214,566	214,566	214,566
<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>112,388,522</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>	<u>\$ 151,085,007</u>
\$ -	\$ -	\$ -	\$ -	\$ 54	\$ -
1,946,000	2,618,954	2,944,022	2,691,517	2,319,866	7,625,910
31,212,566	8,467,379	30,445,864	13,599,138	58,086,761	31,409,333
32,958,725	43,840,005	44,139,925	74,967,222	98,785,098	97,924,292
-	-	-	-	-	-
<u>(46,533)</u>	<u>(328,037)</u>	<u>(132,860)</u>	<u>(63,035)</u>	<u>(6,854,920)</u>	<u>(2,651,742)</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>	<u>\$ 134,307,793</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

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

Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
<b>Revenues</b>				
Ad Valorem taxes	\$ 113,180,642	\$ 116,180,734	\$ 119,820,026	\$ 124,318,739
Local option sales taxes	19,698,311	20,944,326	22,464,392	23,986,670
Other taxes and licenses	4,088,743	4,956,253	5,087,399	6,006,050
Unrestricted intergovernmental	2,944,878	2,409,442	3,498,931	3,767,405
Restricted intergovernmental	25,211,479	23,264,655	22,515,122	19,901,118
Permits and fees	3,758,831	4,005,174	4,250,117	4,865,937
Sales and services	9,953,877	10,380,809	10,723,116	11,045,810
Investment earnings	115,374	154,756	255,505	670,553
Other revenue	2,684,426	2,677,309	2,112,102	2,056,327
Total revenues	<u>181,636,561</u>	<u>184,973,458</u>	<u>190,726,710</u>	<u>196,618,609</u>
<b>Expenditures</b>				
General government	10,462,255	11,094,536	11,338,308	12,139,032
Public safety	39,131,213	36,077,101	38,267,043	41,289,717
Central services	12,534,486	14,019,519	14,771,649	14,455,791
Human services	28,229,950	26,531,689	27,729,000	23,850,729
Transportation	327,320	340,204	379,803	385,617
Environmental protection	13,839,188	14,162,219	14,671,053	15,975,013
Culture and recreation	7,456,999	3,842,141	4,792,096	4,299,750
Economic and physical development	6,349,571	5,978,964	5,577,280	5,943,733
Education	37,784,270	38,148,499	40,022,567	42,342,658
Non-County Capital Projects	29,024	2,443,977	2,838,329	5,342,674
Capital Outlay and CIP	14,446,478	15,610,192	10,021,208	11,185,550
Debt Service:				
Principal retirement	10,440,000	11,470,000	11,295,000	11,383,292
Interest and fiscal charges	3,489,128	3,410,271	3,024,355	2,569,088
Total expenditures	<u>184,519,882</u>	<u>183,129,312</u>	<u>184,727,691</u>	<u>191,162,644</u>
Revenues over (under) expenditures	<u>(2,883,321)</u>	<u>1,844,146</u>	<u>5,999,019</u>	<u>5,455,965</u>
<b>Other Financing Sources (Uses)</b>				
Lease liabilities issued	-	-	-	-
SBITA liabilities issued	-	-	-	-
Issuance of long-term debt	15,135,000	-	-	50,460,057
Premium on Bonds Issued	1,555,597	-	-	2,995,184
Payment to escrow agent-refunded debt	(4,670,000)	-	-	-
Sale of capital assets	-	11,640	-	-
Transfer from other funds	8,350,111	14,404,200	16,883,690	17,208,599
Transfer to other funds	<u>(8,350,111)</u>	<u>(14,404,200)</u>	<u>(16,883,690)</u>	<u>(17,208,599)</u>
Total other financing sources (uses)	<u>12,020,597</u>	<u>11,640</u>	<u>-</u>	<u>53,455,241</u>
Net change in fund balances	<u>\$ 9,137,276</u>	<u>\$ 1,855,786</u>	<u>\$ 5,999,019</u>	<u>\$ 58,911,206</u>
Debt service as a percentage of noncapital expenditures	8.2%	8.9%	8.2%	7.8%

Table 5

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 128,233,886	\$ 142,572,371	\$ 150,243,480	\$ 154,831,528	\$ 161,239,315	\$ 174,202,755
26,288,973	28,320,802	35,085,909	40,769,837	44,858,366	47,800,383
5,774,132	6,350,878	10,521,195	12,265,423	11,133,334	11,840,196
4,769,103	5,431,459	7,078,071	6,886,403	8,266,572	7,994,559
21,995,524	32,231,680	24,658,314	36,895,050	25,399,936	26,107,375
4,908,774	5,306,314	7,061,171	8,219,230	7,651,923	10,420,404
13,353,198	13,230,183	14,771,765	16,944,676	18,234,920	20,365,567
2,132,981	1,715,833	131,756	231,741	7,455,513	11,284,059
2,582,637	2,554,942	4,167,343	2,987,789	2,779,147	3,018,141
<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>	<u>313,033,439</u>
12,175,158	13,524,217	15,592,028	16,425,130	16,332,544	17,986,664
47,358,290	44,988,092	46,647,714	54,161,251	59,832,933	62,780,417
24,723,421	17,184,713	17,033,291	14,572,003	19,316,021	21,570,998
24,485,819	25,528,144	27,821,773	31,396,356	30,482,786	29,723,757
447,953	441,020	138,500	406,881	325,544	291,581
17,421,701	17,546,077	19,339,779	19,931,643	21,405,251	24,741,037
4,608,817	4,000,827	3,794,200	4,725,278	5,241,234	10,772,907
6,191,937	6,204,188	8,539,906	8,595,031	8,811,096	29,624,493
45,217,658	48,228,674	52,012,772	53,468,602	57,159,529	61,388,985
30,906,415	29,972,597	35,276,278	19,330,096	13,019,415	42,735,374
9,804,969	8,175,317	13,078,450	9,174,283	17,467,785	18,459,955
11,233,460	13,623,305	12,305,000	11,321,729	9,827,474	11,433,522
2,224,964	4,975,026	3,240,524	5,057,723	4,483,450	5,192,766
<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>336,702,456</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>	<u>(23,669,017)</u>
-	-	-	775,921	523,952	171,875
-	-	-	-	3,261,915	625,061
-	-	41,795,000	11,215,000	45,815,000	-
-	-	5,754,033	-	5,869,431	-
-	-	-	(10,935,000)	-	-
-	-	-	-	-	-
11,581,050	22,380,941	19,177,214	44,637,933	35,739,626	15,163,638
<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>(15,163,638)</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>796,936</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>	<u>\$ (22,872,081)</u>
5.9%	8.2%	6.4%	6.8%	5.8%	5.2%

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	
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
2024	37,429,381	8,779,731	2,649,915	2,910,123	989,212

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 2023. 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

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 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%
50,779,938	0.034200	50,779,938	100.00%

**COUNTY OF BRUNSWICK, NORTH CAROLINA**

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

Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
County:				
Brunswick County-wide rate	\$ 0.4425	\$ 0.4850	\$ 0.4850	\$ 0.4850
Municipality Rates:				
Village of Bald Head Island	0.5900	0.6663	0.6663	0.6663
Village of Bald Head Island MSD Zone A (1)	0.6708	0.7471	0.7471	0.7471
Village of Bald Head Island MSD Zone B (1)	0.6406	0.7169	0.7169	0.7169
Town of Belville	0.0683	0.0683	0.0900	0.0900
City of Boiling Spring Lakes	0.1700	0.2100	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	0.2200	0.2200	0.2400
Town of Holden Beach	0.1270	0.1500	0.2200	0.2200
Town of Leland	0.1515	0.1515	0.1833	0.2100
Town of Navassa	0.2000	0.2000	0.2000	0.2000
City of Northwest	0.2200	0.2400	0.2400	0.2400
Town of Oak Island	0.2750	0.2750	0.2900	0.3100
Town of Ocean Isle Beach	0.1550	0.1875	0.1875	0.1875
Town of Sandy Creek	0.3000	0.3000	0.2500	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	0.2956
Town of Sunset Beach	0.1050	0.1600	0.1600	0.1600
Town of Varnamtown	0.0500	0.0500	0.0500	0.0500
Other Districts: (2)				
North Brunswick Sanitary District	na	na	na	na
Southeastern Brunswick Sanitary District	-	-	-	-
Smithville Township	0.0400	0.0400	0.0400	0.0400

Notes:

Property was revalued in January 2015, January 2019, and January 2023

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.

(1) Municipal Service Districts created to fund beach re-nourishment.

(2) The North Brunswick Sanitary District has not enacted property taxes as of June 30, 2024.

The Smithville Township is a hospital district. The levy collected is specific for debt retirement and capital improvements.

Source : Brunswick County Tax Department.

Table 7

	2019	2020	2021	2022	2023	2024
\$	0.4850	\$ 0.4850	\$ 0.4850	\$ 0.4850	\$ 0.4850	\$ 0.3420
	0.6863	0.6863	0.6863	0.6863	0.7213	0.5779
	0.7771	0.7771	0.7771	0.7771	0.8121	0.0668
	0.7419	0.7419	0.7419	0.7419	0.7769	0.0383
	0.0900	0.0900	0.0900	0.0900	0.1200	0.1100
	0.2300	0.2300	0.2300	0.2820	0.2820	0.1900
	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
	0.0875	0.0875	0.0875	0.0875	0.0875	0.0580
	0.1016	0.1016	0.1016	0.1016	0.1016	0.1000
	0.2400	0.2400	0.2400	0.2700	0.2800	0.1700
	0.2200	0.2000	0.2000	0.2000	0.2000	0.1400
	0.2100	0.2100	0.2100	0.2500	0.2500	0.2300
	0.2000	0.2000	0.2300	0.2300	0.2300	0.2300
	0.2400	0.2400	0.2400	0.2400	0.2700	0.2700
	0.3100	0.2800	0.2800	0.2800	0.2800	0.1600
	0.1875	0.1639	0.1639	0.1639	0.1639	0.1089
	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
	0.3450	0.3525	0.3525	0.3525	0.3525	0.2876
	0.0500	0.0600	0.0600	0.0600	0.0600	0.0600
	0.2956	0.2956	0.2956	0.2956	0.3956	0.2750
	0.1500	0.1600	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 2024			Fiscal Year 2015		
		2023 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2014 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Brunswick ElectRICT	Utility	\$ 1,698,401,462	1	3.35%	\$ 854,198,739	1	3.38%
Membership Corporation	Utility	216,247,369	2	0.43%	173,217,382	3	0.69%
Archer Daniels Midland Company	Industry	131,254,386	3	0.26%	113,683,877	4	0.45%
D R Horton, Inc.	Construction	75,499,708	4	0.15%	n/a	n/a	n/a
Evergreen Timber LLC	Timber	72,244,152	5	0.14%	n/a	n/a	n/a
Latitude Harrington Apartments LLC	Real Estate	71,387,719	6	0.14%	n/a	n/a	n/a
Hawthorne at Waterside LLC	Real Estate	62,908,187	7				
Bald Head Island Ltd	Real Estate	62,229,532	8	0.12%	99,449,296	5	0.39%
Wal Apts DE LLC	Real Estate	61,550,292	9	0.12%	n/a	n/a	n/a
Comet Westgate Property Holdings LLC	Real Estate	60,862,865	10	0.12%	n/a	n/a	n/a
N.C. Eastern Municipal Power Ag.	Utility	n/a	n/a	n/a	213,323,709	2	0.84%
DAK Americas	Industry	n/a	n/a	n/a	91,275,049	6	0.36%
Funston Land and Timber LLC	Timber	n/a	n/a	n/a	83,417,038	7	0.33%
Red Mountain Timber Co LLC	Timber	n/a	n/a	n/a	69,721,162	8	0.28%
Bolnick Andrew Trustee	Real Estate	n/a	n/a	n/a	49,229,558	9	0.19%
DWE Holdings LLC	Real Estate	n/a	n/a	n/a	44,970,350	10	0.18%
<b>Totals</b>		<u>\$ 2,512,585,672</u>		4.96%	<u>\$ 1,792,486,160</u>		7.09%

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
2015	111,987,421	107,298,668	95.81%	4,639,522	111,938,190	100.0%	49,231	0.0%
2016	113,979,053	110,454,040	96.91%	3,467,797	113,921,837	99.9%	57,216	0.1%
2017	117,803,110	115,101,632	97.71%	2,657,528	117,759,160	100.0%	43,950	0.0%
2018	121,658,790	119,535,583	98.25%	2,076,521	121,612,104	100.0%	46,686	0.0%
2019	125,942,283	123,941,110	98.41%	1,957,814	125,898,924	100.0%	43,359	0.0%
2020	141,152,012	138,971,877	98.46%	2,132,310	141,104,187	100.0%	47,825	0.0%
2021	147,236,527	145,779,689	99.01%	1,389,122	147,168,811	100.0%	67,716	0.0%
2022	153,438,978	152,041,522	99.09%	1,290,842	153,332,364	99.9%	106,614	0.1%
2023	160,119,043	158,997,481	99.30%	858,466	159,855,947	99.8%	263,096	0.2%
2024	173,814,290	172,464,863	99.22%	-	172,464,863	99.2%	1,349,427	0.8%

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities						Business Type Activities
	General Obligation Bonded	Limited Obligation Bonded	Unamortized Bond Premiums	Installment Loans	Leases	SBITAs	General Obligation Bonded
2015	\$ 50,615,000	\$ 40,500,000	\$ 1,504,922	\$ 350,000	\$ -	\$ -	\$ 3,445,000
2016	42,815,000	36,900,000	1,403,572	280,000	-	-	3,280,000
2017	35,140,000	33,350,000	1,302,222	210,000	-	-	3,110,000
2018	77,480,000	29,825,000	4,121,175	471,765	-	-	2,935,000
2019	69,965,000	26,340,000	3,870,066	238,305	-	-	2,755,000
2020	60,020,000	22,900,000	3,634,670	-	-	-	2,570,000
2021	92,075,000	20,335,000	9,025,170	-	-	-	2,380,000
2022	83,665,000	17,980,000	8,517,785	-	499,192	-	2,180,000
2023	123,765,000	15,215,000	13,733,098	-	630,761	2,259,204	1,975,000
2024	116,505,000	12,515,000	12,932,242	-	458,301	1,749,160	1,760,000

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, 2024; annual estimates previous nine
- (2) Bureau of Economic Analysis; amounts are for prior calendar year

Table 10

Business-Type Activities					Total Primary Government	(2) Ratio Debt to Personal Income	(1) Per Capita
Revenue Bonds	Unamortized Bond Premiums	SRF Debt & Installment Loans	Leases	SBITAs			
\$ 98,667,778	\$ 8,315,899	\$ 43,819,260	\$ -	\$ -	\$ 247,217,859	5.1%	\$ 2,088
93,560,754	7,777,411	40,052,114	-	-	226,068,851	4.3%	1,861
88,114,991	7,238,924	34,957,210	-	-	203,423,347	3.6%	1,628
82,500,667	6,700,436	29,726,839	-	-	233,760,882	3.8%	1,809
76,741,654	6,161,948	24,430,504	-	-	210,502,477	3.2%	1,575
295,155,000	30,113,577	19,458,815	-	-	433,852,062	9.2%	3,127
287,300,000	28,744,914	14,198,968	-	-	454,059,052	5.4%	3,135
278,600,000	27,376,252	10,315,398	1,750,585	-	430,884,212	4.8%	2,825
267,625,000	26,007,592	7,459,761	1,727,203	73,472	460,471,091	n/a	2,878
278,075,000	25,158,173	5,215,940	2,188,736	53,140	456,610,692	n/a	2,736

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
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%	138,726	451.18
2021	30,326,015	94,455,000	0.3%	144,821	652.22
2022	31,520,343	85,845,000	0.3%	152,515	562.86
2023	32,970,589	125,740,000	0.4%	160,022	785.77
2024	50,759,722	118,265,000	0.2%	166,866	708.74

Notes:

(1) State Data Center; projection as of June 30, 2024; annual estimates previous nine years

Direct and Underlying Governmental Activities Debt  
June 30, 2024

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct:			
Brunswick County	\$ 144,159,703	100%	\$ 144,159,703
Underlying Debt:			
Village of Bald Head Island	6,980,093	100%	6,980,093
Town of Belville	543,611	100%	543,611
City of Boiling Spring Lakes	379,999	100%	379,999
Town of Caswell Beach	98,851	100%	98,851
Town of Holden Beach	8,508,277	100%	8,508,277
Town of Leland	18,057,576	100%	18,057,576
Town of Ocean Isle Beach	5,275,000	100%	5,275,000
Town of Saint James	1,028,449	100%	1,028,449
Town of Shallotte	200,000	100%	200,000
City of Southport	1,135,200	100%	1,135,200
Southeast Brunswick Sanitary District	635,000	100%	635,000
Total Underlying Debt	<u>42,842,056</u>		<u>42,842,056</u>
Total Direct and Underlying Debt	<u>\$ 187,001,759</u>		<u>\$ 187,001,759</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			
	2015	2016	2017	2018
Debt limit	\$ 2,026,097,249	\$ 1,875,272,335	\$ 1,940,294,365	\$ 2,004,486,530
Total net debt applicable to limit	<u>94,910,000</u>	<u>83,275,000</u>	<u>71,810,000</u>	<u>110,711,765</u>
Legal margin	<u>\$ 1,931,187,249</u>	<u>\$ 1,791,997,335</u>	<u>\$ 1,868,484,365</u>	<u>\$ 1,893,774,765</u>
Total net debt applicable to the limit as a percentage of debt limit	4.7%	4.4%	3.7%	5.5%

Table 13

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 2,075,982,868	\$ 2,326,186,232	\$ 2,426,081,202	\$ 2,521,627,477	\$ 2,637,647,139	\$ 4,060,777,773
<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>130,780,000</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>	<u>\$ 3,929,997,773</u>
4.8%	3.7%	4.7%	4.1%	5.3%	3.2%

**Calculation of Legal Debt Margin for Fiscal Year 2024:**

Assessed value of taxable property	\$ 50,759,722,167
	<u>          x 0.08</u>
Debt limit- 8 percent of assessed value	4,060,777,773
Gross debt:	
Total bonded debt	396,340,000
Total limited obligation bonds	12,515,000
Total installment purchases	<u>5,215,940</u>
Gross debt	414,070,940
Less: Water and wastewater revenue bonds & installment purchases	<u>283,290,940</u>
Total amount of debt applicable to debt limit (net debt)	<u>130,780,000</u>
Legal debt margin	<u>\$ 3,929,997,773</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
	2015	\$ 45,932,582	\$ 19,068,756	\$ 26,863,826	\$ 9,897,052	\$ 6,244,414
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
2024	111,009,899	36,698,030	74,311,869	13,843,819	10,300,516	24,144,335

Required Coverage:

Fiscal Year Ended June 30	Net Available Revenue	20% Unrestricted Net Position	Total Debt Service	Parity Debt Service	20% Parity Debt Service
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
2024	74,311,869	20,859,068	24,144,335	21,808,826	4,361,765

Notes:

Water and Wastewater Revenues include investment earnings.

Operating expenses are exclusive of OPEB and net of depreciation and interest expense.

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	
\$ 7,827,988	\$ 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
11,708,926	10,099,900	21,808,826	3.08

Coverage	
100% Parity	120% Parity
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
3.08	3.34

**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
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	6,596,432	49,371	53.8	12,363	5.3%
2020	138,726	4,738,414	53,619	54.7	12,444	8.3%
2021	144,821	8,342,881	57,608	55.5	11,963	6.1%
2022	152,515	8,920,659	58,490	56.3	12,484	5.1%
2023	160,022	not available	not available	56.6	12,844	4.2%
2024	166,866	not available	not available	56.6	13,194	4.6%

Notes:

- (1) State Data Center; projection as of June 30, 2024; 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 2024			Fiscal Year 2015		
		Employees	Rank	% Total County Employment	Employees	Rank	% Total County Employment
Brunswick County Board of Education	Education	2,321	1	3.73%	1,957	1	3.81%
County of Brunswick	Local Government	1,299	2	2.09%	1,028	2	2.00%
Wal-Mart Associates Inc.	Retail Chain	931	3	1.50%	890	4	1.73%
Food Lion LLC	Grocery Chain	704	4	1.13%	658	6	1.28%
Novant Health	Medical Care Facility	701	5	1.13%	700	5	1.36%
Duke Energy	Utility	650	6	1.05%	975	3	1.90%
Brunswick Community College	Education	537	7	0.86%	456	7	0.89%
Lowe's Food	Grocery Chain	526	8	0.85%	350	8	0.68%
Victaulic	Manufacturing	465	9	0.75%	n/a	n/a	n/a
Lowe's Home Centers	Retail Chain	458	10	0.74%	n/a	n/a	n/a
McAnderson's Inc.	Restaurant Chain	n/a	n/a	n/a	320	9	0.62%
Dosher Memorial Hospital	Medical Care Facility	n/a	n/a	n/a	297	10	0.58%
Totals		<u>8,592</u>		13.81%	<u>7,631</u>		14.85%

Source: NC Employment Security Commission; total county employment



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

	<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>	<u>2024</u>
<b>Function:</b>										
General government	95	95	97	98	100	101	104	105	108	112
Public safety	361	367	379	397	436	451	470	493	508	528
Central services	84	85	86	87	91	91	92	94	99	105
Human services	213	218	217	218	222	223	230	236	263	272
Environmental protection	7	7	7	7	7	8	8	9	9	9
Cultural and recreation	39	39	43	43	45	45	45	46	47	54
Economic and physical development	27	22	22	25	25	27	27	27	28	29
Utilities	<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>	<u>190</u>
<b>Total</b>	<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>	<u>1,299</u>

Source: County Finance Department

Note: This schedule represents the number of approved permanent FTE's as of June 30, 2024.

COUNTY OF BRUNSWICK, NORTH CAROLINA

Operating Indicators by Function/Program

Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
General Government				
Number of registered voters	84,823	91,413	95,047	99,099
Number of marriage licenses issued	946	916	872	918
Number of tax bills issued excluding motor vehicles	153,744	155,864	154,982	161,248
Law enforcement:				
Civil papers issued	8,380	11,301	11,823	12,522
Offenses reported	4,686	5,390	5,414	4,812
Uniform mileage	1,948,884	2,133,688	22,248,160	2,380,425
Emergency Services:				
Fire Protection:				
Number of calls answered	15,131	15,428	18,508	19,029
Number of inspections conducted	1,715	1,643	1,512	2,211
Emergency Medical Services:				
Number of calls answered	20,361	17,338	17,889	18,242
Number of transports	14,093	10,689	11,047	11,069
Code enforcement/building permits:				
Number of zoning and solid waste violations	583	613	319	421
Number of building permits:				
Single-family	1,918	2,077	2,336	2,584
Commercial	208	318	321	450
Culture and Recreation:				
Number of athletic fields rented	134	63	75	83
Youth recreation:				
Certified coaches	275	525	248	198
Sports teams	126	182	195	177
Participants	3,730	3,938	3,145	3,029
Adult recreation:				
Sports teams	50	36	46	40
Participants	2,700	720	1,748	1,520
Library system total circulation	544,822	542,239	545,216	544,130
Solid waste:				
Waste received (tons per 1,000 population)	899	966	966	957
Ratio of recyclable to total waste received	22.1%	24.3%	22.0%	20.4%
Public Utilities:				
Water customers	37,112	38,760	40,101	41,557
Water average daily treatment (in gallons)	13,558,885	14,138,190	15,024,000	15,277,210
Wastewater customers	14,514	15,847	16,579	17,719
Wastewater average daily treatment (in gallons)	5,764,442	5,995,560	5,645,539	6,162,226
Education:				
Number of teachers	791	784	803	824
Number of students	12,240	12,290	12,401	12,425
Number of charter students	880	1,002	1,093	1,199

Sources: Various government departments.

Table 18

Fiscal Year					
2019	2020	2021	2022	2023	2024
100,613	108,464	115,644	123,459	127,130	135,070
759	737	885	994	1,062	1,046
158,454	159,583	163,413	164,179	166,059	168,563
11,864	10,159	10,948	11,383	12,263	10,286
5,653	5,739	6,473	6,828	7,221	6,167
2,366,513	2,476,215	2,647,354	2,809,139	2,889,753	2,997,138
25,073	23,266	18,631	22,304	23,051	19,721
2,590	3,416	6,922	9,778	11,171	15,610
19,866	23,348	23,915	24,664	25,812	25,816
10,999	11,695	12,492	12,838	1,446	14,671
482	515	507	706	614	695
2,512	2,516	3,739	4,135	3,979	4,777
251	202	177	215	260	291
68	19	n/a	57	82	75
267	120	128	402	439	482
165	101	64	187	241	247
3,120	1,404	680	2,067	2,667	2,846
43	20	7	9	10	11
1,830	400	140	180	200	225
551,271	423,790	445,365	422,991	333,939	362,775
1,233	1,022	1,099	1,199	1,274	1,246
18.4%	24.0%	21.3%	19.5%	18.9%	17.4%
42,934	44,583	47,127	50,095	55,037	58,647
15,860,783	16,417,474	16,969,860	17,489,000	18,090,000	16,280,000
18,816	19,825	21,474	23,624	25,765	28,891
7,062,559	6,819,022	7,673,922	7,327,762	7,698,212	8,191,946
816	793	808	823	849	884
12,363	12,444	12,212	12,524	12,844	13,194
1,274	1,303	1,486	1,499	1,575	1,609

COUNTY OF BRUNSWICK, NORTH CAROLINA

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

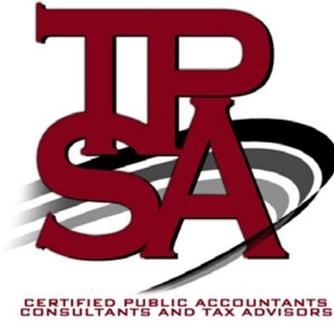
	Fiscal Year			
	2015	2016	2017	2018
Law enforcement:				
Sheriff stations	13	10	5	5
Deputy patrol units	50	50	57	57
Detention center capacity	440	440	440	440
Emergency services:				
Fire stations				
Fire trucks				
Rescue stations	9	9	9	9
EMS vehicles	21	21	21	22
Culture and recreational:				
Community centers	5	5	5	4
Parks	13	13	13	13
Libraries (branches)	5	5	5	5
Public Utilities:				
Miles of water mains	1,013	1,029	1,044	1,053
Maximum daily water capacity (in gallons)	30,000,000	30,000,000	30,000,000	30,000,000
Miles of wastewater mains	550	569	581	593
Maximum daily wastewater capacity (in gallons)	10,855,555	10,855,555	10,855,555	10,855,555
(1) Education:				
Number of schools	19	19	19	19
Number of charter schools	2	2	2	2
Community colleges	1	1	1	1

Sources: Various government departments.

Table 19

Fiscal Year						
2019	2020	2021	2022	2023	2024	
5	5	5	5	5	5	5
60	60	60	60	60	60	60
440	440	440	440	440	440	440
9	8	8	8	8	8	9
25	25	27	27	38	42	
4	4	4	4	4	4	4
13	13	13	13	13	13	13
5	5	5	5	5	5	5
1,066	1,097	1,113	1,128	1,221	1,308	
30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
599	623	645	660	685	761	
10,855,555	10,855,555	10,855,000	10,855,000	13,355,000	13,355,000	
19	19	20	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, 2024, 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 21, 2024. 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.

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### Report on Compliance and Other Matters

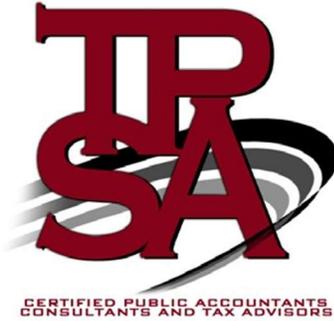
As part of obtaining reasonable assurance about whether Brunswick County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 21, 2024



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

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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, 2024. 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, 2024.

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 [2024-001, 2024-002, 2024-003, 2024-004, 2024-005] 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.

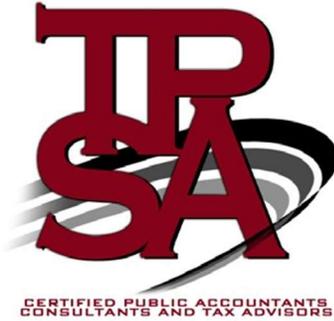
*Government Auditing Standards* requires the auditor to perform limited procedures on Brunswick County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Brunswick County's response was not subjected to the auditing 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 21, 2024



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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, 2024. 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, 2024.

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.

Members

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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.

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 State 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 State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2024-001, 2024-002, 2024-003, 2024-004] 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 21, 2024

**Brunswick County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**

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**Section I. Summary of Auditor's Results**

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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>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
14.871	Lower Income Housing Assistance Program - Section 8 Housing Voucher Program
21.027	Coronavirus State and Local Fiscal Recovery Fund
93.658, 93.659	Foster Care and Adoption Cluster
93.563	Child Support Enforcement
93.778	Medical Assistance Program

**Brunswick County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

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**Section I. Summary of Auditors' Results (continued)**

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

Auditee qualified as low-risk auditee? X yes    no

State Awards

Internal control over major State programs:

- Material Weakness(es) identified?    yes X no
- Significant Deficiency(s) identified X yes    none reported

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

Identification of major State programs:

- Program Name
- Foster Care and Adoption Cluster
- Medical Assistance Program
- NC Department of Public Safety (SO Assistance)
- Public School Building Capital Fund-Lottery Proceeds

Dollar threshold used to determine  
a State major program \$ 500,000

Auditee qualified as State low-risk auditee? X yes    no

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**Section II. Financial Statement Findings**

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None reported

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**Section III. Federal Award Findings and Questioned Costs**

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**U.S. Department of Health and Human Services**

Passed through the NC Department of Health and Human Services  
Program Name: Medical Assistance Program (Medicaid; Title XIX)  
AL #: 93.778

**Finding: 2024-001                      Inaccurate Information Entry**  
**SIGNIFICANT DEFICENCY**  
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. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.

**Brunswick County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

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

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Condition: There were 7 errors discovered during our procedures where income or household size was incorrectly calculated or inaccurate information was entered into the case file.

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 1,176,385 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.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2023-001.

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.

**U.S. Department of Health and Human Services**

Passed through the NC Department of Health and Human Services  
Program Name: Medical Assistance Program (Medicaid; Title XIX)  
AL #: 93.778

**Finding: 2024-002                    Inadequate Request For Information**  
**SIGNIFICANT DEFICENCY**  
**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.

**Brunswick County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

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

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Condition:	There were 2 errors discovered during our procedures where required information needed for eligibility determinations were not requested or not requested timely at applications 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 1,176,385 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.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2023-003.
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 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.

**Brunswick County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

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

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**U.S. Department of Health and Human Services**

Passed through the NC Department of Health and Human Services

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

AL #: 93.778

**Finding: 2024-003                      Non-cooperation with Child Support Procedures**

SIGNIFICANT DEFICENCY

ELIGIBILITY

- Criteria:                      In accordance with the Medicaid Manual MA-3365, all Medicaid cases should be evaluated and referred to the Child Support Enforcement Agency (IV-D). 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 1,176,385 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.
- Identification of a repeat finding:                      This is a repeat finding from the immediate previous audit, 2023-004.
- 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, 2024**

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

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**U.S. Department of Health and Human Services**

Passed through the NC Department of Health and Human Services

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

AL #: 93.778

**Finding: 2024-004                      Untimely Review of SSI Terminations**

SIGNIFICANT DEFICIENCY

ELIGIBILITY

- Criteria:                      In accordance with the Medicaid Manual MA-3120, the State sends notification to the County when a participant is no longer eligible under a SSI determination. The County has a certain time period to initiate an ex-parte review to determine whether the recipient qualifies for Medicaid under any other coverage group, such as Family and Children's Medicaid, North Carolina Health Choice for Children, Work First Family Assistance, or Medicaid for the Aged, Blind and Disabled.
- Condition:                      There was 1 applicant/beneficiary not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated.
- 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 1,176,385 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:                      The County did not initiate ex-parte review timely, therefore, no eligibility review was completed in the required time period. The lack of follow up and certification lead to applicants receiving Medicaid benefits for which they were not eligible.
- Cause:                      Ineffective communication between departments within the Department of Social Services. One area within DSS received State communications that applicants would no longer be eligible for SSI benefits and the County needed to conduct an ex-parte review. This information was not shared with other departments in DSS from which the recipient was also receiving benefits.
- Recommendation:                      Any State communications related to applicants/beneficiaries should be shared with all areas from which the participant receives benefits. State files should be reviewed internally to ensure all actions have been properly closed and the corrective action has been taken. Workers should be retrained on what process needs to be followed when State communications are received.
- 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, 2024**

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

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**U.S. Department of Health and Human Services**

Passed through the NC Department of Health and Human Services

Program Name: Food and Nutrition Services (FNS) Cluster

AL #: 10.551 and 10.561

**Finding: 2024-005                      Internal Controls Related to FNS Eligibility Determinations**

SIGNIFICANT DEFICENCY

ELIGIBILITY

Criteria:                      Per Section 200.303 of the Uniform Grant Guidance, a non-federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The State has provided policies and procedures to ensure that the County is meeting the federal guidance, relevant policies are:

Food and Nutrition Services Policy 305 describes the verification sources and requirements and the FNS units primary responsibility for providing documentary evidence to support statements on applications and recertifications and procedures required if the statements by applicant/beneficiary are questionable.

Food and Nutrition Services Policy 300 describes the sources of income countable and not countable to the household for determining financial eligibility.

Food and Nutrition Services Policy 310 describes the procedures related to verifying changes in income (i.e. termination, end of contract, temporary, etc.).

Condition:                      There were a total of 5 errors found in our testing: 1 instance where child support income was incorrectly calculated and entered in NCFAST, 1 instance where earned income was incorrectly caclculated and entered in NCFAST, 1 instance where an OVS report was not included in the case file, 1 instance where a work work registration was not completed, and 1 instance where a mortgage payment was entered into NCFAST but evidence shows that the absent parent was paying mortgage in lieu of child support.

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

Context:                      We examined 25 of 96,362 FNS cases from a report of all active FNS beneficiaries provided by Brunswick County's Department of Human Services. The finding is being reported with the financial statement audit as it relates to FNS 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.

**Brunswick County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**

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

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Cause: Due to the errors noted, eligibility cannot be sufficiently substantiated and there is a risk that the County could provide funding and/or benefits to individuals who are not program eligible.

Recommendation: The County should provide training of management and staff on the program's eligibility requirements, proper case review process, and required verifications for eligibility. Also, the County should ensure that their formal internal review process is adequately completed to identify and correct errors in case reviews.

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

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**Section IV. State Award Findings and Questioned Costs**

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Program Name: Medical Assistance Program (Medicaid; Title XIX)  
AL #: 93.778

SIGNIFICANT DEFICENCY: Findings 2024-001, 2024-002, 2024-003, and 2024-004 also apply to State requirements and State Awards.



## BRUNSWICK COUNTY

### Corrective Action Plan For the Year Ended June 30, 2024

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#### Section II - Financial Statement Findings

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None reported

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#### Section III - Federal Award Findings and Question Costs

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##### **Finding 2024-001**

##### **ELIGIBILITY - INACCURATE INFORMATION ENTRY**

Name of contact person: Sally Strickland, Medicaid Manager  
Corrective Action: A Medicaid refresher training on section MA - 3306, 3300 and refresher on NCFAST Job Aid Removing a person from an Insurance Affordability was completed on 09/30/24. The topic included budgeting income and data entry into NCFAST. Four additional targeted case reads per week, per worker, will be completed for 4 weeks. For caseworkers for whom continued errors are identified, additional training will be provided, and targeted case reads will be extended four additional weeks.  
Proposed Completion Date: November 1, 2024

##### **Finding 2024-002**

##### **ELIGIBILITY - INADEQUATE REQUEST FOR INFORMATION**

Name of contact person: Sally Strickland, Medicaid Manager  
Corrective Action: A Medicaid refresher training on section MA - 3421, 3200, 3306 was completed on 09/30/24. The topic included budgeting income and data entry into NCFAST. Four additional targeted case reads per week, per worker, will be completed for 4 weeks. For caseworkers for whom errors are identified, additional training will be provided, and targeted case reads will be extended four additional weeks.  
Proposed Completion Date: November 1, 2024

##### **Finding 2024-003**

##### **ELIGIBILITY - NON-COOPERATION WITH CHILD SUPPORT PROCEDURES**

Name of contact person: Sally Strickland, Medicaid Manager  
Corrective Action: A Medicaid refresher training on section MA - 3365 was completed on 09/30/2024. The topic included budgeting income and data entry into NCFAST. Four additional targeted case reads per week, per worker, will be completed for 4 weeks. For caseworkers for whom errors are identified, additional training will be provided, and targeted case reads will be extended four additional weeks.  
Proposed Completion Date: November 1, 2024

##### **Finding 2024-004**

##### **ELIGIBILITY - UNTIMELY REVIEW OF SSI TERMINATIONS**

Name of contact person: Sally Strickland, Medicaid Manager  
Corrective Action: A Medicaid refresher training on section MA -2320 was completed on 09/27/2024. The topic included budgeting income and data entry into NCFAST. Four additional targeted case reads per week, per worker, will be completed for 4 weeks. For caseworkers for whom errors are identified, additional training will be provided, and targeted case reads will be extended four additional weeks.  
Proposed Completion Date: November 1, 2024



## BRUNSWICK COUNTY

### Corrective Action Plan For the Year Ended June 30, 2024

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#### Section III - Federal Award Findings and Question Costs (continued)

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<b>Finding 2023-005</b>	<b>ELIGIBILITY - INTERNAL CONTROLS RELATED TO FNS ELIGIBILITY DETERMINATIONS</b>
Name of contact person:	Priscilla Philyaw, FNS Manager
Corrective Action:	A Food and Nutrition Policy refresher training on sections: 315.08, 305.06, 240.03F, 340.04, and 315.33 was completed on 9/24/2024. The topics included calculating child support and income, dual entitlement, work registration, and shelter expenses directly to vendors. Four additional targeted case reads per week, per worker, will be completed for six weeks. For case workers for whom continued errors are identified, additional training will be provided, and targeted case reads will be extended for four additional weeks.
Proposed Completion Date:	November 1, 2024

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#### Section IV - State Award Findings and Question Costs

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Corrective Actions for Findings 2024-001, 2024-002, 2024-003 and 2024-004 also apply to State requirements and State Awards.

**Brunswick County, North Carolina  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2024**

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Finding: 2023-001  
Status: Repeat as finding 2023-001

Finding: 2023-002  
Status: Corrected.

Finding: 2023-003  
Status: Repeat as finding 2023-002

Finding: 2023-004  
Status: Repeat as finding 2023-003

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

As of June 30, 2024

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
<b>Federal Awards:</b>					
<u>U.S. Department of Agriculture</u>					
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
<u>SNAP Cluster</u>					
Nutrition Assistance Program - Administration	10.561	205NC406S2514	\$ 1,174,203	\$ -	\$ -
Nutrition Assistance Program - FNS ARPA Funds	10.561		36,174	-	-
State Administrative Matcing Grant for the Supplemental					
Nutrition Assistance Program Fraud - Administration	10.561	205NC406S2514	14,013	-	-
Total SNAP Cluster:			1,224,390	-	-
Division of Public Health					
Administration:					
		13A2 5403 GD, 13A2 5404 GD, 13A2 5405 GD, 13A2 5409 GD, 13A2 570F JQ, 13A2 570G JQ, 133001 2D15403 20G0001001, 133001 2D15404 20G0001001, 133001 2D15405 20G0001001, 133001 2D15409 20G0001001, 133001 2D1570F 20G0003001, 133001 2D1570G 20G0003001			
WIC Special Supplement Nutrition Program for Women, Infants and Children	10.557		685,227	-	-
Total U.S. Department of Agriculture			1,909,617	-	-
<u>U.S. Department of Interior</u>					
Payment in Lieu of Taxes (PILT)	15.226		5,108	-	-
Total U.S. Department of Interior			5,108	-	-
<u>U.S. Department of Health and Human Services</u>					
<u>Adminisitation 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)					
Designee Administered Program	93.566	2002NCRMA	19	-	-
Total Refugee and Entrant Assistance Cluster			19	-	-
<u>Temporary Assistance for Needy Families (TANF)</u>					
Division of Public Health					
Temporary Assistance for Needy Families (TANF)	93.558	133000 2B25151 20G0119003	10,687	-	-
Division of Social Services					
Temporary Assistance for Needy Families - Work First Administration	93.558	G2301NCTANF, G2401NCTANF	84,842	-	-
Temporary Assistance for Needy Families - Work First Service	93.558	G2301NCTANF, G2401NCTANF	427,929	-	-
Total TANF			523,458	-	-
Division of Social Services					
Child Support Enforcement - IV-D Administration	93.563	2002NCCES	1,147,285	-	-
Total Child Support Enforcement			1,147,285	-	-
Low Income Home Energy Assistance - Administration	93.568	G2301NCLIEE	74,788	-	-
Low Income Home Energy Assistance - Crisis Intervention Payments	93.568	G2301NCLIEE	2,298	-	-
LIHWAP Admin	93.568	2101NCLWC6	(733)	-	-
LIHWAP ARPA Admin	93.568	2101NCLWC6	733	-	-
Total Low-Income Home Energy Assistance			77,086	-	-
Special children Adoption Fund Cluster (Note 3)					
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G2201NCCWSS, G2301NCCWSS	-	28,392	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2302NCFPCV	41,976	-	-
Total Special Children Adoption Fund Cluster			41,976	28,392	-
Social Services Block Grant - Other Services and Training	93.667	G2301NCSOSR, G2401NCSOSR	204,778	-	-
Social Services Block Grant -In-Home Services	93.667	G2101NCSOSR, G2201NCSOSR	2,080	-	-
Social Services Block Grant - In-Home Services	93.667	G2101NCSOSR, G2201NCSOSR	5,030	-	-
Social Services - APS Essential Services/APS ARPA	93.667	2101NCAPC6	294	1,783	-
Social Services Block Grant - Adult Day Care	93.667	G2001NCSOSR, G2101NCSOSR	1,531	963	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

As of June 30, 2024

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
<b>Federal Awards - continued:</b>					
Social Services Block Grant - Adult Day Care over 60	93.667	G2101NCSOSR, G2201NCSOSR	6,913	7,525	-
Total Social Services Block Grant			220,626	10,271	-
<u>Foster Care and Adoption Cluster: (Note 3)</u>					
Adoption Assistance - Administration					
Adoption Assistance - IV-E Adoption/Off Training	93.659	2002NCADPT	13,290	-	-
Adoption Assistance - IV-E Optional Adoption Training	93.659	2002NCADPT	705	-	-
Adoption Assistance - IV-E Adoption		2002NCADPT	494	-	-
Total Adoption Assistance			14,489	-	-
IV-E Administration Foster Care	93.658	2002NCADPT	86,897	37,823	-
Foster Care Title IV-E - Child Protective Services	93.658	2002NCADPT	195,482	47,667	-
Foster Care Title IV-E - Foster Care Training	93.658	2002NCADPT	2,790	-	-
Foster Care Title IV-E - Foster Care/Off Training	93.658	2002NCADPT	483,168	-	-
Pre Training CWS	93.568		4,623	-	-
Direct Benefit Payments					
Foster Care Title IV-E - IV-E Administration County Paid to CCI	93.658	2002NCADPT	102,286	51,143	-
Foster Care Title IV-E - Family Foster Care Max	93.658	2002NCADPT	52	-	-
Foster Care Title IV-E - IV-E Foster Care	93.658	2002NCADPT	225,819	63,154	-
Foster Care Title IV-E - IV-E Foster Care & Extended Max	93.658	2002NCADPT	25,990	12,990	-
IV-E Max Level III	93.658	2002NCADPT	244	-	-
Total Foster Care			1,127,351	212,777	-
Total IV-E Foster Care and Adoption Cluster			1,141,840	212,777	-
<u>Direct Benefit Payments</u>					
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G203NCCLIP, G2303NCCLIP	6,801	-	-
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G203NCCLIP, G2303NCCLIP	23,048	5,762	-
			29,849	5,762	-
<u>Subsidized Child Care Cluster (Note 3)</u>					
<u>Child Care Development Fund Cluster</u>					
Division of Social Services					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration	93.596	2002NCCDDF	189,278	-	-
Total Child Care Development Fund Cluster/Subsidized Childcare Cluster			189,278	-	-
Total Subsidized Child Care Cluster			189,278	-	-
<u>Centers for Medicare and Medicaid Services</u>					
Passed-through the N.C. Department of Health and Human Services					
Division of Medical Assistance					
<u>Medicaid Cluster:</u>					
Administration:					
Medical Assistance Program - Adult Care Home Case Management Special	93.778	XIX-MAP 22	35,687	2,050	-
Medical Assistance Program - Medical Assistance Claim	93.778	XIX-MAP 22	122,425	-	-
Medical Assistance Program - Medical Assistance Administration	93.778	XIX-MAP 22	2,946,086	109,413	-
Medical Assistance Program - Medical Transportation Administration	93.778	XIX-MAP 22	142,212	-	-
Medical Assistance Program - State County Special Assistance	93.778	XIX-MAP 22	23,865	-	-
Total Medicaid Cluster			3,270,275	111,463	-
Children's Health Insurance Program-N.C. Health Choice	93.767	CHIP 22	215,069	3,637	-
<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 EU, 1264 2680 EW, 132008 2B32680 20G0054001	34,182	-	-
Control Programs	93.116	134600 2B22720 20G0065001	50	-	-
Immunization Cooperative Agreements	93.268	1331 631E EJ	17,314	-	-
Passed-through the NC Cooperative Agreement for Emergency Response: Public Health					
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response	93.354	133406 2D0535A 20G0104001 - 620 ARPA COVID-19 School Health Team Workforce	411,592	-	-
Covid-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1175 883A P5 - 543 ELC Enhancing Detection Activities, 131304 2B13256 20G0098001, 131304 2B1883A 20G0097001	245,790	-	-
Covid-19 - Immunization Cooperative Agreement	93.268	133401 2B06315 20G0092002	51,804	-	-
Preventative Health and Health Services Block Grant	93.991	1261 5503 PH, 132001 2B15503 20G0184002	30,431	-	-
Cancer Prevention & Control Programs for State, Territorial and Tribal Organizations	93.898	1320 3100 D7, 133300 2B03100 20G0167001	30,780	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917	133200 2B04536 20G0169002, 133200 2B04601 20G0169002	680	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	133200 2B04631 20G0182001	100	-	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal Assisted Listing No.	State Pass-through Grantor's Number	As of June 30, 2024		
			Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
<b>Federal Awards - continued:</b>					
<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 5745 AR, 133000 2B15740 20G0185001, 133000 2B25735 20G0185001, 132105 2D05318 20G0185002, 132105 2D05351 20G0185002, 132105 2D05745 20G0185002	55,621	-	-
<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 FP, 133000 2B25900 20G0079002	55,652	-	-
Total Passed-through N.C. Department of Health and Human Services			<u>7,790,757</u>	<u>372,302</u>	<u>-</u>
<u>Substance Abuse and Mental Health Services Administration</u>					
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI081046-05	82,653	-	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI086349-01	<u>268,664</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>351,317</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Environmental Protection Agency</u>					
Drinking Water State Revolving Fund	66.468	H-SRF-F-21-2017/WIF2017	<u>75,291</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Environmental Protection Agency			<u>75,291</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>					
<u>Housing Voucher Cluster</u>					
Administration					
Section 8 Housing Choice Voucher Program	14.871		341,945	-	-
Direct Benefits					
Section 8 Housing Choice Voucher Program	14.871		<u>2,330,140</u>	<u>-</u>	<u>-</u>
Total Housing Voucher Cluster			<u>2,672,085</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>2,672,085</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Justice</u>					
State Criminal Alien Assistance Program	16.606	15PBJA-22-RR-05023-SCAA	24,041	-	-
State Criminal Alien Assistance Program	16.606	15PBJA-23-RR-05754-SCAA	<u>28,290</u>	<u>-</u>	<u>-</u>
Total State Criminal Alien Assistance Program			<u>52,331</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Treasury</u>					
Direct Awards					
Coronavirus State and Local Fiscal Recovery Fund	21.027	OMB No. 1505-0271	5,049,284	-	-
Passed-through the NC Department of Health and Human Services					
Coronavirus State and Local Fiscal Recovery Fund	21.027	230330 2B05F LT 200TT00000	1,850	-	-
Passed-through the NC Department of Environmental Quality Div. of Water Infrastructure					
Coronavirus State and Local Fiscal Recovery Fund	21.027	SRP-W-ARP-0297	<u>195,000</u>	<u>-</u>	<u>-</u>
Total Coronavirus State and Local Fiscal Recovery Fund			<u>5,246,134</u>	<u>-</u>	<u>-</u>
Passed-through NC Department of Natural and Cultural Resources					
State Aid to Public Libraries (Non-Recurring)					
Local Assistance and Tribal Consistency Fund (LATCF)	21.032	OMB 1505-0276	<u>50,000</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Treasury			<u>5,296,134</u>	<u>-</u>	<u>-</u>
<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	<u>354,800</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>354,800</u>	<u>-</u>	<u>-</u>
<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 FY23)	20.600	PT-23-06-03/GHSP LEL FY23	3,919	-	-
GHSP-National Highway Traffic Safety Administration (LEL FY24)	20.600	PT-23-06-03/GHSP LEL FY24	<u>19,008</u>	<u>-</u>	<u>-</u>

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

Grantor/Pass-through Grantor/Program Title	As of June 30, 2024				
	Federal Assisted Listing No.	State Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients
<b>Federal Awards - continued:</b>					
GHSP-Traffic Unit	20.600	PT-23-06-35/GHSP2023-Traffic Unit	61,225	-	-
GHSP-Traffic Unit	20.600	PT-23-06-01/GHSP2024-Traffic Unit	160,002	-	-
Total Highway Safety Cluster			244,154	-	-
Passed-through N.C. Department of Transportation					
COVID-19 Airport Improvement Program - Infrastructure Investment & Jobs Act Prog.	20.106	36237.45.19.1	92,737	-	-
COVID-19 Airport Improvement Program - Infrastructure Investment & Jobs Act Prog.	20.106	36237.45.19.2	21,267	-	-
State Aid to Airports - Airport Grant Expansion	20.106	36237.45.20.1	52,283	-	-
Total Airport Improvement Program			166,287	-	-
Total U.S. Department of Transportation			410,441	-	-
<u>U.S. Department of Defense-Army Corps of Engineers</u>					
Navagation Projects - Mosquito Control Project (AIWW Contract)	12.107	W912PM-21-P-0038	100,456	-	-
Total U.S. Department of Defense			100,456	-	-
Total Federal Assistance			19,018,337	372,302	-
<b>State Grants:</b>					
<u>N.C. Department of Administration</u>					
Veterans Service		NCDMVA2022	-	2,174	-
Total N.C. Department of Administration			-	2,174	-
<u>N.C. Department of Agriculture</u>					
Division of Soil & Water Conservation StreamFlow Rehabilitation Program (StRAP)		22-080-4012	-	336,802	-
Total N.C. Department of Agriculture			-	336,802	-
<u>N.C. Department of Health and Human Services</u>					
Division of Social Services					
Administration					
St. Child Welfare/CPS/CS LD			-	107,157	-
Direct Benefit Payments					
SFHF Maximization			-	142,242	-
Extended FC/Max Non IV-E			-	125,027	-
F/C at Risk Maximization			-	75,339	-
Covid-19 - APS/CPS Assessments - COVID			-	-	-
State Foster Home HIV			-	-	-
State Foster Home			-	143,004	-
Division of Public Health					
Food and Lodging Fees		131106 2B04752 200S200000	-	31,226	-
Healthy Community Activities		132001 2B15503 2000000000	-	3,747	-
Public Health Pest Management		1175 4801 00	-	380	-
General Communicable Disease Control		1175 4510 00	-	13,292	-
Breast and Cervical Cancer Programs		1320 5599 00,	-	23,495	-
		133300 2B05599 2000000000	-	-	-
Child Health		1271 5745 00	-	1,709	-
Family Planning State		13A1 5735 00,	-	34,456	-
		133000 2B25735 2000000000	-	-	-
Maternal Health (HMHC)		13A1 5740 00	-	29,851	-
Women's Health Service Fund		13A1 6021 FR	-	9,947	-
		1161 4110 00,	-	90,261	-
DPH Aid-to-Counties		131204 2B14110 2000000000	-	-	-
HIV/STD State		1311 4601 BN	-	469	-
Tuberculosis		1460 4551 00, 1460 4554 00	-	4,595	-
Moquito and Tick Suppression		131304 2B14801 2000000000	-	14,700	-
State Fiscal Recovery Funds		230329 2B0249N 20TT000000,	-	218,264	-
		131204 2BTS190 2000400000	-	-	-
School Nurse Funding Initiative		133406 2D05358 2000000000	-	150,000	-
Total N.C. Department of Health and Human Services			-	1,219,161	-

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

		As of June 30, 2024			
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
<b>State Grants - continued:</b>					
<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	-	24,853	-
Total N.C. Department of Environmental Quality			-	50,844	-
<u>N.C. Department of Information Technology</u>					
NC 911 Board PSAP Grant		G2023A-03	-	238,722	-
Total N.C. Department of Information Technology			-	238,722	-
<u>N.C. Department of Public Safety</u>					
Juvenile Crime Prevention Council Programs			-	242,486	89,568
NC Department of Public Safety (SO Assistance)		BRUNSWICKCO 2023-2024	-	1,011,860	-
Total N.C. Department of Public Safety			-	1,254,346	89,568
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund (Lottery)			-	1,000,000	-
Total N.C. Department of Public Instruction			-	1,000,000	-
<u>N.C. Department of Transportation</u>					
State Aid to Airports Approach Clearing Runway 5 & 23	DOT-8	46333.1.1	-	77,843	-
State Aid to Airports - Corporate Hanger	DOT-8	36244.58.12.2	-	4,200	-
State Aid to Airports - West Apron Expansion	DOT-8	36244.58.13.1	-	255	-
State Aid to Airports - FY23 SCIF	DOT-8	32644.58.15.1	-	17,554	-
Total State Aid to Airports			-	99,852	-
Rural Operating Assistance Program Cluster					
ROAP Elderly and Disabled Transportation Assistance Program	DOT-CL	36220.10.9.1	-	73,040	-
ROAP Employment Transportation Assistance Program	DOT-CL	36236.11.8.1	-	8,833	-
ROAP Rural General Public Program (RGP)	DOT-CL	36228.22.9.1	-	48,708	-
Total Rural Operating Assistance Program Cluster			-	130,581	-
Total N.C. Department of Transportation			-	230,433	-
<u>N.C. Department of Cultural and Natural Resources</u>					
Division of State Library					
Aid to Public Libraries		FY 2024	-	189,531	-
Total N.C. Department of Cultural and Natural Resources			-	189,531	-
Other Financial Assistance:					
<u>N.C. Attorney General</u>					
NC Department of Justice					
Opioid Settlement Fund (Note 4)			-	133,545	-
Total Other Financial Assistance			-	133,545	-
Total State Assistance			-	4,755,410	89,568
Total Assistance			19,018,337	5,127,712	89,568

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

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of Brunswick County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title II US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Award and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Brunswick County, it is not intended to and does not present the financial position, changes in net position or cash flows of Brunswick County.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Brunswick County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

COUNTY OF BRUNSWICK, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

As of June 30, 2024

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 - continued:

4. 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.

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	26,885,512	-
Special Supplemental Nutrition Program for Women Infant and Children	10.557	2,548,350	-
Refugee Assistance Payment	93.566	12,897	-
Temporary Assistance for Needy Families	93.558	230,655	-
Adoption Assistance	93.659	800,051	178,551
Children's Health Insurance Program	93.767	2,342	633
Medical Assistance Program	93.778	183,837,672	70,950,690
Child Welfare Services Adoption	N/A		202,895
SC/SA Domiciliary Care	N/A		350,021
Emergency PLMT Foster Care	N/A		27,565



# BRUNSWICK COUNTY FINANCE DEPARTMENT

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

2024



910.253.2070



[brunswickcountync.gov](http://brunswickcountync.gov)



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